ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE
March 10, 2015
7:33 a.m.

MEMBERS PRESENT

Representative Mike Hawker, Chair
Representative Sam Kito

Senator Lyman Hoffman
Senator Cathy Giessel
Senator Click Bishop

MEMBERS ABSENT

Senator Anna MacKinnon, Vice Chair
Senator Bert Stedman
Senator Pete Kelly (alternate)

Representative Kurt Olson
Representative Lance Pruitt
Representative Steve Thompson
Representative Mark Neuman (alternate)

OTHER LEGISLATORS PRESENT

Representative Paul Seaton
Representative Lora Reinbold

COMMITTEE CALENDAR

AGENDA: PUBLIC INPUT ON SCHOOL FUNDING STUDY

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JUSTIN SILVERSTEIN
Augenblick, Palaich and Associates (APA) Consulting
Denver, Colorado
POSITION STATEMENT: Testified as a member of the consulting team reviewing the Alaska educational funding formula mechanism.

JOSEPH REEVES, Executive Director

Association of Alaska School Boards (AASB)
Juneau, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

DAVID MEANS, Director of Administrative Services
Juneau School District
Juneau, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

MARK MILLER, Superintendent
Juneau School District
Juneau, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

LINCOLN SAITO, Chief Operating Officer
North Slope Borough School District
Barrow, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

DAVE JONES, Assistant Superintendent
Instructional Support
Kenai Peninsula Borough School District
Soldotna, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

DAVID PIAZZA, Superintendent
Southwest Region School District
Dillingham, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

P. J. Ford Slack, Interim Superintendent
Hoonah City School District
Hoonah, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

PEGGY COWAN, Superintendent
North Slope Borough School District
Barrow, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

TODD POUGE, Superintendent
Alaska Gateway School District
Tok, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

BOB CRUMLEY, Superintendent
Chugach School District
Anchorage, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

MARY WAGNER, Superintendent
Sitka School District
Sitka, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

JACK WALSH, Superintendent
Craig City School District
Craig, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

DAVID NEES
Anchorage, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

LISA PARODY, Executive Director
Alaska Council of School Administrators
Alaska Superintendents Association
Juneau, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

DAVID HERBERT, Superintendent
Saint Mary's School District
St. Mary's, Alaska
POSITION STATEMENT: Testified during discussion of the school funding formula.

ACTION NARRATIVE

7:33:32 AM

CHAIR MIKE HAWKER called the Legislative Budget and Audit Committee meeting to order at 7:33 a.m. Representatives Hawker and Kito and Senator Hoffman were present at the call to order. Senators Bishop and Giessel arrived as the meeting was in progress. Also in attendance were Representatives Seaton and Reinbold.

Agenda: Public Input on School Funding Study

7:34:00 AM

CHAIR HAWKER announced that the only order of business would be public testimony on the school funding study.

CHAIR HAWKER offered an introductory explanation to the funding study. He emphasized that this was not a budget hearing, but it was required by the study of the state's funding formula, which was being undertaken by the Legislative Budget and Audit Committee as a result of House Bill 278. He reported that the legislature was directed to conduct two studies of the school funding process, a micro approach looking specifically within the formula to determine if it was still current and functioning, and then a macro approach looking at the methodology of the school funding formula. After comparing these to other methodologies nationwide, it was essential to determine if improvements were necessary for the formula. He clarified that the testimony today would be directed at the macro approach. He reported that a Request for Proposal (RFP) had been issued for the macro study, the responses to this RFP had been evaluated, and a contractor, Augenblick, Palaich and Associates (APA) Consulting, had been selected. He reported that APA Consulting in Denver, Colorado, had extensive experience analyzing public education systems nationwide. He shared that this contract included that the Legislative Budget and Audit Committee "would hold a public hearing for the purposes of providing members of the public an opportunity to comment on the current Alaska K - 12 funding formula." He noted that APA Consulting was listening to gather foundational information pertinent to their work under the RFP on the funding formula. He emphasized that this hearing was for discussion on the actual funding formula mechanism, and it was not a budget hearing or a forum to discuss school programs. He suggested for anyone interested to submit written testimony, as well.

7:40:06 AM

JUSTIN SILVERSTEIN, Augenblick, Palaich and Associates (APA) Consulting, explained that there would be up to 10 members of APA Consulting working on the study. He reported that the company had been founded in 1983 as an education consulting firm focusing on school finance policy, although it had now expanded to include the running of the Regional Education Lab for the central states. He shared that APA Consulting had worked in all of the states reviewing school finance issues and had helped many states write their actual finance formulas. He stated that they were interested in hearing the context surrounding the current school funding system and its impact on the schools and the school districts.

7:42:33 AM

JOSEPH REEVES, Executive Director, Association of Alaska School Boards (AASB), paraphrased from a prepared statement, which read:

> Mr. Chairman, thank you for the opportunity to speak this morning. For the record, I'm Joseph Reeves, Executive Director of the Association of Alaska School Boards.
> AASB represents school boards across the state, and individually and collectively we have a keen interest in any revisions to the K-12 foundation formula.
> Alaska's foundation formula was created by the legislature and has undergone numerous revisions.
> Education is a cornerstone in Alaska's Constitution in Article 7, Section 1 and provides a guarantee that ALL of Alaska's children have access to a public education. To meet this constitutional mandate the foundation formula was designed to ensure that the public education system would be available to those children and that they would ALL be treated equitably.
> It is a complex document taking into account:
> • Numbers of students;
> • School size;
> • District cost factor or the cost of doing business across our vast state;
> • Special needs students;
> • Vocational education;
> • Bilingual students;
> • Intensive needs students;
> • Correspondence.

The mathematical computation through the formula is to arrive at the Basic Need to deliver education in each school district. The formula was designed to meet the federal disparity test to further ensure equity across all districts. To accomplish this, federal impact aid distributed through P.L. 874 (or payment in lieu of taxes) is taken into account. The formula recognizes the importance of local support for public education by including a Required Local Support (RLS) element for those communities with a tax base. And as you know, the Ketchikan Court has called this aspect of the formula unconstitutional. Rather than eliminating this important aspect of the formula, AASB supports its retention in the funding formula.

Mr. Chairman, AASB encourages the Committee to ensure the contractor adheres to a study process that includes the following:

• The study be transparent and afford multiple opportunities for stakeholder input.
• The study should use relevant data from all across Alaska, especially when considering the District cost factor.
• The studies should promote educational best practices, and,
• Result in a formula that is equitable and provides an adequate education for ALL of Alaska's children.

AASB members have adopted a total of 45 resolutions pertaining to education funding at the local, state and federal level. Of those, nine address issues that directly relate to the foundation formula. I'm including copies of those resolutions in the written testimony I'll provide to the committee.

Specifically, the study should consider changes to the foundation formula that include the following:

• At a minimum, the Base Student Allocation (BSA) should be established at least one, and preferably three years ahead;
• There should be appropriate adjustments to the District Cost Factor to ensure equity in school funding;
• Include a factor for Career and Technical Education (CTE) outside of the block grant;

• Include an instructional technology factor;
• Insure partial funding for schools whose student count drops to with seven to nine students for up to two years;

7:47:08 AM

CHAIR HAWKER asked for further explanation to the distinction for 10 students.

7:47:15 AM

MR. REEVES explained that the previous foundation formula had designated this, pointing out that the funding formula allowed for a school cost factor, except when the student count went below 10, and then only each student in the school was counted with no additional funding for school cost.

MR. REEVES continued:

> Provide for funding of student transportation other than via school bus.
>
> Re-configuring Alaska's K-12 foundation program is a daunting task. To make an informed report and final decision, the contractors and the Legislature should work in close proximity to Alaska's education community. That includes our 53 school districts and their boards of education. They are eager to be asked their opinion and to help you do your work.
>
> Thank you Mr. Chairman.

7:48:27 AM

CHAIR HAWKER asked if this testimony format was working for Mr. Silverstein and his associates.

MR. SILVERSTEIN replied that this was a good start for context, and would allow APA Consulting to better align the different points and concerns.

7:49:03 AM

CHAIR HAWKER reiterated that this was not an undertaking for a re-write of the school funding formula, but was, instead, testimony to allow the consultants to better evaluate the

funding formula, and perhaps make recommendations to the committee.

7:49:39 AM

DAVID MEANS, Director of Administrative Services, Juneau School District, shared that he had been a school business official in two different school districts during the past 30 years, and had been in this role when the current funding formula was adopted in the late 1990s. He expressed his support of the current funding formula in the broad perspective. He pointed out that Alaska school districts were diverse in size of student enrollment, wealth per capita, and geographical size and accessibility, and that the funding formula had to account for these diversities. He stated that the data needed to be measurable, readily obtainable, and verifiable. He noted that student enrollment and wealth each fit the aforementioned data requirements. He declared his general support of the current funding formula and suggested review of the funding for students eligible for intensive needs funds under special education. He reported that, as the formula was counted on the fourth Friday in October, many students requiring services were moving in and out of districts after the October count date.

7:52:51 AM

MARK MILLER, Superintendent, Juneau School District, shared that he had spent the last three days with the best and brightest educational minds in Alaska and he had not heard anyone say the schools had more than they needed. He noted that, although the levels of hurt varied from school district to school district, the overall message was clear that schools were "all in a tough spot." He acknowledged that the schools were aware this could get tougher, but that they would all get through this together, "because that's what we do in Alaska." He shared that the concern surrounding the funding formula, and its proposed re-write, was that it cannot and should not be a discussion to rob one school district to pay another school district. He stated that equity was often in the eye of the beholder, and was extremely difficult to define geographically and regionally. He offered his belief that the key to the formula was to allow for stability in good times and bad times. He lauded the state for putting aside funds during the good times, so there were funds in the bad times. He declared that the formula had to offer stability and equity.

7:57:20 AM

LINCOLN SAITO, Chief Operating Officer, North Slope Borough School District, discussed his background in education since 1970. He offered his belief that the funding formula was disturbing, and he suggested a review of the formula. He reported that educators used to count their students by severity of need, and that would generate the formula. He stated that this had changed so that all the special education areas were lumped together in a "1.2 factor times our ADM." Even at that time, he knew this would impact rural Alaskans. He stated that it had been a generous formula, and he declared that the formula would make a difference "in who gets what and where it comes from." He explained that changes were made and although the rural areas did not see any change for the amount of funding, they saw a change for its distribution. He encouraged a review of the late 1980s before there was the third change in the formula, and a comparison of the funding for the rural and urban areas. He stated that there were a lot of needs that came along with language and culture that "make for deficits in our ability and our need to improve our teaching and to develop our curriculum so that it's relevant so that we can turn on people and not alienate people from Rural Alaska." He suggested to look at where the money could come from as there was a "strong feeling of injustice with impact aid." He stated that the federal impact aid, issued because of the use of federal lands in each taxable region, was used by the state and distributed in the formula. He offered his belief that the federal government and the school districts should have their relationship for distribution of this impact aid and it should be left out of the formula. He asked that this issue be studied by the consultants. He expressed his concern for "the intensive needs" as it was very expensive and it took a long time for the barge to have open water to bring in materials and school supplies. He stated that, as one intensive needs child was equal to eight [other students], this was "a powerful piece of formula." He expressed his agreement with earlier testimony regarding the potential disproportionate funding with an October [student count]. He offered his belief that the funding formula should take into consideration these area differentials for special needs students.

8:06:44 AM

DAVE JONES, Assistant Superintendent, Instructional Support, Kenai Peninsula Borough School District, summarized his points from a prepared statement:

Good Morning Chair Hawker and Members of the Committee. My name is Dave Jones and I am the Assistant Superintendent of Instructional Support for the Kenai Peninsula Borough School District. Thank you for this opportunity to comment on the current Alaska state K-12 funding formula.

After spending nine (9) years in school finance positions in Montana and Wyoming, I moved to Kodiak to become the Director of Finance for the Kodiak Island Borough School District in July of 1997. I moved to the Kenai Peninsula Borough School District in October of 2007 and am fortunate to continue in their employ today. That means I testify in front of you today with roughly twenty-seven (27) years of experience in school finance, with close to eighteen (18) of those years in Alaska.

So do we throw it all out and start over, or do we keep what we have and do some additional fine tuning? That seems to be the question before us.

To properly answer that question I think we need to look at the history of our current K-12 funding formula. It started with the 1998 McDowell “Alaska School Operating Cost Study” and resulting implementation of SB 36 as the new basis for educational funding. The McDowell Group noted “This study makes major advances in the objective measurement of school costs and offers solutions that result in progress toward equity”.

Additional research and study followed and ultimately led to the ISER “Alaska School District Cost Study Update” in January of 2005. This led to the Legislative Education Funding Task Force spending the summer of 2005 in the Anchorage LIO instead of fishing like the rest of us. (As you look around your committee today, you should note that Representative Mike Hawker Chaired that committee, Senator Bert Stedman was the Vice-Chair and Senator Lyman Hoffman served on that committee as well). Their work led to the passage of HB 273 and I believe completed the heavy lifting needed to adjust our funding formula and continue our progress toward equity.

It took me awhile to get to the point, but I believe we keep our existing funding formula and fine tune it. With the time, effort and money we have already invested we should retain it and continue to improve it. We live in a unique and complex state, and we should not be deterred by a unique and complex funding formula.

I will suggest that the funding formula could use some fine tuning in the following three areas:

Alaska Statute 14.17.600 Student Count Periods

The first area deals with the student count periods found in Alaska Statute 14.17.600. School Districts are funded for a fiscal year based on the number of students enrolled for a 20-school-day period in October which is already four (4) months into the actual fiscal year. A districts largest expenditure is teacher staffing which occurs with the offering of contracts sometime during the spring depending on the funding year. It is very disconcerting to have to make such a large financial commitment prior to the start of the fiscal year, and not know if we can actually pay the bill related to that commitment until we are well into the fiscal year in October.

One possible solution to this dilemma is to use prior year student enrollments for funding purposes instead of the current year enrollment. The State of Wyoming uses this type of model. For any school year the enrollment may be recomputed to allow for a significant increase in enrollment during that school year. A “recalculation” is allowed if during the first 60 days of the school year the enrollment of a district has increased by either 100 students or 10% over the same time period during the previous school year. There is no “recalculation’ for a decline in students which gives the districts time to plan and budget for the decline.

Alaska Statute 14.17.450 School Size Factor

The second area for fine tuning I would suggest is a minor adjustment to Alaska Statute 14.17.450 School Size Factor. Section (b) reads as follows:

(b) If the ADM in a school is less than 10, those students shall be included in the ADM of the school in that district with the lowest ADM as determined by the most recent student count data for that district.

The intent of Section (b) is to provide the district funding associated with those students less than 10 since they do not qualify for funding as a separate school. However, if the school with the lowest ADM falls in the lowest category of "At least 10 but less than 20", the district could receive no funding or reduced funding for those students. To illustrate, let's assume that a school came through the count period with nine (9) students, and the school with the lowest ADM in the District was at ten (10). The nine (9) students would be added to the ten (10) students for a total of nineteen (19) students. The combined amount of students would fall within the "At least 10 but less than 20" category and would be given the same base allocation resulting in zero funding associated with the nine (9) students.

To correct this problem I would suggest that the language in Section (b) be changed as follows:

(b) If the ADM in a school is less than 10, those students shall be included in the ADM of the school in that district with the lowest ADM of at least 20 ADM or more as determined by the most recent student count data for that district.

This change would assure that districts would receive funding for those students that were less than ten (10) and did not qualify as a school.

Alaska Statute 14.17.420 Funding For Special Needs

Alaska Statute 14.17.420(a)(1) reads as follows:

(1) Special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of 1.20 shall be applied as set out in AS 14.17.410(b)(1);

Prior to the 1998 McDowell "Alaska School Operating Cost Study" and SB 36, for funding purposes, districts individually identified students that fell into the four categories listed in Alaska Statute 14.17.420(a)(1). SB 36 eliminated individual student identification and instituted a 20% block grant to provide for funding related to the four categories.

My concern is that since the passage of SB 36 in 1998, KPBSD's general student population has decreased significantly, but during that same time period, we have experienced a substantial increase in the number of special education students. From FY02 to FY13 our total student enrollment dropped by 911 students for a 9.3% overall decrease. During the same time period, our special education enrollment increased by 182 students for a 14.53% overall increase. It is my understanding that these type of changes have been similar for districts across Alaska.

I would hope that during their study, Augenblick, Palaich and Associates (APA) could examine this area and either validate or correct the 20% block grant funding level.

I will be available to assist this body or APA as needed or requested.

Thank you once again for this opportunity to provide input.

CHAIR HAWKER clarified that the Legislative Budget and Audit Committee was gathering information and was not engaged in any re-write of the foundation formula at this time; however, there was nothing to prevent other legislators from undertaking the opportunity to re-write the foundation formula.

8:17:48 AM

DAVID PIAZZA, Superintendent, Southwest Region School District, stated that the education funding formula should contain a factor for local contribution; however, the current method and percentage of utilizing federal impact aid funds needs to be studied and revised. He reported that 75 percent of impact aid monies to the Southwest Region were held back for basic need. He suggested that a factor for the operation of facilities

should also be considered, and it should be based on numbers of buildings, square footage, and the age of the structures. He relayed that the area cost differential should be studied and re-calculated, as fuel prices, labor costs, and shipping costs should all be considered. He offered an anecdote for the overall cost for a teacher housing unit. He noted that, although some communities had seen a drop in fuel prices, not all the areas had benefitted.

8:20:26 AM

P. J. Ford Slack, Interim Superintendent, Hoonah City School District, shared her recollections for the discussions about the new funding formula from many years ago. She said that she still found the funding formula to be very complex, similar to the federal tax system. She suggested that the funding formula be simplified, noting that this would especially help the small school districts. She reported that she had formerly been the Alaska Director of Special Education and she expressed her agreement with the previous speakers that the issues for special education students had greatly increased. She lauded the state support to school districts with care for special education students and personnel. She said that, although she had experienced a decrease in the student enrollment, there was a rapid increase in the special education population in the Hoonah schools. She clarified that this was not from over identification to special education needs, pointing out that families had adopted special education students. She reported that one-third of the student population in Hoonah was identified as special education students, and this increase required personnel that the school district did not have. She directed attention to the infrastructure of the facilities, specifically the mechanical infrastructure, stating that there were many challenges to construction because of the various weather patterns and systems. She offered an anecdote for the maintenance in her school district. She acknowledged the "intense and incredible support" from the larger school districts for the smaller school districts in Alaska, and stated a need for more collaboration within the formula among the districts.

8:25:44 AM

PEGGY COWAN, Superintendent, North Slope Borough School District, expressed her agreement that the formula was complex and directed attention to a constant concern for travel within the larger school districts, pointing out that the North Slope

Borough School District covered 89,000 square miles. In order to provide the same opportunities and benefits as other school districts, travel became a "big portion of our expenses." She offered an example for student activities and professional development for staff, noting that a weekend volleyball tournament for seven small schools cost $50,000 for tournament travel. She pointed out that this did not include the travel costs for the other sports, even though the district did not offer as many sports as other areas. She declared that sports were an important opportunity and should be available for students. She noted that Barrow High School had to go off slope to play teams its size, and that the school district had to pay for other teams to come play. She shared that the district had had one district wide in-service for professional development in 20 years because of the travel costs. She noted how expensive it was to fly in new teachers to the villages and to house them in the rural areas. She directed attention to the expense for broadband internet access.

8:30:49 AM

TODD POUGE, Superintendent, Alaska Gateway School District, stated that within the more than 500 schools and 54 school districts in Alaska, there were many opinions for the budget. He expressed his support for the current funding formula, as it met the needs for his district. He expressed concern for the negative impact from any changes, and listed the changes for which he had concern. He stated that any change in the school size factor would be an issue, as his district had three successful, community supported schools with fewer than 25 students. He opined that should a school close, often the community "is not far behind." He directed attention to the district cost factor, noting that his district encompassed 36,000 square miles, and that fuel, electricity, food, staff training, shipping, and travel, all pieces of the district budget, were more expensive in Rural Alaska. He suggested that another factor in the budget should include low income students, as more one star schools were in low income areas, and that it takes more funding to bring the needs of low income students up to receive an adequate education.

8:33:55 AM

BOB CRUMLEY, Superintendent, Chugach School District, offered his belief that, from his small school district perspective, the current formula was as equitable as possible and he offered his support. He cited support for the aspect of the formula funding

schools with 10 or more students, noting that any increase to this number would be devastating to his schools and communities. He offered some suggestions to improve the formula, mentioning that the time spent in application for impact aid was not worth the small amount received and was therefore not beneficial for participation. He stated that, as Chugach School District did not receive any travel support from the state, it would be "nice to have some support for travel." He declared district support to increased funds for broadband, as there was a patchwork for the communities. He explained that Special Education and English as a Second Language (ESL) were "extraordinarily high growth areas" in the district. He shared that deferred maintenance for school properties was also an issue. He expressed concerned with the ripple effect for any changes which could leave them worse off than where the district was currently.

8:38:02 AM

MARY WAGNER, Superintendent, Sitka School District, shared that she was also a council member on the Alaska State Council on the Arts. She noted that the current funding formula attempted to account for equity through the cost factors, and, although cumbersome, it was effective to meeting the equity standard. She observed that there were "a lot of moving parts associated with calculating the various cost factors which impedes transparency." She suggested improvement for the areas related to projected enrollment for the upcoming year, as it was due in early November, which was too early to fully analyze the current year student count. She suggested inspection of the current year student count for trends in enrollment and for meaningful conversations at the school board level regarding projected enrollment for the subsequent school year. She pointed out that, as the current timeline eliminated this possibility, the district would pick a very conservation number to report to the Department of Education and Early Development which then impacted the funding allocated to public schools, and to her district. She pointed out that the foundational element of the school board budget was the student enrollment, and yet the time line prohibited any time for any school board involvement. She suggested the following areas to add to the current funding allocation: technology, arts education, and student activity funding, all of which were core to a quality educational program and contributed to the inequity between districts. She declared that these were important components in the discussion regarding adequacy and equity in educational funding. She pointed to the high cost for flying to and from Sitka, as there was limited

ferry service. She noted that any school classes missed due to travel meant a reliance on technology to continue academic progress. She stated that all of these cost factors were vital to connect students to learning, while providing meaningful education that prepared students for life beyond graduation, and that, as each school district experienced vastly different challenges, these factors were worthy of consideration.

8:42:09 AM

JACK WALSH, Superintendent, Craig City School District, stated his support of the current foundation formula, and he acknowledged that, as there were unique considerations in the state, the formula tried to address equity and adequacy to ensure quality and the needed services. He pointed to the unique geographical and cultural components and he reflected on the challenges to rural schools. He opined that it was important to allow for adjustments to the average daily membership (ADM) after the count period, especially in the areas of intensive needs. He expressed support for the money set aside for career and technical education, and suggested that this could be expanded. He said that the state needed better services in the areas of counseling and mental health. He agreed that there was a need to think very carefully about small communities and small schools scattered throughout Alaska, as they made a big difference in the lives of families. He suggested that raising the minimum student count in a school put a lot of really significant schools and communities at risk, noting that some of these were the highest quality schools in the state.

8:47:27 AM

DAVID NEES shared that he had been a member of the recent House Sustainable Education Task Force. He added that a giant cost factor was that school districts had not been allowed to consolidate, which would save money on staffing and superintendents. He noted that there were almost as many school superintendents as there were representatives and senators in the legislature. He suggested a review of consolidation to see if this would save money. He offered that the foundation formula worked fairly well, but that the actual distribution to the schools may require review.

8:49:34 AM

LISA PARODY, Executive Director, Alaska Council of School Administrators, Alaska Superintendents Association, encouraged the committee to continue to provide an open and transparent process moving forward, and to seek input from the education stakeholders. She offered support for consultation, and declared that the council wanted to be part of that process. She said that continuing to provide quality, distance education programs and innovative education models particularly to rural areas would require technology, broadband, and bandwidth.

8:51:54 AM

DAVID HERBERT, Superintendent, Saint Mary's School District, opined that the current foundation formula, although not perfect, was working as a fair and equitable method to distribute education funds throughout the state. He expressed his concern for modifications to the formula which may bring serious unintended consequences with a negative impact on education funding in Alaska. He declared that the formula had been vetted over many years. He expressed his understanding of the current economic conditions in the state, but urged the state and the committee to be cautious for any modifications.

8:53:29 AM

CHAIR HAWKER closed public testimony. He noted that the consultants would contact someone within each of the school districts, and the committee would do its best to keep everyone informed of the progress, as well as the opportunity to review the critical preliminary benchmarks.

MR. SILVERSTEIN said that it was good to hear most testimony that the formula was not in such disarray that it would be hard to study. He said that APA Consulting had received some good information to begin some targeted looks and that they would be in touch with the school districts and the stakeholders.

REPRESENTATIVE KITO asked if the Legislative Budget and Audit Committee would receive a draft report or presentation before the final report.

CHAIR HAWKER replied that this would be scheduled.

8:55:55 AM

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 8:55 a.m.