

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

April 12, 2017

8:03 a.m.

MEMBERS PRESENT

Senator Shelley Hughes, Chair
Senator Gary Stevens
Senator John Coghill
Senator Tom Begich

MEMBERS ABSENT

Senator Cathy Giessel

OTHER LEGISLATORS PRESENT

Senator Gardner
Representative Claman
Representative Westlake

COMMITTEE CALENDAR

SENATE CONCURRENT RESOLUTION NO. 5
Proclaiming March 2, 2018, as Alaska Reads Day.

- MOVED SCR 5 OUT OF COMMITTEE

HOUSE BILL NO. 86

"An Act relating to nonrenewal of occupational licenses for default on a student loan."

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 135(EDC) AM

"An Act relating to school district participation in the school construction grant program."

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 64(EDC)

"An Act relating to the establishment of the Task Force on Reading Proficiency and Reading Instruction for All Students and on the Effects of Dyslexia on Some Students."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SCR 5

SHORT TITLE: ALASKA READS DAY

SPONSOR(s): SENATOR(s) GARDNER

02/24/17 (S) READ THE FIRST TIME - REFERRALS
02/24/17 (S) EDC, STA
04/03/17 (S) EDC AT 8:00 AM BUTROVICH 205
04/03/17 (S) Heard & Held
04/03/17 (S) MINUTE(EDC)
04/12/17 (S) EDC AT 8:00 AM BUTROVICH 205

BILL: HB 86

SHORT TITLE: STUDENT LOAN DEFAULT/OCC. LICENSE RENEWAL

SPONSOR(s): REPRESENTATIVE(s) CLAMAN

01/27/17 (H) READ THE FIRST TIME - REFERRALS
01/27/17 (H) EDC, L&C
03/01/17 (H) EDC RPT 7DP
03/01/17 (H) DP: TALERICO, PARISH, KOPP, SPOHNHOLZ,
JOHNSTON, FANSLER, DRUMMOND
03/01/17 (H) EDC AT 8:00 AM CAPITOL 106
03/01/17 (H) Moved HB 86 Out of Committee
03/01/17 (H) MINUTE(EDC)
03/22/17 (H) L&C AT 3:15 PM BARNES 124
03/22/17 (H) Heard & Held
03/22/17 (H) MINUTE(L&C)
03/24/17 (H) L&C AT 3:15 PM BARNES 124
03/24/17 (H) Moved HB 86 Out of Committee
03/24/17 (H) MINUTE(L&C)
03/27/17 (H) L&C RPT 6DP 1NR
03/27/17 (H) DP: SULLIVAN-LEONARD, STUTES, WOOL,
JOSEPHSON, BIRCH, KITO
03/27/17 (H) NR: KNOPP
03/29/17 (H) TRANSMITTED TO (S)
03/29/17 (H) VERSION: HB 86
03/31/17 (S) READ THE FIRST TIME - REFERRALS
03/31/17 (S) EDC, L&C
04/12/17 (S) EDC AT 8:00 AM BUTROVICH 205

BILL: HB 135

SHORT TITLE: SCHOOL CONSTRUCTION GRANT PROGRAM

SPONSOR(s): REPRESENTATIVE(s) WESTLAKE

02/20/17 (H) READ THE FIRST TIME - REFERRALS
 02/20/17 (H) EDC
 03/10/17 (H) EDC AT 8:00 AM CAPITOL 106
 03/10/17 (H) Heard & Held
 03/10/17 (H) MINUTE(EDC)
 03/20/17 (H) EDC AT 8:00 AM CAPITOL 106
 03/20/17 (H) Moved CSHB 135(EDC) Out of Committee
 03/20/17 (H) MINUTE(EDC)
 03/22/17 (H) EDC RPT CS(EDC) 5DP 2NR
 03/22/17 (H) DP: PARISH, SPOHNHOLZ, JOHNSTON,
 FANSLER, DRUMMOND
 03/22/17 (H) NR: TALERICO, KOPP
 04/05/17 (H) TRANSMITTED TO (S)
 04/05/17 (H) VERSION: CSHB 135(EDC) AM
 04/06/17 (S) READ THE FIRST TIME - REFERRALS
 04/06/17 (S) EDC, FIN
 04/12/17 (S) EDC AT 8:00 AM BUTROVICH 205

BILL: HB 64

SHORT TITLE: READING PROFICIENCY TASK FORCE; DYSLEXIA

SPONSOR(S): REPRESENTATIVE(S) DRUMMOND

01/20/17 (H) READ THE FIRST TIME - REFERRALS
 01/20/17 (H) EDC
 01/30/17 (H) EDC AT 9:00 AM CAPITOL 106
 01/30/17 (H) Heard & Held
 01/30/17 (H) MINUTE(EDC)
 03/10/17 (H) EDC RPT CS(EDC) 7DP
 03/10/17 (H) DP: TALERICO, PARISH, SPOHNHOLZ, KOPP,
 JOHNSTON, FANSLER, DRUMMOND
 03/10/17 (H) EDC AT 8:00 AM CAPITOL 106
 03/10/17 (H) Moved CSHB 64(EDC) Out of Committee
 03/10/17 (H) MINUTE(EDC)
 03/24/17 (H) TRANSMITTED TO (S)
 03/24/17 (H) VERSION: CSHB 64(EDC)
 03/27/17 (S) READ THE FIRST TIME - REFERRALS
 03/27/17 (S) EDC
 04/03/17 (S) EDC AT 8:00 AM BUTROVICH 205
 04/03/17 (S) Heard & Held
 04/03/17 (S) MINUTE(EDC)
 04/12/17 (S) EDC AT 8:00 AM BUTROVICH 205

WITNESS REGISTER

POSEY BOGGS, Member
 Alaska Reading Coalition

Anchorage, Alaska

POSITION STATEMENT: Testified on SCR 5 and on HB 64.

REPRESENTATIVE MATT CLAMAN

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 86.

OWEN PHILLIPS, Staff

Representative Matt Claman

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented information on HB 86, on behalf of the sponsor.

STEPHANIE BUTLER, Executive Director

Commission on Postsecondary Education

Executive Officer

Alaska Student Loan Corporation

Department of Education and Early Development (DEED)

Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 86.

REPRESENTATIVE DEAN WESTLAK

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 135.

JESSE LOGAN, Staff

Representative Dean Westlake

Alaska State Legislature

Juneau, Alaska,

POSITION STATEMENT: Answered questions related to HB 135.

LORI PICKETT, representing herself

International Dyslexia Association

Anchorage, Alaska

POSITION STATEMENT: Testified on HB 64.

ACTION NARRATIVE

8:03:55 AM

CHAIR SHELLEY HUGHES called the Senate Education Standing Committee meeting to order at 8:03 a.m. Present at the call to order were Senators Begich, Coghill, and Chair Hughes. Senator Stevens arrived shortly thereafter.

She welcomed Senator Gardner, Representative Claman, and Representative Westlake.

SCR 5-ALASKA READS DAY

[8:05:04 AM](#)

CHAIR HUGHES announced that the first order of business would be SCR 5.

[8:05:10 AM](#)

CHAIR HUGHES opened public testimony.

[8:05:18 AM](#)

POSEY BOGGS, Member, Alaska Reading Coalition, testified on SCR 5. She spoke of the ways early reading skills help students and how parents can promote early literacy goals. She noted they need support of extra information to reduce the number of the state's fourth graders who are not reading proficiently. She stated the importance of best practices to harness resolve as a state to.

[8:08:10 AM](#)

CHAIR HUGHES asked why March 2 was chosen.

MS. BOGGS did not know.

CHAIR HUGHES wished it were in the fall so legislators were home and could go into schools to promote it.

SENATOR COGHILL said March 2 is Dr. Seuss's birthday.

[8:08:49 AM](#)

CHAIR HUGHES closed public testimony.

[8:08:58 AM](#)

SENATOR COGHILL moved to report SCR 5 from committee with individual recommendations and attached zero fiscal note. There being no objection, the motion carried.

[8:09:22 AM](#)

At ease

HB 86-STUDENT LOAN DEFAULT/OCC. LICENSE RENEWAL

[8:10:24 AM](#)

CHAIR HUGHES announced the consideration of HB 86.

[8:10:32 AM](#)

REPRESENTATIVE MATT CLAMAN, Alaska State Legislature, sponsor of HB 86. He thanked the committee for hearing HB 86. He quoted Thomas Jefferson, "Government is best which governs least." The goal of HB 86 is to revoke Alaska Commission on Postsecondary Education's (ACPE) authority to use non-renewal of occupational licensing as an incentive to ensure payment of student loans in the instance of default. As the consequences of defaulting are already severe and ACPE has not exercised this authority since 2010, it makes sense to repeal these statutes.

[8:11:17 AM](#)

OWEN PHILLIPS, Staff, Representative Matt Claman, Alaska State Legislature, presented information on HB 86, on behalf of the sponsor. He read from the sponsor statement:

House Bill 86 repeals current statutes that allow the Alaska Commission on Postsecondary Education (ACPE) to threaten nonrenewal of occupational licenses for individuals who have defaulted on their student loans. Effectively, nonrenewal of an occupational license could obstruct an individual's main source of income and make repayment of the defaulted loan difficult if not impossible. The ACPE has not used this power since 2010, and prior to 2010, only 155 instances were listed. Repealing this authority will allow licensed individuals to continue their practice, earn an income, and pay back their defaulted loans without the fear of losing their occupational license and their income from that occupation.

Delinquency and default have serious consequences. Loss of an occupational license may take away a debtor's best means to pay off their student loan. Student loan default can harm the borrower's credit and continued loan debt can create late fees, additional interest, potential court costs, collection fees, attorney's fees, and other costs associated with the collection process. Failure to repay a student loan may result in liens on property and adverse reports to consumer reporting agencies. An initial default can have a domino effect that increases the challenge of getting out of debt.

The current statute (AS 14.43.145 (4)) states that the commission has the authority to provide notice to a licensing authority for nonrenewal of a license. If

the ACPE posts such, the licensing entity may not renew said license during the next renewal cycle. Affected occupations include licenses for nurses, pharmacists, social workers, veterinarians, dentists, attorneys, teachers (k-12), EMS workers, and correctional officers.

In the 1990s and early 2000s, Congress passed legislation to give states the authority to revoke, suspend, or refuse to renew a variety of licenses in the instance of defaults on loans, as student aid was often provided by states. There are currently 21 states with similar statutes in place. Last year, Montana became the first state to repeal statutes that allowed the state to revoke a license in the event of a student loan default.

Due to the potential barriers that current Alaska statutes may cause, passing HB 86 will allow borrowers, who may already be struggling, the opportunity to maintain their practice while addressing their financial challenges.

[8:12:49 AM](#)

MR. PHILLIPS presented the sectional analysis of the bill:

Section 1 deletes language that is no longer necessary after the repeals mentioned in Section 2.

Section 2 repeals AS 14.43.145(a)(4), which gives the authority to the Commission to provide notice of a default to a licensing entity for non-renewal of the license. It also repeals AS 14.43.148, which indicates that a licensing entity may not renew a license if they have received such notice from the Commission that the licensee has defaulted on a loan issued by the Commission and AS 21.27.390(d), which makes reference to temporary licenses.

MR. PHILLIPS noted those present to answer questions.

[8:14:10 AM](#)

SENATOR BEGICH asked how often revocation was used, if at all.

MR. PHILLIPS replied that prior to 2010 it was used 155 times, and to date there are 46 outstanding cases of loans that were never paid back.

[8:14:38 AM](#)

CHAIR HUGHES asked if, under current statute, there is a way for a student who defaults to not lose their license or if it is up to the discretion of ACPE.

MR. PHILLIPS understood that it is discretionary. He suggested Ms. Butler can address that question.

CHAIR HUGHES asked how many students are currently receiving student loans.

MR. PHILLIPS shared data from ACPE: there are currently 17,400 borrowers equaling about \$240 million.

CHAIR HUGHES asked if there is any other place in statute where a person gets penalized for defaulting on their loan.

MR. PHILLIPS replied that garnishing wages has worked very well because individuals are allowed to still earn some income.

[8:16:25 AM](#)

CHAIR HUGHES asked how the decision to garnish wages is made.

[8:16:38 AM](#)

MR. PHILLIPS deferred to Ms. Butler to answer.

SENATOR COGHILL liked the ability to work and pay off debt at the same time. He noted AS 21.27.390 applied to temporary licenses and asked what they were.

MR. PHILLIPS said he would have to look it up.

[8:17:51 AM](#)

REPRESENTATIVE CLAMAN related that they discovered that when revoking licenses, those with occupational licenses would go to another state to obtain a license and Alaska was not able to garnish their wages. It was doubly ineffective. Taking wages away was also not effective.

SENATOR COGHILL said Senator Begich discovered that AS 21.27.390 applies to a variety of temporary licenses. He agreed with the sponsor's point.

[8:19:27 AM](#)

CHAIR HUGHES commented out that the bill applies to all occupational licenses and has an impact across the economy.

CHAIR HUGHES requested Ms. Butler address members' questions, explain the current process, and state the administration's position on the bill.

[8:19:51 AM](#)

STEPHANIE BUTLER, Executive Director, Alaska Commission on Postsecondary Education (ACPE), Executive Officer, Alaska Student Loan Corporation, Department of Education and Early Development (DEED), answered questions on HB 86. She provided the history of ACPE's efforts to collect defaulted loans. She spoke of an effective means to collect defaulted loans - wage garnishment. Taking occupational licenses away was ineffective, as was putting a hold on the license renewal. She noted there are 40 holds pending, but it appears that none of the people are in Alaska. Should the legislation pass, they would release those holds.

[8:22:02 AM](#)

SENATOR BEGICH recalled when Representative Porchet tried various methods of loan collection.

[8:22:35 AM](#)

CHAIR HUGHES said it is a good bill and is needed. She pointed out that when people leave the state, the state loses jurisdiction. She asked, if the bill were to not pass, and someone defaults and is in Alaska, would it be up to ACEP to proceed with the different authorities.

[8:23:23 AM](#)

MS. BUTLER explained that wage garnishment is an automated process which treats all equally. It is set into motion when a person has not made a payment in six months or they have not made an arrangement for a deferment. At 180 days they are notified and they receive notifications every 30 days up until that time. They have 30 days to appeal the default, after which, wage garnishment commences. At that point their option to be relieved from wage garnishment is to demonstrate financial hardship.

CHAIR HUGHES asked if the default will be reflected on a credit score for those who move out of state.

MS. BUTLER said yes.

[8:24:58 AM](#)

CHAIR HUGHES opened public testimony, and seeing no testifiers, closed public testimony. She held HB 86 in committee.

HB 135-SCHOOL CONSTRUCTION GRANT PROGRAM

[8:25:56 AM](#)

CHAIR HUGHES announced the consideration of HB 135.

[8:26:02 AM](#)

REPRESENTATIVE DEAN WESTLAK, Alaska State Legislature, sponsor of HB 135. He thanked the committee for hearing the bill. He said HB 135 aims to do two things. It increases the original time limit to identify and secure matching funds from the current three-year window to five years. The bill will also allow the Commissioner of Education to grant time extensions for an additional three years if just cause is shown. It extends a time period for school districts to raise their percentage of shares for project costs appropriated through the Education Facilities Maintenance and Construction Fund for appropriations made under AS 37.05.560.

Currently, school districts are required to raise a percentage share match of the total cost for projects within three years. However, since the adoption of a three-year time constraint in 1993, multiple projects have required more time to raise their required share. According to DEED the three-year time lapse, while appropriate for most projects, exceptions do exist when faced with extenuating circumstances. Previous and current examples include, but are not limited to, projects within the Northwest Arctic Borough, the Kenai Peninsula Borough, Yupik School District, Yukon Flats School District, and the Hoonah School District.

When the legislature makes appropriations for this program, it is the intent to see the projects through to completion. This bill allows fluidity to account for real world hurdles that can slow projects down or prevent them from happening.

REPRESENTATIVE WESTLAKE requested the committee's support for the bill. He noted they worked on it in the House where it passed unanimously.

[8:28:39 AM](#)

SENATOR COGHILL asked about Section 1, "except for in (d) and (g)." He did not find (d) in the bill.

JESSE LOGAN, Staff, Representative Dean Westlake, Alaska State Legislature, answered questions related to HB 135. He explained

that (d) already exists in statute and (g) is being added as a new subsection.

8:30:33 AM

SENATOR BEGICH explained that if a district with full value per ADM of \$200,000 or less can demonstrate in writing that it is unable to provide the participating share it is allowed the exception. The bill references that existing exception. He did not know of any districts that had an ADM of \$200,000 or less. He said it is a clean-up piece.

SENATOR COGHILL said he understood.

8:32:00 AM

REPRESENTATIVE WESTLAKE agreed it is a clean-up piece. The amendment changed it from a three-year floor to a five-year floor, with the exception of the Commissioner being able to extend for a three-year period if there is just cause.

CHAIR HUGHES noted there will be times the extension will be needed and granted by the Commissioner. She asked if the Commissioner can make only one three-year exception and how it has it worked in the past.

8:32:43 AM

MR. LOGAN explained that there has not been an exception piece previously; there was once case - the Hoonah major maintenance project in 2011 - where the Commissioner made an executive decision to reduce the matching share by \$35,000 when they were unable to secure their match within the timeframe allowed.

CHAIR HUGHES asked which districts this bill is important to.

REPRESENTATIVE WESTLAKE said if they go to the five-year floor, all schools will be ok. He noted the road in NWASD is beyond their control.

MR. LOGAN added that the Kivalina School and the Kachemak Selo project are up against the deadline.

8:34:09 AM

CHAIR HUGHES asked if they are aware of other schools that would be running into the three-year problem.

REPRESENTATIVE WESTLAKE thought there were others.

8:34:38 AM

SENATOR BEGICH noted two other school construction projects potentially affected by the bill, one in the Lower Kuskokwim School District and one in the Yukon Koyukuk School District.

[8:35:08 AM](#)

REPRESENTATIVE WESTLAKE thought there was also one from the Interior.

[8:35:25 AM](#)

CHAIR HUGHES held HB 135 in committee.

[8:35:41 AM](#)

At ease

HB 64-READING PROFICIENCY TASK FORCE; DYSLEXIA

[8:37:55 AM](#)

CHAIR HUGHES announced the consideration of HB 64.

CHAIR HUGHES opened public testimony.

[8:38:16 AM](#)

LORI PICKETT, representing herself, International Dyslexia Association, testified on HB 64. She thanked the committee for hearing the bill. She spoke from many perspectives; educator, parent, board member, and person with dyslexia. She stressed the problem of the gap between what is scientifically known about how to teach reading and the instruction given in the majority of schools. She opined that a task force on reading instruction could develop a sustainable plan to bridge that gap.

[8:40:19 AM](#)

CHAIR HUGHES asked how many K-12 children in Alaska have dyslexia.

MS. PICKETT guessed 12 to 20 percent.

[8:41:00 AM](#)

POSIE BOGGS, Member, Alaska Reading Coalition, testified on HB 64. She appreciated the public testimony at the previous meeting and the bi-partisan nature of the bill.

She said the Coalition views the task force as a tool to extend their hard work beyond their own careers and to collaborate across stakeholders and create a plan for reading outcomes that is sustainable and systemic and based on the best scientific information. She encouraged the passage of the bill.

CHAIR HUGHES reiterated her question about the number of children with dyslexia.

MS. BOGGS said under the general definition it is 10 percent; using a broader definition it is 15 percent; personal observation is even larger.

[8:43:44 AM](#)

CHAIR HUGHES asked how dyslexia impacts mathematics.

MS. BOGGS noted that three of her students are greatly impacted in math when reading word problems. Also, long-term memory is an issue as it relates to math, such as in algebra and fractions.

[8:45:17 AM](#)

CHAIR HUGHES asked about number reversals.

MS. BOGGS said reversal of numbers has very little to do with dyslexia.

[8:46:56 AM](#)

SENATOR STEVENS noted that the bill has a broader scope than dyslexia - it talks about reading.

[8:47:19 AM](#)

MS. BOGGS said it is absolutely broader than dyslexia; it is for all students and is a global bill.

SENATOR STEVENS asked whether schools of education in Alaska use scientific research to train teachers in this areas.

[8:48:55 AM](#)

MS. BOGGS said that the National Council on Teacher Quality has addressed the issue of early reading instruction. The program at UAF for educators received a 99 percentile rating of basic knowledge for teaching reading. UAA received only a 9 percentile rating. Only about 19 percent of universities instruct their teachers in the foundations of reading. She provided an example of teaching phonics in Ohio. There is a huge disparity and it is a challenging issue.

[8:51:27 AM](#)

CHAIR HUGHES asked if the committee has any questions.

CHAIR HUGHES closed public testimony. She said they are working on a CS for HB 64. She held HB 64 in committee.

She made announcements.

8:52:33 AM

There being no further business to come before the committee, Senator Hughes adjourned the Senate Education Standing Committee at 8:52 a.m.