

HOUSE FINANCE COMMITTEE  
May 10, 2018  
4:02 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 4:02 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Paul Seaton, Co-Chair  
Representative Les Gara, Vice-Chair  
Representative Jason Grenn  
Representative David Guttenberg  
Representative Scott Kawasaki  
Representative Dan Ortiz  
Representative Lance Pruitt  
Representative Steve Thompson  
Representative Cathy Tilton  
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Senator Anna MacKinnon, Sponsor; Paul Prussing, Director of Student Learning, Department of Education and Early Development; Jane Pierson, Staff, Representative Neal Foster.

SUMMARY

CSSB 104 (2d FIN)  
EDUCATION CURRICULUM REQUIREMENTS

HCS CSSB 104(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN1 (EED); and one new fiscal by the Department of Education and Early Development.

Co-Chair Foster reviewed the meeting agenda. He indicated the committee would not be hearing SB 142 due to scheduling. The Capital budget bill would be heard later in the day.

#sb104

CS FOR SENATE BILL NO. 104(2d FIN)

"An Act relating to the duties of the Department of Education and Early Development; relating to the duties of the state Board of Education and Early Development; relating to school curricula; and relating to a system for managing student information and records related to individualized education programs for children with disabilities."

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Co-Chair Foster invited Senator McKinnon to the table.

SENATOR ANNA MACKINNON, SPONSOR, introduced herself. She conveyed the bill sought to improve educational outcomes for all Alaska students by providing them with access to the best curriculum possible. The bill engaged the Department of Education and Early Development (DEED) to find and approve the best curricula. It made the curricula available in a pilot program to a limited number of districts to try to test the program and provide the same opportunity to use the best curricula in other school districts around the state. It extended the requirement for curricula review from 6 years to 10 years and established a statewide computerized system for DEED for all individual education plans (IEP)s.

Co-Chair Seaton MOVED to MOVED to ADOPT proposed House committee substitute for CSSB 104(FIN), Work Draft 30-LS0786\C (Laffen, 5/10/18) (copy on file).

Representative Wilson OBJECTED for discussion.

Co-Chair Foster asked if anyone had questions for Senator McKinnon.

Representative Wilson asked for clarification regarding the two fiscal notes before the committee. Senator McKinnon responded that the new fiscal note was dated 5/9/18. She

explained that \$19.5 million reflected a reduction from \$30 million in the original fiscal note. There was a smaller fiscal note for the addition of one staff that was still relevant.

Co-Chair Foster recalled that the note was originally \$30 million corrected down to \$24 million. Because of the changes made in the newest version of the bill, it was reduced to \$19 million.

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Representative Wilson responded that the fiscal note she was given funded three positions. She wondered if the three positions were not requested in the new version of the fiscal note of \$19.5 million.

Senator McKinnon clarified that there were three fiscal notes to the bill. The fiscal note that was replaced went from \$30 million to \$24 million to \$19.5 million. The other two fiscal notes, fiscal note 4 (OMB Component 2796), remained the same and added three specialists to help implement the program. She made a correction that there were only two fiscal notes to the new committee substitute.

Co-Chair Foster recognized Representative Ortiz and Representative Pruitt.

Vice-Chair Gara understood that the smaller fiscal note was for three position to help study available curriculum and to help make it available to Alaska school districts. He asked if the \$457,000 fiscal note was the correct note. Senator McKinnon relayed that there were two positions. One for education and one for math. There was also one support position. She offered that the department could also speak to their fiscal note. Vice-Chair Gara was fine with the explanation.

Co-Chair Foster invited the department to comment on the fiscal notes.

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Representative Wilson asked whether the three positions would continue if the project did not move forward after 3 years.

PAUL PRUSSING, DIRECTOR OF STUDENT LEARNING, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, introduced himself and responded affirmatively. The department would continue to review the curricula at the department on a 5 year basis to keep the list current.

Representative Wilson commented that the project was a pilot project and might not produce the intended results. She wondered if the three positions were tied to the success of the program. Mr. Prussing reported that the program was a total of 6 years; 3 years of the pilot program and 3 years after that to continue the program. The curriculum specialists would establish a foundation of support into the future beyond the program. The positions would help districts to align their program and help with its implementation.

Representative Wilson asked how the proposed curriculum specialists different from past curriculum specialists. Mr. Prussing indicated the positions would be very similar to the positions the department had in the past. The new positions would be more focused on the implementation of the curriculum and the curriculum review process. The previous specialists were focused on helping districts align their curriculum already adopted to the state standards.

Vice-Chair Gara thought the employees would also be working to find curriculum models from other states that Alaska's school districts could possibly choose. He believed it was not only about aligning curriculum but also about searching for curriculum that might benefit school districts. Mr. Prussing responded, "Correct." He remarked that it was the reason the department would be continuing the work into the future even after the pilot program.

Co-Chair Foster invited his staff to walk through the changes to the bill.

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JANE PIERSON, STAFF, REPRESENTATIVE NEAL FOSTER, read the changes from a prepared statement:

Changes from SB 104 version 30-LS0786\P to version C

Page 2, line 4-5 Language was added to state that the board may include curricula delivered through virtual education

Page 2, Line 8-9 and may include in the review curricula delivered through virtual education,"

Page 2, Lines 11 -12 states that the department may identify the best mathematics and English and language arts curricula delivered through virtual education.

Page 3, Line 7 The pilot program will now only include four districts. 2 urban (1) math and (1) English and 2 rural 1 Math and 1 English. Therefore, "five" was deleted and "four" was inserted

Page 3, line 8 after "including" "at least" was deleted because there are now only four schools in the pilot program, not five.

Page 3, Line 16 delete "five" and insert "four"

Page 3, Line 18 "professional development" was added so that the incentive program includes "professional development"

Page 4, Line 5-7 Deleted "\$20,000,000 and insert \$9,500,000, plus the unexpended balance of AS 14.07.180(e)(4) - The three-year pilot program.

Page 4, Line 29 delete "five" and insert "four"

Page 5, Line 12-13 A new subparagraph (5) defining "virtual education" as means instruction delivered through telecommunications or other digital or electronic methods."

Page 5, Line 16 deleted "\$30,000,000" and inserted "\$19,500,000"

Representative Wilson asked if accompanying materials, including text books, would be virtual, if it was determined that the best curriculum came in a virtual format. Ms. Pierson believed that it would include the actual program and the delivery. It could be that a virtual program was deemed better than a book program. She

indicated that the word "may" was used rather than "shall."  
The board and the districts would decide.

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Representative Wilson asked if anyone had considered what would happen for a school district that did not have internet capabilities. She wanted to make sure that every district would have the opportunity to use the chosen program. Ms. Pierson responded that the bill was about finding the best program that everyone could use. She reemphasized that the use of the word "may" left things open for the department and the districts to find what worked best.

Representative Wilson WITHDREW her OBJECTION.

There being NO further OBJECTION, Work Draft 30-LS0786\C was ADOPTED.

Co-Chair Foster invited Senator McKinnon to make further comments.

Senator McKinnon thanked the committee for considering SB 104. The bill was an idea which had progressed through the committee. She thought the bill was a better product for doing so.

Vice-Chair Gara walked through the fiscal notes associated with the bill. There were two fiscal notes. The first was OMB component 2796 from DEED. The appropriation was education support and administrative services and the allocation was student and school achievement for the positions previously discussed. The estimated cost for the positions was \$457,600 of general funds. The first year would be \$4,000 higher.

Vice-Chair Gara explained the second fiscal note did not have an OMB component number. It was a fund capitalization for the curriculum improvement and grant program. The amount was a one-time appropriation of general funds in the amount of \$19.5 million.

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Representative Wilson asked about the fiscal note with OMB component number 2796. She referred to page 2, Section 7

where it talked about requiring the department to make available to school districts an electronic system for managing student information relating to individual education programs for students with disabilities. The estimated cost was \$100,000. She asked how it would impact districts. She thought the Fairbanks North Star Borough already did something similar.

Senator McKinnon explained that currently the state did not have a standardized system in place. Everyone was collecting information differently. The program would be a state-supported program so that districts were not disadvantaged, and it would streamline the process. The state would be able to support the exchange of one student moving from the other. She noted that in the original introduction it had been conveyed that a principal would stand at a copy machine inserting 27 pages. Depending on their location in Alaska, the receiving end might or might not receive the fax. The allocation of funds was so that the state could support the system ensuring that districts were not disadvantaged. It would allow for districts to be migrated to a standardized system so that as students moved between districts around the state there was a standardized set of information that could flow back and forth. The districts would not have to restart the individualized education programs.

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Mr. Prussing relayed that in a previous meeting there was a handout that listed the advantages of the process which he read (copy on file):

#### Advantages for a Statewide Special Education Online System

##### Parents

- Parents have complete access to student files at all times
- Transfers of student files and service requirements are much quicker (if not immediate)
- Transfers of sensitive student information is more safe and secure
- Student services will not be interrupted due to potential incomplete files

- Schools may immediately resume services for students with disabilities when they transfer

#### Teachers

- A standardized and consistent system for statewide training
- Immediate use of outside transfer paperwork with standardized format
- All teachers working with the student have access to the key information necessary to assure
- services across the schedule
- Reduction in time, effort and training on multiple issues of compliance with regulatory
- requirements (proposed system is highest ranked in compliance alignment)
- Teachers may work from multiple locations and operating systems (Mac/PC)

#### Schools

- Site level data and statistics are readily available in real time
- Quick analysis of program progress and student goal achievements
- Consistent tracking of student data for special education
- Simplified records transfer protocols (quick/secure)
- Simplified staff training from single source materials and statewide support opportunities
- Improved staff integration with special education student resources

#### Districts

- Cost savings for the district over a stand alone cost
- Simplified data collection from pre-established state and federal reports
- Access to student data trends and progress levels
- District assessment of special education programs and training needs from site to site
- Online records storage system for more comprehensive files without storage location security and space issues

- Statewide training and support opportunities over annual district specific training
- District to district transfers of data are essentially seamless with immediate capabilities

#### State

- Desktop monitoring of files - ability to spend on site time working to improve student services rather than paperwork compliance
- Realtime data collection for federal requirements eliminates many issues for individual data collection needs of the state
- One system to specialize in and achieve user mastery
- Statewide changes required may be implemented in one action across the state
- Standardized and uniform training in all district systems would be a possibility
- Utilizes the data system most used in the state
- Utilized the system with the highest number of already trained users

Mr. Prussing noted that there were several advantages of going to the system.

Representative Wilson was trying to understand if the districts already had a system and whether the new system would complicate things for the districts. She wondered if parents would be signing something acknowledging they were made aware that students would not only be in their school's database but in a state database. Mr. Prussing relayed that the department would have access to the school's database. It would not be housed within the department but rather in a secured database. He elaborated that there was one system that the majority of the schools were already using that had the needed capability. He was confident that it would amount to less work for most of the districts. The smaller districts that might not already be using the system would be able to get good technical assistance.

Representative Wilson asked if the bill had to do with all students or only special education students. She asked if parents would have to sign off on personal information being released in another database.

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AT EASE

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RECONVENED

Mr. Prussing clarified that the actual data would stay within the school districts. The only time the data would be transferred was if a student transferred to another school. Under the Federal Education Rights to Privacy Act, the parents would have to be notified and approve of the transfer of information. There were safeguards built into an IEP in special education would remain in place.

Representative Wilson asked if it applied to special education students or all students. Mr. Prussing responded, "Just for special education."

Representative Wilson conveyed that IEPs had to be written every year. They were not ongoing. She wanted to make sure that no shortcuts would be taken for special needs students.

Co-Chair Seaton drew attention to the fiscal note dated 05/09/18. On the second page it appeared that there were four districts that had not been updated in several spots. He pointed to line 4 of Section 3 where it noted five districts, but the program funding summary listed five districts in the first pilot year 2019-2020. He asked that the fiscal note reflect the current committee substitute.

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Co-Chair Seaton MOVED to report HCSCSSB 104 (FIN) out of Committee with individual recommendations and the accompanying fiscal notes.

Representative Wilson OBJECTED. Although she thought the bill was a good idea, the cost of an additional \$20 million was not affordable under the state's current fiscal climate. She wondered where the money would come from. She was uncertain if adding three additional positions would cause the numbers to improve. The state had already had similar positions in place before and, the numbers had not improved at that time. She was also concerned that if the state was not going to have enough money in the state's Constitutional Budget Reserve (CBR), the money would come

out of the earnings reserve account. She suggested getting the districts together to utilize their resources. She thought many of them already knew of the best math and English curricula. She also mentioned \$40 million in Medicaid costs that were not covered. She thought the timing was poor and could not support the bill.

Representative Ortiz agreed that the state was in a fiscal predicament. However, he argued that the bill was a clear message that education was a priority. He commended the bill sponsor for bringing the bill forward. He thought it would provide more educational opportunities for kids across the state. He would be supporting the bill.

Vice-Chair Gara did not doubt that better curriculum would have an impact on educational outcomes. It was difficult when teachers, guidance counselors, and curriculum specialists were being lost, to say that curriculum specialists did not make a difference. He suggested the educational system should be a full package. He thought the bill was part of the system. He argued that it was also important to make sure there were enough teachers and educators in the state to ensure a first class education for students in Alaska. He did not believe the state could choose only parts of an education system and expect it to work. He liked the attempt to get school districts better curriculum. He felt that it would only work with an adequate number of educators.

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Representative Thompson agreed that the state needed to improve its curriculum and the education of Alaska's young people. However, it was going to cost the equivalent of upwards of \$75 additional base student allocation (BSA) for the entire state. He opined that the state was overspending. Although he liked the bill, he could not support it.

Representative Wilson MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Foster, Seaton

OPPOSED: Wilson, Pruitt, Thompson, Tilton

The MOTION PASSED (7/4).

There being NO OBJECTION, it was so ordered.

HCS CSSB 104(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN1 (EED); and one new fiscal by the Department of Education and Early Development.

Co-Chair Foster indicated there was a possibility of coming back later in the evening to address amendments for SB 142. He recessed the meeting [note: the meeting never reconvened].

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AJOURNMENT

4:35:58 PM

The meeting was adjourned at 4:35 p.m.