

**ALASKA STATE LEGISLATURE  
HOUSE EDUCATION STANDING COMMITTEE**

March 27, 2017

8:04 a.m.

**MEMBERS PRESENT**

Representative Harriet Drummond, Chair  
Representative Justin Parish, Vice Chair  
Representative Zach Fansler  
Representative Ivy Spohnholz  
Representative Chuck Kopp  
Representative David Talerico

**MEMBERS ABSENT**

Representative Jennifer Johnston  
Representative Lora Reinbold (alternate)  
Representative Geran Tarr (alternate)

**COMMITTEE CALENDAR**

HOUSE BILL NO. 102

"An Act relating to instruction in a language other than English; and relating to limited teacher certificates."

- MOVED CSHB 102(EDC) OUT OF COMMITTEE

HOUSE BILL NO. 52

"An Act relating to providing a pre-elementary program within a school district; and providing for the certification of early childhood education plans."

- HEARD & HELD

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 146

"An Act imposing a school tax on certain income of residents, part-year residents, and nonresidents; relating to a payment against the school tax from the permanent fund dividend disbursement; and providing for an effective date."

- MOVED SSHB 146 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 102

SHORT TITLE: LIMITED TEACHER CERTIFICATES; LANGUAGES  
SPONSOR(s): REPRESENTATIVE(s) KREISS-TOMKINS

02/03/17	(H)	READ THE FIRST TIME - REFERRALS
02/03/17	(H)	EDC
03/01/17	(H)	EDC AT 8:00 AM CAPITOL 106
03/01/17	(H)	Heard & Held
03/01/17	(H)	MINUTE(EDC)
03/15/17	(H)	EDC AT 8:00 AM CAPITOL 106
03/15/17	(H)	<Bill Hearing Canceled>
03/20/17	(H)	EDC AT 8:00 AM CAPITOL 106
03/20/17	(H)	Heard & Held
03/20/17	(H)	MINUTE(EDC)
03/27/17	(H)	EDC AT 8:00 AM CAPITOL 106

BILL: HB 52

SHORT TITLE: PRE-ELEMENTARY SCHOOL PROGRAMS/PLANS  
SPONSOR(s): REPRESENTATIVE(s) KAWASAKI

01/18/17	(H)	READ THE FIRST TIME - REFERRALS
01/18/17	(H)	EDC, FIN
02/08/17	(H)	EDC AT 9:00 AM CAPITOL 106
02/08/17	(H)	Heard & Held
02/08/17	(H)	MINUTE(EDC)
03/27/17	(H)	EDC AT 8:00 AM CAPITOL 106

BILL: HB 146

SHORT TITLE: SCHOOL TAX; PFD PAYMENT FOR SCHOOL TAX  
SPONSOR(s): REPRESENTATIVE(s) CLAMAN

02/24/17	(H)	READ THE FIRST TIME - REFERRALS
02/24/17	(H)	EDC, FIN
02/27/17	(H)	SPONSOR SUBSTITUTE INTRODUCED-REFERRALS
02/27/17	(H)	READ THE FIRST TIME - REFERRALS
02/27/17	(H)	EDC, FIN
03/22/17	(H)	EDC AT 8:00 AM CAPITOL 106
03/22/17	(H)	Heard & Held
03/22/17	(H)	MINUTE(EDC)
03/27/17	(H)	EDC AT 8:00 AM CAPITOL 106

#### **WITNESS REGISTER**

REPRESENTATIVE JONATHAN KREISS-TOMPKINS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Speaking as the sponsor, offered to answer questions during the hearing of HB 102.

REPRESENTATIVE SCOTT KAWASAKI  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Speaking as the sponsor, reviewed HB 52.

SAMANTHA ADAMS, Licensed Childcare and Preschool Teacher  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support during the hearing of  
HB 52.

TREVOR STORRS, Executive Director  
Alaska Children's Trust  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support during the hearing of  
HB 52.

STEPHANIE BERGLUND, CEO  
thread  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support during the hearing of  
HB 52.

KARLI LOPEZ  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support during the hearing of  
HB 52.

ALLEN MCCARTY, Spokesperson  
Citizens Alliance Protecting School Lands  
Seward, Alaska

**POSITION STATEMENT:** Testified in opposition during the hearing  
of HB 146.

OWEN PHILLIPS, Staff  
Representative Matt Claman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Responded to a question on behalf of  
Representative Claman during the hearing of SSHB 146.

#### **ACTION NARRATIVE**

[8:04:51 AM](#)

**CHAIR HARRIET DRUMMOND** called the House Education Standing  
Committee meeting to order at 8:04 a.m. Representatives

Drummond, Parish, Spohnholz, Fansler, Kopp, and Talerico were present at the call to order.

**HB 102-LIMITED TEACHER CERTIFICATES; LANGUAGES**

[8:05:55 AM](#)

CHAIR DRUMMOND announced that the first order of business would be HOUSE BILL NO. 102, "An Act relating to instruction in a language other than English; and relating to limited teacher certificates."

REPRESENTATIVE JONATHAN KREISS-TOMPKINS, Alaska State Legislature, sponsor of HB 102, offered to answer questions.

[8:07:19 AM](#)

REPRESENTATIVE PARISH moved to report HB 102, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 102(EDC) was reported out of the House Education Standing Committee.

The committee took an at-ease from 8:07 a.m. to 8:10 a.m.

**HB 52-PRE-ELEMENTARY SCHOOL PROGRAMS/PLANS**

[8:10:53 AM](#)

CHAIR DRUMMOND announced that the next order of business would be HOUSE BILL NO. 52, "An Act relating to providing a pre-elementary program within a school district; and providing for the certification of early childhood education plans."

[8:11:03 AM](#)

REPRESENTATIVE SCOTT KAWASAKI, Alaska State Legislature, reminded the committee HB 52 would provide voluntary statewide universal pre-elementary (Pre-K) programs by request to interested school districts. He advised children who take a Pre-K program perform better on tests, graduate in higher numbers, are more successful as adults, and are more likely to attend college. Through school districts' existing Pre-K, [U.S. Department of Health and Human Services] Head Start, and other early education programs, the bill creates a means in which early education can be offered to all children aged three to five years.

REPRESENTATIVE SPOHNHOLZ concurred that studies indicate the benefits of Pre-K education and exposure to caring adult models include better health and social skills, self-confidence, problem-solving skills, and resilience. She asked whether the voluntary structure of the bill was that the programs are voluntary to individuals, or voluntary to school districts.

REPRESENTATIVE KAWASAKI said school districts would decide whether to offer Pre-K programs, and parents would choose whether to enroll their children in a Pre-K program. He pointed out compulsory school attendance in Alaska is not required until a child attains the age of six.

CHAIR DRUMMOND opened public testimony on HB 52.

[8:15:12 AM](#)

SAMANTHA ADAMS, Licensed Childcare and Preschool Teacher, said she has been a licensed childcare and preschool teacher for ten and one-half years. From her experience networking with colleagues in early childhood education, and other teachers, she related young children need school readiness which is defined as cumulative gains across developmental domains from birth to age five. For example, fine motor skills and literacy are two important developmental areas that can be learned in the home prior to entering school if the home setting can provide appropriate resources. However, other areas of development, such as social and emotional competency, take place best in group settings. Ms. Adams explained young children need the opportunity to work in a social setting with their peers to problem-solve, self-regulate, and to prepare for social settings; with this foundation, children are ready for academics in kindergarten and first grade. Furthermore, a preschool class of twelve students to one teacher is the ideal group size in which children can develop social and emotional competency and prepare for larger classrooms in kindergarten. Finally, she said "fadeout" of the skills learned in early childhood learning is a myth; in fact, early skills are learned for life.

[8:18:17 AM](#)

REPRESENTATIVE PARISH asked about the potential impact of the bill.

MS. ADAMS described a variety of preschool education programs: programs not offered through school districts but certified by the Department of Education and Early Development (EED); family

childcare providing preschool and fulltime childcare; part-time religious programs. For the legislation to broadly impact communities, the funding must address other programs that are not part of the public school system, because the programs need to be "positive and sustained."

CHAIR DRUMMOND asked for the cost to place a child in a private preschool program in Juneau.

MS. ADAMS advised her preschool sessions are Monday through Friday from 9:00 a.m. to 12:00 p.m., and cost \$415.00 per month. When preschool and fulltime childcare services are not consolidated, families must take children to multiple programs. In further response to Chair Drummond, she said the Juneau School District offers a peer-integrated preschool program which takes place in a classroom of twelve children, six of which have special needs. Ms. Adams further explained preschool programs help identify special needs children at a very early age, from birth to five years.

REPRESENTATIVE PARISH asked for the percentage of children who are identified with special needs.

MS. ADAMS said during her ten and one-half years of teaching she has referred three or four children. High quality [Pre-K] programs are qualified to make referrals based on indicators that the families may be reluctant to acknowledge. She offered anecdotal stories of the families that she has helped address their child's special needs.

[8:25:46 AM](#)

CHAIR DRUMMOND asked whether pediatricians in Juneau are making referrals and identifying needs.

MS. ADAMS pointed out a pediatrician may only see a child for a brief visit, whereas consolidated preschool and daycare allows the teacher/caregiver to observe the child for seven to eight hours a day. She directed attention to her written comments submitted to the committee containing additional testimony.

[8:27:38 AM](#)

TREVOR STORRS, Executive Director, Alaska Children's Trust, informed the committee the Alaska Children's Trust (ACT) is a statewide organization focused on the prevention of child abuse and neglect. Mr. Storrs observed the legislature has an

opportunity to invest in the wellbeing of young children. [HB 52] would provide school districts and communities the opportunity to invest in children so children are ready to succeed in school and in life. Providing Pre-K is not about [higher] test scores, but puts children in position to be successful, contributing adults. In order for the state to avoid high Medicaid costs, building more jails, concerns about law enforcement and homelessness, and other ills, the state needs to create a new system based on the proven changes brought by early childhood education that will - over time - address the state's [budget] deficit. Mr. Storrs said ACT highly urges the committee to support HB 52.

[8:30:24 AM](#)

STEPHANIE BERGLUND, CEO, thread, said thread is Alaska's childcare resource and referral network. Ms. Berglund stated strong support for HB 52, and any expansion of Pre-K in Alaska. Decades of research has shown Pre-K makes a difference to children not only in school readiness, but for a lifetime. The most formative years of brain development come well before a child goes to kindergarten; further, the state needs a workforce of individuals who achieve education beyond high school and who have advanced technical skills. Ms. Berglund acknowledged the state's budget situation; however, the budget situation will improve if the state invests more of its resources to productive endeavors rather than in remediation, incarceration, and welfare. She pointed out the budget benefits of Pre-K education come from cost savings in education, grade retention, and the criminal justice system; and from cost increases in greater economic productivity. She closed, observing that every \$10,000 invested in a child increases his/her future earnings by 10 percent. Ms. Berglund restated thread's support of HB 52 and programs to expand voluntary Pre-K to all four-year-old children in Alaska in a mixed delivery setting.

CHAIR DRUMMOND asked about the shortage of available space [to place young children] in preschools.

MS. BERGLUND clarified thread estimates - although children need care through the age of twelve - families with the highest need for quality childhood programs are for children between the ages of zero and six, so it is estimated that there are about 40,000 children, under the age of six, in families with all the adults working, and there are less than 18,000 quality early care and learning spaces in Alaska.

CHAIR DRUMMOND concluded then less than one in two children have quality space available.

[8:34:58 AM](#)

KARLI LOPEZ stated her support for HB 52 and said she is the parent of two preschoolers, one of whom is in his third year attending special education preschool in the Anchorage School District. She said the bill is missing one component: The Individuals with Disabilities Education Act (IDEA) directs that whenever possible her son is to be educated in the least restrictive environment and in a classroom with his peers, which is not possible due to the lack of a public preschool program. The preschool program attended by her son is only available to children who qualify for special education, and thus is not a fully inclusive setting. In an inclusive setting, her son's classmates understand his different needs and he is welcomed. Ms. Lopez provided examples of how peer modeling is tremendously beneficial to the understanding and participation of children with disabilities. She urged the committee to recognize the long-term benefits of early childhood education and to invest in Alaska's future.

[8:37:13 AM](#)

CHAIR DRUMMOND, after ascertaining no one else wished to testify, closed public testimony on HB 52. She remarked:

Universal Pre-K is such a big topic, and Representative Spohnholz and I are working out a joint Education/Health and Social Services committee meeting, so we can help to remove the funding silos for children from birth to age five, that we all know exist in this state, and that we've heard from several testifiers today. I know this topic of preschool will fit in nicely with this discussion, so I'm going to set this bill aside for now so that we can have that joint meeting and get a better feel for the big picture.

[8:38:06 AM](#)

The committee took a brief at-ease.

CHAIR DRUMMOND said a document is being distributed to be included in the committee packet from the Washington State Institute for Public Policy, entitled, "Early Childhood

Education for Low-Income Students: A Review of the Evidence and Benefit-Cost Analysis."

[8:38:51 AM](#)

HB 52 was held over.

**HB 146-SCHOOL TAX; PFD PAYMENT FOR SCHOOL TAX**

[8:38:58 AM](#)

CHAIR DRUMMOND announced that the final order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 146, "An Act imposing a school tax on certain income of residents, part-year residents, and nonresidents; relating to a payment against the school tax from the permanent fund dividend disbursement; and providing for an effective date."

[8:39:23 AM](#)

CHAIR DRUMMOND opened public testimony.

[8:39:39 AM](#)

ALLEN MCCARTY, Spokesperson, Citizens Alliance Protecting School Lands, informed the committee Citizens Alliance Protecting School Lands is a statewide organization formed to protect school lands and school funds. He said the proposed bill would attack the 5 percent per year trust fund. Mr. McCarty expressed his understanding that the school fund is a trust, and is not state money, but is school money. Each year the earnings from the trust are deposited into the general fund. The earnings have reduced from \$24 million per year to \$10 million per year due to poor investments by the Department of Revenue (DOR). He cautioned that at the end of the bill the language of the bill would attack the trust fund and in 26 years the fund that has been building since 1915 will be totally gone.

[8:41:51 AM](#)

OWEN PHILLIPS, Staff, Representative Matt Claman, Alaska State Legislature, said he is unaware of a 5 percent decrease [in the school fund]. He further clarified that the bill would garner approximately \$500 million through taxes that would be designated to "the school fund and then, as I understand it, the leftover would just stay in undesignated funds and be allocated elsewhere."

CHAIR DRUMMOND asked whether the school tax funds would be "somehow distinguished."

MR. PHILLIPS said DOR would have authority to adopt regulations for management of the funds.

[8:43:39 AM](#)

CHAIR DRUMMOND, after ascertaining no one further wished to testify, closed public testimony. She remarked:

This bill, SSHB 146, has a lot of working parts. I believe that with our current fiscal reality, we need to keep our options open. I feel there are some things in this bill that need to be clarified, but I think I want to let [the House Finance Committee] do that. I don't want to hold this bill up here, so we can give them time to fully vet this bill in that committee. ... I know I would like to see a more progressive tax scale, but I am not sure how that would look. I'm not sure how I feel about taxing children who only receive a PFD as income, even though they would benefit from this tax. But those issues, to me, are less about education policy and more about finance, so I would like to move this bill out today with the understanding that in its current form, I would not necessarily vote for this bill on the House floor.

REPRESENTATIVE PARISH opined the bill levies a tax on every Alaskan and urged for a mechanism to draw revenue from nonresidents and working adults earning income from other sources. He agreed the education committee is not the best committee to address the [financial aspects] of the bill.

REPRESENTATIVE TALERICO directed attention to the bill on page 2, lines 4-13, which read:

- (b) For a taxpayer whose adjusted gross income is
  - (1) less than \$20,000, the tax is \$100 a year;
  - (2) \$20,000 or more, but less than \$40,000, the tax is \$250 a year;
  - (3) \$40,000 or more, but less than \$50,000, the tax is \$500 a year;
  - (4) \$50,000 or more, but less than \$75,000, the tax is \$750 a year;

- (5) \$75,000 or more, but less than \$100,000, the tax is \$1,000 a year;
- (6) \$100,000 or more, but less than \$150,000, the tax is \$2,500 a year;
- (7) \$150,000 or more, but less than \$200,000, the tax is \$5,000 a year;
- (8) \$200,000 or more, but less than \$250,000, the tax is \$6,500 a year;
- (9) \$250,000 or more, the tax is \$8,500 a year.

REPRESENTATIVE TALERICO related the rates for adjusted gross income are much higher than the previous school tax; also, aspects of the maximum income limit, the steps between income limits, and part-time income are questionable. He pointed out the bill assesses a tax on year-around Alaska residents who live below the poverty level. Representative Talerico said he could not support the bill.

[8:48:21 AM](#)

REPRESENTATIVE SPOHNHOLZ stated support for the overall intent of the bill, which is to find a way to fund public education based on one's income. She said progressivity in a revenue plan is appropriate at both ends of the income scale, however, she expressed her concerns about the structure of the bill and its disproportionate impact on lower-income taxpayers, with maximum tax [relief for] higher-income taxpayers. Representative Spohnholz said she would reluctantly support moving the bill from committee.

[8:51:27 AM](#)

REPRESENTATIVE PARISH moved to report SSHB 146 out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE TALERICO objected.

[8:51:47 AM](#)

A roll call vote was taken. Representatives Parish, Fansler, Spohnholz, and Drummond voted in favor of SSHB 146. Representatives Kopp and Talerico voted against it. Therefore, SSHB 146 was reported out of the House Education Standing Committee by a vote of 4-2.

[8:52:59 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 8:53 a.m.