

SENATE FINANCE COMMITTEE

April 10, 2017

1:44 p.m.

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CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 1:44 p.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senator Click Bishop, Vice-Chair
Senator Peter Micciche
Senator Donny Olson
Senator Natasha von Imhof

MEMBERS ABSENT

Senator Mike Dunleavy

ALSO PRESENT

Brittany Hutchison, Staff, Senator Anna MacKinnon; Jack Walsh, Superintendent, Craig Schools, Craig; Tony Habra, Haines Borough Schools, Haines; Tim Parker, President, NEA Alaska, Juneau; David Brighton, Kenai Education Association, Kenai; Jeff Hebard, Fairbanks Education Association, Fairbanks; Lisa Parady, Alaska Council of School Administrators, Juneau; Alyse Galvin, Great Alaska Schools, Juneau; PJ Ford Slack, Superintendent, Hoonah City Schools, Hoonah; Patience Fredrikson, Director, Division of Libraries, Archives and Museums, Department of Education and Early Development; Kevin Shipley, Kake City Schools, Kake; Paul Prussing, Acting Director, Division of Student Learning, Department of Education and Early Development; Sana Efrid, Deputy Commissioner, Department of Education and Early Development; Stephanie Butler, Alaska Commission on Postsecondary Education, Juneau; Scott MacManus, Superintendent, Alaska Gateway School District, Tok; Kevin Shipley, Kake City Schools, Kake; Tim Bauer, Superintendent, Annette Island School District, Metlakatla; John Conwell, Superintendent, Unalaska City School District, Unalaska; Lora Jorgensen, Self, Juneau; Holly

Holman, Unalaska City School District, Unalaska; Joe Nelson, University of Alaska Southeast, Juneau; Brenda Taylor, Great Alaska Schools, Juneau.

PRESENT VIA TELECONFERENCE

Paul Kendall, Self, Anchorage; Arlene Ronda, Self, Homer; Saichi Oba, University of Alaska, Fairbanks; Maximilian Erickson, Self, Fairbanks; Gretchyn O'Donnell, Self, Juneau; Pete Hoepfner, Cordova School District, Cordova; Kathy Todd, Self, Valdez; Susan Niman, Self, Valdez; Mike Coons, Self, Palmer; Todd Smoldon, Self, Willow.

SUMMARY

SB 102 INTERNET FOR SCHOOLS; FUNDING

SB 102 was HEARD and HELD in committee for further consideration.

SB 103 ED GRANTS/SCHOLARSHIP; INNOVATIVE ED FUND

SB 103 was HEARD and HELD in committee for further consideration.

SB 104 EDUCATION CURRICULUM

SB 104 was HEARD and HELD in committee for further consideration.

Co-Chair MacKinnon discussed the schedule for the day.

#sb102

#sb103

#sb104

SENATE BILL NO. 102

"An Act relating to funding for Internet services for school districts; and relating to the Alaska higher education investment fund."

SENATE BILL NO. 103

"An Act establishing the Alaska education innovation grant program; eliminating the Alaska education grant program and the Alaska performance scholarship program; redesignating the Alaska higher education

investment fund as the Alaska education innovation grant fund; and providing for an effective date."

SENATE BILL NO. 104

"An Act relating to the duties of the state Board of Education and Early Development; and relating to school curriculum."

[1:45:03 PM](#)

BRITTANY HUTCHISON, STAFF, SENATOR ANNA MACKINNON, offered an overview about why the suite of bills were being introduced. She asserted that SB 102, 103, and 104 had been crafted out of the need for major improvements in Alaska's educational system. She said that the needs addressed in the legislation were threefold: the prioritization of K-12 education as a constitutional responsibility, the improvement of outcomes for Alaskan students, and providing for efficient and streamlined delivery of education processes and procedures.

#sb102

[1:46:50 PM](#)

Ms. Hutchison provided a sponsor statement for SB 102:

The goal of this legislation is to improve educational outcomes for Alaskan students. The graduation rate for high school in Alaska for 2016 is 76%. Of the amount of students who go to the University of Alaska, 52% of incoming Alaska freshman need remediation classes. Our children and workforce deserve better. This bill seeks to improve outcomes by providing students with additional internet access and increased opportunity for virtual education, even in the most remote places in Alaska. This will provide access to the best teachers in our state to teach in multiple areas of our state, via the internet.

It is the Legislature's primary constitutional requirement to provide for an education system in Alaska. It is time to refocus and prioritize our state money on improved deliveries of education. SB 102 will provide assistance to districts with high technology costs and technological disadvantages, by increasing the minimum requirement of megabits per second from 10

to 25. It will direct monies from the higher education fund to increase the amount of Broadband Assistance Grants (BAG) that the state can pay to school districts and will allow schools the flexibility to direct additional dollars to the classroom.

Currently, 137 schools, in 29 school districts, receive a BAG award. SB 102 will bring 197 schools up to the new floor of 25Mbps and provide funding to help those schools reach 25Mbps.

The total cost of internet services in FY16 was approximately \$92.6 million. The Federal E-Rate program discount covered approximately \$79.1 million. The School BAG awards covered \$3.4 million. School Districts across the state only had to pay a cumulative sum of approximately \$10 million in FY16.

The value of E-Rate and BAG for our schools is tremendous. This bill will leverage between 70- 90% federal dollars. For every state dollar, we receive about \$7 from the federal government.

I urge your support of this legislation to help improve educational outcomes for Alaskan students.

Ms. Hutchison relayed that the bill would not provide funding for infrastructure, personal computers, microphones, or software.

[1:48:35 PM](#)

Ms. Hutchison discussed the sectional analysis for SB 102 (copy on file):

Section 1 AS 14.03.127(a)
Increases the floor of internet download speed from 10 megabits per second (Mbps) to 25 megabits per second (Mbps) for every school in Alaska.

Section 2 AS 37.14.750(a)
Puts into statute that the legislature may pay for internet services through the Higher Education Fund.

Section 3 AS 37.14.750

Conforming language that allows the legislature to pay for internet services through the Higher Education Fund.

[1:49:01 PM](#)

Co-Chair MacKinnon OPENED public testimony.

JACK WALSH, SUPERINTENDENT, CRAIG SCHOOLS, CRAIG, testified in support of the bill. He believed that the expanded internet access would help to provide additional vocational programs.

[1:50:46 PM](#)

TONY HABRA, HAINES BOROUGH SCHOOLS, HAINES, spoke in support of the legislation. He noted that the internet access in Haines was good, but that it would be beneficial to connect with other districts that currently had limited access.

[1:52:10 PM](#)

TIM PARKER, PRESIDENT, NEA ALASKA, JUNEAU, spoke in support of the legislation. He lamented the proposed 5 percent cut to education funding.

Co-Chair MacKinnon reminded the testifier that the bill before the committee was SB 102.

Mr. Parker spoke to SB 102. He stated that additional broadband was definitely needed, but that there were some fiber optic cable issues as well as satellite data transmittal struggles. He stressed that a long term fiscal solution to the budget crisis was necessary to provide stable, forward funding for Alaska schools.

Co-Chair MacKinnon understood that Mr. Parker supported SB 102.

Mr. Parker stated that he was in support of the bill. He said that slow running computers were detrimental to classroom learning. He opined that teachers had to have two lesson plans in place: one that used the computer, and another for when the computer did not work.

[1:56:59 PM](#)

DAVID BRIGHTON, KENAI EDUCATION ASSOCIATION, KENAI, spoke in support of SB 102. He spoke of the Alaska Performance Scholarship. He said that his son would not be able to go to college without the scholarship.

Co-Chair MacKinnon requested that testifiers keep their comments to the bill before the committee.

[1:59:10 PM](#)

Senator Micciche clarified that the committee would be hearing public testimony for the other bills on the agenda.

[1:59:55 PM](#)

JEFF HEBARD, FAIRBANKS EDUCATION ASSOCIATION, FAIRBANKS, expressed support for the bill. He was concerned about the funding source.

Co-Chair MacKinnon stressed that individual public testimony would be taken for each bill.

Mr. Hebard urged support for local control of decision making for school funding issues. He testified against SB 103. He lamented the various struggles faced by students in Alaska's school system. He argued that educators could not build necessary relationships with students when classrooms were overcrowded.

[2:02:58 PM](#)

Vice-Chair Bishop asked whether Mr. Hebard wanted broadband to be optional.

Mr. Hebard answered in the affirmative.

Co-Chair MacKinnon surmised that the school districts would pick up the cost of the broadband.

Mr. Hebard responded that he was encouraging that the decision making be at the local level.

[2:03:30 PM](#)

LISA PARADY, ALASKA COUNCIL OF SCHOOL ADMINISTRATORS, JUNEAU, testified in support of the bill. She stressed that expanding internet speed in rural Alaska was a critical

piece in moving forward with virtual learning. She believed that the effort to maximize federal dollars was prudent.

[2:06:25 PM](#)

Co-Chair MacKinnon remarked that Senator Olson had been the original carrier of a broadband assistance bill for communities outside of the Railbelt.

[2:07:13 PM](#)

AT EASE

[2:07:36 PM](#)

RECONVENED

ALYSE GALVIN, GREAT ALASKA SCHOOLS, JUNEAU, testified in support of SB 102. She acknowledged the importance of broadband in rural Alaska, but added that actual teachers in classrooms was the ultimate goal of her organization.

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AT EASE

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RECONVENED

PJ FORD SLACK, SUPERINTENDENT, HOONAH CITY SCHOOLS, HOONAH, spoke in support of the bill. She thought it was very important to achieve connectivity to other schools in real time. She hoped that the legislature could offer support in talking to local providers about providing support for infrastructure.

[2:13:02 PM](#)

Vice-Chair Bishop asked whether her district would be able to build the infrastructure necessary to implement the legislation.

Ms. Ford Slack replied that her district would not be able to afford the necessary cable without help from providers.

Co-Chair MacKinnon commented that the bill did not offer cable, satellite, or other amenities. She clarified that only addressed existing schools that had the capacity to step up to 25 megabits. She said that there were projects

in motion that could provide additional infrastructure that would provide tie-ins for other communities.

[2:14:47 PM](#)

Senator Micciche asked for a clarification on the dollar amount for the first leg of infrastructure in Ms. Ford's district.

Ms. Ford Slack replied \$6.6 million for the first leg of cable.

Co-Chair MacKinnon hoped that the administration could provide the numbers for schools that needed additional help.

[2:15:13 PM](#)

Senator von Imhof queried the distance of the first leg of cable.

Ms. Ford Slack was unsure about the amount of miles, and clarified that the route was from Juneau to Hoonah. That route was the shortest leg before going out to Pelican or up to Yakutat.

Senator von Imhof referred to the sponsor statement. She believed that the state should take advantage of the federal match dollars. She thought that the bill could be more effective by including fiber optic cable.

[2:17:02 PM](#)

Co-Chair MacKinnon shared that there was an "Alaska Plan" crafted by the federal delegation currently in process that would provide support for infrastructure advancement.

[2:17:28 PM](#)

PAUL KENDALL, SELF, ANCHORAGE (via teleconference), expressed frustration for the public testimony process and the decline of the moral foundation in the state.

[2:21:35 PM](#)

Co-Chair MacKinnon CLOSED public testimony.

PATIENCE FREDRIKSON, DIRECTOR, DIVISION OF LIBRARIES, ARCHIVES AND MUSEUMS, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, testified in favor of the legislation.

[2:22:46 PM](#)

SB 102 was HEARD and HELD in committee for further consideration.

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Ms. Hutchison commented that the Alaska Telephone Association had written that the current technology and infrastructure was able to deliver 25 megabits, per second, to all schools in the state. The bill would not require any additional infrastructure.

#sb104

[2:24:08 PM](#)

Ms. Hutchison read from the sponsor statement (copy on file):

Every school district in Alaska has to have their curriculum reviewed and approved every six years. It is a long, arduous, and expensive task. Many school districts struggle with this because they do not have the necessary resources for this type of work.

The goal of this legislation is to provide all school districts with a three year reprieve from having to update or renew any curriculum. This will save school districts time and money. This will also allow for a time period in which the Alaska Education Challenge can be implemented without the burden of curriculum review.

This bill will allow the State Board of Education (BOE) to approve of the curriculum from the large 5 school districts and 2 rural school districts and allow that curriculum to be used by all school districts, on a voluntary basis, for three years. This time will be a transition period. During the three year reprieve from curriculum review by districts, the Department of Education and Early Development, in consultation with school districts, will have one year to find the best curriculum and best practices for

math and English language arts in other states and in other countries. Then that curriculum will be tested on districts in Alaska, for two years, to see if it will be successful. If it does prove to be a good measure of success for our students, then the State Board of Education will review, approve and adopt that curriculum for all school districts to be able to use, if they so choose. I urge your support for this legislation.

[2:26:09 PM](#)

Ms. Hutchison read from sectional analysis (copy on file):

Section 1 AS 14.07

A) Adds a new section titled, "Curriculum Approval and Review".

B) This section allows the State Board of Education (BOE) to approve of all curricula from the largest 5 school districts, based on the 2015-2016 ADM and 2 rural school districts, chosen by the BOE, and makes it available for all school districts to use, on a voluntary basis.

[2:26:57 PM](#)

Co-Chair MacKinnon OPENED public testimony.

KEVIN SHIPLEY, KAKE CITY SCHOOLS, KAKE, spoke in support of the bill. He advocated for a research bases, systematic approach to curriculum in teaching and not a "textbook adoption" system. He believed that textbooks should be tools for, and not drivers of, education curriculum. He spoke of the work that had been done in Texas and New York to implement an effective curriculum.

Co-Chair MacKinnon commented that the bill was intended to dovetail with the work of the Department of Education and Early Development to refrain from allowing textbook companies to dictate curriculum in Alaska schools.

[2:29:46 PM](#)

ALYSE GALVIN, GREAT ALASKA SCHOOLS, JUNEAU, testified in support of the bill. She echoed the testimony of the previous speaker that educators and parents should support

the changes in curriculum. She believed that new curriculum could raise the bar and change behavior in education.

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Co-Chair MacKinnon CLOSED public testimony.

PAUL PRUSSING, ACTING DIRECTOR, DIVISION OF STUDENT LEARNING, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, commented that it would be a challenge for the department to implement the legislation. He appreciated the concept, said that the fiscal note presented a hurdle, but assured the committee that the department would work to realize the intent of the bill.

SANA EFRID, DEPUTY COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, said that the goal of the department was to support the districts. She was unaware as to how the districts wanted the department to support them in their curriculum review, but she looked forward to having the conversation with districts.

Co-Chair MacKinnon believed that textbooks should be a tool, but should not drive the learning of Alaska students. She lamented the achievement gap between the United States and other nations. She said that she had sent a letter to the department that asked for consideration for smaller school districts that could not conduct a proper review, and hoped that the department would work with her to lower the fiscal note. She suggested that the department could look at curriculum and give all schools a break on the curriculum review, voluntarily, and have schools adopt the 5 big school's curriculum, along with 2 high performing rural schools, and then wait for 3 years. She hoped that this could give all schools the opportunity to participate in the "Alaska Challenge."

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Co-Chair MacKinnon hoped that during the curriculum review break, the department could examine the math and language arts programs that were successful in other states, and then bring that curriculum back to the state. She stated that the intent of the bill was to support a systemic change on a volunteer basis, with resources available on the state level to support districts.

[2:39:07 PM](#)

Ms. Efrid hoped that a deeper conversation with the committee could provide the department with clarity on the intent of the legislation. She noted that the current DEED fiscal note was indeterminate, but that it could change once the department had a better understanding of the legislation.

Co-Chair MacKinnon reiterated that the idea was not to provide districts with more textbooks.

Ms. Efrid appreciated the statement. She added that many students in the state needed supplemental materials, and that each district had individual needs.

[2:40:24 PM](#)

Vice-Chair Bishop thought that the University of Alaska should be involved in conversations about the three bills.

Co-Chair MacKinnon stated that she had been in contact with the University.

[2:42:44 PM](#)

Senator von Imhof asked when the Alaska State Standards were adopted, and wondered what curriculum efforts had been made since the standard were adopted.

Mr. Prussing stated that the new standards were implemented in 2012. He lamented that, due to budget cuts, the department did not have the staff available to offer full support to districts.

Co-Chair MacKinnon interjected that the legislation was intended to be a tool to assist the department. She said that the current budget deficit meant that there would be no new funds available for education. She furthered that anyone waiting to testify on SB 103, the Alaska Performance Scholarship bill, should be aware that funding for that program would have to come from a savings account of some type.

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Co-Chair MacKinnon asked Ms. Efrid to schedule an appointment with her office to continue discussing the specifics of the bill.

Ms. Efrid said she would schedule the meeting.

Co-Chair MacKinnon commented that Miles Baker, Director, Government Relations, University of Alaska, was available to respond to questions for the University.

#sb103
[2:45:57 PM](#)

Ms. Hutchison offered a sponsor statement for the bill:

The goal of this bill is to help provide Alaskan students with better outcomes through new innovative new educational delivery methods and by providing a fund that will allow school districts to apply to the Department of Education and Early Development (DEED) for innovative education grants.

We need to prioritize K-12 investment to make sure that our students are prepared for life after high school. Since 2011 when APS was created, 47,907 students have graduated from high school in Alaska, only 8,606 of them received the APS. The total payout to the approximately 18% of high school graduates was \$48.8 million. Of the recipients, 26% currently need remediation when they enter college. The APS is not achieving the results we had hoped for.

SB 103 will phase out the Alaska Performance Scholarship and the Alaska Education Grant over the next 4 years.

- Seniors in high school now - will receive 4 years of scholarship
- Freshman in College now - will receive 3 more years of scholarship
- Sophomore in College now - will receive 2 more years of scholarship
- Junior in College now - will receive 1 more year of scholarship

The high school graduating class of 2017 will be the last class to receive these awards.

We must prioritize K-12 investment and provide Alaskan students with a valuable 21st century education. In doing so, SB 103 will rename the Higher Education Fund to, "The Alaska Innovation Education Grant Fund." This Fund's purpose is to provide school districts with grants to fulfill academically innovative ways of delivering education, such as coursework through a combination of technologies, pilot programs for cutting-edge learning resources, and changes in the way students and teachers interact in the classroom, to name a few. These grants must be approved by the Commissioner of Education and be submitted to the legislature for funding.

I urge your support for this legislation.

[2:48:28 PM](#)

Ms. Hutchison reviewed the Sectional Analysis (copy on file):

Section 1: AS 14.03

Adds a new section, AS 14.03.128, that establishes the Alaska Education Innovation Grant Fund. School Districts may request a grant under this section for the support of innovative education ideas. The Commissioner of the Department of Education and Early Development (DEED) shall determine annually the amount requested for grants and submit them in their budget for legislative approval.

Section 2: AS 14.42.030(e)

Removes the Alaska Education Grant from state statute. The Alaska Education Grant is in AS 14.43.400 - AS 14.43.420.

Section 3: AS 14.43.810(a)

Makes the high school graduating class of 2017, the last high school class to receive the Alaska Performance Scholarship (APS).

Section 4: AS 14.43.820(a)

Allows the commission to award an APS to a student no later than July 1, 2017.

Section 5: AS 14.43.915(a)

Makes the APS and the Alaska Education Grant (AEG) available to students for four years and does not

allow a student's eligibility to go past the 2020-2021 academic year.

Section 6: AS 14.43.915(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant". This section deals with money going from the fund to the Alaska Education Grant fund. This section is repealed Feb. 1, 2021.

Section 7: AS 14.43.915(b)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant". This section deals with money going from the fund to the Alaska Performance Scholarship award account. This section is repealed Feb. 1, 2021.

Section 8: AS 14.43.915(c)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant". This section deals with the allocation of monies from the fund. This section is repealed Feb. 1, 2021.

Section 9: AS 14.45.130(a)

This section deals with eligibility of students from a private or religious school receiving the APS. It is repealed Feb. 1, 2021.

Section 10: AS 37.14.750(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant". This section establishes the purpose of the fund, which is "making grants to school districts to support the Alaska Education Innovation Grant Program."

Section 11: AS 37.14.750(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant". This section establishes the purpose of the fund, which is "making grants to school districts to support the Alaska Education Innovation Grant Program." This section also removes the language that allows payments from the

fund to go to scholarships to postsecondary institutions. This section is repealed in Feb. 1, 2021.

Section 12: AS 37.14.750(d)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant".

Section 13: AS 43.20.014(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant".

Section 14: AS 43.55.019(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant".

Section 15: AS 43.56.018(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant".

Section 16: AS 43.65.018(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant".

Section 17: AS 43.75.018(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant".

Section 18: AS 43.77.045(a)

Conforming Language to change the name of the fund from "Alaska Higher Education Investment" to the "Alaska Education Innovation Grant".

Section 19: AS 14.03.113

AS 14.03.113, "District's determination of scholarship eligibility" is repealed July 1, 2017.

Section 20

Repeals the following sections on Feb. 1, 2021.

Article 8: Alaska Education Grant Program

- AS 14.43.400 - Purpose; creation
- AS 14.43.405 - Administration
- AS 14.43.406 - Applicability of other laws
- AS 14.43.415 - Eligibility; priority
- AS 14.43.420 - Limitation on grants

Article 12: Alaska Performance Scholarship Program

- AS 14.43.810 - Alaska performance scholarship program established; regulations
- AS 14.43.820 - Alaska performance scholarship program; eligibility
- AS 14.43.825 - Maximum annual awards
- AS 14.43.830 - Qualified postsecondary institutions
- AS 14,43.840 - Report to the Legislature
- AS 14.43.849 - Definitions

Article 13 General Provisions

- AS 14.43.915 - Alaska education grant account and Alaska performance scholarship award account

Article 9: Alaska Higher Education Investment Fund

- AS 37.14.750(c) - As soon as is practicable after July 1 of each year, the commissioner of revenue shall determine the market value of the fund established in this section on June 30 for the immediately preceding fiscal year. The commissioner shall identify seven percent of that amount as available for appropriation as follows: (1) one-third for the grant account established under AS 14.43.915(a), from which the Alaska Commission on Postsecondary Education may award grants; and (2) two-thirds for the scholarship account established under AS 14.43.915(b), from which the Alaska Commission on Postsecondary Education may award scholarships.

Section 21: Applicability Section

The Alaska Commission on Postsecondary Education may only award an APS to a new applicant if they are determined eligible by their school district and reported as eligible to DEED on or before July 1, 2017.

Section 22: Transition

The Departments of: Education and Early Development, Labor and Workforce Development and the Alaska Commission on Postsecondary Education may adopt regulations to implement necessary changes made by

this act. The regulations may only take effect after the law is implemented.

Section 23: Retroactivity

If Sections 3-5 and 19 of this Act take effect after July 1, 2017, then sections 3-5 and 19 of this act are retroactive to July 1, 2017.

Section 24: Effective Dates

Sections 2, 9, and 11 take effect Feb. 1, 2021.

Section 25: Effective Date

Except for Sections 2, 9, and 11, this act takes effect immediately.

Section 23: Retroactivity

If Sections 3-5 and 19 of this Act take effect after July 1, 2017, then sections 3-5 and 19 of this act are retroactive to July 1, 2017.

Section 24: Effective Dates

Sections 2, 9, and 11 take effect Feb. 1, 2021.

Section 25: Effective Date

Except for Sections 2, 9, and 11, this act takes effect immediately.

[2:50:52 PM](#)

Co-Chair MacKinnon OPENED public testimony.

ARLENE RONDA, SELF, HOMER (via teleconference), testified in opposition to the legislation. She said that she was opposed to any provision that would give a tax credit to individuals, businesses, property owners, or any other entity that could claim a tax credit for a donation. She asserted that well-funded public schools were essential for a civil society. She was opposed to the tax credit section of the legislation.

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AT EASE

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RECONVENED

Co-Chair MacKinnon explained that the bill would not alter or repeal anything in relation to tax credits. She stressed that the tax credits mentioned in the legislation already

existed in state statute and were not being repealed or changed.

Ms. Ronda was surprised that the credit had been in statute all along. She maintained her concerned that tax credits were going toward anything that was not a public institution.

Co-Chair MacKinnon explained how the tax credits worked in relation to the Higher Education Fund.

[2:55:41 PM](#)

SAICHI OBA, UNIVERSITY OF ALASKA, FAIRBANKS (via teleconference), testified in strong opposition to the bill. He supported the continuation of the Alaska Performance Scholarship. He said that the University opposed the use of funds, identified for APS, to be used for other purposes. He said that APS encouraged students to take rigorous courses, and that recipients took fewer remedial courses than non-recipients. He ruminated on the positive educational aspects of the scholarship. He believed that the greatest challenge facing Alaska was students choosing not to continue to any post-secondary program, which the loss of APS would only exacerbate.

[2:58:28 PM](#)

STEPHANIE BUTLER, ALASKA COMMISSION ON POSTSECONDARY EDUCATION, JUNEAU, testified in opposition to the bill. She said that the APS was an existing resource that had an extraordinary reach; students and the state benefitted greatly from the program. She listed the various ways in which the APS benefitted the state. She noted that the scholarship provided a pathway to higher education for lower income Alaskans. She noted that many APS recipients are the first members of their families to attend college. She related that the APS was a positive force in addressing Alaska's education and workforce crisis, and the impact was growing. She relayed that the program encouraged all students to aim higher academically.

[3:02:11 PM](#)

SCOTT MACMANUS, SUPERINTENDENT, ALASKA GATEWAY SCHOOL DISTRICT, TOK, spoke in opposition to the bill. He testified that he supported innovation in education, but

not at the expense of the APS. He supported the education commissioner's "Alaska Challenge," which he believed would create an innovative, systemic, long-term solution to Alaska education. He lamented all of the positions that his district was going to lose under the proposed 5 percent cut to education.

[3:04:38 PM](#)

KEVIN SHIPLEY, KAKE CITY SCHOOLS, KAKE, testified in opposition to SB 103. He stressed that the APS had resulted in students taking more academically rigorous classes. He said that the APS had been a driver in raising the bar for students to challenge themselves academically. He shared that the APS had allowed for innovation in schools because educators had to figure out how to offer the required courses to students.

Co-Chair MacKinnon asked whether the Kake school board adopted curriculum.

Mr. Shipley replied that the school board had adjusted and adopted curriculum, and he lamented that the curriculum was largely driven by textbooks.

Co-Chair MacKinnon asked if the local school board set the parameters for education qualifications.

Mr. Shipley replied in the affirmative.

[3:07:35 PM](#)

Senator von Imhof asked whether the school district offered information on various scholarships to seniors.

Mr. Shipley replied that the district had a college and career counselor, paid for by a grant, and that students were constantly seeking additional ways to fund their higher education. He said that the counselor was funded for the next three years through a federal grant.

Senator von Imhof asked how many seniors lived in the district.

Mr. Shipley replied that he had 5 seniors in his district.

[3:08:52 PM](#)

TONY HABRA, HAINES BOROUGH SCHOOLS, HAINES, testified in opposition to the bill. He shared that his daughter would be receiving the APS in 2017. He said that the APS would allow her to receive her degree and stay in Alaska after graduation. He believed that she was representative of many students that received the scholarship. He echoed previous testimony about the APS benefitting lower-income student who may be the first in their family to attend college.

[3:11:00 PM](#)

TIM BAUER, SUPERINTENDENT, ANNETTE ISLAND SCHOOL DISTRICT, METLAKATLA, testified in opposition to the bill. He echoed the comments of the previous speaker. He asserted that the scholarships provided hope and possibilities for Alaskan students. He relayed that the chance at an APS was used to bolster motivation for engagement by students; the idea that there would be a reward for hard work resulted in students success. He passionately defended the retention of the APS.

Co-Chair MacKinnon asked whether Mr. Bauer's students qualified for other University grants.

Mr. Bauer answered in the affirmative.

[3:13:28 PM](#)

JOHN CONWELL, SUPERINTENDENT, UNALASKA CITY SCHOOL DISTRICT, UNALASKA, spoke against the bill. He remembered that the original legislation that established the scholarship had been signed on campus by then Governor Parnell. He believed that the program especially served his diverse district well, and he praised the innovative nature of the program. He shared that the scholarship was often a "safety net" for students seeking financial aid. He thought that recipients of the scholarship were more likely to stay in Alaska for their postsecondary education.

[3:17:17 PM](#)

LORA JORGENSEN, SELF, JUNEAU, testified in opposition to the bill. She discussed the benefits of the program that extended beyond recipients of the scholarships. She shared that her son was a recipient of APS.

[3:19:54 PM](#)

HOLLY HOLMAN, UNALASKA CITY SCHOOL DISTRICT, UNALASKA, testified against the bill. She relayed that her child had applied for the scholarship and had decided to go to school in Fairbanks. She said that students in Unalaska were working extra hard in order to qualify for APS, and that these students wanted to go to college and then make a life in Alaska. She believed that the scholarship was an investment in the future.

[3:22:05 PM](#)

MAXIMILIAN ERICKSON, SELF, FAIRBANKS (via teleconference), spoke in opposition to the bill. He voiced strong support for APS.

[3:23:41 PM](#)

GRETCHYN O'DONNELL, SELF, JUNEAU (via teleconference), testified in opposition to the bill. She shared that she was a first generation college student in her family. She relayed that the APS became available her sophomore year of high school. She believed that investment in students through the APS gave students hope that their dreams could be achieved. She said that she would not have been able to attend college without the APS.

[3:26:16 PM](#)

PETE HOEPFNER, CORDOVA SCHOOL DISTRICT, CORDOVA (via teleconference), testified in opposition to the bill. He spoke of the increased academic rigor in his district due to the APS. He said that many students had planned on using the scholarship to go to college. He worried that only having grants available would pit districts against each other because some would be better at grant writing than others. He did not think that districts should compete with each other for funding. He felt that the additional administrative costs of crafting the innovative grants would add more work to the already full plate of the reduced personnel at the Department of Education and Early Childhood Development.

[3:28:48 PM](#)

JOE NELSON, UNIVERSITY OF ALASKA SOUTHEAST, JUNEAU, spoke in opposition to the bill. He echoed the comments of previous testifiers. He expressed understanding for the

fiscal situation in the state. He felt that the scholarship was impacting systemic change and helping to change the culture of education district-by-district. He noted that districts were initially challenged by the requirements of the APS, but that the idea had been proved to be thoughtful and innovative, as it tied the scholarship to the curriculum, standardized test scores, the G.P.A, and took a three tiered approach to qualifying levels.

Co-Chair MacKinnon believed that of the 5 percent of students that applied for the grant and received it, only 5 percent of the student graduated in 6 years' time.

Mr. Nelson agreed that the issue of persistence should be addressed. He thought that graduation rates could be improved.

Co-Chair MacKinnon restated that 5 percent of all Alaska high school freshmen would graduate from college within 6 years. She noted that the statistic was farther reaching than just the scholarship. She wondered whether the dollars were being used to the greatest benefit through the APS.

[3:33:33 PM](#)

ALYSE GALVIN, SELF, JUNEAU, spoke in opposition to the bill. She believed that the scholarship served students who may not have believed that they could ever attend college.

[3:36:29 PM](#)

JACK WALSH, SUPERINTENDENT, CRAIG SCHOOL DISTRICT, CRAIG, testified in opposition to SB 103. He recognized that there was a need for innovation in education. He believed that eliminating the scholarship would be harmful to the state overall. He felt that the legislature could craft a fiscal plan while maintaining the scholarship.

[3:39:12 PM](#)

Senator Micciche asked how Mr. Walsh made the connection of K-12 education and the APS part of his mission.

Mr. Walsh responded that scholarships in education provided hope and opportunity to Alaskan students and could lead people out of poverty and into successful livelihoods. He believed that not only K-12 education needed to be

encouraged, but also postsecondary education. He felt that education should not end with the 12th grade, and that all of the research stated that postsecondary education was necessary in the future.

[3:42:04 PM](#)

TIM PARKER, NEA ALASKA, JUNEAU, spoke in opposition to the bill. He believed in innovation in K-12 education, and he stressed that every good teacher in the state was innovating on a regular basis. He said that 2 out of 3 students needed financial aid in order to attend college and that the APS was needed by those students.

[3:44:28 PM](#)

BRENDA TAYLOR, GREAT ALASKA SCHOOLS, JUNEAU, testified in opposition to the bill. She said that she had initially be against the APS because of the pressure that it placed on school districts to meet the scholarship requirements for class offerings. She said that her mind had been changed and she had realized that the advanced rigor had resulted in students working harder toward the goal of postsecondary education. She said that college counselors at Juneau Douglas High School had been cut, which had resulted in students having less guidance when seeking resources and financial aid for college.

[3:47:36 PM](#)

KATHY TODD, SELF, VALDEZ (via teleconference), spoke in opposition to the bill. She believed that the APS had proved successful in her district in motivating kids to take more academic classes, and in raising grade point averages. She said that the scholarship had provided much needed funding for financial aid. She added that the scholarship fed the University budget while helping Alaskan students. She believed that the APS was an innovative way to change school culture for the better and give more students a range of postgraduate educational opportunities.

[3:51:01 PM](#)

SUSAN NIMAN, SELF, VALDEZ (via teleconference), testified in opposition to the bill. She thought that taking away money from a group that did not have the power to vote was unfair. She felt that education funding should take

priority over funding juvenile detention centers. She echoed the points made by previous testifiers.

[3:52:39 PM](#)

MIKE COONS, SELF, PALMER (via teleconference), spoke in support of the bill.

[3:55:46 PM](#)

TODD SMOLDON, SELF, WILLOW (via teleconference), testified in support the bill.

[3:58:15 PM](#)

Co-Chair MacKinnon CLOSED public testimony.

Co-Chair MacKinnon specified that amendments for SB 103 were due by 5pm, Tuesday, April 11, 2017.

Ms. Stephanie Butler, Executive Director, Alaska Commission on Postsecondary Education, Department of Education and Early Development offered to provide further information that supported not eliminating the APS program.

Co-Chair MacKinnon reminded the committee and the public that Alaska was facing a fiscal crisis. She explained that a direct draw from the earnings reserve account (ERA) would jeopardize the Alaska Permanent Fund Dividend. She stressed that it was critical to examine important issues in order to address the current budget shortfall.

SB 103 was HEARD and HELD in committee for further consideration.

Co-Chair MacKinnon discussed housekeeping.

#

ADJOURNMENT

[4:02:20 PM](#)

The meeting was adjourned at 4:02 p.m.

