

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 2, 2019

8:01 a.m.

MEMBERS PRESENT

Representative Harriet Drummond, Co-Chair
Representative Sara Hannan, Co-Chair
Representative Matt Claman
Representative Jonathan Kreiss-Tomkins
Representative Steve Thompson
Representative Sharon Jackson
Representative Josh Revak

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 56

"An Act establishing May 15 of each year as Hmong-American Veterans Day."

- MOVED HB 56 OUT OF COMMITTEE

HOUSE BILL NO. 32

"An Act making certain entities that are exempt from federal taxation under 26 U.S.C. 501(c)(3), (4), (6), (12), or (19) (Internal Revenue Code), regional housing authorities, and federally recognized tribes eligible for a loan from the Alaska energy efficiency revolving loan fund; relating to loans from the Alaska energy efficiency revolving loan fund; and relating to the annual report published by the Alaska Housing Finance Corporation."

- HEARD & HELD

HOUSE BILL NO. 70

"An Act relating to health education and physical activity requirements for students in grades kindergarten through eight; and establishing the Thursday in February immediately following Presidents' Day as PLAAY Day."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 56

SHORT TITLE: ESTABLISH HMONG-AMERICAN VETERANS DAY

SPONSOR(s): REPRESENTATIVE(s) TARR

02/20/19 (H) READ THE FIRST TIME - REFERRALS
02/20/19 (H) MLV, CRA
03/05/19 (H) MLV AT 1:00 PM GRUENBERG 120
03/05/19 (H) Heard & Held
03/05/19 (H) MINUTE(MLV)
03/07/19 (H) MLV AT 1:00 PM GRUENBERG 120
03/07/19 (H) Moved HB 56 Out of Committee
03/07/19 (H) MINUTE(MLV)
03/08/19 (H) MLV RPT 7DP
03/08/19 (H) DP: THOMPSON, KOPP, RAUSCHER, TARR,
JACKSON, TUCK, LEDOUX
03/28/19 (H) CRA AT 8:00 AM BARNES 124
03/28/19 (H) Heard & Held
03/28/19 (H) MINUTE(CRA)
04/02/19 (H) CRA AT 8:00 AM BARNES 124

BILL: HB 32

SHORT TITLE: AK ENERGY EFFICIENCY LOANS: ELIGIBILITY

SPONSOR(s): REPRESENTATIVE(s) KREISS-TOMKINS

02/20/19 (H) PREFILE RELEASED 1/11/19
02/20/19 (H) READ THE FIRST TIME - REFERRALS
02/20/19 (H) CRA, FIN
04/02/19 (H) CRA AT 8:00 AM BARNES 124

BILL: HB 70

SHORT TITLE: MAND. PHYS. ACTIVITY SCHOOLS; PLAAY DAY

SPONSOR(s): REPRESENTATIVE(s) RASMUSSEN

02/25/19 (H) READ THE FIRST TIME - REFERRALS
02/25/19 (H) CRA, EDC
04/02/19 (H) CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

REPRESENTATIVE GERAN TARR
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor of HB 56, offered to answer questions from the committee.

JOHN SCANLON, Staff
Representative Jonathan Kreiss-Tomkins
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Kreiss-Tomkins, prime sponsor on HB 32, answered questions regarding the bill.

STACY BARNES, Director
Governmental Relations and Public Affairs
Alaska Housing Finance Corporation
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 32, answered questions.

ERIC HAVELOCK, Lending Officer
Alaska Housing Finance Corporation
Anchorage, Alaska

POSITION STATEMENT: Offered information during the hearing on HB 32.

CHRIS ROSE, Executive Director
Renewable Energy Alaska Project
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 32.

KRYSTEN WALKER, Staff
Representative Sara Rasmussen
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 70 on behalf of Representative Rasmussen, prime sponsor.

TODD BROCIIOUS
Career & Technical Education/Alternative Schools Health
Assessment and Accountability
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 70, answered questions.

DENALI DANIELS, President
Denali Daniels and Associates
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 70.

KELLY LESSENS

ASD60

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 70.

CAREY CARPENTER

ASD60

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 70.

ACTION NARRATIVE

[8:01:58 AM](#)

CO-CHAIR HARRIET DRUMMOND called the House Community and Regional Affairs Standing Committee meeting to order at 8:01 a.m. Representatives Kreiss-Tomkins, Jackson, Revak, Hannan, and Drummond were present at the call to order. Representatives Claman and Thompson arrived as the meeting was in progress.

HB 56-ESTABLISH HMONG-AMERICAN VETERANS DAY

[8:02:51 AM](#)

CO-CHAIR DRUMMOND announced that the first order of business would be HOUSE BILL NO. 56, "An Act establishing May 15 of each year as Hmong-American Veterans Day."

[8:03:32 AM](#)

REPRESENTATIVE GERAN TARR, Alaska State Legislature, as prime sponsor of HB 56, offered to answer questions from the committee.

CO-CHAIR DRUMMOND noted that no amendments had been submitted.

REPRESENTATIVE TARR opined that HB 56 was important, because "whenever we do something to honor the people that are our neighbors, especially for their service to our country, I think we're doing the right thing."

[8:04:33 AM](#)

CO-CHAIR HANNAN moved to report HB 56 out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, HB 56 was reported out of the House Community and Regional Affairs Standing Committee.

[8:04:53 AM](#)

The committee took a brief at-ease at 8:05 a.m.

HB 32-AK ENERGY EFFICIENCY LOANS: ELIGIBILITY

[8:05:01 AM](#)

CO-CHAIR DRUMMOND announced that the next order of business would be HOUSE BILL NO. 32, "An Act making certain entities that are exempt from federal taxation under 26 U.S.C. 501(c)(3), (4), (6), (12), or (19) (Internal Revenue Code), regional housing authorities, and federally recognized tribes eligible for a loan from the Alaska energy efficiency revolving loan fund; relating to loans from the Alaska energy efficiency revolving loan fund; and relating to the annual report published by the Alaska Housing Finance Corporation."

[8:07:54 AM](#)

REPRESENTATIVE KREISS-TOMKINS, as prime sponsor of HB 32, introduced the bill and related its history. He said this is the third legislature in which this legislation has been introduced. He said two legislatures ago the legislation passed out of two committees of referral and "died" in the House Rules Standing Committee. Last legislature, the legislation passed all House committees and then "died" in its last committee of referral in the Senate. He expressed his hope that HB 56 would "get all the way through" this attempt.

REPRESENTATIVE KREISS-TOMKINS stated that HB 32 would expand the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) to include nonprofits. Currently, those eligible for the fund are municipalities and state government. Nonprofits would include, for example, church councils, housing authorities, arts councils, and soup kitchens that may have energy inefficient buildings but insufficient capital to expend on energy efficiency improvements.

[8:10:40 AM](#)

REPRESENTATIVE JACKSON asked why the legislation "died" previously.

REPRESENTATIVE KREISS-TOMKINS answered that would be a good question for the co-chair of the Senate Finance Committee, who is no longer a legislator.

REPRESENTATIVE JACKSON asked, if a nonprofit was not able to make the payments on the loan allowed under HB 32, who the responsible party would be.

REPRESENTATIVE KREISS-TOMKINS offered his understanding that currently a loan from AEERLF is given only when the entity applying for the loan has demonstrated energy inefficiencies and an audit has been done. The audit determines how much money is being lost per month due to the energy inefficiency, and the amount of the loan payment is set at that amount; therefore, the amount of money the entity pays essentially stays the same. He concluded that the risk of an entity being unable to pay on the loan is low.

REPRESENTATIVE JACKSON asked why HB 32 would not include "small and independent businesses."

REPRESENTATIVE KREISS-TOMKINS answered that nonprofit organizations are generally cash poor in terms of being able to make investments. He pointed out that when this legislation was first introduced, Alaska was just beginning to experience its budget deficit. Not too many years prior, he said, the state had been "riding the gravy train," and any entity that wanted cash to upgrade a building came to the legislature "with hand outstretched" and requested a capital grant. He indicated that the AEERLF would be a means to help nonprofit entities become more self-sufficient. He said he thinks there is an assumption that nonprofits do good, and "we want to help."

[8:17:02 AM](#)

CO-CHAIR HANNAN asked about the current number of loans and what the success rate of the loans is.

CO-CHAIR DRUMMOND noted Stacy Barnes from the Alaska Housing Finance Corporation (AHFC) was available to answer questions.

[8:17:38 AM](#)

JOHN SCANLON, Staff, Representative Jonathan Kreiss-Tomkins, Alaska State Legislature, on behalf of Representative Kreiss-Tomkins, prime sponsor of HB 32, replied that AEERLF was created in 2010 and allowed AHFC to bond up to \$250 million to finance energy efficiency improvements. He offered his understanding that since that time one loan of \$2.5 million, to the City of Galena, has been closed.

8:18:21 AM

STACY BARNES, Director, Governmental Relations and Public Affairs, Alaska Housing Finance Corporation, confirmed that there has been one loan closed. In response to Co-Chair Hannan, she reported that AHFC has had some interest in the loan program over the years. She offered information regarding the loan program in the context of a current Anchorage Municipal election, in which voters are being asked to decide upon a proposal for an Anchorage School District bond. She indicated that the includes just over \$59 million in projects, a number of which might be eligible for the [AEERLF], which would total approximately \$30 million. She said there are several reasons that the Anchorage School District would not approach AHFC for a loan. She continued:

With this bill, we see it as being one more tool in the toolbox. A Community Reinvestment Act made pricing competitive for nonprofit and public entities to go elsewhere, whether it's through a bond proposal, like Anchorage voters are being asked to vote on today, or if it's other sources of financing across the state and in the private sector.

MS. BARNES responded to follow-up questions from Co-Chair Hannan. She confirmed that the loan to Galena is the only one that has been closed since 2010. She confirmed that "closed" means "open"; therefore, only one entity is carrying the loan under AEERLF currently. She said financing may be available up to 15 years for any given project; therefore, "the Galena loan is still active and open on our books."

CO-CHAIR HANNAN expressed surprise that more entities have not applied.

MS. BARNES responded that AHFC has a couple departments that are involved in the loans: the Research and Rural Development, also known as the Energy Department; and the Mortgage and Financing Department. She said the Energy Department has been aggressive in talking with leaders across the state, including the Alaska Municipal League (AML), so there has been interest in the program. However, in many cases, communities may choose "to bond on their own or have found cheaper financing elsewhere." She AHFC views itself as "one tool in the toolbox." She referred to the letters of support in the committee packet and offered one misconception is that "this loan would be a ...

subsidized rate - low-cost financing - and that is not necessarily true." She said there may be other options that are in the best interest of the nonprofit or local government for accessing financing outside of AHFC.

[8:23:03 AM](#)

REPRESENTATIVE THOMPSON recollected that at the time the loan was initialized and from about 2010-2014, many entities had the energy efficiency of their buildings tested, but because of the availability of capital at the time, a lot of these entities preferred to apply for grants rather than apply for a loan. He said there are a lot of places that could still benefit from this loan.

MS. BARNES said Representative Thompson was correct. She said AHFC received federal money through the American Recovery and Reinvestment Act and was able to benchmark 1,300 public facilities and conduct investment-grade audits on 327 public buildings, and "the potential was great at the time." She added, "But you'll also recall that the price of oil was at over \$100 per barrel, and so, the energy efficiency savings at that time was also greater than it is in this current environment."

[8:25:06 AM](#)

REPRESENTATIVE REVAK asked what the total cost of the loan was in relation to the estimate of the work that needed to be done.

MS. BARNES answered that the loan itself was consistent with the estimate that was provided through the investment-grade audit that had been performed prior to closing of the loan.

REPRESENTATIVE REVAK said the customer gets a loan and a more efficient building but his/her costs remain the same - there are no savings. He said he assumes that is under the estimate for the work that is to be done. He questioned what happens when the work done exceeds the estimate.

MS. BARNES answered that AHFC would close the loan after completion of the work, so it would know what the costs were prior to closing of the loan.

[8:27:17 AM](#)

REPRESENTATIVE KREISS-TOMKINS added that as soon as the loan is paid back, the nonprofit entity would begin to save money, because the building would be more energy efficient.

[8:28:12 AM](#)

REPRESENTATIVE JACKSON asked about variants to interest rates on the loans.

MS. BARNES answered that the rate is determined at the time the loan is closed and is based on several factors, including the duration of the loan and the risk associated with that particular loan.

[8:29:07 AM](#)

CO-CHAIR HANNAN asked about the duration and rate of the Galena loan.

[8:29:53 AM](#)

ERIC HAVELOCK, Lending Officer, Alaska Housing Finance Corporation, recollected that the term for the Galena loan was 15 years, at an interest rate just under 4 percent.

[8:30:44 AM](#)

CHRIS ROSE, Executive Director, Renewable Energy Alaska Project (REAP), spoke. [Due to technical difficulties, the first minute of Mr. Rose's testimony was inaudible.]

[8:31:30 AM](#)

The committee took a brief at-ease at 8:31 a.m.

[8:31:35 AM](#)

[Partially inaudible testimony.]

MR. ROSE stated that Alaskans are spending \$5 billion on energy annually; that includes transportation fuel, electricity, and heat. He said in 2008, the legislature made a large appropriation to the Weatherization Rebate Program. Over 50,000 homes have been energy retrofitted, and AHFC estimates the average savings to be 30 percent. He stated that REAP knows there is money to be saved and it is important to "push energy efficiency." He said REAP thinks there are nonprofit

organizations that would like to take advantage of the loan program that would be available to them under HB 32.

MR. ROSE related that for various reasons, some of the original targets for the loan program have decided not to take the loans. He surmised some nonprofit buildings have been bonded or nonprofit groups may have hoped the state would have money to give. He said those are not options for nonprofits, but those nonprofits would be able to borrow money through AEERLF under HB 32.

MR. ROSE said payback periods vary, but nationwide, it is easy to estimate what an improvement will cost and what its payback period will be, then to structure the loan accordingly. He said, "There is an awareness of how much the loan is going to have to be serviced given the interest rate and the terms."

[8:34:55 AM](#)

CO-CHAIR DRUMMOND connected with Mr. Rose to let him know the first portion of his testimony had not been heard. She asked him to repeat the information.

[8:35:40 AM](#)

MR. ROSE stated that there is a huge amount of savings to be had through AHFC loans, and part of the reason this is apparent is because AHFC has had success with the grants it gave in its residential programs. He said public and nonprofit buildings "will probably have the same opportunity to save 30-40 percent on their energy bills, depending on the shape of the building." He echoed Representative Thompson's remark that one of the possible reasons [owners of] public buildings did not seek out a loan back in 2010 was that they hoped to get a grant from the state. Further, many public entities have the ability to bond on their own. He indicated those choices are "definitely lesser opportunities for nonprofits today." He reiterated that REAP believes that there are some decision makers at the nonprofits, who would take the opportunity to take a loan from AHFC through AEERLF.

[8:37:27 AM](#)

REPRESENTATIVE THOMPSON recalled that in the past, after the energy efficiency evaluations were done, there had been variances in loan rates. He questioned how many who realized they could have "a savings on energy efficiency" might have

approached other commercial entities because of lower interest rates there than with AHFC. He recalled some banks reacted back then by claiming they could meet or beat the offered interest rates. He asked how many places completed the energy efficiency upgrades but not with AHFC loans.

MR. ROSE replied he does not have that data but anecdotally has heard the same thing: entities could either find a lower interest rate somewhere else or bond themselves. He said he knows for a fact that many building [owners] did "go ahead and do energy efficiency anyway, not using this fund." He concluded, "That is true that the interest rate may or may not have been competitive for some entities."

[8:39:18 AM](#)

CO-CHAIR DRUMMOND opened public testimony on HB 32. After ascertaining that there was no one who wished to testify, she closed public testimony.

[8:39:43 AM](#)

REPRESENTATIVE CLAMAN opined that this was good legislation in the last legislative session, and he thanked the bill sponsor for keeping it going.

[8:39:54 AM](#)

CO-CHAIR DRUMMOND, in response to Co-Chair Hannan, clarified that the bill would be accompanied by a zero fiscal note.

[8:40:23 AM](#)

REPRESENTATIVE KREISS-TOMKINS said for four to five years now, he has maintained dialogue with the Division of Public Facilities within the Department of Transportation & Public Facilities (DOT&PF) regarding energy efficiencies in state buildings. He noted that the State of Alaska is one of the eligible entities and has many facilities, not all of which are energy efficient. He said there have been investment-grade audits demonstrating that "there are some improvements that have pretty competitive paybacks." He said DOT&PF has proceeded with some of the energy efficiency improvements. He said he had been curious as to whether the agency would take advantage of the AEERLF or seek other capital. He said the agency put together a substantial energy efficiency investment package a couple years ago and found a more competitive interest rate elsewhere. He

said he is "cautiously optimistic" that [the provision under HB 32] and "the specialized nature of this" will fill the void for smaller nonprofit organizations that are less sophisticated and do not have access to more institutional capital.

[8:44:04 AM](#)

CO-CHAIR DRUMMOND said the recent renovation of the Capitol, which included upgrading exterior walls, doors, and windows, showed good results. She said she is interested in finding out from the Legislative Affairs Agency how much savings in energy costs is being seen now as a result.

[8:45:11 AM](#)

CO-CHAIR DRUMMOND announced that HB 32 was held over.

HB 70-MAND. PHYS. ACTIVITY SCHOOLS; PLAAY DAY

[8:45:41 AM](#)

CO-CHAIR DRUMMOND announced that the final order of business would be HOUSE BILL NO. 70, "An Act relating to health education and physical activity requirements for students in grades kindergarten through eight; and establishing the Thursday in February immediately following Presidents' Day as PLAAY Day."

[8:46:02 AM](#)

KRYSTEN WALKER, Staff, Representative Sara Rasmussen, Alaska State Legislature, presented HB 70 on behalf of Representative Rasmussen, prime sponsor. She paraphrased parts of the sponsor statement [included in the committee packet], which read in its entirety as follows [original punctuation provided]:

First, House Bill 70 amends state law to require schools to provide 90% of the daily amount of physical activity recommended for children and adolescents in the physical activity guidelines by the U.S. Centers for Disease Control and Prevention (CDC) through physical education classes or unstructured physical activity, like recess, or a combination of both. Our state has consistently ranked poorly in education outcomes compared to the rest of our nation. A report by the CDC showed documented links between increased physical activity and improved academic performance.

Currently, the CDC recommends a minimum of 60 minutes per day of physical activity for children. Therefore, this bill requires 90%, or 54 minutes, of that recommended activity occur at school. The bill provides exemptions for students with medical restrictions, for students that receive school credit for participation in athletics or other extracurricular physical activities, and for health and safety reasons like inclement weather.

Additionally, HB 70 establishes the Thursday in February immediately following Presidents' Day as PLAAY Day, which stands for Positive Leadership for Active Alaska Youth. Elementary schools around the state are encouraged to celebrate PLAAY Day by engaging in synchronized physical activity at 10am. As childhood obesity rates have been increasing in recent years PLAAY Day provides a dedicated day and time to emphasize the importance of physical activity and can help generate enthusiasm for and commitment to a lifetime of physical activity.

As we tackle complex issues facing our students in Alaska, this bill provides one avenue through which our state can work toward improving educational outcomes, combatting chronic illness resulting from a lack of physical activity, and build a lifetime of commitment to healthy living.

[8:47:35 AM](#)

MS. WALKER addressed the sectional analysis [included in the committee packet], which read as follows [original punctuation provided]:

Section 1: AS 14.30.360(c) Amends AS 14.30.360(c) by replacing "may" with "shall." This change requires physical education classes and unstructured physical activity to be counted toward the amount of time for physical activity recommended in school district guidelines. Adds a subparagraph to AS 14.30.360(c)(2), providing an exemption from physical activity opportunities for a student who receives school credit for participation in athletics or extracurricular physical activities.

Section 2: AS 44.12.107 Establishes the Thursday in February immediately following Presidents' Day as PLAAY Day and provides that PLAAY Day may be observed by elementary school students across Alaska through synchronized physical activity

[8:48:32 AM](#)

REPRESENTATIVE JACKSON asked, "Don't they still have recess for kindergarten up to whatever grade?"

MS. WALKER answered that HB 70 would require 90 percent of the Center for Disease Control's (CDC's) recommendation.

REPRESENTATIVE JACKSON offered her understanding that Ted Stevens' "Get Out to Play" takes place the fourth Saturday in July when there is a full day of activity. She questioned whether HB 70 would be redundant.

MS. WALKER responded that she is not aware of that program.

REPRESENTATIVE JACKSON talked about the commercials for "Get Out to Play." She shared that she has volunteered for the event, and she said it is amazing how many children and parents participate. She questioned whether a mandate to the Department of Education & Early Development (EED) would be "pushing a little too hard on what we are demanding." In response to a request for clarification, she said she was talking about the PLAAY date. She asked whether EED would have to seek volunteers or increase staffing "for this particular day."

MS. WALKER offered her understanding that HB 70 "is just a recommendation" for participation on a certain day and time. The part that would be required, she noted, is the daily physical activity.

REPRESENTATIVE JACKSON expressed confusion, because she said children already have recess; therefore, she questioned why the legislature would mandate more.

CO-CHAIR DRUMMOND noted that Todd Brocious, from EED, was available to respond to questions. She said she does not think the proposed legislation would impact activities in July, because that month "is generally outside the school year." She surmised that [Get Out to Play] was "a whole different organization."

[8:53:03 AM](#)

REPRESENTATIVE CLAMAN emphasized he is a proponent of physical activity. He questioned what impact a change from "may" to "shall" could have on the current school curriculum, and he asked whether school districts are prepared to make the changes that would be required under HB 70. He said he saw no letters of support or opposition from school districts.

MS. WALKER responded she thinks it would be up to school districts to determine how to fit in [the physical activity requirements under HB 70]. She said students across the state are struggling with reading and other curriculum, and research shows that physical activity "increases educational outcomes."

[8:54:36 AM](#)

CO-CHAIR HANNAN asked how many of the kindergarten through eighth grade ("K-8") programs in Anchorage currently do not meet the standard.

MS. WALKER said she did not know but could get that information.

CO-CHAIR HANNAN referred to language, essentially about a waiver, on page 2, beginning line 7, in Section 1, paragraph (2), subparagraph (B), which read:

(B) a student who receives school credit for participation in athletics or extracurricular physical activities.

CO-CHAIR HANNAN asked how many school districts already have that policy in place.

MS. WALKER answered that she does not know.

[8:55:32 AM](#)

REPRESENTATIVE KREISS-TOMKINS shared that like Representative Claman, he is a proponent of physical activity but expressed caution about mandates. He said many schools are already below the current threshold [for required physical activity for students] and under HB 70 would have to meet [a higher] threshold. He asked Ms. Walker if [the bill sponsor and staff] had engaged in conversation with the public education community about "the opportunity cost" or "what would be displaced out of the day to accommodate this requirement."

MS. WALKER said she personally has not had that conversation, but the bill sponsor has.

[8:57:16 AM](#)

CO-CHAIR DRUMMOND offered that the committee would have the opportunity to discuss HB 70 again.

[8:57:32 AM](#)

TODD BROCIUS, Career & Technical Education/Alternative Schools Health, Assessment and Accountability, Department of Education and Early Development (EED), advised that the responsibility for deciding whether to implement the proposed PLAAY Day would fall with districts; the department would not have an active role in the decision. He said EED does not track the number of schools or districts that offer credit for participation in athletics or extracurricular activities, "so we don't know the statewide impact of that."

[8:58:39 AM](#)

CO-CHAIR HANNAN asked how many K-8 programs statewide already have 60 minutes of daily activity for students.

MR. BROCIUS answered that the department does not know. He added, "I think there's wide variability from ... what we know in how physical activity ... is implemented and the exact number of minutes that are offered."

CO-CHAIR HANNAN noted that currently HB 70 has a zero fiscal note. She asked whether the proposed daily activity would require EED to conduct monitoring of 54 school districts and hundreds of schools across the state to ensure they comply.

MR. BROCIUS reiterated that the proposed legislation does explicitly require EED to have an enforcement role; therefore, the department would not be checking with districts to ensure compliance; that would be a district-level responsibility.

[9:00:05 AM](#)

CO-CHAIR DRUMMOND pointed out that the fiscal note applies to EED, not to the schools; therefore, if there was a requirement, "it would reflect on tasks that the department would have to do." She said she thinks the committee needs to hear from

school districts at some point, "regarding their perception of what the cost might be."

[9:00:31 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked whether EED has a position on HB 70.

MR. BROCIOSUS answered that the department has not taken a position on the proposed legislation.

[9:00:50 AM](#)

REPRESENTATIVE CLAMAN requested the bill sponsor obtain a letter or a spokesperson from the Anchorage School District to provide the district's position on HB 70. Particularly, he said he would like to know the district's position on the impact of the proposed legislation on curriculum and costs and how many K-8 schools are currently "in compliance with these guidelines today."

[9:01:24 AM](#)

REPRESENTATIVE JACKSON, referring to the aforementioned document "Connecting Physical Activity to Academic Grades," expressed curiosity as to whether there is already a state law requiring a daily amount of physical activity and why it is not being monitored and enforced.

[9:02:01 AM](#)

REPRESENTATIVE THOMPSON, regarding the issue of monitoring, stated that "we keep throwing more and more onto school districts" that requires reports, which is a reason the administration in school districts has grown. He concluded, "I don't want to see us adding more."

[9:02:38 AM](#)

CO-CHAIR DRUMMOND announced the committee would hear invited testimony.

[9:02:48 AM](#)

DENALI DANIELS, President, Denali Daniels and Associates, stated that her company provides facilitation, strategic planning, and policy research to clients, which are typically nonprofits,

government, and small businesses in Alaska. She said DDA has offices in Anchorage and Juneau. She relayed that in 2014, her team conducted research on behalf of the Department of Health and Social Services (DHSS); the [outcome] is in the public domain and has been widely circulated. She clarified that she does not represent the state in her comments; she speaks from the standpoint of the work her team did in 2014. Ms. Daniels indicated that her comments are typically provided with a PowerPoint, but she acknowledged the PowerPoint was not provided at this meeting. In response to Co-Chair Drummond, she offered to provide the PowerPoint at some point.

[9:04:53 AM](#)

MS. DANIELS shared that the genesis of DDA's work was based on the obesity problem in Alaska. She said Alaska spends \$459 million annually on direct healthcare costs associated with obesity. She said 77 percent of adults and 26 percent of high school age Alaskans are obese. She said the Center for Disease Control (CDC) has tied academic performance to physical activity. She stated, "While we all know there is a connection between obesity and physical activity, our research was focused specifically on recess and [physical education] (PE) policies in the school districts." She related that CDC recommends 60 minutes of moderate to vigorous physical activity per day for school-aged children. The National Association of Sport and Physical Education recommends 150 minutes of physical education each week at the elementary level and 225 minutes each week at the secondary level.

MS. DANIELS names two noteworthy federal policies: the 2004 Child Nutrition and WIC Reauthorization Act, which established a requirement for wellness policies as a condition for the school meal program eligibility; and the 2010 Healthy Hunger Free Kid's Act, an effort to define model wellness policies. She opined these two policies are important to understand when crafting state policies [related to wellness of children in schools].

[9:06:50 AM](#)

MS. DANIELS said the DDA project was two-part. The first part was a survey of all 54 school districts, in which 29 questions were asked about the status of the schools' wellness policies - particularly in relation to PE and recess time, both in policy and in practice. The second part was collecting all the wellness policies possible and conducting a policy analysis of the strengths of the PE and recess elements of those policies

using a coding scheme established by the Robert Wood Johnson Foundation. She said DDA was proud to have accomplished a 100 percent response rate for the survey. She said Mt. Edgecombe was included in the schools surveyed but may not show in a certain response because it was a question that did not apply to high school.

MS. DANIELS shared some "high-level statistics." She prefaced those by offering her understanding that HB 70 would apply only to K-12. Regarding the survey, she stated:

Only 32 percent of districts told us that their elementary schools have written policies, and only 6 percent of districts said their middle schools have written policies.

When we go on to ask whether they have unwritten recess practices, over half of the districts said both elementary and middle schools don't have written policies, but they do have unwritten practices. So, that's a disconnect that emerges as we talk about policies versus practices.

MS. DANIELS said 10 districts said they had neither policies nor practices. She next addressed the subject of PE:

When asked about written PE policies, school districts reported much higher incidence of written policies: 53 percent, respectively, for elementary and middle school, reported having written PE policies. But here again, we see a sizeable number of unwritten practices.

MS. DANIELS said she found it surprising to find out there are districts that say they have no PE policies - written or unwritten. She reported that five districts said their elementary schools did not have any policies or practices, while seven districts said [there were] "none at the middle school." She reminded the committee that these were reports from districts, not schools; therefore, "we're probably talking about a number of kids here."

[9:10:26 AM](#)

MS. DANIELS, regarding the policy analysis, stated that DDA was able to collect 51 of the 54 school districts' wellness

policies, and her group scored them using the Robert Wood Johnson methodology. She reported the results as follows:

So, 33 percent of Alaska's school districts did not have a policy or had a policy that had not been updated since 2007. So, remember, 2007 was after the new federal requirement was in place for the school lunch program, but before the 2010 Healthy Hunger Free Kids Act would establish model policies, so we can look back in time and kind of see where things lined up in terms of federal policy and how school districts responded to those ... recommendations.

MS. DANIELS shared the responses regarding recess policy. She said 50 percent of districts indicated there were no recess policies, and 100 percent indicated no policies were written for middle school. In terms of PE, she related that while 40 percent of school districts do not have PE policies for elementary schools, 60 percent of Alaska's school districts that do have policies. Further, 90 percent of all school districts reported having unwritten practices at the elementary level. Ms. Daniels said that is not necessarily bad, but "we just don't know what's really going on there." She said the statistics for middle schools show 58 percent with written policies and 83 percent with unwritten policies.

MS. DANIELS said in 2014, DDA heard anecdotally from school districts that they value physical activity; however, she said there is a dramatic disconnect between written policies and practice. She stated, "There appears to be a need for further exploration on how to best encourage school districts to adopt written policies for PE and recess in elementary and middle school."

[9:12:44 AM](#)

MS. DANIELS stated her personal support for HB 70. She said her background has shown her how important physical activity can be to one's wellbeing.

[9:13:08 AM](#)

CO-CHAIR DRUMMOND noted that Ms. Daniels' 52-page report is available on BASIS.

[9:13:35 AM](#)

MS. DANIELS, in response to Representative Hannan, restated that the 2014 study had been done for DHSS.

CO-CHAIR HANNAN asked Ms. Daniels if she knew when the last state curriculum overview of physical education policies for the school district was done by EED.

MS. DANIELS answered no.

CO-CHAIR HANNAN asked if the report in 2014 was "just given to district level administration" or if PE teachers in the Physical Education Teachers Association were "contacted to participate."

MS. DANIELS replied that DDA began at the administration level, but there were instances where the group was referred to "the other individuals that you noted there." She said, "So, it was a wide spectrum depending on the situation at the school district and who was the most appropriate person to answer the question."

CO-CHAIR HANNAN recollected Ms. Daniels had said that 50 percent of the schools had reported having recess policy. She asked if Ms. Daniels had any idea whether those schools were exceeding the standards of minutes of recess even without a written policy and whether those answering the survey had the opportunity to answer more than yes or no.

MS. DANIELS mentioned the policy analysis portion of DDA's work. She said DDA had questions about practices versus policies, and [the answers] suggest that "there are a number of school districts that, while they may not have policies in place to meet the minimum recommendations of the CDC, ... certainly practices are occurring." She added, "But we only know that anecdotally."

[9:16:34 AM](#)

REPRESENTATIVE KREISS-TOMKINS said there is a correlation between younger kids being on the playground and being active, but as kids get older, that correlation diminishes. He stated that the goal of HB 70 is healthy and active kids and the means to that goal is to require physical activity time. He questioned how effective a tool that would be for elementary and middle school students. He asked if there is any analysis about requirements and the actual movement they inspire.

MS. DANIELS responded that she does not recall "getting to that level of detail," but she said she would look back through DDA's work and get back to Representative Kreiss-Tomkins on that.

REPRESENTATIVE KREISS-TOMKINS requested either the bill sponsor or Ms. Daniels look for that statistic, if not in Alaska, then perhaps nationally. He said he would like to know that statistic if he is going to further consider a mandate.

[9:19:30 AM](#)

REPRESENTATIVE JACKSON asked, "Who's to say they don't play ... once they get home?" She reflected that when she was a child, her parents had to drag her in from play. She referred to Representative Thompson's previous remarks about the number of mandates being given. She concluded, "It's almost like we're disregarding the activity they have outside of school."

[9:20:34 AM](#)

CO-CHAIR DRUMMOND asked Ms. Daniels' whether the DDA's report was presented to DHSS, perhaps through the legislature via another bill hearing or "Lunch and Learn" where it might be archived and accessible to the committee.

MS. DANIELS responded that in 2014, when the work was completed, there were no formal presentations. She recollected that in 2016, Senator Mia Costello sponsored Senate Bill 200, and during that process there were several times that DDA presented the findings in its work.

[9:21:43 AM](#)

CO-CHAIR DRUMMOND opened public testimony on HB 70.

[9:22:13 AM](#)

KELLY LESSENS, ASD60, stated that she is a parent in the Anchorage School District, as well as a co-founder of the Anchorage-based Recess and Lunch Advocacy Group "ASD60." She said HB 70 would improve the statute of 2016, which merely requires the districts to establish guidelines promoting a certain amount of physical activity [in schools]. She added, "And it also permits some of that time to be comprised of in-class activity." To a previous question about the Anchorage School District, she said the district's guidelines are for 100 minutes a week of recess and 90 minutes a week of PE. She said

that falls short of "the current suggestion of 54 minutes a day." She said HB 70 is worded to "ameliorate that problem." Regarding in-class activities being counted, she opined that "sharpening a pencil, pivoting on a rug, or standing for the Pledge of Allegiance" is "not really getting to what the CDC has in mind as meeting 60 minutes of moderate to vigorous quality of activity that all children need." She urged the committee to amend HB 70 to require 60 minutes and "to clarify that the time required for such physical activity may include physical education and opportunities for unstructured physical activity, like recess." She said such an amendment would promote "a fiscally prudent and socially equitable means to increase learning efficiency statewide."

MS. LESSENS, regarding the zero fiscal note, said additional costs to districts should be minimal. She said she wants the committee to understand that "recess should be an extension of classroom learning, so you could have a teacher-supervised recess or additional amounts of that at zero additional cost." She advised, "The American Academy of Pediatrics has explained that recess, like no other time in a child's day, enables the youth to develop their executive function, improve their social/emotional learning, and improve the quality of their peer to peer relationships." Ms. Lessens talked about a game her daughter, who is in second grade, and her friends invented and how this is an example of "how kids make plans, they are creative, they use up their energy, and they come back to class really ... reinvigorated, ready to learn."

[9:25:25 AM](#)

MS. LESSENS stated that not only is HB 70 affordable, it also deals with the question of justice and equity. She mentioned her website, "ASD60.org," on which she has charted every Anchorage elementary school's allocation for recess and lunch. She said, "The uncomfortable fact here is that schools serving predominantly poor students and students of color grant lower amounts of time for recess and ... lunch than their whiter and more well-off counterparts do." She said this echoes studies nationwide where urban schools and schools where 75 percent of students receive free lunch get less recess than rural or suburban schools. Ms. Lessens said that because the Alaska State Legislature is constitutionally responsible for ensuring the quality and equity of all students' educations, she is "pretty sure that all of Alaska's kids deserve evidence-based, state-secured safeguards in this respect." She said she knows that many people emphasize the importance of local control, both

at the district and classroom level; however, "the question about whether the State of Alaska has any business telling districts how much time to allot to physical activity through recess and PE is really disingenuous." She indicated that the question of wearing seatbelts or [not] driving under the influence is not left up to local jurisdictions, so statewide evidence-based minimums related to the health, wellbeing, and learning environments of children should not be left to local control.

MS. LESSENS stated that allocating time in a school day to recess and PE is not an issue of how much academic time might be lost, because recess and PE counter rates of obesity, which is a growing crisis that costs the state millions of dollars annually. Both recess and PE bolster academic outcomes, improve behavior, and increase learning efficiency. To Representative Kreiss-Tomkins' question as to how effective HB 70 might be, Ms. Lessens relayed that "the LiiNK Program" in Texas gives children four, fifteen-minute recesses throughout the day, emulating [a practice in] Finland. The results have shown that kids who go out and play [during school] actually incorporate more activity in their after-school time. She said she thinks at a time when children go home and spend time on their electronic devices, anything that can be done to promote physical activity that carries over as a practice is valuable.

MS. LESSENS said as a parent, she has observed her daughter's ability to focus in school "hinges on the fact that on some days, her classmates are just too wiggly to sit still." She said she knows that her children's educational experiences will be "more efficient, enjoyable, and effective if the state ensures that all children have daily evidence-based and equitable access to moderate to vigorous physical activity that the CDC says they need to be healthy, and which can only come from recess or PE."

[9:28:57 AM](#)

CAREY CARPENTER, ASD60, shared that she is a parent of two children in elementary school and a young adult cancer survivor that understands the importance of health. She stated support of HB 70. She said last year, on the first day of school, her children reported to her that recess had been "cut." She said she was shocked, because recess and PE improve learning and support both physical and emotional health. She said she has found "significant amounts of data" to support that. Ms. Carpenter opined that the physical activity mandated under HB 70

is necessary, because in the three years since a physical activity law was enacted, many districts have not made any changes resulting in increased activity for children. She said currently her children get "only two days of PE a week," which means the other three days of the week her eight-year-old gets only one, twenty-minute recess break a day. She said schools can still cut recess. She stated that Alaska children deserve "the best in education and opportunity in life" and need [adults] to speak up for them. She said some districts in Alaska are making physical activity a priority, because they see the connection it has with improving education. Ms. Carpenter said reports show that physically active students have better grades and better attendance in school. Although some schools are "doing it right," children without the choice of where they attend school need to be afforded the same rights and benefits. She stated, "This bill is a path towards improving learning and health, which all of Alaska kids need. The issue is so important in the lives of children now and for their future. We need to make sure that districts across Alaska are doing the right thing for our kids."

CO-CHAIR DRUMMOND noted that Ms. Carpenter's letter was in the committee packet.

[9:32:13 AM](#)

CO-CHAIR HANNAN observed that in her letter, Ms. Carpenter mentions a school with nearly 700 elementary students. She asked which school and district Ms. Carpenter was referencing.

MS. CARPENTER said it is Sand Lake Elementary, in the Anchorage School District, which is the largest school in Alaska, with approximately 670 students.

[9:33:04 AM](#)

CO-CHAIR DRUMMOND closed public testimony on HB 70.

[9:33:15 AM](#)

REPRESENTATIVE JACKSON offered her understanding from hearing the testimony that "more than one day is being requested." She suggested an amendment for "one day a week" may be considered, because "it sounds like the parents are asking for more."

[9:33:50 AM](#)

CO-CHAIR DRUMMOND announced that HB 70 was held over.

[9:34:21 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:34 a.m.