

SENATE FINANCE COMMITTEE
March 29, 2018
9:03 a.m.

[9:03:41 AM](#)

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 9:03 a.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 Gary Stevens
Senator Natasha von Imhof

MEMBERS ABSENT

None

ALSO PRESENT

Gary Zepp, Staff, Senator David Wilson; Senator David Wilson, Sponsor; Brittany Hartmann, Staff, Senator Anna MacKinnon; Marcy Herman, Legislative Liaison, Department of Education and Early Development; Paul Prussing, Director, Division of Student Learning, Department of Education and Early Development.

PRESENT VIA TELECONFERENCE

Randall Burns, Director, Division of Behavioral Health, Department of Health and Social Services; Karen Cunningham, Alaska Board of Marital and Family Therapy, Anchorage.

SUMMARY

SB 104 EDUCATION CURRICULUM

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

SB 105 MARITAL and FAMILY THERAPY LIC. and SERVICES

CSSB 105(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new forthcoming fiscal impact note from the Department of Health and Social Services and one new fiscal impact note from the Department of Commerce, Community and Economic Development.

Co-Chair MacKinnon indicated the committee would not be hearing SB 122 at the request of the bill sponsor. She reviewed the agenda to the day.

#sb105

SENATE BILL NO. 105

"An Act relating to the licensure of marital and family therapists; relating to professional liability insurance for marital and family therapists; relating to medical assistance for marital and family therapy services; and providing for an effective date."

[9:04:53 AM](#)

Co-Chair MacKinnon discussed a brief history of the bill. The committee opened and closed public testimony on the bill on February 27, 2018. The committee had been working on compromise language to satisfy the concerns raised by members as well as the general public.

Vice-Chair Bishop MOVED to ADOPT proposed committee substitute for SB 105, Work Draft 30-LS0442\N (Radford, 3/28/18).

Co-Chair MacKinnon OBJECTED for discussion.

SENATOR DAVID WILSON, SPONSOR, deferred to his staff, Mr. Zepp, to review the committee substitute changes.

GARY ZEPP, STAFF, SENATOR DAVID WILSON, reviewed the Summary of Changes document (copy on file):

Version J to Version N

Section 1-Amended

Page 2, lines 16-24: The required total number of hours for the supervision of an Associate Marital and Family Therapist was corrected to 1,700 hours.

The previous version incorrectly reflected 1,500 hours as the required total hours.

Version R also clarifies that 100 hours of individual supervision and 100 hours of group supervision conducted one or more supervisors is included in the 1,700 hours.

Section 1 - Deleted

Page 2, lines 29-31: The requirement for \$30,000 of professional liability insurance was deleted.

Insurance to cover state investigative costs is not currently available as envisioned. A national company does offer professional liability insurance, but the coverage would reimburse the licensee for their investigative costs and not the state investigator costs. The idea of professional liability insurance was to pay for state investigative costs and keep downward pressure on the state investigative costs so that the costs wouldn't be allocated amongst current licensees and increase their existing license fees.

Mr. Zepp continued to read the summary of changes:

Section 2 - Amended

Page 3, lines 5 -13: Properly re-state the titles for the healthcare professions listed that are authorized to provide group supervision of an Associate Marital and Family Therapist while in training.

The titles of certain healthcare professionals were verified by the State Medical Board.

Section 4 and 5 - Deleted

Page 4, lines 8 - Page 5, line 1: Sections 4 and 5 were deleted because SB 169, which has passed the Senate and is in the other body, amends the same statutes (AS 47.07.030) previously contained in sections 4 and 5 of SB 105.

SB 169 amends statute by replacing a psychiatrist with a physician, to expand the direct supervisory capacity

in providing behavioral health clinic services. As well as removing the 30% on - site requirement and replacing that by requiring a physician in person or available via a communication device.

SB 105, as amended, is fully supported by the Board of Marital and Family Therapists. Please see the two letters of support from the Board.

[9:09:42 AM](#)

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO further OBJECTION, it was so ordered. She invited Senator Wilson to comment on the bill.

Senator Wilson discussed the bill. He explained the main purpose of the bill was to add the marital and family licensed therapist to the list of providers that were able to bill Medicaid allowing more access to services. The bill would enhance behavioral health capacity for underserved Alaskans who were on long waitlists to access services. He stated that the bill would offer opportunities for clinics to provide services at a lower cost. He elaborated that the way in which recruitment happened currently for licensed social workers with a Master of Social Work (MSW) degree took a significant amount of time, about 1 year or 1.5 years, to recruit. For some clinics, the cost of recruitment was over \$100,000. The bill would result in a more abundant source of providers that were equally qualified to provide behavioral health services at a lesser cost with easier access.

Senator Micciche asked the sponsor to explain the benefit of the bill and identify how much money would be saved in the long run. Senator Wilson replied that without having access to psychiatric services and providers at a lower cost, patients were going to the emergency room (ER). The cost for treatment at an ER often cost the state 10 times more than providing the services through local community clinics. He noted previous testimony by representatives from some of the community health centers who confirmed their facilities could provide behavioral health services at a lower cost than an ER. The Mat-Su Health Foundation reported the number of people accessing their ER and their inability to meet the needs of patients because of a lack of capacity. He also noted hearing testimony from 85 licensed psychiatrists in the State of Alaska. The Mental

Health Working Group confirmed that their studies stated that Alaska needed an additional 106 to 184 psychiatrists to meet the national average and to cover the need in the state. He was hoping that patients could address their issues through a lower acuity of care instead of them being escalated to a higher acuity of care, which was more devastating to the individual and costlier to the state.

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Senator Olson asked if the sponsor had checked with health corporations regarding the changes to the bill. Senator Wilson asked if Senator Olson was referring to the native health corporations or some of the larger providers. Senator Olson wondered, if he called up Maniilaq Health Center, whether they would be able to confirm that the bill sponsor had reached out to them about the proposed changes in the bill. Senator Wilson stated that Maniilaq Health Center was a member of the Alaska Primary Care Association (APCA), who was in full support of the legislation. He hoped Maniilaq Health Center would support the bill being a member of APCA. He relayed that half of the members of APCA were tribal entities that operated the community health centers. The trade association was in full support and had been lobbying to help support the bill.

Senator Olson referenced the name change in Section 4 and 5. He asked if the Senator had talked with any of the physician groups such as the Alaska State Medical Association about the changes moving from psychiatrists to physicians. Senator Wilson responded in the negative. His office had worked with the department on the legislation. They were in full support of the change from psychiatrist to physician to meet more of the federal definitions and guidelines with conforming language.

Senator Olson asked who "they" were. Senator Wilson specified Director Burns of the Department of Health and Social Services (DHSS).

Co-Chair MacKinnon stated that the committee had removed from the bill another bill that was carried by another sponsor, Senator Giessel, regarding supervision and the definition Senator Olson referred to. Currently in Alaska state statute, in any individual medical provider's office a psychiatrist was required 30 percent of the time. She conveyed her point that there were two pieces of

legislation that would affect the same portion of statute. With that in mind, she had a concern that the legislature would be dependent on two pieces of legislation by two different legislators ending across the finish line at the same time to accomplish what the legislature wanted to accomplish. Senator Wilson's bill allowed the billing and was not speaking directly to supervision. She asked if she was correct. Senator Wilson clarified that the bill addressed both supervision and the expansion of MSW's being able to bill Medicaid.

Co-Chair MacKinnon directed her question around supervision. She asked about supervision in terms of the bill the committee had heard previously and whether it had to do with 30 hours. Mr. Zepp answered in the affirmative. He noted that the previous version of the bill in Sections 4 and 5 fell into the Medicaid billing section of the bill. In thinking of SB 105 there were two silos. The first silo was the training issue for an associate which was what the senator as trying to streamline and expand. The second silo was under the Medicaid billing to provided marital and family therapists under the optional Medicaid services, so they could bill and seek reimbursement. The Senator removed Sections 4 and 5 because Senator Giessel's bill clarified direct supervision from a physician with certain guidelines.

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Co-Chair MacKinnon stated that she was willing to support the billing portion of the legislation because of seeing the results of an opioid epidemic in Alaska and other mental health needs that were being under-represented in communities across the state. She added that she thought supervision was important, and that Senator Giessel's bill along with Senator Wilson's bill both needed to reach the finish line.

Senator Micciche thought both bills being discussed were advantageous to the clients and to the state. Co-Chair MacKinnon echoed the comments of Senator Micciche.

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RANDALL BURNS, DIRECTOR, DIVISION OF BEHAVIORAL HEALTH, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (via teleconference), discussed fiscal note OMB component 2660.

The fiscal note specifically addressed the portion of the bill related to the addition of marriage and family therapists to the optional Medicaid statutes. The division had estimated what was thought to be a fair amount of additional costs to the Medicaid budget as the result of adding Marriage and Family therapists to the list of professions that could bill Medicaid for their services. He found that the bill would only apply to about 633 Medicaid-eligible recipients in the first year.

Mr. Burns continued that most of the marriage and family therapists worked in clinics and did not bill Medicaid directly. There was no way of knowing how many of those individuals would opt to leave a clinic to start up a practice independently or start billing independently. The division tried to be conservative in its calculations. The division estimated approximately \$1 million. He continued that \$660,000 of the amount would be in federal match to the state's commitment of about \$340,000. There was a small charge for FY 19 to make the changes to the state's Medicaid Management Information System to allow marriage and family therapists to bill Medicaid directly.

Co-Chair MacKinnon stated that the committee required an updated fiscal note. She pointed out that the numbers were correct but the narrative on the back needed to change to reflect the new committee substitute before the committee. Mr. Burns stated that he was working on that presently.

Senator Micciche thought the fiscal note addressed additional costs but did not capture any consideration for cost avoidance. He asked Mr. Burns if he intended to include some evaluation of cost avoidance that would result from the passage of the bill. Mr. Burns stated that he did not put cost avoidance in the fiscal note of the bill. He saw it falling within the more wholistic approach of SB 74 and the changes being made to the system by the 1115 waiver and the process. He thought estimating the savings resulting from adding marriage and family therapists to the list would be difficult. The division had not contemplated making such a representation in the fiscal note being reviewed.

Co-Chair MacKinnon acknowledged that the number would be difficult to quantify, as there was a mixture of private versus government utilization. She indicated that the bill would contribute to an overall higher cost to the Medicaid

system for the state. It was a new service that would be provided and reimbursed by the state with a significant portion of the reimbursement coming from the federal government in an effort to deploy the resources to those needing help, to divert ER access, and to lower care access.

Co-Chair MacKinnon reported that someone from the Alaska Board of Marital Family Therapy had come online. She asked for the will of the committee.

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AT EASE

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RECONVENED

Co-Chair MacKinnon relayed that the public hearing had closed on the bill. She indicated the committee was in receipt of her comments. She asked Ms. Cunningham if she had a brief comment she wanted to make to the committee.

KAREN CUNNINGHAM, ALASKA BOARD OF MARITAL AND FAMILY THERAPY, ANCHORAGE (via teleconference), testified in support of the bill. She was a licensed marriage and family therapist (LMFT) and sat on the Alaska Board of Marital and Family Therapy. She reported that the board met to discuss SB 105 and unanimously affirmed their support for the statutory changes presented in the bill. One of the responsibilities of the board was to establish minimum requirements for applicants seeking licensure. Senate Bill 105 called for clarification that the hours required for licensure were 1700. The breakdown of the hours included 1500 face-to-face clinical hours and 100 hours each of individual and group supervision. Another responsibility of the board was to serve and protect public interest. The proposed legislation worked towards that end by allowing applicants greater options for supervisors which ultimately would lead to a greater number of LMFTs in the state. Currently, there was a limited number of LMFT supervisors which made it very difficult for new graduates applying for associate licensures to find an individual and a group supervisor willing to commit to a minimum of 2 years.

Co-Chair MacKinnon relayed that the committee had written comments from the board. Ms. Cunningham did not have

anything to add to the letter that had been written. She appreciated the opportunity to speak.

Co-Chair MacKinnon stated it was her intent to move the bill. She had an agreement from the sponsor and the boards that were contacted in support of the new language in the bill.

Senator Micciche understood the fiscal note and the logic behind it. He was concerned that the department seemed unwilling to put on the record that there would likely be an offset to the costs of the bill. Not all of the additional services in the state's portfolio of Medicaid billing had panned out as a cost saving measure. He would have liked to have heard more from the department that it recognized there would be an offset rather than a \$340,000 UGF match. He hoped the amount would have been lower due to the offset. With the expansion of Medicaid, additional services, and new waivers the legislature had not seen the savings in the waivers that he would have liked to have seen. He was concerned with UGF spending increases. He supported the additional services but was worried that the department was not formally recognizing an offset.

[9:31:36 AM](#)

Senator von Imhof relayed that she sat on the Healthcare Blueprint Committee. The committee was in phase 2 of identifying areas of concern. The committee was flushing out the five areas of concern it identified to put together a recommendation to create a systemic transformation of Alaska's healthcare system. One of the five areas of concern was access to primary care providers. She thought the bill addressed the issue by qualifying a marital therapist as a provider. She thought the bill was consistent with the direction of the blueprint committee. Although the committee was still in progress, she supported the bill because she believed it provided greater access, particularly in rural Alaska, by allowing telehealth to be part of the solution and for rural citizens to have access to a variety of healthcare providers in numerous forms. The intent of the systemic change of Alaska's healthcare system was to lower the cost by having more access to a variety of healthcare providers and through preventive care versus costly crisis management. She thought the unquantifiable downstream savings was a guess but was consistent with the values of the blueprint committee she sat on.

[9:33:54 AM](#)

Co-Chair MacKinnon agreed with Senator Micciche and Senator von Imhof. She would be supporting the bill because she believed the bill did what Senator von Imhof had discussed. She was concerned with providers abusing the system. She looked at some abuse in the dental field. For instance, some dentists performed unnecessary extractions on young children and billing Medicaid. Another example were adults having all of their teeth removed without a particularly good reason or back up materials. She continued that as long as providers behaved in the best interest of the people that were seeking care from them, the system should see a decrease. However, if providers decided to use it as a funding source for their individual practices and started billing excessively, the system would break.

Co-Chair MacKinnon continued that Alaska's health care costs were 30 percent higher than the national average and America's health care costs were higher than anywhere else on the planet. Alaskans were faced with a low demographic and high needs. They were at the mercy of hospitals, pharmaceuticals, insurance companies, and access to care in general. Senate Finance and the legislature were working to provide lower cost care to Alaskans. The bill was a step in the right direction. It required cooperation from the providers to be judicious in the way they accessed Medicaid funding which had a federal match. Senator Micciche suggested by moving it from an emergency room to a doctor's or provider's office the cost would be lower, and the net of providers would be larger for those seeking services.

Co-Chair MacKinnon continued to discuss the bill. She thought the department had provided a fiscal note with the possibility of an increased cost. The department had tried to quantify it, knowing that there were variables that could lower the overall cost. She appreciated that the fiscal note was not indeterminate. She preferred the legislature striking a balance between understanding the possible implications and how providers, insurance companies, hospitals, and pharmaceuticals working together could meet Alaskans healthcare needs. Like other small states, Alaska's legislators struggled to lower the costs for their constituents.

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Vice-Chair Bishop made a comment about the general services line of the fiscal note for the development of business rules and the Medicaid Management Information System detailing the parameters for services and reimbursement. He suggested the department tract the legislation to see if there was a savings rather than a UGF spend. He thought the bill should result in a savings.

Co-Chair MacKinnon suggested that Senator Wilson implement some tracking method for the particular billing code to look at how providers were using the service. She suggested a follow-up. She saw the bill as a benefit to hospitals and providers and she hoped it translated into quality care that was appropriate and effective for people trying to access care.

Senator Wilson appreciated the comments from committee members. He had hoped the bill would increase access to care. His intention was not to increase the state's burden. He thanked the committee for hearing the bill.

Co-Chair MacKinnon reflected that Mr. Zepp had been a pleasure to work with in answering questions from committee members and from her team. She was thankful that there was an enthusiastic effort to meet and answer questions that were difficult to answer.

Vice-Chair Bishop MOVED to report CSSB 105(FIN) out of Committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, it was so ordered.

CSSB 105(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new forthcoming fiscal impact note from the Department of Health and Social Services and one new fiscal impact note from the Department of Commerce, Community and Economic Development.

[9:42:33 AM](#)

AT EASE

[9:46:35 AM](#)

RECONVENED

#sb104

SENATE BILL NO. 104

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

9:46:35 AM

Co-Chair MacKinnon relayed the bill was returned to the committee on February 22, 2018. Over the interim, the Department of Education and Early Development went through a process that engaged community members from across the state on the Alaska Challenge. The Senate Finance Committee called the bill back to committee to have an opportunity to work with the commissioner of education, the department, and other stakeholders to try to provide something beneficial in the form of education - the foundation of education being curriculum. She invited her staff to the table.

Vice-Chair Bishop MOVED to ADOPT proposed committee substitute for SB 104, Work Draft 30-LS0786\Y (Laffen, 3/27/18).

Co-Chair MacKinnon OBJECTED for discussion.

BRITTANY HARTMANN, STAFF, SENATOR ANNA MACKINNON, discussed the committee substitute for SB 104. The bill ultimately sought to improve educational outcomes for Alaska students by providing them access to the best curriculum available. The committee substitute was the result of more than a year's worth of work in close collaboration with all relevant stakeholders including teachers, state school board members, DEED, superintendents, education associations, and more. There were multiple ways to improve educational outcomes. After doing much research, curriculum was found to be one of the best ways to achieve improved outcomes. In the CS before the committee, the sponsor believed it contained an excellent pathway to achieve the goal of improved outcomes. She read from the sectional analysis and the explanation of changes (copy on file):

Section 1 AS 14.07.030:

The Department may not require a school district to review their curriculum more than once in a 10-year period.

Section 2 AS 14.07.165:

NEW: The State Board of Education shall review the math and English Language Arts curricula used throughout the state, every 5 years, to ensure the curricula is still effective and is using best practices.

Section 3 AS 14.07:

NOTE: This was section 2 in Version N

NOTE: * are sections that are repealed on July 1, 2025.

Section 3 requires the State Board of Education and the Department of Education and Early Development to work together to find, review, and test the best available curricula and the best practices for instruction of those math and English/Language Arts curricula. The department may provide incentive payments to school districts that choose to implement the incentivized curricula and best practices. Specifically:

(a) The Board will establish the standards and procedure to review, rank, and approve curricula for school districts to use in each grade level.

(b) and (c) AMENDED: The Department will review curricula from Alaska, other states, and other countries and identify the best curricula for each grade level and the best practices for teaching each subject by July 1, 2019. If the identified curricula and best practices meets certain requirements, the department will submit them for review by the board. The requirements are: appropriate, compliance with non-discrimination standards in state law, aligned with state standards, and result in improved academic achievement.

NOTE: Section 2(c) in Version N was deleted.

(d) The Board may approve of the curricula submitted by the department. If they do so, the Department will then categorize the two

curricula as "incentivized" curricula and "designated effective" curricula. The incentivized curricula will be the best available and will be the curricula used in the pilot program. The designated effective curricula are curricula that the department finds appropriate and effective.

(e) *AMENDED: Establishes the three-year pilot program, starting in the 2019-2020 school

year, to test the appropriateness and effectiveness of the "incentivized" curricula. Schools can apply to be in the pilot program and will be reviewed and approved of by the Department based on capacity and readiness. The Department shall select five schools, from those that apply, to receive incentive payments to assist with the purchase and implementation of the curricula and best practices. The Department must select districts and their curricula as follows, in order to get a comprehensive view of the best curriculum for all Alaska:

- a. Urban District - math
- b. Rural District - math
- c. Urban District - English Language Arts
- d. Rural District - English Language Arts
- e. Urban or Rural District - math or English Language Arts

The total cost of the three-year pilot program cannot exceed \$10,000,000.

(f) *AMENDED: If the pilot program shows that adoption of the incentive curricula is appropriate and effective, the department may make available to all districts the curricula and one-time incentive payments starting in the school year beginning in 2022 and ending in the school year that begins in 2024.

(g) *Incentive payments are limited to a school district's ADM multiplied by 150 and

are subject to availability of funding in (h). In order to get an incentive payment, a district must be ready and have the capacity to implement the incentivized curricula and have not previously used the curricula.

(h) *Limits the funding available to school districts that adopt the incentivized curriculum, for years 4-6, to \$20,000,000, plus any unexpended money available under (e)(4).

(i) The Department shall publish all curriculum used by all school districts, on the Department's website. The incentivized curricula and the designated effective curricula, identified by the Board, will also be published on the website.

(j) *AMENDED: The Department shall submit an electronic report to the legislature providing information on the pilot program and the curricula that each school district adopts.

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NOTE: The report requirement was changed to include information on the pilot program

(k) NEW: Requires school districts to submit the relevant information to the department that is needed for the department to carry out its duties under this section.

(l) *All payments for the pilot program and curricula are subject to appropriation. If insufficient funding is available to distribute payments to all school districts that request funding in a year, the department may distribute payments to the remaining school districts the following school year.

(m)*NEW: If the applications for participation in the pilot program are insufficient to meet the requirements under (e) of this section, the department may select five school districts from

those that apply, taking into consideration geographical diversity.

(n) NEW: Provides for the continuation of incentive payments after the pilot program ends. Incentive payments may go to school districts that use curricula reviewed and approved by the Board under AS 14.07.165(c).

(o) Defines "rural," "school district," "school district's ADM" and "urban"

NEW: AS 14.08.182

Establishes the curriculum improvement and best practices fund, which consists of an initial \$30,000,000 to fund the first six years of the curricula incentive program. The funds can be spent without further appropriation and do not lapse.

Section 4 AS 14.08.111:

Conforming language requiring a regional school board to review all textbooks and instructional materials at least once every 10 years.

Section 5 AS 14.14.090:

Conforming language requiring a school board to review all textbooks and instructional materials at least once every 10 years.

Section 6 AS 14.16.020:

Conforming language requiring management of state boarding schools to review all textbooks and instructional materials at least once every 10 years.

Section 7 AS 14.30.285:

NEW: The department shall make available to school districts an electronic system for managing student information and tracking records relating to individualized education programs for children with disabilities.

Section 8 Repeals:

Repeals sub-sections (e), (f), (g), (h), (j), (l), and (m) in AS 14.07.180 that pertain to the

pilot program, it's incentive payments, and it's reporting requirements.

NOTE: This was previously Section 6 in Version N

Sec. 9 4 AAC 05.080(e):

Annuls the regulatory requirement of a local school board having to evaluate their curriculum every 6 years.

NOTE: This was previously Section 7 in Version N

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO further OBJECTION, it was so ordered.

Co-Chair MacKinnon invited department staff to comment on whether the department was supportive or neutral on the CS and to review the fiscal note.

MARCY HERMAN, LEGISLATIVE LIAISON, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, was available for questions. The commissioner had appeared before the committee and spoken about the bill. She relayed that the department had worked for about a year on Alaska's Education Challenge and since January working on the bill with Co-Chair MacKinnon and her staff. She relayed that Commissioner Johnson believed that curriculum was one of the levers that the department had not pulled in increasing student achievement. She noted that the legislation was a way to incentivize school districts to take a look a curriculum that the department and board would put forward and to use the \$150 per ADM to purchase curriculum and materials necessary to improve student achievement. She added that under Alaska's Education Challenge, there were 30 to 40 stakeholders meeting presently. She deferred to Mr. Prussing and would review the fiscal note after his statement.

[9:57:23 AM](#)

Senator von Imhof asked Ms. Herman to briefly describe Alaska's Education Challenge. Ms. Herman stated that Alaska's Education Challenge was an 11-month effort to consider how to make education better in the state. She discussed Alaska's poor performance for 4th and 8th grade reading and math. She continued that it was Commissioner Johnson's and Governor Walker's idea to get the pulse of the state on the best way to go about improving education

for Alaska's students. Alaska's Education Challenge came up with three guiding principles: safety and wellbeing, responsible learning, and family community tribal compacting. The group put forward 13 recommendations under the guiding principles. She reported that the department was working with stakeholders and a pier organization for state chief school officers to determine the department's capacity to take on some of the work and how the department could work best with its stakeholders and partners statewide.

Senator von Imhof referenced the passage of Alaska State Standards in 2012. She wondered about Ms. Herman's statement that curriculum had not been one of the levers the department had pulled. She was incredulous that curriculum had not been addressed and hoped the department could explain the reason it had not been addressed. She mentioned having been on her school board when the standards were passed. She conveyed that immediately following the passage of the standards in 2012, the board reviewed its curriculum. She wanted the department to state, for the record, why it did not address curriculum until now.

PAUL PRUSSING, DIRECTOR, DIVISION OF STUDENT LEARNING, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, relayed that in state statute the legislature gave its authority to the local district. Therefore, the department did not have the authority to mandate what text books or curriculum were used. The bill provided a framework for districts to look at their curriculum which alleviated some of the work districts would otherwise have to do to adopt a curriculum. However, it did not mandate the curriculum. He believed the intent of the statute was that authority was given to the local boards. He reported that the state had had programs in the past, such as Reading First (part of the No Child Left Behind Act), where grants were given to districts that adopted specific reading programs with a goal of assuring that all kids were proficient by the end of third grade. The grant program ended but showed some effective results. The department had pulled the lever slightly but not to such an extent as reflected in the legislation. He believed it was a good step forward.

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Senator von Imhof appreciated that the department did not have the authority to mandate certain curriculum or textbooks. She commented that when the department passed state standards but failed to show leadership, mandated or unmandated, of any type of aid to the 53 districts that had a wide variety of financial support and struggles was like feeding them to the wolves. She thought the department should have helped by creating a curriculum available (not mandated) to the districts. She asserted that it should have happened 5 years prior. She thanked the sponsor for bringing the legislation forward.

Co-Chair MacKinnon stated that she had tried to advance the notion of the bill for the previous 6 years. She had sent a letter to the state schoolboard asking for their recommendations on curriculum. She had also been frustrated believing that the department and the state school board should have been supporting districts to a greater degree. She opined that Alaska's students were taking the brunt of the state's failure to provide for their education. She referenced constrained budgets in the past and emphasized that the bill before the committee had been a collaborative effort with DEED. She appreciated everything the department had done to support the current idea. The bill was a Senate Finance Committee proposal to provide a foundation for school districts and teachers to have support to provide best outcomes for students.

[10:04:21 AM](#)

Co-Chair Hoffman remarked that in defense of the administration he went back in history to understand why the committee was addressing the issue today. He recalled that prior to SB 35 [Legislation passed during one of the terms of Mr. John Sackett: House of Representatives (1967-1970) and Senate 1973-1986], the state used to operate under the state operating school system (SOS). He explained that the SOS was where the state dictated to school districts what needed to be done and what criteria needed to be accomplished. Senator Sackett introduced SB 35 that set up the current system giving independence to school districts to have them decide what they felt needed to be done. He was not saying that the system was perfect, but from his experience, the decisions regarding education and the direction for students was best decided by school boards that were elected independently of the legislature.

Co-Chair Hoffman indicated school districts had the mandate to present their case about what needed to be done in their districts. It might differ from what might happen in Tuntutuliak versus in Anchorage or in Juneau. He firmly believed districts needed to make the decisions around curricula and direction of education. He suggested that it might be appropriate to consider provisions as presented in SB 104 on a demonstration project to move forward. He did not want to criticize the department for its position because past legislators had passed laws that were before the committee today.

10:07:02 AM

Senator Stevens had served on his local school board and relayed the difficulty of establishing a curriculum and the cost associated with curriculum, the key to a fine education for Alaska's students. He was pleased to see the legislation but had a couple of concerns. First, he wanted to confirm that the districts supported the legislation. He also expressed concern about how the department, having been reduced significantly, would supervise the bill. He wondered if additional staff was planned. Instructing the department to implement the law without additional personnel would be akin to throwing the department to the wolves and a great concern to him.

Mr. Prussing stated that when he reviewed the fiscal note he had added 3 additional staff; 2 content education specialists and 1 associate to help drive the work and keep things going. He had been with the department for 18 years and had seen many personnel reductions. Some of the 20 or more positions that had been cut were content specialists that drove curriculum work. When adopting standards in the past, the department had created a 3-step process: an awareness process, a transitional stage, and an implementation stage. The department had focused its efforts in helping districts align their curriculums to the new standards. The department also worked with districts on measuring students' success with the curriculum. The Performance Evaluation for Alaska's Schools (PEAKS) Assessment measured only a thin layer. The department had assisted districts with a formative assessment process. Most districts had adopted the Measure of Academic Progress (MAP) test which was given 3 times per year. It provided a benchmark for teachers to see the movement of students through the curriculum. He stressed the importance of

having 2 additional content specialists. In the past, the department had had 2 content specialists that had done the majority of the work and had had a great impact on education.

Senator Stevens believed the legislation moved the state forward in curriculum development. He did not think it took away local control, as it gave the districts the option of choosing whether to participate. Mr. Prussing agreed and added that it would be important for districts to assist the department in selecting the curriculum.

10:10:25 AM

Senator Olson referenced his schooling through the Bureau of Indian Affairs System in Golovin, Alaska, and his experience watching the implementation of the SOS program. At the time, Golovin was hesitant to participate in the SOS Program. He applauded Senator Sackett's efforts to ensure local control because it allowed for buy-in from people who were very concerned about their children's academic performance. He shared Senator Stevens' concern regarding local control.

Co-Chair MacKinnon stated that self-determination, as stated in the constitution, was one of her team's primary motivators in choosing the course of action outlined in the bill. School districts had appeared before the legislature multiple times stating that the lack of inflation proofing the base student allocation or removing energy subsidies, which at one time the state provided through \$150 per barrel oil, created challenges. Her team struggled with what to do in a centralized way to provide benefits to communities, especially to the smaller rural communities. It was her understanding that many of the larger school districts were circling around particular curricula in math and language arts and they were starting to line up in finding the best means for student achievement. There were certain smaller community school districts that had less opportunities than the larger school districts to explore curriculum. For this reason, she pursued finding curriculum as a basis. She was trying to find a way of incentivizing a rigorous process for the state school board and to provide parents with electronic access of the curriculum being used across the state. She wanted parents to see what urban areas in the state might be doing differently than their

own district and why. She thought collaboration was necessary, hence the reason for her introducing SB 104.

Co-Chair MacKinnon continued to discuss the bill. The bill offered a product electronically that all districts and parents could see of incentivized or designated curricula that met Alaska state standards. School boards could move into the designated standards and adopt the state curricula without that same vigor that might be invested in the review and adoption process. Parents, teachers, and administrators would be able to see what everyone was doing, to see test results, and to ask questions. She noted that some of the smaller school districts were doing tremendously well for their students, some of whom had scores that exceeded some of the urban schools. The bill before the committee offered collaboration with all parties.

Co-Chair MacKinnon appreciated consideration of the bill. She wanted to hold the bill until the following Tuesday and encouraged members to contact their local school districts. She stated that there was a large fiscal note of \$30 million. She estimated that achievable outcomes would be necessary to pass the bill from committee.

[10:16:57 AM](#)

Senator von Imhof thought there might be some confusion between standards and curricula. She also mentioned the need for determining the materials that would be used with the curricula and thought they would be decided on at the local district level. She noted that there were districts in Western Alaska that used local flora and fauna in curriculum. She drew attention to documents "Parent Roadmap: Supporting Your Child in Grade Five - Mathematics," and "Parent Roadmap: Supporting Your Child in Grade Three - English Language Arts," (copy on file). Senator interjected that the document Senator von Imhof was referring to was available online.

Senator von Imhof continued that the Anchorage School District created the document. She hoped the State of Alaska would generate a similar document at some point. She referred to page 4 of the handout, which showed one of the standards for 5th graders in math. Students had to understand how to divide objects into equal shares preparing students for the division of fractions. Page 3

listed curricula of 3 or 4 things a teacher needed to do throughout the year. She posed the question about which textbooks and workbooks should be used. She asserted that such things were part of local control. She talked about being on the local school board when the standards were changed. She relayed that the process was expensive, long, and tedious. She was hoping to see the state do something similar to the example she provided. Local control was and would always be available in how the individual teacher taught concepts. She also hoped that the department would take advantage of the resources of the Anchorage School District.

[10:20:44 AM](#)

Co-Chair MacKinnon referenced another component to the bill pertaining to Individual Education Plans (IEP)s. Her team had brought the idea forward. The section on recording electronic data so that parents could review it came from the Alaska Challenge and the department suggesting the information should be shared in order to support local control. She invited Senator von Imhof to speak to the IEP.

Senator von Imhof informed the committee that an IEP was available to any student in Alaska whose collective teachers including special education teachers, general teachers, and parents felt it was necessary to provide extra special supports for a student. Creating and IEP was time consuming and extensive and was created in collaboration with care givers, teachers, and parents. If a child or family moved from one district to another, often times the child's IEP was not transferable electronically. It had to either be copied and mailed or faxed one page at a time. Some of the smaller districts only had 10 megabytes of capacity. The worst case would be for the new district to have to do a completely new IEP. One of the recommendations that came out of the DEED performance review in 2016 was to suggest that all districts around the state went to one standard software for IEPs paid for by the state. Districts would be alleviated from paying for the software. She thought the idea made good sense. Many districts agreed with the idea of having a standard software. When a child moved from Bethel to Anchorage the IEP could be sent electronically keeping the transition much simpler and less disruptive.

[10:23:34 AM](#)

Vice-Chair Bishop referenced his experience as a legislator and working for previous administrations. He spoke to the need for continuity. He mentioned seeing 3 different administrations and 3 different evaluation tests. He did not want to see the goal post moved for kids. He advocated choosing a lane and staying in that lane. He acknowledged the challenges of educating children. He relayed his personal experience as a child moving from one school district to the next. He brought up the subject of outcomes. He hoped that education was preparing children to enter the workforce and to be a benefit to society rather than a burden. He wondered how to measure success. In his experience as the Commissioner of Department of Labor and Workforce Development his department worked with DEED to put a process in place to track an individual after high school. He reemphasized the need for consistency for the sake of kids.

Co-Chair MacKinnon supported Vice-Chair Bishop's comments. She thought everyone had different abilities. Some people blossomed outside of school and perseverance was what was needed to continue in the world. She wanted a good foundation for Alaska. Math and English were the areas of focus in the bill.

[10:26:40 AM](#)

Senator Stevens agreed with Vice-Chair Bishop. He added that the goal of education at the beginning of the country was to create citizens of the state and country.

Co-Chair MacKinnon stated she wanted to bring the bill back up early in the following week to move the bill along. She emphasized she wanted the fiscal note prior to moving the bill out of committee.

Ms. Herman appreciated the passion for education as expressed by the committee. The department would finalize the fiscal note and submit it to the committee for consideration.

Mr. Prussing thanked the committee for its hard work on the bill. He addressed Vice-Chair Bishop's comments. He relayed that the department was working with Career and Technical Education (CTE) through the Carl D. Perkins Career and Technical Education Improvement Act in getting CTE teachers

trained to teach math within the CTE program. Vice-Chair Bishop remarked that he could spend another 30 minutes talking on the subject in a positive way.

Co-Chair MacKinnon asked if Ms. Hartmann could address Senator Olson's question regarding who her team had reached out to. Ms. Hartmann recalled that when the bill was first heard in committee the previous April there was no opposition from school districts. Recently, the team had reached out to the Lower Kuskokwim School District, the Yukon-Koyukuk School District, the Anchorage School District, and the Fairbanks School District. She had heard back from all of them and would be happy to share their information with everyone. She had also heard back from the Board of Education's members, local school district board members, rural and urban superintendents, and the Alaska Council of School Administrators who were reviewing the CS. She reported getting good word back. Co-Chair MacKinnon asked if it was positive feedback versus concerns on the bill. Ms. Hartmann responded, "yes."

Senator Micciche expressed interest in hearing feedback from stakeholders mentioned by Ms. Hartmann. He would be reaching out to his local district. Co-Chair MacKinnon stated that her office had reached out to his school district to testify. They were not available but had reviewed the bill.

Senator Stevens addressed the issue of IEPs, and his desire to learn more. He suspected that some districts might be concerned about receiving IEPs that were different from their own.

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

Co-Chair MacKinnon relayed that the committee had not scheduled a meeting for the following day. She reviewed the agenda for Monday's meeting.

ADJOURNMENT

10:32:29 AM

The meeting was adjourned at 10:32 a.m.