

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

February 19, 2015

3:30 p.m.

MEMBERS PRESENT

Senator Mike Dunleavy, Chair
Senator Charlie Huggins, Vice Chair
Senator Cathy Giessel
Senator Gary Stevens
Senator Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION: FEDERAL IMPACT AID DOLLARS; STATE SUPPORTED
EFFORTS OF THE DEPARTMENT

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

MIKE HANLEY, Commissioner
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Presented information on state supported
efforts of the Department of Education and Early Development
(DEED).

SUSAN MCCAULEY, Director
Teaching and Learning Support
Department of Education and Early Development (DEED)

POSITION STATEMENT: Presented information on state supported
efforts of the Department of Education and Early Development
(DEED).

ELIZABETH NUDELMAN, Director

School Finance and Facilities Section
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Presented information related to Federal Impact Aid Program.

RYAN HERBERT, Student
Outside Education
Juneau, Alaska

POSITION STATEMENT: Shared his experience with Outside Education.

LISA SKILES PARADY, Executive Director
Alaska Council of School Administrators (ACSA)
Juneau, Alaska

POSITION STATEMENT: Commented on the importance of the Division of Teaching and Learning as a very valuable service to the state.

ACTION NARRATIVE

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CHAIR MIKE DUNLEAVY called the Senate Education Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Huggins, Giessel, Gardner, and Chair Dunleavy. Senator Stevens arrived shortly thereafter.

Presentation: Federal Impact Aid Dollars; State Supported Efforts of the Department

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CHAIR DUNLEAVY announced that the first presentation today would be by the Department of Education and Early Development (DEED) on state supported efforts of the department, followed by information on the Federal Impact Aid Program.

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MIKE HANLEY, Commissioner, Department of Education and Early Development (DEED), introduced himself.

SUSAN MCCAULEY, Director, Teaching and Learning Support, Department of Education and Early Development (DEED), introduced herself.

COMMISSIONER HANLEY said the presentation would focus on the work the department does that is supported by general funds - state funds. He said a lot of the work the department does is

directed by funds provided by the legislature and the Alaska Constitution that drives that work.

DR. MCCAULEY related that one of the duties of the department is found under AS 14.07.020(a)(3): "The department shall provide advisory and consultative services to all public school governing bodies and personnel." She said there are 509 schools in 53 districts in the state, and meeting that statutory requirement in the Division of Teaching and Learning Support constitutes a large part of what the division does.

She said a large part of the division's responsibility is to provide professional learning for educators, especially in conference presentations. She listed several of the larger conference presentations: a fall Superintendent Fly-In, a Teaching and Learning Support Institute, and an annual Principals' Conference. She said there have been 17 conferences in FY 15 so far with just over 1,000 participants. In FY 14 the division held 18 presentations that included about 900 participants.

CHAIR DUNLEAVY noted the arrival of Senator Stevens.

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SENATOR HUGGINS asked how many professional development days are required.

DR. MCCAULEY said the statute allows for ten.

SENATOR HUGGINS asked how professional development topics are prioritized and targeted appropriately.

DR. MCCAULEY explained that it is no small task to provide the variation of topics to such a wide variety of school district types. She said the division tries to decide which phase of professional learning a district is in; an awareness phase, a transition phase, or an implementation phase. For the Teaching and Learning Support Institute, they try to differentiate between the needs of large and small districts in order to provide learning to all staff. Sometimes there are breakout groups; "like" groups, or groups working together. The Institute provides content and serves as a convener.

SENATOR HUGGINS noted there is a different relationship with Mt. Edgecumbe.

COMMISSIONER HANLEY replied that Mt. Edgecumbe is under different management, but is treated the same.

SENATOR HUGGINS asked if Mt. Edgecumbe is going to close.

COMMISSIONER HANLEY said it is up to the legislature. He said he believes it should be kept open.

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DR. MCCAULEY continued to describe professional learning for educators, which sometimes is a request for on-site technical presentations and webinars. She said that so far in FY 15, the division has presented to 11 districts and last year presented to 13 districts.

CHAIR DUNLEAVY asked if the requests are from small districts.

DR. MCCAULEY responded that the requests are not exclusively from small districts, but they make up the majority of requests.

SENATOR GARDNER asked if school districts request a subject.

DR. MCCAULEY said school districts always suggest the topic and sometimes it is a general request that can be made specific to fit their needs. The division seeks to personalize the presentations.

SENATOR GARDNER asked how larger conferences are done and how to add a topic to the agenda, such as Erin's Law.

DR. MCCAULEY said when there is new legislation that has implications for districts, they do their best to be responsive to those requests. The presentation tends to be about what the law requires and how to find solutions; to clarify what needs to be done and then provide options.

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She spoke of the standardized schedule of webinars that are available to provide technical assistance to districts and the variety of ways they can be delivered. There are distance delivered webinars about standards implementation, educator evaluation redesign, and assessments.

SENATOR STEVENS asked what a webinar is and how it differs from an audio conference.

DR. MCCAULEY explained that a webinar is a prepared Power Point presentation that people can request by calling in to the division.

SENATOR STEVENS said more and more organizations are doing them. He asked if they will be used more in the future to save money.

DR. MCCAULEY said that is part of the direction the division is heading in. They recognize that the division can't do everything and be everywhere.

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CHAIR DUNLEAVY referred to Erin's Law and asked if the model curriculum could be a webinar. He noted that districts have a full plate of in-service requirements. He wondered if that would fulfill the training requirements for teachers and maybe for parents and their children.

DR. MCCAULEY related how the division has assisted districts with mandated training by providing e-learning modules. It is different than a webinar because it is a prepared, self-paced, curriculum, not a live person holding a seminar.

SENATOR GIESSEL asked what all the professional learning for educators costs.

DR. MCCAULEY said the work is supported through general funds and conducted by a "lean team" of folks.

SENATOR STEVENS requested a brief presentation of a webinar at some time.

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DR. MCCAULEY showed a webinar schedule on accountability - educator evaluation and support. It listed available times scheduled for the year. There are webinars on other topics, as well, such as standards implementation.

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At ease

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DR. MCCAULEY related that the division tries to increase its capacity and maximize effectiveness by partnering with other organizations to provide support. Some of the organizations are the Alaska Council of School Administrators, the Association of

Alaska School Boards, the Alaska National Education Association, and the University of Alaska.

SENATOR GIESSEL inquired if the programs and in-services are mandatory for teachers in order to keep a teaching certificate.

DR. MCCAULEY clarified that all are optional, but they are frequently set up so teachers can receive continuing education credits.

SENATOR GIESSEL asked if they are effective and should be continued.

DR. MCCAULEY said there are post-evaluations that include specific learning objectives that are measurable. Sometimes mini-interviews are done. The division evaluates whether or not the efforts meet the needs of districts and schools.

SENATOR GIESSEL asked if teachers apply what they learn and if that is evaluated.

DR. MCCAULEY said there is not a measure of application, but rather an increase in skill and knowledge.

SENATOR GIESSEL called it self-reporting.

DR. MCCAULEY said that is accurate.

COMMISSIONER HANLEY added that most of the training is requested by districts and many times they request additional information. There is currently a backlog of requests by districts. He called it an exciting shift in the collaboration between districts and the department than was previously held.

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DR. MCCAULEY described the mentoring and coaching programs, three programs funded through general funds with specific purposes: Alaska Administrator Coaching Project, Alaska Statewide Mentor Project, and State System of Support. The first two are voluntary and support beginning administrators and teachers, and the third is for low-achieving districts at the recommendation of superintendents.

CHAIR DUNLEAVY asked if the third category is assigned and the first two are voluntary.

DR. MCCAULEY said that is correct. She gave an example of a superintendent's request for a coach for a specific school in the district.

CHAIR DUNLEAVY asked if superintendents can refuse to host coaches.

DR. MCCAULEY said probably not.

CHAIR DUNLEAVY summarized that the department has mandates to provide coaching support to schools that need it.

DR. MCCAULEY said yes, the department is obligated to provide support to low-achieving districts.

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SENATOR STEVENS asked who the coaches are.

DR. MCCAULEY said they are on contract and most are retired principals who have worked in rural Alaska.

She continued with details about the Support for School Improvement Plan provided by EED liaisons. She explained that EED liaisons are nine cross-program EED employees who provide technical assistance to schools in developing school improvement plans. They have scheduled check-ins with the school principal and they review the plans and provide feedback for 86 one-star and two-star schools. There are two liaisons who can provide on-site and distance-delivered assistance.

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DR. MCCAULEY described the resources and publications the division publishes with educators and parents in mind. She showed examples of some of the resources and said quite a bit of work has been done on the parent and community star on the web site. She showed an example of an Alaska Standards guide. Most resources have been developed at the request of school districts.

SENATOR GIESSEL commented that the average parent may not be able to understand the publications.

DR. MCCAULEY said they worked with on the publications with the National Parent Teacher Association.

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COMMISSIONER HANLEY drew attention to another division - the Libraries, Archives, & Museums Division. It provides education for professionals in museums, archives and libraries statewide through technical support, advice, site visits, webinars, and presentations. Training is available, as is Live Homework Help. There also are AmeriCorps and Vista volunteers available to help.

CHAIR DUNLEAVY asked why this item is not under the Division of Teacher and Learning Support.

COMMISSIONER HANLEY said it could be. He did not know how it was originally organized under this division.

CHAIR DUNLEAVY asked if the division deals with all libraries in the state.

COMMISSIONER HANLEY said only state libraries. He explained that state libraries often partner with local libraries, but some local libraries are independent.

CHAIR DUNLEAVY asked about filters in public libraries.

COMMISSIONER HANLEY did not have that information.

CHAIR DUNLEAVY requested more information regarding filters.

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COMMISSIONER HANLEY noted Live Homework Help had 24,000 live sessions last year equaling 8,400 hours. That has increased every year. He related that there is also technical and on-line support available in libraries. He gave an example of teleconferencing in small communities.

CHAIR DUNLEAVY asked if Live Homework Help is available to everyone with a wide-open system.

COMMISSIONER HANLEY said it is wide open. He noted some concern about increased out-of-state use.

CHAIR DUNLEAVY asked if a private school student, home-schooled student, or adult could use it.

COMMISSIONER HANLEY said yes. He said he knew of several adults who are taking college courses and using the service for help.

SENATOR GARDNER asked how many school libraries are open in the summer.

COMMISSIONER HANLEY said not enough, especially if they are not connected to the community library.

CHAIR DUNLEAVY asked if Live Homework Help is available for 12 months.

COMMISSIONER HANLEY offered to find out.

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COMMISSIONER HANLEY talked about AmeriCorps and Vista Volunteers that provide some of the library services. He explained about grants for operating libraries and special projects.

He concluded that the intent of the Division of Libraries, Archives, and Museums is to empower communities and provide the resources they need, to find the solutions that they need.

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COMMISSIONER HANLEY turned to the topic of school finance and facilities and introduced Ms. Nudelman.

ELIZABETH NUDELMAN, Director, School Finance and Facilities Section, Department of Education and Early Development (DEED), presented information related to the Federal Impact Aid Program. She began with school finance and how it provides a variety of financial service and support to school districts. She explained that the section consists of two groups, school finance and school facilities.

She said school finance provides a variety of financial services and support to the school district business officials around the state including:

- Annual budget and audit review and analysis
- State Single Audit Compliance Supplement for DEED
- Public School Funding Formula calculations and assistance
- Pupil Transportation payment and oversight
- State Pass-Through Report
- Debt Retirement/School Bond Reimbursement with City/Boroughs
- Residential/Boarding Home Program
- Calculation and Issuance of Tuition Rates

Provide school finance training opportunities to
Business officials

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CHAIR DUNLEAVY asked if the old boarding home stipend program still exists and, if so, which statute it is in.

MS. NUDELMAN said it exists under AS 14.07.020.

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She discussed the Alaska Association of School Business Officials (ALASBO) annual conference. She said it is a very strong group of individuals who have an annual conference and work on new accounting standards, studies, and provide good data. She praised that group of individuals.

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MS. NUDELMAN drew attention to the responsibilities of School Facilities:

Preventative maintenance program evaluation and support.

Capital improvement plan (AIP) application support.

Assistance to districts on the management/administration of projects.

Review educational facility submittals and provide verbal and written feedback to districts.

Guidance to districts on school facility planning, design, construction, and operations.

SENATOR STEVENS asked about the status of Kasayulie v. State of Alaska.

MS. NUDELMAN related that in the Kasayulie Case all of the appropriations have been made for all of the schools except for one. Only the piece for planning remains and is in the FY 16 budget for approximately \$4.9 million. The total project is approximately \$60 million. She added that Kivalina in the Northwest Arctic is the remaining school.

CHAIR DUNLEAVY commented on Kivalina.

He opened public testimony.

RYAN HERBERT, Student, Outside Education, shared his experience with Outside Education. He explained that all work is done via webinar. He gave an example of a webinar, which cuts the cost of education and is convenient because it can be accessed anywhere. He said he develops webinars and they are the wave of the future.

SENATOR GARDNER asked if Mr. Herbert was familiar with the Alaska Learning Network, which includes webinars.

MR. HERBERT said he is familiar with it, however, other webinars like his are more advanced.

LISA SKILES PARADY, Executive Director, Alaska Council of School Administrators (ACSA), said that for ACSA members, the Division of Teaching and Learning is invaluable, especially in light of recent mandates. She gave an example of the support they will provide during the Superintendent Fly-In. She stressed that the division provides critical services.

CHAIR DUNLEAVY moved on to the topic of Federal Impact Aid.

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MS. NUDELMAN explained that Impact Aid (Public Law 874) is a federal formula grant program that is designed to assist local schools that have lost revenue due to tax-exempt federal related property and incurred increased expenditures due to the enrollment of federally connected children.

CHAIR DUNLEAVY said examples of federal property would be military bases, national parks and preserves, and other land taken out of the possibility to be locally taxed.

MS NUDELMAN said correct.

CHAIR DUNLEAVY said in lieu of the ability to tax, the federal government has enacted Public Law 874 that has been in place for a long time. He noted Alaska has a lot of set-aside land that districts cannot tax.

MS. NUDELMAN said correct. She outlined what her presentation would cover.

She provided the history of impact aid:

The federal Impact law came into effect in 1950.

Alaska has participated in Impact Aid since inception.

The equalization provision was added to the Impact Aid law in 1976.

The equalization provision allows a state to reduce the amount of state aid sent to a district if certified as "equalized" by the U.S. Department of Education.

CHAIR DUNLEAVY summarized if a school district has non-taxable land, PL 874 was enacted to offset that, and there has been a change in 1976 that provides that the state has access to the money before it goes to school districts, and the amount that goes to the district is reduced.

MS. NUDELMAN said that is conceptually correct, but the funds go to the school districts and the state reduces the payments from basic need from the state's portion.

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MS. NUDELMAN listed who participates in Impact Aid: school districts with concentrations of federally connected children who are children of military personnel or others who work on federal land, or whose parents reside on Indian lands or federal low rent housing. Under a provision in the Impact Aid law, the state of Alaska applies for military Impact Aid and passes the funds directly to the participating school districts. This provides for a higher reimbursement rate than if the application was submitted individually by the military base effected school districts of Anchorage, Fairbanks, and Kodiak. The state also applies on behalf of Mt. Edgecumbe. She added that Alaska applies that way because the funding is higher with one application.

She listed the other eligibility requirements. A district's eligibility is based on the number of eligible federally connected children equal to at least 3 percent of the total number of students in average daily attendance, or the number equal to at least 400.

CHAIR DUNLEAVY asked if there are small schools districts that don't apply because it is not worth it for them to fill out the paperwork.

MS. NUDELMAN said it would be financially worth small district's efforts to apply. A district with only seven students would not be able to apply because the program has a floor.

CHAIR DUNLEAVY inquired if there are schools along the Tongass National Forest in Southeast Alaska that can apply for Impact Aid.

MS. NUDELMAN replied that there is a category for national lands. She did not know how many students were federally connected to national lands in Southeast Alaska.

CHAIR DUNLEAVY gave Juneau or Sitka as examples.

MS. NUDELMAN said most Impact Aid students are on native land or military. The students must be federally connected; federal lands many not impact the costs of educating students in a district. She believed that students in Southeast Alaska don't live on federal land out of the tax base.

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SENATOR STEVENS questioned Kodiak's application.

MS. NUDELMAN clarified how the unified application of military impacted districts. Rather than each of the districts submitting an application, the Department of Education collects the information and submits it in one application in order to qualify for a higher rate of funding. The money is then divided within the districts.

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SENATOR GARDNER asked how school districts know where parents work.

MS. NUDELMAN offered to provide that information. Anchorage School District works with a military-connected housing association. She noted it is a lot of work to put together the applications. She said some districts have a form requesting information from students. The funding to Alaska is \$140 million a year and the districts go through a process to apply.

SENATOR GARDNER asked if a district can require a parent to reveal that information.

CHAIR DUNLEAVY said that happens.

SENATOR STEVENS asked about students of military families that do not live on federal land.

MS. NUDELMAN said there are many different categories; one is for students whose parents work on federal land, but who does not live on federal land. There are about ten categories and the calculations vary.

She continued with an overview of the school district application. She said there is a deadline of January 31 for submitting the electronic application. An applicant can still apply for up to 60-days following the deadline, however, this applicant will incur a 10 percent reduction in funding.

CHAIR DUNLEAVY asked if it is a one-day count.

MS. NUDELMAN said the impact count day is chosen by the district; no earlier than the fourth day of the school year and no later than January 31.

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She said Impact Aid Provides funding related to four main categories:

- 1) 8003: Basic Support (basic support, basic support for heavily impacted districts, and basic support for children with disabilities)
- 2) 8007: Construction
- 3) 8002: Property
- 4) 8008: Facilities

She noted Alaska qualifies on an annual basis for 8003 and 8007 funding.

She said that the one heavily impacted district in Alaska is Annette Island School District because of its "reservation" boundaries. They receive a substantially higher reimbursement.

CHAIR DUNLEAVY said their direct state aid is reduced, as well.

MS. NUDELMAN clarified that the heavily impacted portion cannot be viewed and reduced under federal law, only the basic portion.

CHAIR DUNLEAVY said they "get more money."

MS. NUDELMAN said correct.

She explained that basic support also includes money for children with disabilities.

She related that basic support payments are based on a formula that considers the number of eligible Impact Aid students in the district; the Impact Aid count of federally connected children in the district. The formula also considers the Local Contribution Rate - one-half of the average statewide per pupil expenditures. Basic Support is discretionary funding for free public education of federally connected children.

CHAIR DUNLEAVY asked whether a school district can opt out if it does not want to apply.

MS. NUDELMAN explained that some categories are not considered for equalization and disparity. There is a ratio for municipalities to calculate the portion that is offset, and the state only offsets at 90 percent. That entices schools to fill out the applications. She stated that the state of Alaska helps fund basic need.

She reviewed basic support for children with disabilities, which can range from \$500 to \$1,200 per child. She said the Bering Strait School District qualifies for this.

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MS. NUDELMAN spoke of the 8007 construction fund payment, which is only about 1 percent of the total funding in Alaska, and applies when the federally connected children equal at least 50 percent of the membership in average daily attendance.

She showed a sample of an Impact Aid payment voucher from the Bering Strait School District. She explained the basic support payment category. She said that typically the money is disbursed at 80 percent the first time out. She detailed other fund categories. She pointed out that Impact Aid is not forward funded at the federal level. She highlighted the local contribution rate and type. She concluded that it is a "federal direct program" and goes right to the district, not through the state.

SENATOR STEVENS asked if it is a program that will continue or if the state can expect some reductions.

MS. NUDELMAN replied that it has been a solid program. She believed it was reduced when some programs were sequestered. It was one of the first education funding programs. It also funds students on reservations, which adds to its stability.

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MS. NUDELMAN showed an example of a military voucher.

She discussed the state consideration of Impact Aid Payments in providing state aid. Public Law 874 allows a state to seek permission to consider Impact Aid in its state formula if the formula meets a specified equalization standard. Alaska's public school funding formula (the Foundation formula) is designed as an equalized formula and each year Alaska submits a disparity test calculation showing that the per-pupil revenue between the highest and lowest districts in the state does not exceed a 25% difference. She noted the calculation is on DEED's website.

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MS. NUDELMAN shared how the disparity test is calculated. The disparity test follows the Impact Aid program requirements. In general, the test aggregates revenues per district and divides by adjusted average daily membership (AADM) to arrive at adjusted per-pupil revenues for each district. The districts are sorted from highest to lowest adjusted per-pupil revenues and the difference in adjusted per-pupil revenues from highest to lowest cannot be more than 25 percent.

She mentioned litigation as it relates to funding formulas and commented that using this formula that includes equalization Impact Aid has provided the state with a foundation formula that has stood strong to adequacy and equalization. After the Moore lawsuit got underway, neither of those two items were pointed at for deficiencies in the foundation formula.

She discussed the calculation for Impact Aid related to state aid at AS 14.17.410. If the state is approved as an equalized state under the disparity test, the state calculates the funding for basic need in the Public Education Funding formula at AS 14.17.410 considering Impact Aid to the extent provide for by federal Impact Aid law.

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She showed how to calculate eligible Impact Aid for consideration in the state aid formula. A state may not take into consideration the following: children with disabilities,

funding, one-fifth of funding for children who reside on Indian Lands, construction funding, and heavily impacted districts.

She related that the state may consider 100 percent of the remaining Impact Aid after subtracting those funds. For municipal school districts, the amount considered is further reduced by the Impact Aid percentage of required local divided by actual local. Finally, the state considers 90 percent of the eligible Impact Aid after all subtractions.

CHAIR DUNLEAVY asked why the final 10 percent is not considered.

MS. NUDELMAN said the statute is drafted that way. The 10 percent could be considered additional funding that stays with the district.

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She provided two district voucher examples: Anchorage and Lower Kuskokwim. The total amount of Impact Aid Anchorage was entitled to was \$20,887,370. She listed the amount that could not be offset as \$667,265. The state offsets 48.73 percent of the Impact Aid. She summarized Lower Kuskokwim's Impact Aid calculations.

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She stated the total of federal Impact Aid revenues are approximately \$140 million annually to Alaska schools.

She shared the Impact Aid summary chart from FY 14 that lists all school districts.

She explained the FY 14 foundation funding: In FY 14 districts received approximately \$132 million in Impact Aid, the State considered \$71 million as funding in the foundation formula and districts retained \$61 million. The eligibility for the state to consider Impact Aid as a funding component of basic need, and the requirements such as the percentage to be considered and the calculations required, are contained in the federal Impact Aid law. If the state did not consider Impact Aid as a funding source in the foundation formula the state general fund dollars would have increased by \$71 million in FY 14.

She showed a chart of the FY 14 foundation funding formula for all school districts.

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She said various calculations can be seen from the charts. For Anchorage, the state is providing about 76 percent of basic need with state entitlement, for Chugach that number is about 97 percent, and for Lower Kuskokwim that number is about 79 percent. She pointed out that the foundation formula also provides funding in other categories.

CHAIR DUNLEAVY thanked the Department of Education and Early Development (DEED) for the presentations.

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There being nothing further to come before the committee, Chair Dunleavy adjourned the Senate Education Standing Committee at 5:26 p.m.