

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

April 5, 2017

8:03 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

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

COMMITTEE CALENDAR

HOUSE BILL NO. 189

"An Act relating to program receipts; and relating to fees for school bus inspections."

- HEARD & HELD

PRESENTATION: NORTHWESTERN ALASKA CAREER AND TECHNICAL CENTER
(NACTEC)

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 189

SHORT TITLE: SCHOOL BUS INSPECTION FEES

SPONSOR(S): REPRESENTATIVE(S) WILSON

03/22/17	(H)	READ THE FIRST TIME - REFERRALS
03/22/17	(H)	EDC, FIN
04/05/17	(H)	EDC AT 8:00 AM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE TAMMY WILSON
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 189, as the sponsor.

HEIDI TESHNER, Director
Administrative Services
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing of HB 189.

ELWIN BLACKWELL, School Finance Manager
School Finance and Facilities Section
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing of HB 189.

DOUG WALRATH PhD, Director
Northwestern Alaska Career and Technical Center
Nome, Alaska

POSITION STATEMENT: Provided a PowerPoint presentation entitled, "NACTEC NOME, ALASKA," dated 4/5/17.

ACTION NARRATIVE

[8:03:24 AM](#)

CHAIR HARRIET DRUMMOND called the House Education Standing Committee meeting to order at 8:03 a.m. Representatives Drummond, Parish, Talerico, Kopp, Johnston, and Fansler were present at the call to order. Representative Spohnholz arrived as the meeting was in progress.

HB 189-SCHOOL BUS INSPECTION FEES

[8:04:36 AM](#)

CHAIR DRUMMOND announced that the first order of business would be HOUSE BILL NO. 189, "An Act relating to program receipts; and relating to fees for school bus inspections."

[8:05:02 AM](#)

REPRESENTATIVE TAMMY WILSON, Alaska State Legislature, introduced HB 189, as the sponsor, paraphrasing from the sponsor statement, which read as follows [original punctuation provided]:

HB 189 allows the Department of Education to establish by regulation a fee to cover the cost of the school bus inspections required under AS 14.09.030(b)(2). The school bus operator will be charged this fee.

REPRESENTATIVE JOHNSTON asked whether the bill affects the number of inspections.

REPRESENTATIVE T. WILSON said inspections occur twice a year - as is already in statute - and the bill does not change the inspection process, but only that the fee will be paid by the school bus operators.

REPRESENTATIVE JOHNSTON suggested responsibility for the inspections may be held by local - and not state - government.

REPRESENTATIVE T. WILSON said the intent of the bill is to allow the Department of Education and Early Development (EED) to charge the fee; however, school districts may be able to address this issue.

REPRESENTATIVE FANSLER inquired as to the cost of inspections.

REPRESENTATIVE T. WILSON advised the statute does not address the cost; however, [Fiscal Note Identifier: HB 189-EED-SFF-3-31-17] indicated further details would be determined by regulations. The department could determine a specific amount, or the current amount budgeted - \$210,000 - could be used as a baseline. In further response to Representative Fansler, she said currently the state conducts and pays for inspections. The bill would allow the fee to be charged to each private vendor; school bus inspections are necessary but should not be paid for by the state.

[8:08:27 AM](#)

REPRESENTATIVE PARISH surmised the intent is to shift the cost of the inspections from the state to the school bus operators and restated the question as to what inspections cost.

REPRESENTATIVE T. WILSON observed inspections are the responsibility of the operators, as are safety inspections required of other businesses. She returned attention to page 2 of the fiscal note and reported there is an average of 1,055 buses inspected each year and the department would establish an inspection fee of \$175 per bus, per inspection. In further

response to Representative Parish, she confirmed the fee could be changed by regulation.

REPRESENTATIVE PARISH said his concern is the safety of students is the responsibility of the state.

REPRESENTATIVE T. WILSON stressed inspections would still be required without any change -- the only difference being who pays the fee.

REPRESENTATIVE KOPP observed one way or another \$147,000 is going to be paid by the state because if EED establishes a fee, school bus operators are going to negotiate the cost of bus inspections into their contracts.

REPRESENTATIVE T. WILSON agreed, however, local school districts may decide that they have a better or more affordable means for fulfilling the inspection requirement. She also suggested school bus operators may find efficiencies.

[8:13:48 AM](#)

REPRESENTATIVE JOHNSTON questioned who is ultimately liable for school buses.

REPRESENTATIVE T. WILSON opined the responsibility falls to those who have contracts for school bus transportation. The related statute may have been enacted to ensure a level of safety through state oversight. However, the statute did not provide for charging an inspection fee.

REPRESENTATIVE JOHNSTON advised private contractors have to be bonded, and their liability is probably in partnership with the local school district; she urged for the line of liability to be ascertained.

CHAIR DRUMMOND questioned who performs the inspections.

REPRESENTATIVE T. WILSON said the department.

[8:16:13 AM](#)

HEIDI TESHNER, Director, Administrative Services, EED, in response to Chair Drummond, explained currently the department contracts with "resurrection auto" to conduct inspections twice per year; should HB 189 be enacted, the cost of inspections would affect both school districts and contractors because there

are district-operated school buses and contractor-operated school buses.

8:17:40 AM

ELWIN BLACKWELL, School Finance Manager, School Finance and Facilities Section, EED, in response to Chair Drummond, further explained the Anchorage School District (ASD) operates approximately 122 buses and Reliant Transportation operates approximately 181 school buses.

CHAIR DRUMMOND asked whether the department contracts to have all the buses inspected.

MS. TESHNER said correct.

8:18:40 AM

REPRESENTATIVE SPOHNHOLZ clarified [Fiscal Note Identifier: HB189-EED-SFF-3-31-17] indicates the costs that are currently being paid by the state are moved either to school districts or to contractors. She pointed out the fiscal note cost estimates are: \$95,600 in fiscal year 2019 (FY 19); \$97,000 in FY 20; \$107,900 in FY 21. Further, the fiscal note indicates the state would collect fees to implement the program.

REPRESENTATIVE JOHNSTON asked EED to provide inspection data and whether safety violations have been routinely reported. In addition, she questioned whether the contractor [performing the inspections] is a certified school bus inspector.

MR. BLACKWELL said the contractor hired by the state has been trained as a school bus inspector; the same contractor has been doing the inspections for approximately 10-15 years and follows specific criteria.

REPRESENTATIVE JOHNSTON asked whether a local garage or mechanic could satisfy the requirements for the inspections and avoid travel costs.

MS. TESHNER offered to provide the data requested.

REPRESENTATIVE PARISH observed the bill does not provide for a change in the contractor who is currently performing inspections.

MS. TESHNER agreed.

[8:23:40 AM](#)

CHAIR DRUMMOND asked the bill sponsor whether the number of inspections per year is sufficient, or whether one inspection per year would be adequate.

REPRESENTATIVE T. WILSON noted the intent of the bill is not just who pays for the inspections but to point out some regions have public bus transportation systems that are not inspected, and public safety issues are not a topic of discussion. She opined if inspections were determined by "local control" inspections of school buses and of public transportation may increase. Data from the department - indicating the number of past violations - may be informational, but the liability is held by the local government, school districts, and bus operators. The primary intent is to extract the government out of the process, and to look for cost savings and more flexibility in student transportation.

CHAIR DRUMMOND related some school districts have difficulty finding school bus drivers to train; further, she was informed ASD is cooperating with the public transit system in Anchorage [to provide student transportation].

REPRESENTATIVE T. WILSON acknowledged options may well be available using public transportation systems already in place; however, the liability issue remains a concern, and to ensure children get to school in the safest way possible.

[8:27:47 AM](#)

[HB 189 was held over.]

**PRESENTATION: Northwestern Alaska Career and Technical Center
(NACTEC)**

[8:27:54 AM](#)

CHAIR DRUMMOND announced that the final order of business would be a presentation from the Northwestern Alaska Career and Technical Center (NACTEC).

[8:28:03 AM](#)

DOUG WALRATH PhD, Director, Northwestern Alaska Career and Technical Center (NACTEC), informed the committee he has served

as the director of NACTEC for eight years. [NACTEC] is the Nome Census Area Regional Training Center that began in 2003-2004, and that delivers over 30 vocational training programs, also known as technical education. The center operates in partnership with the Bering Strait School District (BSSD), and Nome Public Schools (NPS), and was founded to effectively reduce high school dropout rates. He noted the Nome-Beltz High School was built in 1966 as a vocational boarding school and BSSD, NPS, and the Regional Learning Center program collaborated to restore vocational aspects to each school district. Further, NACTEC offers variable term residential programs, which are courses between one and four weeks in length, from August through June. In 2008, a new 26-bed student dormitory was built (slide 1). Slide 2 was a map that illustrated Nome is a regional hub for the Bering Strait and Norton Sound regions, thus NACTEC serves students from as far north as Shishmaref, west to Little Diomedea, Gambell, and Savoonga, south to Stebbins and St. Michael, and east to Unalakleet and Shaktoolik; however, 90 percent of its students come from BSSD and NPS. [NACTEC] has partnerships with 55 villages and other school districts, including Chugach School District, and he provided examples (slide 3). Dr. Walrath opined partnerships create opportunities for students.

[8:33:11 AM](#)

DR. WALRATH advised NACTEC is a small organization and provided an organizational chart, describing the responsibilities of each position, and noting that he oversees a program coordinator, five instructors, a counselor, adjunct faculty, and classified staff (slide 4). [NACTEC's] mission and vision statements were provided on slides 5 and 6, and focus on students' life, work readiness, academic and career awareness skills, and work ethics for independent living with a healthy cultural identity.

DR. WALRATH continued to explain a 24/7 residential program needs a certain structure to ensure that students are making positive choices and he described the school's daily schedule beginning at 6:00 a.m. through 10:30 p.m. Activities and classes include: room inspections, mealtimes, swimming at the city pool, American Red Cross first aid certification, core training classes, community activities, chores, homework time, and private/room time. He detailed each aspect to emphasize what the students are gaining from each experience. The training available at NACTEC was listed on a document entitled, "2016-2017 NACTEC Training Calendar," provided in the committee packet. After the block of training time, at 3:30 p.m.,

students transition to one hour of career skills and career counseling, during which students make a connection between their training and their life goals, with support from an employment security specialist at the Nome Alaska Job Center. In the evening, students continue with life skills such as cooking and cleanup duties, evening activities, homework, and lights out at 10:30 p.m. (slide 7). He suggested the most important element of the two-week program is the element of Life Skills/Independent Living, such as conflict resolution, chores, parenting with baby simulators, all which are scored (slide 8). Turning to the topic of programming, Dr. Walrath said training is based around Alaska's priority industries: healthcare, construction, transportation, seafood harvesting and processing, hospitality and tourism, education, information technology, and natural resource development (slide 9). As an aside, he noted NACTEC originally delivered high school training programs, however, it became evident that programs needed to commence at the junior high level, thus there are shorter junior high programs for eighth grade students who come with a chaperone from home. Experiences available through the junior high programs are with the Army Air National Guard, public safety, firefighting, aviation, and nursing with hands-on training. He advised junior high participants enter high school with a 21 percent advantage over those who haven't participated at a younger age (slide 10).

[8:46:05 AM](#)

DR. WALRATH explained each training strand offers a student both dual credit, certification, or a value-added element. For example, the Healthcare strand includes the foundational course of first aid and CPR, and then guides students to more senior courses such as Introduction to Health Careers (slide 11). Therefore, students who graduate from the Healthcare strand may continue to postsecondary training in nursing and healthcare fields, return to their villages as trained, employable certificated workers, and attain a higher level of employment than previously available. He gave an example of a student's successful career path from healthcare aide to practitioner and described further training available to students and adults at a local health provider (slides 12-13). Within the strand of Construction, he detailed and provided several anecdotal stories of "real world" projects between 2010 and 2015; for example, construction students built a 12-foot by 16-foot safety shelter in the village of Solomon, and students use a heavy equipment student simulator that was converted from a recreation area in 2009-2010 with funds sourced through the Alaska Education Tax

Credit (slide 14). He directed attention to information provided in the committee packet, and further noted real experiences with heavy equipment for the students trained on the simulator ranged from moving snow to asphalt paving (slides 15-17). The Hospitality and Tourism strand has a Native Arts/Business, Marketing, and Entrepreneurship focus on topics such as bone carving, skin sewing, and traditional kayak construction and use, which are topics that attract interest from students (slides 18-19). In fact, in 2016, the students - guided by an elder - built a King Island style kayak, the first built in 30 years, and additional information was included in the committee packet (slides 19-20). Also, students learn from elders the arts of skin sewing hats and mittens and ivory carving, and the marketing thereof (slide 21). Included in the Hospitality and Tourism strand is earning a food worker certification and learning aspects of food service in commercial settings (slide 22). The Transportation strand is highlighted by aviation, driver education for autos, and boater safety certifications; he acknowledged many students attend NACTEC for driver education because they may not have driving opportunities in their villages, and a diploma and a driver license are prerequisites to enter the world of work (slides 23-24). [NACTEC] is a Division of Motor Vehicles (DMV), Department of Administration, approved third-party road test examiner and thereby in FY 16 tripled the licenses and permits attained by students and adults (slide 25). Finally, within the Transportation strand, aviation training includes [airframe and/or powerplant (A&P)] mechanic training and he noted students are in the process of rebuilding a 1962 Piper Colt, from the frame to the engine. He advised there is private industry support for aviation training (slide 27). Students were also recently involved in assisting a visiting historical organization disassemble a World War II era B25 bomber (slide 28). The last training strand he discussed was Seafood Harvesting and Processing programs which are supported by Norton Sound Seafood Products, the Norton Sound Economic Development Corp., and other partners. Slide 30 illustrated students in various related activities, such as egg collecting and capturing fish. Also included in the aforementioned strand is a water- and land-based Arctic survival element (slide 30).

[9:11:05 AM](#)

DR. WALRATH directed attention to slide 31, which illustrated three of fifteen students who have begun classes at the Alaska Vocational Technical Center (AVTEC) in Seward in a "handhold" transitions program; the transitions program was instituted to

increase students' chances for success when enrolling at AVTEC or another postsecondary program. In order to document NACTEC's impact on its region, four graphs provided supporting data, beginning with slide 32, which illustrated increased enrollment on a trimester schedule from 2003-2004 through 2015-2016. The first six years enrollment at NACTEC averaged 241 students and when compared to BSSD graduation rates, he concluded that BSSD graduation rates increased after NACTEC was founded. As NACTEC attendance increased, graduation rates at affected school districts - as a whole - steadily improved, and the dropout rates decreased from an average of double-digit rates. As an aside, he advised studies show "the cost of a dropout is \$292,000..." thus reduced dropout rates have made a difference of \$8.5 million per graduating class over a lifetime of earnings. Further, EED and NACTEC data from 2011-2014 shows students who have attended NACTEC have a graduation rate 22 percent higher than the BSSD population of students as a whole (slides 33-35). Dr. Walrath directed attention to additional documents in the committee packet and showcased a student who became a UAF scholar in construction management, as well as a student who became a certified BSSD teacher (slides 36-37).

[9:23:45 AM](#)

DR. WALRATH closed with recommendations for continued success at NACTEC, which include: Alaska Education Tax Credit, currently under a 2018 sunset, needs to be extended; increase to Carl D. Perkins vocational funding; legislation promoting collaborative approaches between school districts (slide 38). Further, he pointed out NACTEC high school and junior high programs are operating at 93 percent of capacity; in fact, the center receives almost twice the number of applications than can be accommodated.

REPRESENTATIVE JOHNSTON noted NACTEC showed a decrease in enrollment in 2016 and asked what occurred.

DR. WALRATH explained NACTEC lost nearly 30 percent of its undesignated general fund (UGF) funding over 2015-2016; therefore, a teaching position was lost as well as two training programs. As a result, new and existing partnerships with Native corporations supplemented funding, school district funds were redirected, and about one-fourth of the lost funding was offset. However, a loss of 50 students resulted. In further response to Representative Johnston, he said gun hunter education has been taught and may be again within the strand of Arctic survival and outdoor leadership and guiding.

REPRESENTATIVE PARISH praised the increases in graduation rates and asked whether long-term outcomes are known.

DR. WALRATH expressed hope a longitudinal study could be undertaken; in fact, the certified nursing assistant (CNA) training program was tracked locally on a limited basis, and two years ago, of 40 students who have completed the CNA training program, 58 percent were working at Norton Sound Health Corporation and/or were involved in scholarships for higher education. Further, records at UA Fairbanks Northwest Campus showed 67 percent of the trainees continued to postsecondary education.

[9:32:22 AM](#)

CHAIR DRUMMOND clarified NACTEC seeks research to follow former students into their careers; EED does not provide data.

DR. WALRATH affirmed NACTEC would benefit from reporting by an outside agency [on related data].

CHAIR DRUMMOND recalled a longitudinal study to develop a database and follow Alaska school system students through postsecondary education and into the work world was suspended. She expressed concern that flat funding has caused a loss of instructors at NACTEC. She reviewed a current proposal in the legislature that would cut \$69 million from the base student allocation and would further impact NACTEC programs.

DR. WALRATH acknowledged cuts to UGF led to impacts on programs; funding of the Carl Perkins Career and Technical Education Improvement Act was new to NACTEC this school year, and Norton Sound Economic Development Corporation and other Native corporations are utilizing the Alaska Education Tax Credit program to leverage support. However, student enrollment will go up based on students' interest, but cuts may not allow the expansion of opportunities to NSD students in a nonresidential setting.

CHAIR DRUMMOND surmised NACTEC facilities are not used as fully as they were in the past.

DR. WALRATH clarified last year NACTEC scaled back and Sitnasuak Native Corporation provided funds for a driver education position; however, it is a time-consuming process to seek additional funding sources as the amount of funding shrinks. In

further response to Chair Drummond, he acknowledged more of his time is devoted to grant writing and partnership outreach.

CHAIR DRUMMOND agreed the Alaska Education Tax Credit program is critical and she pledged to introduce a bill to extend the sunset date. She asked for the percentage of students in NPS and BSSD that NACTEC can "reach."

DR. WALRATH said BSSD last year had 63 percent in high school training programs; 82 percent including junior and high school. [BSSD] represents 15 villages and 89 percent of the population in the region.

CHAIR DRUMMOND questioned whether NACTEC could have served more students given sufficient funding and instructional capacity.

DR. WALRATH returned attention to the committee handout entitled, "2016-2017 NACTEC Training Calendar," and pointed out the training calendar is "very packed, throughout the year."

[9:40:29 AM](#)

CHAIR DRUMMOND returned to driver's education and asked where students take driver permit tests.

DR. WALRATH related NACTEC is working to set up village proctors so the permit test can be provided in villages in the future. In further response to Chair Drummond, he said NACTEC is a third-party examiner, so it can administer road test examinations in addition to DMV in Nome.

REPRESENTATIVE KOPP said the program is inspiring and provides a needed model for education in Alaska, especially as NACTEC partners with the private sector to advance local residents' employability in rural communities of the state, supported by funding through the Alaska Education Tax Credit program.

DR. WALRATH related the Southwest Alaska Vocational and Education Center (SAVEC) is a [Rapid Response Training Center for Training and Workforce Development located on the King Salmon Air Force Base in Bristol Bay]; regional training centers are also supported by Alaska Technical and Vocational Education Program (TVEP) funding. He agreed industry funding has established workforce development in many areas of Alaska; in addition, education at the local level costs less and "we can develop the folks who will care for others in our regions"

[9:45:16 AM](#)

CHAIR DRUMMOND recalled her visit to NACTEC and to the Alaska Vocational Technical Center (AVTEC), and suggested the committee organize a similar tour over the upcoming interim. She asked about the funding of the boarding school and whether the idea was originally conceived and funded by NPS and BSSD school districts.

DR. WALRATH explained [residential] school stipends became available around 2013-2014. [NACTEC's] application was accepted for residential school stipends through EED, which offset students' living expenses. Currently, NACTEC has three primary funding sources: residential school stipends, TVEP funding, and the education tax credits that are a mechanism by which NACTEC can solicit funding [from private sources]. He advised NACTEC previously had four funding sources, including UGF funds, but now is left to three sources, all of which are critically important. In further response to Chair Drummond, he confirmed UGF funds disappeared entirely on June 29, [2016].

DR. WALRATH further explained TVEP grants are provided by the Department of Labor & Workforce Development and are funded by unemployment insurance contributions. In further response to Chair Drummond, he said some other middle and high school facilities similar to NACTEC include the Voyage to Excellence program, Chugach School District; Star of the Northwest Magnet School, Northwest Arctic Borough School District; EXCEL Alaska, Kuspuk School District.

[9:50:35 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:50 a.m.