

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

March 11, 2020

8:06 a.m.

MEMBERS PRESENT

Representative Harriet Drummond, Co-Chair
Representative Andi Story, Co-Chair
Representative Grier Hopkins
Representative Chris Tuck
Representative Tiffany Zulkosky
Representative DeLena Johnson
Representative Mike Prax

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 153

"An Act relating to early education programs provided by school districts; relating to funding for early education programs; and relating to the duties of the state Board of Education and Early Development."

- HEARD & HELD

HOUSE BILL NO. 237

"An Act making special appropriations from the general fund for early literacy programs in public schools; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 153

SHORT TITLE: PRE-ELEMENTARY PROGRAMS/FUNDING

SPONSOR(S): REPRESENTATIVE(S) DRUMMOND

05/07/19	(H)	READ THE FIRST TIME - REFERRALS
05/07/19	(H)	EDC, FIN
03/09/20	(H)	EDC AT 8:00 AM DAVIS 106
03/09/20	(H)	Heard & Held
03/09/20	(H)	MINUTE(EDC)

03/11/20 (H) EDC AT 8:00 AM DAVIS 106

BILL: HB 237

SHORT TITLE: APPROP: EARLY LITERACY PROGRAMS

SPONSOR(S): REPRESENTATIVE(S) STORY

02/05/20 (H) READ THE FIRST TIME - REFERRALS
02/05/20 (H) EDC, FIN
03/11/20 (H) EDC AT 8:00 AM DAVIS 106

WITNESS REGISTER

ERIN HARDIN, Legislative Liaison
Department of Education & Early Development
Juneau, Alaska

POSITION STATEMENT: Co-presented the sectional analysis on HB 153.

LOKI TOBIN, Staff
Senator Tom Begich
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Co-presented the sectional analysis for HB 153.

SENATOR TOM BEGICH
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 153.

MICHAEL JOHNSON, Ed.D., Commissioner
Department of Education & Early Development
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 153.

HEIDI TESHNER, Director
Finance and Support Services
Department of Education & Early Development
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 153.

REPRESENTATIVE ANDI STORY
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 237, as prime sponsor.

MARY HAKALA, Staff

Representative Andi Story
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for HB 237 on behalf of Representative Story, prime sponsor.

ACTION NARRATIVE

[8:06:29 AM](#)

CO-CHAIR HARRIET DRUMMOND called the House Education Standing Committee meeting to order at 8:06 a.m. Representatives Story, Hopkins, Tuck, Zulkosky, Johnson, Prax, and Zulkosky were present at the call to order.

HB 153-PRE-ELEMENTARY PROGRAMS/FUNDING

[Contains discussion of HB 204 and SB 6.]

[8:07:43 AM](#)

CO-CHAIR DRUMMOND announced that the first order of business would be HOUSE BILL NO. 153, "An Act relating to early education programs provided by school districts; relating to funding for early education programs; and relating to the duties of the state Board of Education and Early Development." [Before the committee was the proposed committee substitute (CS) for HB 153, Version 31-LS0928\U, Caouette, 3/4/20, adopted as a working document during the House Education Standing Committee meeting on 3/9/20.]

CO-CHAIR DRUMMOND noted that the committee had been given an explanation of the first part of the sectional analysis [for the CS, "Version U"] at the prior hearing on HB 153 and would continue with the rest now.

[8:08:01 AM](#)

ERIN HARDIN, Legislative Liaison, Department of Education & Early Development (DEED), co-presented the sectional analysis for HB 153 [included in the committee packet]. She noted that Section 10 aligned with Section 6 of HB 204. She shared the description of Section 10 in the sectional analysis, which read as follows [original punctuation provided]:

Section 10

AS 14.07.020(c) is amended to define an "early education program" as a pre-K program for students three to five years old if its primary function is educational. The 3-year-old students are not included in the program this bill proposes but are included to ensure they are not excluded from existing State and Federal programs.

MS. HARDEN added that this is so that Head Start programs are held harmless by the proposed bill.

[8:09:03 AM](#)

CO-CHAIR DRUMMOND asked whether early pre-kindergarten ("pre-K") for Special Education students would be covered and, if so, where that was indicated under [Version U].

[8:09:16 AM](#)

MS. HARDIN offered her understanding that those children "are covered regardless." She suggested a staff person representing the Department of Education & Early Development (DEED) could provide additional information in her upcoming time before the committee. She continued by describing the changes that would be made under Section 11 and 12 of Version U, shown in the sectional analysis as follows [original punctuation provided]:

Section 11.

Amends AS 14.07.050 to allow DEED to supply supplemental reading textbooks and materials related to intervention services established under AS 14.30.765 and AS 14.30.770.

Section 12.

Amends AS 14.07.165(a), relating to the duties of the state Board of Education and Early Development, by adding to those duties a requirement to establish regulations for pre-K standards and pre-K teacher certification requirements.

[8:10:41 AM](#)

LOKI TOBIN, Staff, Senator Tom Begich, Alaska State Legislature, as co-presenter of the sectional analysis, turned attention to

new Sections 13-16, which are described in the sectional analysis as follows [original punctuation provided]:

Section 13.

Amends AS 14.17.500 by adding new subsection (d) that establishes an early education student shall be counted in the school district's average daily membership (ADM) as a half day student once the early education program has been approved by the department.

Section 14.

Amends AS 14.17.905(a) to include students in early education programs approved by the department in the definition of an elementary school.

Section 15.

Amends AS 14.17.905 by adding new subsection (d) to avoid letting school districts count pre-K students twice in Foundation Formula ADM calculations.

Section 16.

Amends AS 14.20.015(c) to ensure teaching certificate reciprocity for teachers moving to Alaska from out-of-state and adds that such teachers must complete at least three credits or equivalency in evidence-based reading instruction in order to be eligible for an Alaska teaching endorsement in elementary education.

MS. TOBIN noted that Section 16 and 17 resulted from stakeholder feedback.

[8:12:26 AM](#)

REPRESENTATIVE HOPKINS asked how the term "evidence-based" is defined within HB 153.

[8:12:43 AM](#)

MS. TOBIN referred to the definitions section of the bill beginning on page 19 which provides a detailed definition of evidence-based reading intervention.

[8:13:28 AM](#)

REPRESENTATIVE PRAX asked whether questions shall be taken during the presentation of the sectional analysis or shall be held to the end.

[8:13:46 AM](#)

CO-CHAIR DRUMMOND indicated to allow the presentation first and that questions shall follow.

[8:13:56 AM](#)

MS. TOBIN shared section seventeen, which read as follows: "Amends AS 14.20.020 by adding new subsection (1) that requires all teachers to complete at least three credits or equivalency in evidence-based reading instruction in order to be eligible for an endorsement in elementary education."

[8:14:21 AM](#)

MS. HARDIN explained that the next sections are new and are intended to ensure that gains realized by quality early education are maintained through the third grade and had been developed following extensive feedback from teachers, school administrators, and community stakeholders. She referred to section eighteen, which read as follows: "Establishes Article 15, Reading Intervention Programs. Establishes AS 14.30.760, which directs the department to establish a statewide reading assessment and screening tool to identify students with reading deficiencies; assist teachers in monitoring student progress in reading proficiency and provide training to teachers in reading intervention tools. Establishes AS 14.30.765, which directs each school district to offer intensive reading intervention services to K-3 students exhibiting a reading deficiency. Services must be implemented in a manner to include a high amount of communication between teachers, parents, administrators and the student. Considerable detailed attention, including written and verbal parental notification is given under this section for instances when a student failing to progress toward reading proficiency that may result in the student not advancing to the next grade level. Establishes AS 14.30.770, which directs the department to establish a statewide reading program, specifically to assist school districts in a variety of ways to affect the reading intervention services described in AS 14.30.665, above. The department shall employ and deploy reading specialists to districts, in addition to making complementary tools and resources to districts in

addressing student reading proficiency. AS 14.30.775 aligns use of the word "district" in this Act with the definitions given elsewhere in statute when referring to a school district." She explained that section eighteen corresponds to sections 8, 9, 13, and 14 of HB 204.

[8:16:53 AM](#)

MS. TOBIN shared section nineteen with the committee, which read as follows: "Directs early education program staff to be included in those organizations required to report evidence of child abuse." She noted section twenty, which reads: "Repeals AS 14.03.410, the early education grant program, in 11 years once all school districts have had the opportunity to participate." She added that section twenty-one "Establishes a Teacher Retention Working Group as a new uncodified law of the State of Alaska."

[8:17:32 AM](#)

MS. HARDIN drew attention to section twenty-two, "Is applicability language, relating to endorsements in elementary education issued on or after the effective date of this act." She also noted section twenty-three, "Is transition language, directing the department to use 2018-19 school accountability rankings for purposes of determining the first cohort of lowest performing schools, to identify their pre-K grant eligibility for FY 21." She concluded the presentation of sectional analysis with the effective date of July 1, 2020.

[8:18:17 AM](#)

REPRESENTATIVE TUCK asked for clarification as to what sections section eighteen refers to, as it appeared to be its own sectional analysis.

[8:18:39 AM](#)

MS. HARDIN recalled that section eighteen correlates to sections 8, 9, 13, and 14 of HB 204.

[8:18:58 AM](#)

REPRESENTATIVE TUCK asked for a description of HB 204.

[8:19:14 AM](#)

MS. HARBIN explained that HB 204 is the bill proposing the Alaska Reads Act by request of the Governor.

[8:19:36 AM](#)

CO-CHAIR DRUMMOND added that HB 204 and HB 153 were assigned to committee concurrently and that HB 153 would be the bill moved out of committee.

[8:19:42 AM](#)

REPRESENTATIVE TUCK asked for clarification on which parts of which bills are under consideration.

[8:20:00 AM](#)

MS. HARDIN answered that HB 153 committee substitute had undergone substantive changes by the Senate Education Committee.

[8:20:27 AM](#)

REPRESENTATIVE TUCK asked whether HB 204 should be passed for all the intended legislation to become enacted and asked for additional explanation on section eighteen of the analysis of HB 153.

[8:20:42 AM](#)

MS. HARDIN suggested that HB 204 would not be required to pass the intended legislation. She began a recitation of section eighteen.

[8:21:28 AM](#)

REPRESENTATIVE TUCK interjected by asking for clarification of section eighteen as it relates to other proposed legislation.

[8:21:37 AM](#)

MS. HARDIN explained that section eighteen of the sectional analysis of HB 153 conforms to the committee substitute for the sponsor substitute for SB 6, currently being heard in the Senate Finance Committee.

[8:21:49 AM](#)

REPRESENTATIVE TUCK expressed his concern that SB 6 may or may not pass and based on his understanding, the references to SB 6 could be rendered obsolete.

[8:22:21 AM](#)

CO-CHAIR DRUMMOND added that HB 204 was set aside in the House Education Committee, due to its similarity to HB 153. She clarified that the committee substitute for HB 153 is identical to SB 6.

[8:22:51 AM](#)

SENATOR TOM BEGICH, Alaska State Legislature, added that the staff are presenting the information on the bills with references to other pending legislation which contained identical language however in different sections. He suggested that, while the bills contain the same language, they were independently drafted by the Department of Law and Legislative Legal Services, resulting in structural differences. He offered that the only language that should be considered pertains to HB 153 discretely and allowed that cross-referencing other pending legislation is confounding the hearing on HB 153.

[8:24:52 AM](#)

REPRESENTATIVE TUCK expressed his understanding that sections referred to correspond instead are identical in both bills.

[8:25:02 AM](#)

SENATOR BEGICH confirmed Representative Tuck's summation and added that HB 153 had undergone substantive changes since its introduction.

[8:25:21 AM](#)

CO-CHAIR DRUMMOND added that committee procedure may have contributed to the resulting confusion.

[8:25:39 AM](#)

REPRESENTATIVE TUCK asked that the reference in section nine refers to section five and asked section five of which bill.

[8:26:12 AM](#)

SENATOR BEGICH noted that the reference to comport with other legislation had been made to honor the work that had taken place among the similar proposed legislation. He summarized that HB 153 comports identically with SB 6.

[8:27:32 AM](#)

CO-CHAIR STORY referenced page nineteen of the bill, noting "evidence-based reading intervention" and asked whether all districts should already abide these standards as part of their reading programs. She asked whether reading programs have been evaluated and suggested that reading specialists conducting intervention causes concern because the standards should already exist in all reading programs.

[8:30:04 AM](#)

MS. TOBIN offered that page nineteen stating "evidence-based reading intervention" was language developed by Legislative Legal Services, and the sponsor requested that the definition should be included in the bill. She suggested that "intervention" be replaced with "reading" to provide clarification of the intent of the statewide reading policy proposed in the legislation. She added that DEED would be available to answer questions on reading programs currently in schools. She referred to the DEED requirements for training in evidence-based reading, and that several sections of the bill are instructive to DEED.

[8:31:28 AM](#)

MICHAEL JOHNSON, Ed. D., Commissioner, Department of Early Education & Development (DEED), added that the five measurements of reading progress should be standards of a quality reading program, and local districts use curriculum to implement those standards to achieve legislative intent. He suggested that, should the bill pass, pre-K, intervention, and school improvement harmonize to which funding is attached. He further explained that should students demonstrate a lack of proficiency the proposed bill provides for intervention strategies and instruction from DEED to aid in meeting the standards.

[8:33:03 AM](#)

CO-CHAIR STORY suggested that schools are currently using a comparable model of standards and intervention. She mentioned the screening model Dynamic Indicators of Basic Early Literacy

Skills (DIBELS) as an example of intervention strategies which should be already in practice.

[8:34:23 AM](#)

DR. JOHNSON agreed that districts should have reading programs that align with the standards. He indicated that DEED is limited in its power to intervene. He suggested that the bill would provide training and support to achieve effective interventions throughout the state.

[8:36:17 AM](#)

CO-CHAIR DRUMMOND suggested that the proposed bill should not result in unfunded mandates to districts but would rather position DEED to administer the reading interventions. She noted that DEED staffing has endured significant cuts during an eight- or ten-year period and the fiscal notes associated with the bill should provide support in meeting the mandates.

[8:37:19 AM](#)

REPRESENTATIVE HOPKINS asked whether the definition of "reading teacher" proposed in the bill, on page 20, lines 2 -6, would be that a teacher shall advance a certain number of student performance, meet performance evaluation standards, and additional regulations to be determined.

[8:38:18 AM](#)

DR. JOHNSON deferred his answer to Representative Hopkins' continued line of questioning.

[8:38:54 AM](#)

REPRESENTATIVE HOPKINS asked whether a teacher who is obligated to teach students to read at or above grade level would be required to demonstrate a specific number or proportion of student performance that comprise a baseline and measurable performance of a reading teacher. He asked for additional information on teacher performance evaluation and how that would be measured and by whom should the bill pass.

[8:40:01 AM](#)

DR. JOHNSON suggested that the proposed language is instructive to districts to recruit teachers who have reading credentials

and is not intended to be instructive on how teachers are evaluated.

[8:40:50 AM](#)

REPRESENTATIVE HOPKINS asked for further clarification on how the proposed bill would be implemented regarding teacher performance and training.

[8:41:32 AM](#)

MR. JOHNSON suggested that the development of regulations following the passage of the bill would be an opportunity for teachers, schools, and districts to contribute expertise regarding teacher performance and evaluation. He added that the bill also contains language for DEED to offer training in support of teacher performance and professional development and falls short of instructing districts on performance evaluation and retention of reading teachers in districts.

[8:42:37 AM](#)

REPRESENTATIVE HOPKINS offered that certification is not necessarily an indication of effectiveness in the classroom; however, subject matter certifications provide for teacher mobility within a district to adapt to changing needs. He asked whether certification or training in reading would contribute to more mobility for teachers within districts, or whether that should be left to each district's discretion.

[8:43:24 AM](#)

DR. JOHNSON offered that endorsements, badging, and micro credentialing is happening within and outside DEED, and should be more widely available.

[8:44:08 AM](#)

REPRESENTATIVE HOPKINS added that paraprofessionals should be included in the discussion about training and certification and recommended the consideration of such language in the bill.

[8:44:14 AM](#)

SENATOR BEGICH applauded the line of questioning by the committee and regarded it as beneficial to aid in sorting out roles and responsibilities and the question of any prescriptive

intent of the bill. He noted that rural school districts have raised questions regarding certification and DEED's role in prescribing training. He conceded that the language in the bill would benefit from additional scrutiny in this area. He added that teacher recruitment and retention are significant obstacles and that meaningful flexibility for districts should be a stated goal of the legislation. He concluded with a suggestion of collaboration to arrive at the level of flexibility that is the least disruptive to the educator and provides the optimal structure to support reading proficiency in a variety of school environments.

[8:47:20 AM](#)

REPRESENTATIVE ZULKOSKY suggested that additional analysis should be provided under section eighteen due to the length and complexity of the proposed language. She asked what teacher certification reciprocity cited in section sixteen of the analysis are currently either required or in practice by districts that include cultural knowledge and cross-cultural communication. She added that statistics in her district reflect as much as thirty-eight percent teacher turnover in addition to estimates of over twenty-five percent of households being non-English speaking in the home. She added that there are disproportionate number of children in her district in foster care, and social worker turnover exacerbates challenges faced by students in her district. She offered that this underscores the diversity of needs throughout a variety of, and particularly rural, communities.

[8:50:35 AM](#)

SENATOR BEGICH noted that the pre-K component of the bill as well as SB 99 [proposed during the 30th Alaska Legislature] each contain language regarding cultural relevance obtained working with local communities, as proposed by Alaska Native leaders. He added that the retention section on page eighteen, line twelve, which is still in development, addresses cultural relevance especially regarding English as a second language for students. He referred to his testimony in an earlier hearing regarding his experience in criminal justice and the disproportional negative effects on Alaska Natives with nontraditional family structures had informed this topic as a priority. He encouraged suggestions for language to mitigate disproportionately affecting these students and families. He added that both rural and urban districts share some of the same diversity among their populations and diligent development of

proposed language would benefit all Alaskan students and communities.

[8:56:21 AM](#)

DR. JOHNSON added that the intent of the proposed bill is that every child should learn to read proficiently, regardless of [spoken] language. He encouraged collaboration to evince the intent of the bill.

[8:57:08 AM](#)

SENATOR BEGICH referred to page eleven, lines 26-28 which contained suggested language from Head Start leaders in the state for cultural inclusion at the local level.

[8:58:15 AM](#)

REPRESENTATIVE ZULKOSKY reiterated her belief that section eighteen should undergo additional analysis and scrutiny including public testimony to ensure a full understanding of the proposed legislation and allow for modification of the language were deemed necessary. She reiterated that districts and demographic diversity across the state are positioned differently to achieve the mandates set forth in the proposed bill. She added that it is her intention to ensure equity among a diversity of students and backgrounds, regardless of their readiness and to consider their capability levels.

[9:01:09 AM](#)

MS. TOBIN shared that the sectional analysis for section eighteen had been condensed from four pages of analysis to the truncated version before the committee and the full version remains available and will be forthcoming.

[9:01:36 AM](#)

CO-CHAIR DRUMMOND added that HB 153 was heard in the Senate Education Committee over the course of eight hearings and that the committee could expect adequate time to fully scrutinize and amend the bill to ensure its efficacy of intent.

[9:01:50 AM](#)

REPRESENTATIVE PRAX asked whether students would be required to read English or read any language by third grade.

[9:03:00 AM](#)

DR. JOHNSON explained that there exists in Alaska "Immersion Schools" where students are immersed in languages other than English. He stated that the intent of the bill does not include English as the required language; however, he acknowledged that English is prevalent in Alaska society.

[9:04:01 AM](#)

REPRESENTATIVE PRAX asked whether the proposed bill compels the state to fund resources to support districts or whether districts may be faced with an unfunded mandate to meet state standards.

[9:05:35 AM](#)

CO-CHAIR DRUMMOND recommended that the fiscal notes of the bill should offer clarity to answer Representative Prax's question and recalled the constitutional obligation for the legislature to provide education to Alaskans. She added that the proposed legislation would result in DEED's bearing of the burden and resources to accomplish the intent of the bill.

[9:06:51 AM](#)

REPRESENTATIVE PRAX rephrased his question to ask what it would be that the legislature would be appropriating funds to obtain or achieve, and how it should be measured.

[9:07:23 AM](#)

CO-CHAIR DRUMMOND answered that it would be that all students achieve reading proficiency by grade three.

[9:07:33 AM](#)

REPRESENTATIVE PRAX asked whether this includes reading in language(s) other than English.

[9:07:40 AM](#)

CO-CHAIR DRUMMOND suggested that children should learn language as early as possible and that children who are raised bilingual are better positioned to learn. She recalled her experience as a school board member during which she lamented the district

offering students foreign language as late as the seventh grade. She also recalled the existing immersion programs which are more effective the earlier students can participate.

[9:09:20 AM](#)

DR. JOHNSON answered Representative Prax's question of what the legislature would be appropriating with the passage of the bill as being akin to funding public safety to obtain a safer society, and likewise funding public education should obtain a more educated society. He noted that existing research demonstrates that proficiency in any language enables proficiency in English when it is introduced.

[9:10:18 AM](#)

REPRESENTATIVE PRAX requested additional discussion outside of committee to explore the concepts offered by Dr. Johnson.

[9:10:27 AM](#)

REPRESENTATIVE JOHNSON lauded section nineteen on teacher retention as addressing a major problem in Alaska schools. She referred to indirect effects of poor teacher retention in communities. She asked whether it had been considered to include other community member feedback.

[9:12:02 AM](#)

DR. JOHNSON explained that the construct of the teacher retention working group was included in the bill as an amendment and expressed hope that previous successes in state government programs' working groups would be representative of a robust stakeholder group in the proposed legislation.

[9:12:53 AM](#)

REPRESENTATIVE JOHNSON expressed concern regarding the loss of accreditation in the University of Alaska Education program, and asked what strategies and resources are under consideration to address the teacher shortage that is expected to grow.

[9:14:04 AM](#)

DR. JOHNSON recalled that University of Alaska Fairbanks and University of Alaska Southeast education programs maintain their accreditation. He suggested that passage of the bill would

provide incentives for the University to align their programs with the intent of the bill, including accredited teacher training. He also suggested that University representatives be invited to testify on these matters.

[9:14:57 AM](#)

REPRESENTATIVE JOHNSON noted that the loss of accreditation has resulted in some displacement of students in the program and asked whether consideration had been made to aid those candidates in becoming certified teachers.

[9:15:38 AM](#)

DR. JOHNSON stated that the bill allows for three evidence-based reading instruction credits "or equivalent" as approved by DEED and should allow DEED to work with those candidates to achieve certification despite the loss of accreditation of their program.

[9:16:10 AM](#)

CO-CHAIR STORY asked whether DEED has surveyed districts to determine their baseline reading programs and their alignment with the proposed legislation.

[9:16:57 AM](#)

DR. JOHNSON stated that there had been previously enacted legislation mandating such a survey, which is underway. He added that DEED intends to provide the aggregated data by district publicly on its website.

[9:17:39 AM](#)

CO-CHAIR STORY requested a sample of survey data in progress be made available.

[9:17:53 AM](#)

DR. JOHNSON agreed to provide a sample of the data for consideration.

[9:18:02 AM](#)

CO-CHAIR DRUMMOND directed attention to the fiscal notes, which had been provided to the committee. She noted that they are

identical to the draft fiscal notes that were provided as part of the bill packet.

[9:18:22 AM](#)

HEIDI TESHNER, Director, Finance and Support Services, Department of Early Education & Development (DEED), referred to a summary of all fiscal notes associated with the bill, and drew attention to Fiscal Note number one, identified as the Office of Management and Budget (OMB) component 141 which is for zero dollars. She then spoke about Fund Capitalization for the Public Education Fund, identified as HB153CS(EDC)-EED-FP-3-5-20 and OMB component 0284.

[9:19:39 AM](#)

The committee took an at-ease from 9:19 to 9:21 a.m.

[9:21:40 AM](#)

CO-CHAIR DRUMMOND directed the committee to refer to the OMB component numbers and the draft number of the fiscal notes for the purposes of discussion.

[9:22:04 AM](#)

MS. TESHNER drew attention to draft fiscal note number five, OMB component 2084 Public Education Fund Capitalization. She explained that the Foundation Formula is funded as depicted in the fiscal note. The note takes into consideration the total amount of projected state aid and divides that amount by the Average Daily Membership (ADM) to establish the average cost for ADM. She noted that this fiscal note calculates only half time of ADM and aligns with the \$4,685 in the analysis as estimated per student average cost. She added that the amount is an estimate and will be trued up after ADM is established. She explained that six cohorts of students exist in the Early Education Program, beginning in FY 24 with a cost of \$1,724,100 and would increase to \$4,305,500 in FY 25, and increase to \$6,887,000 in FY 26. She noted that the total foundation formula would increase through FY 29 to a total \$17,217,400 as all six of the projected cohorts progress from the pre-K grant program into the foundation formula funding mechanism.

[9:24:38 AM](#)

REPRESENTATIVE HOPKINS asked whether the fiscal note under consideration includes schools which currently have pre-K programs that are compliant to standards yet to be developed.

[9:24:58 AM](#)

MS. TESHNER indicated that they are not reflected in the fiscal note and only the students who are projected to participate in the three-year pre-K grant program are. She allowed that immediate costs could occur within the foundation formula funding mechanism should schools qualify.

[9:25:32 AM](#)

REPRESENTATIVE HOPKINS asked whether any of the fiscal notes include those schools as described.

[9:25:37 AM](#)

MS. TESHNER confirmed that they do not.

[9:25:48 AM](#)

REPRESENTATIVE PRAX asked whether a qualified school would begin to receive funding under the foundation formula should the bill pass.

[9:26:06 AM](#)

MS. TESHNER explained that, once standards had been developed by DEED following the passage of the bill, schools that qualified to the standards would be eligible to obtain funding through the foundation formula in lieu of their own funding programs. She referred to Alaska Statute 14.30.180 providing for appropriate education for each child with a disability in the state between ages three and twenty-two. She drew attention to draft fiscal note number two, OMB component 2796, associated with school improvement program and comprehensive intervention programs. She noted that DEED would provide for school improvement including one to two reading specialists based on school size for ten schools in the first year, and up to twenty in the second year and beyond. She explained that the fiscal note depicts the maximum number of reading specialists in year one, and five additional specialists over each of the succeeding four years, subject to reevaluation based on actual needs. She highlighted that DEED would recoup charges of \$9,600 per person and a one-time cost of \$5,000 per person for time and equipment.

She noted that FY 21 would realize a one-time cost of \$6,000 for legal services for the development of regulations. She itemized the cost per student for developing a new reading curriculum at \$25,000, and that approximately 10,000 students are estimated per cohort, and that there are an estimated 40,000 students in kindergarten through grade three. She added that 391 schools have served students in kindergarten through grade three during FY 19. She explained that 40,000 students divided among 391 schools results in 102 kindergarten through grade three students per school on average and reading materials would be estimated to cost \$255,000.

[9:29:50 AM](#)

CO-CHAIR STORY suggested that districts may already have materials that would meet the forthcoming standards qualification and asked whether that had been taken into consideration in the fiscal note.

[9:30:19 AM](#)

MS. HARDIN affirmed that it had been taken into consideration and noted that the reading materials had been identified as "supplemental reading materials."

[9:30:36 AM](#)

CO-CHAIR STORY suggested that there exists compliance to standards yet to be developed and that actual interventions and their associated costs would be nuanced.

[9:31:32 AM](#)

CO-CHAIR DRUMMOND suggested that the act of DEED providing textbooks to schools is unusual.

[9:31:46 AM](#)

MS. TESHNER confirmed that it would be unusual.

[9:31:54 AM](#)

REPRESENTATIVE TUCK asked for clarification on the amount cited per student as \$255,000.

[9:32:13 AM](#)

MS. TESHNER stated that the fiscal note depicts \$25,000 as the cost per student when adopting a new reading curriculum, and the total amount is \$255,000.

[9:32:40 AM](#)

REPRESENTATIVE TUCK pointed out a potential decimal typo depicting 0.25 in the fiscal note and that it should read \$25,000 per student.

[9:32:48 AM](#)

MS. TESHNER acknowledged the typo and confirmed the amount as \$25,000 per student.

[9:33:07 AM](#)

The committee took an at-ease from 9:33 to 9:34 a.m.

[9:34:36 AM](#)

CO-CHAIR DRUMMOND indicated that page two of fiscal note identified as OMB component 2796 paragraph five should be revised.

[9:34:57 AM](#)

REPRESENTATIVE TUCK suggested that the last sentence of paragraph five should be correspondingly revised.

[9:35:09 AM](#)

MS. TESHNER confirmed that a correction would be forthcoming.

[9:35:23 AM](#)

REPRESENTATIVE TUCK suggested that the final sentence correctly aligned with the formula as stated and would await a revised fiscal note to reconsider.

[9:35:30 AM](#)

MS. TESHNER referred to the comprehensive reading intervention program reflected on fiscal note identified as OMB component 2796 that includes three staff and associated travel and supplies expenses. She indicated that the program would require a statewide screening tool for an estimated 40,000 students,

with a cost of approximately eight dollars per student. She noted that assessment tool training of \$53,000 is included in the fiscal note as well. She summarized the fiscal note total amount of \$4,221,700 for FY 21 to implement the school improvement and comprehensive reading intervention programs.

[9:37:35 AM](#)

CO-CHAIR DRUMMOND noted that the numbers depicted are listed in thousands within the fiscal notes as is customary.

[9:37:59 AM](#)

MS. TESHNER drew attention to the fiscal note identified as OMB component 2912 early education coordination, which addresses the early education grant program. She noted that to operate the development grant program and provide training and support to grantees, it would require two Education Specialists and one Education Associate position included in the fiscal note. In addition to salary and benefit costs, department chargeback costs of \$9,600 per position would be needed, plus a one-time cost of \$5,000 per position for supplies and equipment. She indicated that a one-time increment of \$6,000 in FY 21 for legal services costs associated with new regulations is included in the fiscal note as well.

[9:39:25 AM](#)

MS. TESHNER turned attention to page 3 of the fiscal note identified as OMB component 3028 pre-kindergarten grants, which provides the funding breakdown by fiscal year for the three-year grant program. She indicated that the estimated yearly cost of the three-year program in FY 21 is \$1,728,000 for the 368 students from cohort 1; furthermore, the total grant program would cost \$51,652,100 in FY 28 for cohort 6.

[9:41:42 AM](#)

CO-CHAIR DRUMMOND remarked:

Is this note that we're addressing right now ... the districts that are currently delivering preschool that are folded into the formula as soon as the department approves those particular programs.

MS. TESHNER said the fiscal notes do not reflect any costs associated with the district that currently provides a program that could beat the standards adopted by the state board.

[9:42:46 AM](#)

REPRESENTATIVE TUCK questioned whether districts could receive both the grant and the [foundation] formula in FY 24.

MS. TESHNER said it's one or the other, adding that districts can't receive the early education grant and be funded through the foundation formula. She explained that if a district currently has a program that could meet the standards, it will bypass the three-year early education grant program, submit to the state board for approval and subsequently count the students through the October foundation count. She expounded that if a district does not have a preschool program, it would enter the three-year grant process based on its cohort ranking.

REPRESENTATIVE TUCK surmised that the increases in FY 24, FY 25, and FY 26 are reflective of more schools getting involved in the grant program or increased costs in the grants.

MS. TESHNER noted that by FY 26 the program is serving three sets of cohorts. She explained that cost increase reflects those additional students.

[9:44:59 AM](#)

CO-CHAIR DRUMMOND announced that HB 153 would be held over.

HB 237-APPROP: EARLY LITERACY PROGRAMS

[9:45:17 AM](#)

CO-CHAIR DRUMMOND announced that the final order of business would be HOUSE BILL NO. 237, "An Act making special appropriations from the general fund for early literacy programs in public schools; and providing for an effective date."

[9:45:37 AM](#)

REPRESENTATIVE ANDI STORY, Alaska State Legislature, as prime sponsor, introduced HB 237. She paraphrased the sponsor statement [included in the committee packet], which read in its entirety as follows [original punctuation provided]:

Reading is a foundational skill, critical to a student's continued progression and success. As "Alaska's Education Challenge" states, research suggests that school readiness at an early age is a critical strategy for improving future student outcomes and closing achievement gaps.

School districts across Alaska recognize the importance of early literacy and have taken to heart the goal of children reading at grade level by the end of third grade. Many districts have already devoted considerable resources to this end, even in these times of budget constraints.

HB 237 provides resources to bolster and support school districts in this important work. It distributes \$10 million in early literacy grants to districts outside the formula, as though through the foundation formula. This approach ensures every district receives funds to support their early literacy initiatives. In directing funds to school districts, HB 237 honors local control and community-based decisions in meeting the literacy needs of its youngest students.

The proposed appropriation for FY21 is \$10 million, and for FY22, an inflation adjusted \$10,225,000.

HB 237 recognizes the value of community-based services, interventions and choices in determining the most effective and culturally relevant strategies to increase the number of students who are reading at grade level by the end of third grade.

HB 237 includes intent language that directs the Department of Education and Early Development to report on the use of the early literacy funds to the Alaska Legislature by January 31, 2021.

The data from this report will highlight the ways schools are supporting students and meeting early literacy goals.

[9:48:04 AM](#)

MARY HAKALA, Staff, Representative Andi Story, Alaska State Legislature, addressed the sectional analysis for HB 237

[included in the committee packet], on behalf of Representative Story, prime sponsor. The sectional analysis read as follows [original punctuation provided]:

Section 1. Reflects legislative intent that directs school districts to report to the Department of Education and Early Development on the use of early literacy funds appropriated in section 2, by January 15, 2021. The Department of Education and Early Development is to compile district reports and present a summary to the Alaska Legislature by January 31, 2021 for early literacy programs.

Section 2(a). Appropriates \$10,000,000 to the Alaska Department of Education and Early Development to be distributed to school districts as grants "outside the formula", as though through the foundation formula for FY21 for early literacy programs.

Section 2(b). Appropriates \$10,225,000 to the Alaska Department of Education and Early Development to be distributed to school districts as grants "outside the formula", as though through the foundation formula for FY22 for early literacy programs.

Section 3. Effective date for Section 2(b), is July 1, 2021.

Section 4. Immediate effective date for all other sections of the bill.

MS. HAKALA directed attention to the HB 237 project distribution by district [included in the committee packet], which was prepared by DEED. She explained that the document illustrates how the money would be distributed across the state. She noted that the distribution is a projection.

[9:50:14 AM](#)

REPRESENTATIVE PRAX asked if the distribution is based on the number of students [in each district].

[9:50:49 AM](#)

CO-CHAIR STORY said it would be run through the foundation formula, which accounts for school size and other components.

[9:51:13 AM](#)

MS. HAKALA added that the distribution was prepared by DEED to estimate how \$10 million would be allocated under the foundation formula. She deferred to the department to speak to the specific mechanics of the formula.

[9:51:28 AM](#)

REPRESENTATIVE PRAX sought clarification as to why the Aleutian Region would be allocated \$7,872 in FY 22, while the Fairbanks North Star Borough would receive \$1,000,847.

[9:52:24 AM](#)

REPRESENTATIVE STORY deferred to the department.

CO-CHAIR DRUMMOND in response to Representative Prax, explained that the projected amounts are adjusted through the foundation formula. She explained that the formula accounts for special needs students, as well as different programs, later adding that accomplishing set goals with the projected allocations becomes more feasible once the actual number of students is known.

[9:52:49 AM](#)

MS. TESHNER stated that the costs on the distribution document represent the adjusted average daily membership (ADM), which is not a true head count. She explained that the adjusted ADM has gone through the formula, which adjusts for factors such as school size and district cost factor, and subsequently distributes the \$10 million accordingly. She pointed out that for the current fiscal year, the Aleutian Region district has a total of 28 students; however, the Adjusted ADM is 200.04.

[9:54:56 AM](#)

REPRESENTATIVE PRAX contended that the startup cost per student would be higher for smaller districts; consequently, he questioned whether the foundation formula is underfunding smaller districts and overfunding larger districts.

[9:55:45 AM](#)

CO-CHAIR STORY noted that the appropriation provided in HB 237 would not fund a startup program. She explained that the intent

of the bill is to ensure every district receives funds to support their early literacy initiatives. She said each district could use the money to reach their literacy goals as they see fit.

[9:57:08 AM](#)

CO-CHAIR DRUMMOND announced that HB 237 would be held over.

[9:58:50 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:59 a.m.