

**ALASKA STATE LEGISLATURE**  
**SENATE EDUCATION STANDING COMMITTEE**

January 25, 2018

3:30 p.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

Senator Cathy Giessel

**COMMITTEE CALENDAR**

SENATE BILL NO. 131

"An Act relating to a separate appropriation bill for operating expenses for public education and establishing a date by which the bill must be passed by the legislature and transmitted to the governor each year; relating to the budget responsibilities of the governor; and providing for an effective date."

- MOVED SB 131 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 131

SHORT TITLE: EDUCATION FUNDING; BUDGET

SPONSOR(S): SENATOR(S) STEVENS

01/16/18	(S)	PREFILE RELEASED 1/8/18
01/16/18	(S)	READ THE FIRST TIME - REFERRALS
01/16/18	(S)	EDC, FIN
01/17/18	(S)	EDC AT 8:00 AM BUTROVICH 205
01/17/18	(S)	Heard & Held
01/17/18	(S)	MINUTE(EDC)
01/24/18	(S)	EDC AT 8:00 AM BUTROVICH 205
01/24/18	(S)	Heard & Held
01/24/18	(S)	MINUTE(EDC)
01/25/18	(S)	EDC AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

AMY LUJAN, Executive Director  
Alaska Association of School Business Officials (ALASBO)  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

DEENA BISHOP, Ph.D., Superintendent  
Anchorage School District  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

ALEX KOPLIN, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

JOSH KEATON, Vice President  
Juneau School Board  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

MATT POTTER, staff  
Sitka School District, Sitka, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

CASS POOK, Vice-President  
Sitka School District  
Sitka, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

ERIC VAN CISE, Clerk  
Sitka School Board, Sitka, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

ELIAS ERICKSON, Representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

IAN RABL, Representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

PETE HOEPFNER, Member  
Cordova School Board  
Cordova, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

DAVID BOYLE, Representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 131.

OLIVER LAMKIN, Representing self (age 10)

Juneau, Alaska

**POSITION STATEMENT:** Testified in support of SB 131

## **ACTION NARRATIVE**

[3:30:18 PM](#)

**CHAIR GARY STEVENS** called the Senate Education Standing Committee meeting to order at 3:07 p.m. Present at the call to order were Senators Hughes, Begich, Coghill, and Chair Stevens.

### **SB 131-EDUCATION FUNDING; BUDGET**

[3:30:52 PM](#)

**CHAIR STEVENS** announced the consideration of SB 131. [SB 131, version 30-LS1106\A, was before the committee.]

[3:31:01 PM](#)

**CHAIR STEVENS** opened public testimony.

[3:31:14 PM](#)

**AMY LUJAN**, Executive Director, Alaska Association of School Business Officials (ALASBO), testified in support of SB 131. She said ALASBO and other organizations have a joint position statement that timely, reliable funding is a top priority. Early funding is needed for sound financial management as well as for teacher recruitment and retention. Sound financial management is difficult to do in absence of a budget. In recent years districts have been on the razor's edge for making decisions because there are not a lot of reserves now. She noted that it is hard to deliver good results without good planning. Teachers have difficulty succeeding when they arrive in rural communities at the last moment with no preparation on district programs and no cultural integration. Alaska has had hundreds of unfilled teaching positions in the fall. She addressed Senator Hughes' questions in other meetings about the effect of a different fiscal year for schools. She said the fiscal year should be aligned with the business cycle, which is the school year.

[3:35:59 PM](#)

**MS. LUJAN** said the date of April 1 is reasonable, although earlier would be better. She liked the suggestion of adding a hold harmless provision, which would be that if the deadline was

not met districts would be at least funded at the previous year's level.

[3:36:35 PM](#)

CHAIR STEVENS said April 1 seemed to make sense.

[3:36:56 PM](#)

SENATOR BEGICH noted that the Anchorage School District had sent a letter, which pointed out that March 1 is the municipal deadline for a budget. He wondered if local deadlines earlier than April 1 would cause problems.

[3:37:24 PM](#)

MS. LUJAN said many localities have a May 1 deadline.

[3:37:40 PM](#)

SENATOR BEGICH said Chair Stevens had chosen April 1 because the governor can take actions on his budget in March.

[3:38:02 PM](#)

SENATOR HUGHES asked her to address the notion that some might think pink-slips would never be issued if the bill became law.

[3:38:50 PM](#)

MS. LUJAN said SB 131 may not end pink-slipping, but it will reduce the number issued. The municipal contribution may not be finalized until after April 1, but the state wouldn't see hundreds of pink-slips issued, which decreases morale.

[3:39:56 PM](#)

SENATOR HUGHES said groups could still advocate for supplemental funding.

[3:40:30 PM](#)

MS. LUJAN said yes.

[3:40:36 PM](#)

CHAIR STEVENS said everyone would like to see supplemental funding reduced.

[3:40:46 PM](#)

SENATOR HUGHES said many teachers have told her of the challenges, such as behavior, that impact academic learning. She wondered if there had been any studies to look at the cost of distractions caused by behavior problems.

[3:42:02 PM](#)

MS. LUJAN said late funding makes it hard to get special education teachers. Socioeconomic issues, the opioid crisis, make education more challenging, but she did not know of any cost studies. The challenge is made worse by lack of effective planning and not being able to get the right people.

[3:43:14 PM](#)

DEENA BISHOP, Ph.D., Superintendent, Anchorage School District, testified in support of SB 131. She said early funding prevents unnecessary layoff notices. The statutory deadline is May 15 for tenured teachers and the end of school for nontenured teachers. Last year the state budget was passed after these deadlines, and Anchorage issued layoff notices to 223 teachers. Most of the teachers were recalled, but the loss of morale has been felt throughout the year. And since other states hire early, the best teachers can get jobs elsewhere.

[3:45:02 PM](#)

ALEX KOPLIN, Representing self, testified in support of SB 131. He said that budgeting earlier provides a positive message to schools that the jobs they do is important. Last minute shuffling and funding does not respect programs. This is such a positive bill.

[3:48:28 PM](#)

JOSH KEATON, Vice President, Juneau School Board, testified in support of SB 131. He shared that he is also on the board of the Association of Alaska School Boards (AASB). Juneau's district budget deadline is at the end of March. Not knowing the state contribution creates a frustrating, endless cycle of budgeting for various scenarios while trying to meet the needs of students. For five to six years they have been dealing with constant cuts while trying to maintain services.

[3:51:02 PM](#)

MR. KEATON said AASB supports SB 131, and April 1 is a reasonable date.

[3:52:24 PM](#)

SENATOR BEGICH pointed out that SB 131 does not have a hold harmless clause.

[3:53:09 PM](#)

MATT POTTER, Staff, Sitka School District, testified in support of SB 131. He said the uncertainty caused by layoff notices can cause teachers to leave the state. When teachers know they will be retained, morale is better. The uncertainty harms the most

vulnerable populations. Districts can plan better with early budgeting and hire when the pool of candidates is stronger. He said early planning allows commitment to multiyear projects.

[3:55:06 PM](#)

CASS POOK, Vice-President, Sitka School District, testified in support of SB 131. She shared that she is also on the AASB board and is an Alaska Native and advocate for Alaska Native students and low-income students. Early funding to provide more clarity for the budget process has been a concern for many years for the Sitka School Board and AASB. Early funding shows respect to teachers, staff, and students and allows a quality education. Late budgeting is also not fair to business managers.

[3:57:18 PM](#)

ERIC VAN CISE, Clerk, Sitka School Board, testified in support of SB 131. He said the city of Sitka has a significant budget deficit, unlike ever before. Without a budget, the district must issue layoff notices to nontenured teachers and make plans to cut programs. Once the budget is known, the district must scramble to hire. "The avalanche effect of midsummer decisions is beyond words that I can really come up with right now," he said. He pointed out that a hold harmless provision would not account for increased costs and that even with a hold harmless clause, Sitka would still be \$800,000 in the hole.

[4:01:31 PM](#)

ELIAS ERICKSON, Representing self, testified in support of SB 131. He shared that he is a high school senior at Sitka High School, a member of the Sitka School Board, and president of the high school student council. He said SB 131 allows school districts to make confident and sound financial decisions. In December of 2017 Alaska had 153 open teaching positions, which affects student learning.

[4:03:17 PM](#)

IAN RABL, Representing self, testified in support of SB 131. He said that he is an exchange student from Austria and that it is unfair to the Sitka School Board and the students to have to develop a budget before knowing funding levels. He said he was very disappointed that he could not take French because of program cuts the school district has had to make.

[4:04:30 PM](#)

PETE HOEPFNER, Member, Cordova School Board, testified in support of SB 131. He said issuing pink-slips has created havoc in the personal lives of teachers. The state needs to respect

teachers by fully funding education early in the legislative session. AASB has talked for years of the need for early education funding.

[4:07:01 PM](#)

DAVID BOYLE, Representing self, testified in opposition to SB 131. He said the legislature should not take anything out of the normal budgeting process by department or function because that may incentivize other agencies, including the university system, to try to do the same thing. The last hired, first fired policy is responsible for losing young teachers and keeping some less effective teachers. The question to ask should be how will this improve student achievement. If it doesn't, don't do it.

[4:09:35 PM](#)

MR BOYLE said the committee has mostly heard from people on the state payroll. School boards should not approve contracts they cannot pay for.

[4:10:36 PM](#)

OLIVER LAMKIN, Representing self (age 10), testified in support of SB 131. He said he supports early funding of schools.

[4:11:32 PM](#)

CHAIR STEVENS closed public testimony and asked the will of the committee.

[4:11:42 PM](#)

SENATOR COGHILL moved to report SB 131, version A, from committee with individual recommendations and attached zero fiscal note.

[4:11:55 PM](#)

CHAIR STEVENS announced that seeing no objection, SB 131 moved from the Senate Education Standing Committee.

[4:12:05 PM](#)

At ease.

[4:13:31 PM](#)

There being no further business to come before the committee, Chair Stevens adjourned the Senate Education Standing Committee at 4:13 p.m.