

**ALASKA STATE LEGISLATURE
JOINT MEETING
SENATE EDUCATION STANDING COMMITTEE
HOUSE EDUCATION STANDING COMMITTEE
KODIAK LIO**

November 18, 2020
8:01 a.m.

MEMBERS PRESENT

HOUSE EDUCATION STANDING COMMITTEE

Representative Harriet Drummond, Co-Chair (via teleconference)
Representative Andi Story, Co-Chair (via teleconference)
Representative Grier Hopkins (via teleconference)
Representative DeLena Johnson (via teleconference)
Representative Mike Prax (via teleconference)

SENATE EDUCATION STANDING COMMITTEE

Senator Gary Stevens, Chair
Senator Shelley Hughes, Vice Chair (via teleconference)
Senator John Coghill (via teleconference)
Senator Mia Costello (via teleconference)
Senator Tom Begich (via teleconference)

MEMBERS ABSENT

HOUSE EDUCATION STANDING COMMITTEE

Representative Chris Tuck
Representative Tiffany Zulkosky

SENATE EDUCATION STANDING COMMITTEE

All members present.

OTHER LEGISLATORS PRESENT

Representative Bryce Edgmon
Representative Dan Ortiz
Senator Cathy Giessel

COMMITTEE CALENDAR

PRESENTATION(S) : STUDENT ENROLLMENTS IN ALASKA'S SCHOOL SYSTEM

-HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record.

WITNESS REGISTER

PAT PITNEY, Interim System President
University of Alaska
Fairbanks, Alaska

POSITION STATEMENT: Co-delivered a presentation from the university.

DAN WHITE, PhD, Chancellor
University of Alaska Fairbanks
Fairbanks, Alaska

POSITION STATEMENT: Co-delivered a presentation from the university.

CATHY SANDEEN, PhD, Chancellor
University of Alaska Anchorage
Anchorage, Alaska

POSITION STATEMENT: Co-delivered a presentation from the university.

KAREN CAREY, PhD, Chancellor
University of Alaska Southeast
Juneau, Alaska

POSITION STATEMENT: Co-delivered a presentation from the university.

PAUL LAYER, PhD, Vice President
Academics, Students and Research
University of Alaska, Fairbanks
Fairbanks, Alaska

POSITION STATEMENT: Co-delivered a presentation from the university.

NORM WOOTEN, Executive Director
Association of Alaska School Boards
Juneau, Alaska

POSITION STATEMENT: Provided an overview of the association.

LISA SKILES PARADY, PhD, Executive Director

Alaska Council of School Administrators
Juneau, Alaska

POSITION STATEMENT: Delivered a presentation on public school enrollment during the pandemic.

KERRY BOYD, President—Alaska Superintendents Association,
Superintendent—Yukon-Koyukuk School District
Fairbanks, Alaska

POSITION STATEMENT: Provided a statewide and local school district overview on public school enrollment during the pandemic.

JOHN O'BRIEN, Superintendent of Schools
Kenai Peninsula Borough School District
Soldotna, Alaska

POSITION STATEMENT: Provided an overview of the district during the pandemic.

DAVE JONES, Assistant Superintendent
Kenai Peninsula Borough School District
Soldotna, Alaska

POSITION STATEMENT: Provided an overview of the district during the pandemic.

MICHAEL JOHNSON, PhD, Commissioner
Alaska Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Provided a departmental overview related to the impact from COVID-19.

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

POSITION STATEMENT: Provided a departmental overview related to the impact from COVID-19.

TIM LAMKIN, Aide
Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a video.

ACTION NARRATIVE

[8:01:11 AM](#)

CHAIR GARY STEVENS called the joint meeting of the House and Senate Education Standing Committees to order at 8:01 a.m. Present at the call to order were Representatives Hopkins (via teleconference), Johnson (via teleconference), Prax (via teleconference), Story (via teleconference), and Drummond (via teleconference); and Senators Coghill (via teleconference) and Stevens. Senators Costello (via teleconference), Begich (via teleconference), and Hughes (via teleconference) joined as the meeting as in progress. Also present were Representative Ortiz (via teleconference), Representative Edgmon (via teleconference), and Senator Giessel (via teleconference).

PRESENTATION(S): Student Enrollments in Alaska's School System

[8:02:51 AM](#)

CHAIR STEVENS announced that the education committees meeting jointly had a quorum to conduct business.

He announced the agenda as follows:

- University of Alaska
 - Pat Pitney, UA Interim President
 - Dr. Paul Layer, Vice President for Academics, Students & Research
 - Dr. Dan White, UAF Chancellor
 - Dr. Cathy Sandeen, UAA Chancellor
 - Dr. Karen Carey, UAS Chancellor
- Association of Alaska School Boards
 - Norm Wooten, AASB Executive Director
- Alaska Council of School Administrators
 - Dr. Lisa Parady, ACSA Executive Director
 - Kerry Boyd, ACSA President, Superintendent Yukon-Koyukuk SD
 - John O'Brien, Superintendent Kenai Peninsula Borough SD (KPBSD)
 - David Jones, Asst. Superintendent, KPBSD
- Alaska Department of Education and Early Development
 - Dr. Michael Johnson, Commissioner
 - Heidi Teshner, Director of Finance and Support Services
 - Lacey Sanders, Administrative Services Director
 - Erin Hardin, Legislative Liaison

CHAIR STEVENS noted that Co-Chair Story planned to present a video at the end of the meeting, and that it is accessible online as well.

CO-CHAIR STORY said the video is very moving and she will show it at the end of the meeting.

CHAIR STEVENS announced the first presentation is from the University of Alaska (UA).

[8:05:14 AM](#)

PAT PITNEY, Interim System President, University of Alaska, Fairbanks, Alaska, referenced slide 2 from her presentation entitled, Alaska's System of Higher Education. She said UA is not a university; it is Alaska's system for higher education. UA has three universities, each with very different missions.

She detailed that UA has its research university in Fairbanks at the University of Alaska Fairbanks (UAF), its urban comprehensive university in Anchorage at the University of Alaska Anchorage (UAA), and its small regional place-spaced university in Juneau at the University of Alaska Southeast (UAS).

She said each of the universities, unlike most any university in the United States, also has the community college and vocational, technical mission for their regions that are carried out at the main university sites and at the community campuses.

PRESIDENT PITNEY stated that the UA higher education reach is essential to the state and local economies, especially now for economic recovery. The degree to which the state is successful, the degree to which industries are successful, and the degree to which communities are successful depends on UA' ability to be completely engaged and working side by side.

[8:07:19 AM](#)

PRESIDENT PITNEY said the UA presenters will talk about the experience with the Coronavirus Disease (COVID-19) in 2020, some of the unique research and service projects, the impacts on finances and enrollment, and how the university will go forward post COVID-19.

She turned to slide 4, Serving Students During COVID-19. She said like everybody, early in March 2020 when the COVID-19

orders came down, all the universities and campuses immediately shifted from onsite delivery to remote delivery via audio conference, web conference, and Zoom video conferences. Outside of a few allowances for things like hands-on labs, the transition in March to remote delivery was remarkable.

PRESIDENT PITNEY complemented the UA faculty and staff for their flexibility and hard work during the summer to make the courses and the experience for students as good as possible in its new almost entirely remote delivery.

She noted that all three UA universities adjusted their on-campus housing occupancy to be public health appropriate. Dormitories in Fairbanks and Anchorage, based on their designs, went to 25-percent occupancy. They currently have wings available for quarantine and isolation. In Juneau, the design of the dormitories allows for 50-percent occupancy. That occupancy has been very important because of their students not having the necessary internet and a safe space to stay. Being able to keep a certain degree of university housing is valuable.

CHAIR STEVENS asked if the universities are encouraging students living in dormitories to stay and not to return home because of the threat of taking COVID-19 with them.

PRESIDENT PITNEY replied each of the university chancellors will respond with their distinct local policies.

[8:11:39 AM](#)

DAN WHITE, PhD, Chancellor, University of Alaska Fairbanks, Fairbanks, Alaska, said UAF has approximately 800 students in two separate residence halls with 100 rooms available for isolation.

CHANCELLOR WHITE noted that UAF encouraged students to not travel over Thanksgiving; they planned activities for those who remain on campus. Little student travel is expected, and the university asked those who must travel to work with faculty to finish out the semester online.

[8:12:58 AM](#)

CATHY SANDEEN, PhD, Chancellor, University of Alaska Anchorage, Anchorage, Alaska, said the approach at UAA is virtually identical to UAF in discouraging Thanksgiving travel. They also

reinforced their current testing protocols should someone travel and return.

CHAIR STEVENS asked how many students are living in UAA dormitories.

DR. SANDEEN answered UAA is trying to control and minimize contact with 25 percent on-campus occupancy. Approximately 230 students are living on the Anchorage campus where every student has their own room and bathroom. The dining commons are not open, and all food is take-out. The dormitory at the Kenai Peninsula campus does not have any UA students currently.

CHAIR STEVENS said he is sorry that students are missing a great growing up experience by living in dormitories.

[8:14:45 AM](#)

KAREN CAREY, PhD, Chancellor, University of Alaska Southeast, Juneau, Alaska, said UAS has about 120 students living in its dormitory and apartments. The university kept one dormitory empty specifically for quarantine.

She noted that UAS also has strongly encouraged students to stay on campus for Thanksgiving. They recommend that students who must leave remain at home and work with their faculty members to finish the semester.

[8:15:41 AM](#)

SENATOR BEGICH joined the meeting.

[8:15:59 AM](#)

SENATOR HUGHES joined the meeting.

SENATOR HUGHES expressed concern about student mental health and depression and said going home could provide students with a "shot in the arm." She said she would hate the policy encouraging students to stay on campus to result in a poor mental health outcome for some of the students.

CHAIR STEVENS asked President Pitney for comments on concerns about student mental health.

[8:17:23 AM](#)

PRESIDENT PITNEY replied the universities have increased access to mental health and counseling. None of the chancellors mandated people stay on campus, which serves to assure students that they have an option.

PRESIDENT PITNEY said faculty have been remarkably flexible through the COVID-19 period, not only revamping their courses to be online, but also setting protocols for when a student tests positive. For instance, there was a student in a welding class that tested positive for COVID-19, the class shutdown immediately for two weeks and they will make up their time. Universities have emphasized mental health issues and the availability of counseling.

SENATOR HUGHES restated concern for student mental health, especially young people who are particularly susceptible. She said campuses being aware and alert to students making the tough choice not to go back to see family is important.

CHAIR STEVENS asked Dr. Paul Layer if he had any comments.

[8:19:51 AM](#)

PAUL LAYER, PhD, Vice President for Academics, Students and Research, University of Alaska, Fairbanks, Alaska, said what President Pitney talked about regarding mental health is very important. UA students are very aware of what is going on in their home communities as well. UA wants to keep both students and communities safe.

SENATOR BEGICH asked what COVID-19 testing the universities are doing and if work has begun on a distribution plan when the vaccine becomes available.

PRESIDENT PITNEY replied the chancellors will address their exact testing protocols. The initial thought by UA is to develop a plan over time to prioritize those that need the vaccine the most from a life, health, and safety perspective.

[8:22:02 AM](#)

DR. WHITE explained that UAF has a two-test requirement for any student living on campus. He said all students have access to the Student Health and Counseling Center where they can receive tests, and UAF has conducted 1,360 tests to date.

DR. WHITE detailed that UAF does a daily health questionnaire screening of students, but the university does not do

asymptomatic testing unless students or employees request it. UAF also did job-related testing required for employees on the Research Vessel (RV) Sikuliaq.

CHAIR STEVENS said one of the vaccines requires a holding temperature of minus 73 degrees Fahrenheit and UAF is one of the few facilities in the state that has that capability.

DR. WHITE said the Alaska State Virology Lab is located on the UAF campus and it is active in vaccine planning. The university has several facilities on campus that can house samples up to minus 80 degrees Fahrenheit.

CHAIR STEVENS asked Chancellor Sandeen for her comments on testing and vaccine distribution.

8:24:10 AM

DR. SANDEEN answered the university's testing protocol is the same as UAF, but student athletes receive more frequent testing than the general student population. UAA does not do asymptomatic testing, but essential workers or students living on campus receive testing if they were in contact with someone who has tested positive or if they exhibit symptoms.

She said she is very pleased with the university's contract tracing protocols in the rare event a student or staff member on campus tests positive.

She stated that vaccine distribution is a new issue and it is too early for the university to make a statement.

CHAIR STEVENS asked Chancellor Carey if she has any comments.

DR. CAREY replied UAS does not have the same resources as UAF and UAA, but they have been working closely with public health and doing all required testing. She said she assumes public health will be doing the vaccine distribution for UAS students.

8:26:00 AM

CO-CHAIR DRUMMOND asked if anybody knows how the technical school in Seward [Alaska Vocational Technical Center (AVTEC)] is doing. It has a dorm for 120 students.

PRESIDENT PITNEY answered that she does not know their protocols.

CHAIR STEVENS said his office will investigate the status of AVTEC in Seward. He added that it is a great program through the Alaska Department of Labor and Workforce Development (DOLWD).

PRESIDENT PITNEY turned to slide 5 regarding distance delivered courses and noted that UA pivoted quickly to online education. As of the fall 2020, UAA has 80 percent of their student credit hours via distance, UAF has 76 percent, and UAS has 81 percent. Both UAF and UAS have 100 percentage of their courses online, but much more lab intensive. For example, hands-on work at UAS is onsite with a lot of art.

PRESIDENT PITNEY said communication is different among the three universities. UAA was very specific about being online as much as possible. UAF and UAS allowed for maintaining as much as they could for face-to-face courses that required hands-on interaction. However, those have tremendous mitigation protocols, or they separate the desks. There are labs in the health fields, a field that makes up 22 percent of the courses at UAA. The labs use plastic dividers between people.

She expressed appreciation for all the work the facilities personnel did to retrofit the classrooms to make it safe in a COVID-19 world.

She said because many of the universities' programs and faculty had experience in distance education, UA was able to make the transition to online more systematically than universities in the Lower 48 that are typically much more face to face. Because UA has been pushing for more online capabilities, it has the support structure.

She noted 350 UAA faculty participated in intensive training to move from face to face to online. UAF's eCampus model allows the university to switch quickly from face to face into distance if needed. However, the university tried to maintain as much face to face as they could.

PRESIDENT PITNEY referenced slide 6 regarding mitigation structures.

[8:31:15 AM](#)

REPRESENTATIVE HOPKINS asked if she had ever seen widespread affects from lack of connectivity for eLearning at rural campuses.

PRESIDENT PITNEY answered that because so much of UA's delivery has been via distance for so long and because of their community campus connectivity, the universities have dealt with low bandwidth issues. She added that accommodations for rural campuses includes going to audio or different packets of education.

She said the Quintillion telecommunications line has helped some with connectivity, but the cost is extreme. UA was able to get some cost relief and increased bandwidth in the early months of the pandemic, but because UA has dealt with thin connectivity in certain areas for so long, it has different mechanisms via audio or downloading information packets. The rural connectivity mechanisms are asynchronous rather than synchronous.

DR. WHITE said connectivity is one of the reasons the university felt it was important to house students at UAF or Bethel residence halls. Many students could not rely on bandwidth for eLearning. He added that UAF's history working with rural students helped a great deal during the crisis.

[8:34:25 AM](#)

CHAIR STEVENS said he keeps hearing that the higher education system in the United States may look quite different after COVID-19.

He said he would like to hear how UA is going to respond to students that experienced online classes as well as addressing nationwide issues regarding high educational costs and enormous debt.

CO-CHAIR STORY said one concern she has had is that some students have had difficulty adjusting to online learning. She asked if the UA universities were reaching out to students who are struggling with online learning and tracking the ones who drop out as a result.

[8:36:32 AM](#)

DR. SANDEEN replied UAA has a robust system with an attuned faculty that advises its counselor and care team. The UAA care team is a group of faculty members who reach out to students who are having difficulties or are in crisis. UAA encourages faculty to assess constantly what is going on with students and to connect them with help support and services. That is something

that has been in place even before UAA went online. UAA has its faculty participate in professional development workshops on how to increase the level of engagement with students in an online format.

DR. SANDEEN said she believes UAA is doing everything it can to support students who may not be comfortable with an online format. Many UAA students have taken online courses before, so fully remote delivery was easier for them. However, UAA acknowledges that it has many first-generation college students entering as freshmen and sophomores who may need more support to learn how to operate and learn in a more autonomous online format.

DR. SANDEEN noted that when UAA changed to remote delivery, the student dropout rate during the semester was equivalent to what it usually is. The Anchorage campus saw about a 5 percent decrease.

[8:39:31 AM](#)

CHAIR STEVENS said that is good to hear.

CO-CHAIR DRUMMOND asked how the Alaska Native Science and Engineering Program (ANSEP) is currently operating.

DR. SANDEEN replied ANSEP is operating the same as much of UAA; it is primarily remote delivery. She noted that UAA does have rural Alaska students who are involved in the university-level ANSEP and are in student housing.

[8:41:18 AM](#)

PRESIDENT PITNEY displayed slide 7 regarding enrollment services that UA provides during the pandemic and commended the College of Health (COH) at UAA, Chancellor Sandeen, and Dean Jeff Jessee.

She said that when the pandemic started, COH distributed their personal protective equipment to areas throughout Anchorage. They also built a contact tracing training program that has trained over 500 contact tracers to date. COH graduated nurses early to get them on the streets and into care facilities.

PRESIDENT PITNEY noted that UA also has epidemiology and modeling scientists throughout the system who are paying attention to COVID-19. She said Mr. Mouchine Guettabi, Associate

Professor of Economics at the UAA Institute of Social and Economic Research (ISER), has done a tremendous amount of modeling on how COVID-19 affected businesses. Dr. Tom Hennessy, Infectious Disease Epidemiologist with UAA, has been invaluable to UA's COVID-19 mitigation strategy. He has also been available to all communities and schools in the state.

PRESIDENT PITNEY said the Alaska Small Business Development Center and the Business Enterprise Institute at UAA came forward immediately to support businesses with the Paycheck Protection Program (PPP) loans, U.S. Economic Development Administration funding, and advice.

PRESIDENT PITNEY said Chancellor White mentioned the Alaska State Virology Laboratory is on the UAF campus and noted that the biology programs and researchers helped expand their testing capacity.

She said there is a group of faculty members in COH, Department of Biology, Anchorage, and Institute of Arctic Biology, Fairbanks, working on isolating the COVID-19 strains and looking at how those strains have mutated and gone through Alaska's population.

[8:45:32 AM](#)

PRESIDENT PITNEY referenced slide 8 on the impacts from COVID-19. She said UA has had significant revenue impacts from COVID-19 that includes student refunds fall 2020, running dormitories at 25-50 percent capacity, and lower enrollment. When interest rates went to almost zero, UA lost the normal stream of interest income.

PRESIDENT PITNEY said the UA revenue impact has been just short of \$30 million with another \$5 million in direct costs from people on COVID-19 leave, UA personnel transitioning to focus completely on COVID-19, personal protective equipment, and a particularly large hit from mitigation strategies within classrooms via barriers to continue to have classes open.

[8:47:16 AM](#)

PRESIDENT PITNEY reported that UA has received \$12 million in funding for COVID-19 and another \$4 million from the CARES Act that went directly to students during the abrupt shift in the spring 2020 semester. UA was able to help students with refunds

for some of their costs and mitigate a lot of the impact, but not all of it.

She noted UA has requested a supplemental for about \$17 million for COVID-19 impacts on top of the \$25 million reduction in 2020 and another \$20 million reduction in 2021 in the compact. If UA can get some mitigation to its COVID-19 impact, it would be helpful.

CHAIR STEVENS asked if she expects the \$17 million supplemental request to be in the governor's budget.

PRESIDENT PITNEY replied the UA board approved the supplemental request, but there is no sense of expectation.

CHAIR STEVENS replied he hopes the \$17 million is in the governor's budget, but the legislature can add it in to make sure it stays in the budget.

REPRESENTATIVE HOPKINS asked if the decline in enrollment was equivalent across campuses.

PRESIDENT PITNEY replied the next slide addresses that question.

[8:49:53 AM](#)

REPRESENTATIVE JOHNSON asked if UA had seen any hard cost reductions.

PRESIDENT PITNEY answered yes; for example, travel is lower and that has helped mitigate some of the \$25 million reduction. However, travel expenses are not going to be a sustainable change and is small relative to the \$17 million.

PRESIDENT PITNEY said the slide illustrating student support during COVID-19 is a breakdown of the direct funding to students that came from the CARES Act: UAF is about \$1 million, UAA is \$2.7 million, and UAS about \$186,000. She pointed out UA's increased mental health services.

[8:51:46 AM](#)

PRESIDENT PITNEY advised that UA main campus enrollments were down 4-6 percent and community campus enrollments were down significantly more.

She said there are different theories on community campus enrollment, but enrollments nationwide have been down significantly. One theory is that many people using the community campuses have children and job challenges, which does not leave a lot of time for the community campus. UA anticipated enrollment decline closer to 20 percent, so they were encouraged. The UA head count was down about 10 percent and student credit hours were down 8 percent.

PRESIDENT PITNEY said UA is seeing students taking more classes in some places and for certain programs. For example, there are slightly fewer students in COH, but people are taking more classes related to health care workers.

[8:53:57 AM](#)

PRESIDENT PITNEY noted the enrollment increases in the College of Fisheries and Ocean Science programs, School of Management, and COH in Anchorage and the Sitka fisheries tech program.

She said UA freshmen enrolled in fall 2019 courses returned at the highest rates in fall 2020 in the last 7-8 years. Overall, UA experienced one of its worst enrollment retention and smallest classes in the recent past, largely due to the budget. She said the budget has been more problematic than the virus. She said the real lesson is UA needs fiscal stability and certainty to serve communities by educating the workforce.

She noted UA is seeing a good sign with increased applications and admissions for spring 2021. They are getting a lot of positive messaging for online distance learning.

[8:56:31 AM](#)

SENATOR BEGICH expressed concern about the dramatic reduction to UA programs that have new importance in the current environment. He highlighted the supply chain program that addresses programmatic approaches considering COVID-19, sociology, veteran administration (VA), and hospitality administration.

He asked if UA has reconsidered the 40-plus programs that it is thinking about discontinuing.

PRESIDENT PITNEY answered that there were very clear criteria in the program reductions and eliminations, and part of that was participation.

She said the commitment she has given to the universities and chancellors is to preserve programs, but UA made the decision to go forward and rethink the programs that make the most sense once there is stability. Revisiting those decisions until UA gets to stability is not prudent. UA has more reductions to go, but the assurance made is to focus on maintaining programs because that is where enrollment comes from.

[8:59:34 AM](#)

REPRESENTATIVE JOHNSON asked if UA has discussed the impact on their programs going forward from graduating high school students who may be losing ground academically.

PRESIDENT PITNEY answered UA is open access except for specific programs that have entrance requirements. UA is prepared for students to go through very specific entry-level testing and placement so they can succeed at the appropriate level. Students may have to take a few extra courses initially, but UA can accommodate them within the system.

PRESIDENT PITNEY advised that the UA presentation would address some of the great successes in middle college. Students who have gone through a middle college program in the system often graduate early from a UA program. Middle college expansion over the last several years is a huge highlight that will also accommodate many of the students impacted by COVID-19 in high school.

[9:03:17 AM](#)

CHAIR STEVENS thanked President Pitney for attending the meeting.

DR. LAYER displayed slide 13, Engineering Bachelor's Degrees Awarded by UAF (CEM) and UAA (CoENG). He said he would share some longer-term growth and good news about the key programs the university has developed over the last 20 years.

He highlighted UA's engineering programs and noted the goal in 2000 to double the engineering graduates over time. With support from the legislature to construct some new engineering facilities, UA has been able to grow those facilities and have engineers for Alaska. He said UA engineering graduates and enrollment is continuing to be strong even now.

DR. LAYER advised that UA set a goal to increase both associate health degrees and bachelor nursing degrees. However, UA is still not meeting the state's needs in those areas but is working to grow those programs.

DR. LAYER noted that the number of health graduates continues to grow, including programs in allied health, mental health, and certificate programs in dental. UA offers its nursing program statewide through the UAA COH and its allied health programs at all three of its universities and many of its rural campuses.

DR. LAYER said UA's education and health programs are bright spots at the university that are helping to meet the state and workforce needs going forward.

CHAIR STEVENS said he appreciates the news on UA's bright spots in engineering and health and hopes similar gains will occur soon in teacher education.

[9:06:27 AM](#)

DR. LAYER stated that UA is the largest provider of workforce development training in the state. They work with DOLWD, Alaska's Institute of Technology (AVTEC), and other facilities. UA works well with its partners in a coordinated effort to cover different areas of the state with different types of programs.

DR. LAYER said the other challenge UA has is addressing the 40,000 Alaskans who have become unemployed because of the pandemic, how to develop programs, and fast track associate degree certificates to retool and upscale the workforce. UA is working with the state and municipalities to see what the university can do to provide support for those students to participate. Some of them have had some college experience but not a degree, so UA wants to get them back in school.

He said UA can create very flexible programs to meet workforce needs and fast track various skills in a post-COVID economy. This is a great time for people to consider going back to school, especially if UA can provide support for them.

DR. LAYER noted one bright spot in the COVID-19 world is that UA has far more courses and programs online than the university had a year ago. There are challenges with some of UA's connectivity questions, but courses and programs that UA did not think possible for online access are now online and could be available to students across the state. After COVID-19, the hope is that

many of the online programs will continue because an educated workforce is necessary for the state.

He said he also wanted to mention the value of scientific research. UA has a strong research mission that contributes to knowledge of the state to understanding the state's hazards and resources. Scientific research also is a direct investment into local economies. It relates directly to community life in terms of the state's fisheries, villages, and health and safety.

DR. LAYER said there is an economic benefit to UA's research. Every dollar of State support for research brings in \$6 of external funding.

[9:09:50 AM](#)

DR. LAYER displayed slide 16 that shows the first report on the oil and gas industry. He said it talks about the benefits of education for engineers going into oil and gas as well as the two-year process technology certificate that is relevant to the industry. UA will be producing these kinds of reports for many sectors of the industry including fisheries, mining, teacher education, and business, among others. UA will be sharing the reports with the legislature and local communities.

DR. LAYER reiterated that UA wants to be part of getting students back in the university to get skills.

SENATOR BEGICH commented that Dr. Layer chose the example of the oil and industry, but his hope is that everyone understands that the industry has collapsed worldwide because of COVID-19 and that has led to an increase in alternative energies. He said his hope is that UA will focus on what the future looks like in terms of jobs opportunities instead of looking into the past.

DR. LAYER asked Chancellor White to discuss UA's efforts in that area with the Alaska Center for Energy and Power (ACEP).

[9:11:56 AM](#)

DR. WHITE explained that UA started ACEP nearly a decade ago to look specifically at and train people in renewable energy and its integration into existing carbon-based energy grids.

He explained that ACEP has the only grid simulator in the country specifically designed for the grids in Alaska. It allows many different renewable energy technologies to be built into

carbon-based grids for rural communities, mining operations, and military installations where failure is not an option. The grid simulator allows training of operators and engineers from across the state.

He said there is a lot of work in petroleum engineering at UAF, but there is more in the renewable energy area and its application in Alaska.

SENATOR BEGICH said he looked forward to seeing a more robust presentation about that in the next legislative session.

[9:13:36 AM](#)

DR. LAYER emphasized that UA has a lot of opportunity and capacity to increase enrollment. He asked each chancellor to highlight their efforts to support students going forward in terms of programs, enhanced recruitment, and retention.

DR. WHITE said UAF issued the Nanook Pledge, which is a four-year financial aid commitment to students. It commits merit-based scholarships to students for all four years of their education. The scholarship program is over-subscribed, so they are expanding it to need-based as well to the community and technical college.

DR. WHITE said another important program is UAF's military pricing package to address the needs of military who represent 12 percent of UAF students. It allows military students to use their federal support without any out-of-pocket cost. He said UAF thinks that is important for serving its military community in Fairbanks and in Alaska.

He noted an earlier question on high school students and the important issue of taking online courses. He explained that UAF developed the Alaska Advantage Program, which is a package of online university courses for high schools to compete with Arizona State and many of the other online programs that have been selling to Alaska's high schools.

DR. WHITE said all three of the previously mentioned programs will help in recruiting students in Alaska, keeping students in Alaska, and providing a well-trained workforce for Alaska.

[9:16:57 AM](#)

CHAIR STEVENS asked if the military pricing includes spouses and dependents.

DR. WHITE answered yes.

[9:17:13 AM](#)

DR. SANDEEN highlighted that one of UAA's most successful efforts has been to provide multi-year funding for students through the 49th State Finishers. The program focuses specifically on individuals who have some college and no degree and gives them financial support to return and finish their degree at UAA.

She referenced the unemployment number related to COVID-19 and explained that UAA worked with employers to develop a group of short-term certificate programs to train individuals displaced from their job to retool and go into an area with high demand. UAA certificate programs include the university's contact tracer program, IT support specialists, infant-toddler development for childcare, and entrepreneurship for those who want to start their own businesses. These are certificates from existing UAA courses for validated in-demand areas that an individual can complete in three semesters or less.

[9:19:04 AM](#)

CHAIR STEVENS asked her to comment on the middle school college because it should be a highlight.

DR. SANDEEN answered that UAA has a very robust and large middle school college program, the largest of which is on the Anchorage campus. UAA also has students coming from high schools throughout the state participating in the ANSEP acceleration programs that are in addition to the middle college program. The university's middle college program is at all its campuses, but the largest are in Anchorage, Mat-Su, and Kenai Peninsula College. She said the program has roughly doubled from last year and most middle school college students enroll at a UA campus.

DR. CAREY reported that UAS has several programs, one of which is a scholarship program for any student that is interested in dual enrollment. UAS also partners with UAF on their very successful Alaska Advantage Program. Finish College Alaska is another successful program to help people who have some college but no degree.

DR. CAREY noted that UAS is partnering with the Alaska Association of School Boards on a grant called the [Supporting Transitions and Educational Promise Southeast Alaska] (STEPS) Grant, which provides scholarships to students that are low income or Alaska Native. She said the university is very proud that twenty percent of UAS students are Native.

[9:21:14 AM](#)

DR. LAYER said one last highlight is the AlaskaX (edX), a national consortium of massive online open access courses founded by MIT and Harvard. UAF joined edX on behalf of UA to provide the free and open access courses. To date, UAF has developed five classes in several areas including: salmon, Arctic security, health, and how to use data from the Alaska satellite facility. The edX program is an exciting opportunity to draw students to Alaska while addressing the problems that Alaska has in the Arctic. UA will be evaluating how the university can use those to get students interested in issues in the Arctic.

DR. LAYER turned to slide 18 on UA expanding partnership opportunities by considering how to provide other support for its students outside of Alaska. He said many are aware of the successful [Washington, Wyoming, Alaska, Montana, and Idaho] (WWAMI) program with the University of Washington School of Medicine. Many good students from UA go to that program and return to be doctors in Alaska.

DR. LAYER noted that UA has partnerships in chemical engineering, pharmacy, veterinary medicine, and law. He said each of those provides access for students through the 2+2 Program or similar partnerships to get those skills. Due to the cost of the program, the School of Pharmacy in Alaska successfully partnered with Idaho State. UA's partnerships are a reminder that the university has that kind of access available for UA students.

[9:23:53 AM](#)

DR. LAYER said teacher education is clearly an area that UA knows it needs to work on because there are tremendous needs for teachers in Alaska. UA is evaluating how it can better serve the needs of K-12 schools going forward and meeting those needs. He said UA convened its faculty across the system to collaborate on program development and recruitment to enhance teacher education.

[9:25:12 AM](#)

DR. LAYER turned to slide 20 and noted that UA has the advantage of several middle college models that work for different student populations in different communities. He said the middle college and ANSEP programs at UAA's Anchorage and Mat-Su campuses have been very successful in bringing students to dual enrollment programs. UAF partnered with the Fairbanks North Star Borough School District in the fall of 2020 for their first cohort of middle college students. UAF capped the program at 40 and waitlisted many more students and parents. He reiterated that UA believes its middle college program can help bridge some of the student concerns about being prepared for college.

He said he finds that students who complete UA's middle colleges come to one of UA's universities prepared. Many of them have credits equivalent to an associate degree and can be successful at UA universities. Students can save money at the same time because the programs are available through the schools. He reiterated that middle colleges work to address student debt, student retention, and student progress.

[9:27:18 AM](#)

DR. LAYER said that in addition to UA's face-to-face component for on-campus middle college, there is the "virtual" middle college called the Alaska Advantage Program. The virtual program is a partnership with districts where UA solely provides the content. The program partners with the teachers and advisors in the district who work closely with the instructors in UA's programs and courses to deliver a full suite of courses with an Alaska focus.

DR. LAYER emphasized, "We are Alaskans, we are Alaska educators, we are Alaska professors as opposed to a package that might come from Arizona State or someplace else. UA can tailor its courses to meet specific needs of the district." He said UA already has over 30 districts and home school programs participating. The advantage of the virtual program is a student does not have to be in place with a university or community campus, a student can be in a rural district. UA created the virtual program to improve student access.

DR. LAYER said UA has several other programs that are more specific on types of careers by preparing, educating, or introducing students to health or teaching careers. UA also

focuses on getting its rural students onto campus through its ANSEP programs as through the UAF [Rural Alaska Honors Institute] RAHI program. He said the middle college programs have all been very successful in encouraging students who might not think they are college material to come to the university and to be successful. He said the different formats work for different students and different districts and UA will continue to work with districts in all locations across the state.

[9:29:38 AM](#)

CO-CHAIR STORY asked how the middle college funding works and whether the district pays UA at a discounted rate.

DR. LAYER answered that each of the programs have slightly different funding models. Students enroll as regular students in UA's programs at UAA and UAF and they receive support from districts for their tuition, fees, and books. He said he believes either districts or students can participate. UA reduces tuition because districts also provide support.

DR. WHITE said the exception is when an individual chooses to take a course on his or her own. In that circumstance, the district assumes most of the cost.

[9:31:30 AM](#)

DR. LAYER turned to slide 22, Reduced Budget–Reduced Footprint. He said UA has been under the compact for the last three years as it plans for FY 2022 budgeting. Since FY 2014, state support has dropped \$120 million or one-third. While they have still been able to provide quality programs, their footprint is smaller. They want to build on the high-quality programs and research. UA faculty are assessing those high-quality programs, whether they are face-to-face or online to ensure quality and accessibility. However, it is important to recognize that is not possible to do what they were doing before.

DR. LAYER said UA would like to get to stability and some certainty about where it is going with state support, enrollment, research efforts, and the ability to attract and retain faculty. He emphasized that a diverse faculty is very important for UA, as is a diverse student body.

DR. LAYER said UA is going to be smaller. For example, UA has reduced programs. UA faculty, staff, and chancellors continue to do a deep assessment of all programs to look at demand, costs,

and meeting needs in similar programs throughout the state. Reducing academic programs is unfortunate but necessary given the university's situation. UA is also evaluating how it can reduce its footprint by reducing the number of leases and looking at all its facilities.

DR. LAYER said UA is also looking at how to deal with faculty and staff reductions across the system. UA is smaller than what it was and that has put a lot of strain on the system. He emphasized that the key to success in enrollment, retention of faculty and staff, and research funding is stability.

He said the conversation about what the university will look like with the smaller budget has been difficult but each of the universities has come up with robust plans for how to meet the restrictions and move forward to develop programs to attract and retain students. He concluded that stability is a key to how the university can contribute to Alaska's economic recovery.

[9:35:33 AM](#)

CHAIR STEVENS said thanks for effectively discussing the reality of the difficulties the university has faced, the problems with the compact, and the strain it has had on the faculty and administrators. It is an important message to receive.

He said the committee understands the issue with stability as it continues to ask more from UA even though the university receives fewer funds. He asked Dr. Layer to continue the discussion and to provide his thoughts about what the university will look like after COVID-19.

SENATOR BEGICH asked if there has been any effort to find a needs-based scholarship for financial planning like the University of Michigan.

SENATOR BEGICH said Dr. Layer's focus in looking towards the future while dealing with the current crises is commendable and a testament to his work, the chancellors' work, and President Pitney's work in trying to refocus on stability while keeping an eye on the future.

SENATOR BEGICH said he and his staff have been discussing activities at other universities, particularly what the Michigan governor has done to attract lower-income students who want to improve their skills or retool because of the COVID-19 issues.

They have some college experience but no degree or they may be older students looking to come back to the system.

9:38:09 AM

DR. LAYER answered that UA has been evaluating needs-based scholarships mostly at the university level. However, each of UA's universities have a different student base. He asked each chancellor to talk about needs-based scholarships from a system perspective. UA is considering developing stronger scholarships and developing efforts to reach those students to let them know of those options. In many cases, the UA population is very vulnerable and reaching those people to provide economic opportunities is important to the university.

DR. SANDEEN noted that UAA submitted fast-track career certificates to DEED for those eligible for federal financial aid and most received approval. UAA also has local institutional financial aid available. UAA's principle effort is to meet the needs of those individuals who have lost jobs during this period. UAA expects to add more certificates and to continue to push programs like that.

9:40:05 AM

DR. CAREY said UAS has been working with the City and Borough of Juneau that received CARE Act funding. She said conversations with the mayor and others will hopefully lead to the federal government extending funds beyond December 31, 2020. The borough would very much like to make that money available specifically to students who need to retool and UAS is hoping to get those funds.

DR. CAREY advised that UAS is currently reviewing its computer science programs to help people get a quick occupational endorsement and to provide several occupational courses that students can take at the downtown technical education center. UAS is really trying to do an outreach to get people who need to retool back to school.

DR. WHITE explained one reason for reduced enrollment at UAF is children being at home for remote learning or from job loss. The University of Alaska Fairbanks (UAF) has been considering is childcare, particularly to help nontraditional students. Not only are children at home more, but many childcare facilities shut down due to COVID-19. UAF is considering expanding childcare access to get the some-college, no-degree students the

opportunity to finish their degree while allowing them to maintain a family and other responsibilities.

[9:42:58 AM](#)

CO-CHAIR DRUMMOND noted alternative energy systems are increasing throughout the state. He asked Dr. Layer for UA's role in alternative energy systems.

DR. LAYER indicated UA will provide a broader, more in-depth presentation on the university's research and facilities during the upcoming legislative session. He noted Chancellor White mentioned UA's efforts at ACEP, but UAA is also conducting research in that area.

[9:44:39 AM](#)

SENATOR COSTELLO joined the meeting.

SENATOR COSTELLO asked for clarification on continuing education students where students are not limited to take online courses at the university near their residences. She acknowledged that each university has a separate online presence that is sometimes tricky to navigate.

She asked if UA had made any effort to unify its online presence for people who are taking classes.

DR. LAYER answered this process is one of President Pitney's top priorities. UA is currently examining how to coordinate the universities' processes better and exploring whether it is restricting online participation since many students take courses at two or more UA campuses. They have also been reviewing their Information Technology (IT) operation.

[9:46:29 AM](#)

CHAIR STEVENS asked for an update on UA's presidential selection and when can the legislature expect a permanent president.

DR. LAYER responded the [Board of Regents] will be making that selection. However, the board did not discuss the topic at its fall 2020 meeting. He offered his view that the board wanted first to provide some stability with Interim President Pitney. Both President Pitney and the board are contemplating that she would serve 12-18 months. Thus, the process needs to start soon.

CHAIR STEVENS said the new legislature will begin in January and his expectation is many committee members will be back with great interest in what is happening with UA.

[9:48:29 AM](#)

CHAIR STEVENS announced Norm Wooten, Executive Director of the Association of Alaska School Boards (AASB) will provide an overview.

[9:48:48 AM](#)

NORM WOOTEN, Executive Director, Association of Alaska School Boards, Juneau, Alaska, noted AASB has coordinated its presentation with the [Alaska Council of School Administrators] (ACSA) so there will be no repetition.

He offered to address the concern over the loss of the average daily membership (ADM) or student population with school districts across the state.

He noted many have seen the hold harmless provision in AS 14.17.410(e) as a solution to the loss of the ADM in the state. The statutory hold harmless provision applies to those districts who are experiencing a reduction in enrollment.

MR. WOOTEN explained the eligibility process. To determine eligibility, a district compares its total in the school-size adjustment in the foundation formula against the prior fiscal year to determine if a decrease of five percent or greater has occurred within that district relative to the school size adjustment. If that occurs, the last fiscal year will become the base for determining that district's funding under the foundation formula. However, there are several caveats that have a direct bearing on the provision.

MR. WOOTEN said the provision is available to the districts up to three years, provided the district remains below the base year. In year one, the district retains 75 percent of the difference to the base year, 50 percent in year two, and 25 percent in year three.

He remarked that while the hold harmless provision sounds good, districts will still experience significant shortfalls even if they qualify. In 2020, districts had to plan for three options at the beginning of the school year, including in-person

schooling, a hybrid model of in-person and distance learning, and a distance learning option.

[9:51:59 AM](#)

MR. WOOTEN explained that shortfalls addressed by the foundation formula only make up a part of district revenue. For instance, the hold harmless provision does not consider the loss of revenue funding through the transportation fund or through the nutrition services fund, so districts will experience losses in those areas.

MR. WOOTEN noted ASCA will discuss data from districts across the state and their expected shortfalls, many of which will be significant.

He explained that districts had already contracted their teaching staff for the year when the pandemic arose, but there has not been any loss of personnel so far.

[9:53:02 AM](#)

MR. WOOTEN said COVID-19 expenditures have increased as districts put their pandemic plans into effect, including in-person learning, enhanced cleaning, establishing district protocols, purchasing personal protective equipment (PPE), digital platforms for distance learning, software programs, hardware for student access, and costs to create hotspots and deliver meals.

He pointed out districts using the hold harmless provision "will actually not be held completely harmless," since districts will not be afforded protection from those costs.

MR. WOOTEN summarized his intent was to briefly review the hold harmless provision for committee members.

[9:54:29 AM](#)

CHAIR STEVENS asked if the AASB has discussed the count dates and if that will require consideration or changes when the student population count occurs.

MR. WOOTEN deferred the technical question to others. He remarked that the October count period has been in place for several years and typically would be appropriate. However, the

school districts may need to do something different for the student counts.

MR. WOOTEN explained AASB selected Lon Garrison to be his successor as the executive director. He described Mr. Garrison as eminently qualified to assume that position. Mr. Garrison currently serves as the AASB director of member services and served one term as the AASB president. He also served on the Sitka school board for many years.

He said that is assisting with Mr. Garrison's transition to the executive director position on January 2, 2021. The AASB board has asked him to stay on through the 2021 legislative session to perform advocacy work for AASB.

[9:57:24 AM](#)

At ease.

[10:03:28 AM](#)

CHAIR STEVENS called the meeting back to order.

He said the committees will hear from the Alaska Council of School Administrators (ASCA). Dr. Lisa S. Parady will provide an overview entitled, Public School Enrollment During the Pandemic.

[10:03:52 AM](#)

LISA SKILES PARADY, PhD, Executive Director, Alaska Council of School Administrators, Juneau, Alaska, noted three ASCA members will share some impacts on public school enrollment during the COVID-19 pandemic.

She turned to the presentation, Alaska Council of School Administrators Leadership–Unity and Advocacy for Alaska Public Education on slide 2. She described ACSA as the umbrella organization for the Alaska Superintendents Association, the Alaska Association of Secondary School Principals, the Alaska Association of Elementary School Principals, the School Business Officials, and school district administrators across Alaska who serve Alaska's students.

DR. PARADY turned to slide 3, Few Schools Are Open, But Educators Are Crushed. She complimented school administrators, teachers, and all education staff for working tirelessly since spring 2020 to provide students with education during the

pandemic. Schools may be less visible with virtual and blended learning, but teachers and educators are doing more work than ever to support students and communities. Teachers are on the frontline and are leaders in their communities, taking on additional responsibilities and helping to make decisions for their communities. Superintendents have dedicated staff to address notification related to COVID-19.

[10:06:09 AM](#)

DR. PARADY reviewed slide 4, What Is The Best Way To Educate Alaska's Students. Superintendents, principals, Alaska Association of School Boards, and educational leaders have met weekly to establish unprecedented levels of statewide coordination to keep communities safe and support their students.

She highlighted that since March 2020 ACSA has held weekly superintendent meetings with principals and statewide educational leaders. She commended Commissioner Johnson and Dr. Anne Zinc [Chief Medical Officer for the Alaska Department of Health and Social Services] for their work with the ACSA. The ASCA has hosted these meetings to help ensure its members and students receive the best possible levels of coordination and collaboration during the pandemic.

She referred to slide 5, The Lasting Impact of a Continuing Pandemic, which read: Alaska's second wave of COVID-19 is delaying return to school and is closing schools that have been in person until now, with many schools delaying return to in-person instruction.

DR. PARADY said educators must respond to the current crisis and plan for the long-term impact of the pandemic. The pandemic has led to a full year of diminished learning.

[10:08:51 AM](#)

DR. PARADY reviewed slide 6, COVID-19 Concerns About Enrollment. She said the Alaska Superintendents Association (ASA) leadership drafted the August 7, 2020 letter to Commissioner Johnson to enlist his support to use the November 19 estimated student count data for education funding for FY2021.

DR. PARADY stated educational leaders are taking an active role to protect Alaska's schools, highlighting a secondary crisis that will arise with uncertain and inadequate funding. Unstable

funding will not improve the situation schools are facing. Action to provide funding stability is necessary as ASCA hopes to highlight in today's presentation. She agreed with Mr. Wooten that current statues may be insufficient to handle the current situation.

[10:10:35 AM](#)

REPRESENTATIVE HOPKINS said Mr. Wooten previously explained the hold harmless provision does not hold districts harmless because the districts lose funding when their population drops. He asked whether the provision's formula helps address the rapid decrease in student enrollment at schools versus a gradual community population decline.

DR. PARADY thanked the legislature for the hold harmless legislation that has helped districts deal with periods of population change. However, the legislature did not design the policy for short-term budget stabilization in times of crisis that districts currently face throughout Alaska.

REPRESENTATIVE HOPKINS noted the Fairbanks school district lost 2,000 students, or 10 percent of its students, who left for various reasons. Further, Fairbanks has been experiencing declining enrollment and increased COVID-19 costs that have devastated several school districts. He emphasized the importance of the August 7, 2020 ASA letter, which would hold districts harmless by using the 2019 figures to compensate for declining enrollment and increased costs.

[10:12:48 AM](#)

DR. PARADY explained that ASA represents all regions in the state and districts unanimously supported sending the letter to Commissioner Johnson. Eighty percent of superintendents from large and small districts responded to a survey regarding their enrollment issues and noted a consensus to set a floor but not a cap because of the varying range of changes in enrollment across the state.

[10:14:10 AM](#)

DR. PARADY turned to slide 7 and explained that this slide contains the language in AS 14.17.600(a) related to the student enrollment count used for public school funding. Schools already completed their student enrollment counts for FY 2021 as

mandated by the Alaska statutes, and DEED just received those figures, she said.

She detailed the first day of the student count for the FY 2021 school year was September 28, 2020. However, many of the schools were still navigating distance and safe learning due to COVID-19. While some students were returning to classrooms, some schools and most rural schools were distance learning with some families transitioning to homebased programs.

DR. PARADY reviewed the hold harmless provision on slide 8, which provides enrollment stabilization funding for districts experiencing loss in enrollment as previously stated. However, the provision only applies to districts that lose more than five percent by adjusted ADM in a single year and it acts as a step-down to allow districts more time to adjust to funding loss.

DR. PARADY explained the provision's design aids districts for gradual population change, but not for short-term budget stabilization in times of crisis. That is a real take away from ASCA's presentation because that is the place in which superintendents, school districts, and school boards find themselves. The provision also does not specifically apply to loss of intensive needs students and their funding.

[10:16:24 AM](#)

DR. PARADY reviewed slide 9, showing five other states' policy responses to support schools through the pandemic. Arizona's Governor Ducey took executive action to provide additional grant funding, specifically to stabilize funding but not to change the foundation formula or ADM process. The grants provide stopgap funding to allow districts to continue operations as expected during the crisis.

DR. PARADY said the North Carolina General Assembly amended its foundation formula statutes specific to FY 2021 funding for allocation according to the greater of actual or anticipated FY 2021 enrollment to provide stabilization to districts with enrollment losses without negatively impacting the budgets of districts of higher than anticipated enrollment, which Representative Hopkins indicated Alaska also faces.

DR. PARADY noted other states—including Michigan, California, and Colorado—have seen near universal decreases in district ADM and have responded by basing FY 2021 funding on FY 2020 ADM. The next slide shows Alaska is not alone. Other districts across the

United States are addressing the same issue and ASCA certainly appreciates the legislature's consideration.

[10:18:03 AM](#)

DR. PARADY addressed slide 10 and noted her previous slide mentioned states have recognized the need to take emergency action and support schools through budget stability. She cautioned that failing to support schools through this time would have lasting impact. The budget crisis the districts face today is an acute emergency. She said the state did not design the hold harmless provision to address the current situation.

[10:19:24 AM](#)

SENATOR HUGHES expressed concern that Dr. Parady's presentation focused on the need for money rather than on student needs. Some parents have voiced concern about the education their children are getting during the pandemic. Over time, the legislature has put more money into education but has not observed a parallel change in student achievement. The current situation is creating situations where some students are failing because they are not receiving instruction.

SENATOR HUGHES noted Dr. Parady indicated that the districts are facing financial difficulties because of COVID-19. She related her understanding that the Mat-Su School District saw a savings in its spring 2020 because the students were not physically attending schools.

SENATOR HUGHES pointed out Dr. Parady did not mention additional federal funding. Although AASB wants the hold harmless provision for districts, the association is asking the state to pay for students who are no longer at the district and are in a homeschool program or attend school at a new location. She asked if she has the data to show that districts are in a financial crisis. Parents are going to be livid if suddenly the legislature is putting a whole lot more money into districts without demonstrated results.

[10:22:56 AM](#)

DR. PARADY stated that the association's focus is not about money but on stabilizing school districts to allow focus on students' needs, health, safety, and on their outcomes.

She explained the data is not consistent by district. In some cases, there have been gains like the Mat-Su School District and in other cases, there have been great losses. Although AASB agrees that there is a not a loss across the entire state, it is important that districts apply the hold harmless provision to provide stability for focusing on students and their safety, wellbeing, and instruction. She emphasized that every administrator, teacher and educator she has worked with since March 2020 is primarily concerned about the students.

DR. PARADY described her own experience with the level of education provided by the Juneau School District, where her four daughters attend school. She commended the time and effort teachers put forth to make sure students receive the highest caliber academic experience. Her youngest daughter is in middle school on Zoom every day and she has never worked harder. She offered her view that administrators and teachers across Alaska are doing more to ensure a quality experience for students.

DR. PARADY emphasized the cost of running a school district has not shifted because many contracts were signed prior to the pandemic, including transportation costs.

DR. PARADY said the next speakers, superintendents Kerry Boyd and John O'Brien, will provide specific situations of variance from a rural, urban, and homeschool perspective.

[10:28:06 AM](#)

KERRY BOYD, President, Alaska Superintendents Association, Superintendent, Yukon-Koyukuk School District, Fairbanks, Alaska, noted her service on the ASA board for over a decade. She has served as superintendent with the Yukon-Koyukuk School District (YKSD) since 2008.

She said she will share with committee members a statewide lens as well as an individual perspective as superintendent from a rural district with a statewide homeschool program.

MS. BOYD reviewed slide 12, Enrollment—The Big Picture Statewide. She said ASA surveyed all 53 of its superintendents to document the diverse situations each district faces. Eighty percent of districts responded and demonstrated their unique concerns and challenges. The pandemic affected some districts more than others. Unlike other states, Alaska does not have any uniform, statewide trend in enrollment. Many districts are taking enrollment losses, but the magnitude ranges from over 50

percent in some districts to less than 1 percent in others. Over 30 percent of the districts have seen enrollment gains of up to 10 percent.

MS. BOYD said that the Alaska Department of Education (DEED) recently received the final count information and she is uncertain if the department had a chance to analyze the data, which takes time.

MS. BOYD highlighted ASA's goal is to raise awareness of how the pandemic not only affects districts but also Alaskans. Families struggle with the decision whether to send their children to school or to keep them at home. Both rural and urban working families have childcare concerns.

[10:31:43 AM](#)

MS. BOYD reviewed slide 13, Statewide Enrollment Changes. She said there is an unprecedented growth in this year's correspondence program enrollment in Alaska. Multiple programs have experienced over 1,000 percent growth in a single year. Preliminary data from DEED shows 27,702 homeschool students statewide, which is a significant increase from last year.

MS. BOYD reviewed slide 14, Shifting Enrollments for 2020/2021. She said superintendents across the state have expressed concern about whether homeschool or in-school is the best way to educate students during the pandemic. While some can districts offer in-person, meaningful, quality education, some unequipped districts can better provide that quality education in a remote learning model, while other districts do not have internet.

MS. BOYD reviewed slide 15, Large District Impact. She noted some larger districts have seen considerable loss in neighborhood school enrollment and most have seen enough decline to qualify for the hold harmless provision. Many creative larger districts have shifted to correspondence programs. The ASA was impressed with the programs these districts created in response to students enrolling in homeschooling programs.

MS. BOYD agreed with Senator Hughes about the concern for providing a meaningful education during the pandemic. She noted that the pandemic has forced everyone to review the districts' responses and to prepare for distance and remote learning.

[10:34:52 AM](#)

CO-CHAIR DRUMMOND highlighted the shifting enrollment, noting there are 27,000 homeschool students statewide, with about 21 percent of Alaska's K-12 students currently enrolled in homeschool programs.

CO-CHAIR DRUMMOND asked her for the current number of homeschool students the K-12 system.

MS. BOYD answered the DEED did not provide the information to her, but she surmised the number is around 10,000-15,000. She deferred to the department to respond.

10:37:03 AM

MS. BOYD said that most large districts have seen enough loss in neighborhood school enrollment to qualify for the hold harmless provision. As a result, many large districts have created their own homeschool programs. Uncertainty exists statewide whether these students will return to in-person instruction and if enrollment will return to previous levels. ASA is not sure how enrollment will shift for next year's start.

MS. BOYD reviewed slide 16, Rural District Impact. She stated that there has not been a consistent trend in small and rural districts and most rural districts have seen relatively small enrollment changes. One challenge for the smaller rural districts is to provide a strong education program if the infrastructure is not available. When many rural districts close their doors to in-school learning, these districts provide remote school through paper and pencil packets or computers loaded with assignments. However, remote school does not replace in-person or Zoom classes. Further, many rural districts cannot provide ongoing, meaningful contact with families. Parents have experienced difficulties trying to homeschool and work without adequate support.

She noted some small districts have seen unprecedented enrollment drops of up to 40 percent. Rural districts not offering in-person instruction have experienced a loss to homeschooling programs. She said DEED will provide additional enrollment data later.

10:41:13 AM

MS. BOYD turned to slide 17, Correspondent Enrollment, which she said has seen unprecedented increases. Many programs have seen significant enrollment gains, requiring districts to shift their

focus and expand staff. Some staff report their biggest challenge is to provide support to homeschool programs. Since many families are trying to homeschool for the first time, ASA wants to make sure these parents have what they need to provide meaningful education at home until they decide whether to go back to brick-and-mortar schools.

MS. BOYD reviewed slide 18, Staffing Concerns. One significant statewide challenge is trying to find qualified teachers to fill positions to provide guidance to families in the correspondence program. Districts must be clear when hiring teachers that no guarantees are made for their positions beyond a year. She acknowledged that once teachers are hired, they often have an opportunity to stay. The hired teachers are not immune from feeling the strain of delivering education during this time.

[10:43:43 AM](#)

MS. BOYD reviewed slide 19 and reiterated the concerns about staffing and turnover. She noted her appreciation to the governor and DEED for putting together a task force for retention and recruitment, something much needed in Alaska. Last year there were only 10 vacancies for elementary and high school, and 104 vacancies for special education. This year, there are over 100 elementary, middle, and high school positions still open, and over 100 open special education positions.

MS. BOYD noted turnover for a typical rural district is 15-35 percent. Turnover in her district for the homeschool program has been virtually zero unless a teacher retires. However, this year, it has been a struggle to find new homeschool teachers because people are understandably afraid to travel.

MS. BOYD noted an ISER [Institute of Social and Economic Research] report showed the average cost of replacing a teacher, including providing orientation, hiring, and offering career fairs is about \$20,000, although that figure varies, depending on the area of the state.

[10:46:26 AM](#)

MS. BOYD reviewed slide 20, Turnover, which illustrates the turnover differences across the state. Rural Alaska experiences higher turnover rates of 36 percent for teachers and 38 percent for principals as compared to 19 percent in urban areas. There has been an uptick in teacher turnover in the last eight years. Still, more educators are considering leaving the profession.

According to the State Division of Retirement and Benefits, 2,800 educators are eligible for retirement this year as compared to the 4,700 retirements between 2010 and 2020. Additionally, a study conducted on rural-remote, remote, and urban regions clearly identifies the percentage of turnover and staffing concerns. Superintendents are working with their districts and staff to make sure teachers receive enough support. Currently families and teachers are feeling the strain of the ongoing COVID-19 concerns.

MS. BOYD said teachers must perform more tasks, including screening students, educating families, and dealing with schools opening and closing due to COVID-19 concerns. Teachers must also learn how to teach remotely, which is a statewide trend to address the needs of families.

[10:49:38 AM](#)

MS. BOYD reviewed slide 21, Looking Ahead, The Cost of Recovery. She said that learning loss is an important concern. Someone saying there has not been a learning loss is hard to believe. Schools closed in March 2020 and the transition to virtual and distance instruction has been challenging all districts. Further, for many students, distance delivery has not replaced direct, in-person instruction. Districts continuously seek solutions to meet the ever-changing needs in Alaska due to COVID-19. Some districts are better equipped and have better connectivity. Other districts that even without connectivity, are innovating ways to deliver education to the students.

MS. BOYD said Commissioner Johnson has been meeting regularly with superintendents to find solutions and work together to provide education. Districts want to ensure the education level is the highest level and focus for the state moving forward.

She noted some districts have developed special plans and programs for their special education students by providing in-classroom times. That has been hard, but it has been working across the state. Many districts that have lost special education to homeschool programs are concerned about how to make sure special education students have their equitable education needs met.

[10:53:11 AM](#)

MS. BOYD reviewed slide 22, Equity in Education. She said the digital divide has become more apparent under COVID-19. She

thanked the legislature for passing [Senate Bill 74] introduced by Senator Hoffman. She noted [the companion bill, House Bill 75] was introduced by Representative Rasmussen, and will provide up to 25 [megabytes (MB)] bandwidth, which will be an enormous help statewide.

She explained reaching students who lack reliable home internet is a challenge and those families receive paper packets, and computers with downloaded materials. Without Zoom, students are not able to take the university-level courses in their homes. She compared the monthly cost in the Juneau school district for 100 MB is \$1,050 whereas the monthly cost in Allakaket in her district for 25 MB is \$40,000.

[10:55:12 AM](#)

MS. BOYD reviewed slide 23, COVID-19 Impact on Enrollment for Yukon-Koyukuk. Superintendents, teachers, and support staff are working hard to adapt. She compared the Y-K homeschool program with 135 percent increase to the rural school enrollment with little change.

She explained that districts typically start offering contracts in January, but due to uncertainty must wait. Superintendents want to keep their staff to avoid the costs of recruiting. She said YKSD has nine rural-remote communities with just over 300 students and a homeschool program with 4,300 students and six statewide offices. Last year YKSK had about 300 rural-remote students; enrollment did not shift. However, the district homeschool program has increased so dramatically, the district's focus is to work with families to make sure the program works.

MS. BOYD noted YKSD partners with other districts on how to provide special education services, especially since special education student numbers for YKSD have tripled.

MS. BOYD reviewed the YKSD rural school fall schedule. The district started on September 8, about a month late. The district started its [COVID-19] Smart Plan in the "green" for in-person learning. Recently, it became necessary to close five school buildings and shift to remote learning because of increased COVID-19 virus outbreak in employees, students, and community members. However, the district had strong mitigation efforts at schools, which limited the spread of the virus.

MS. BOYD explained YKSD does not have the infrastructure to provide Zoom classes. The district has been working with

internet providers to provide the much-needed services to its families. The district has doubled its staffing at YKSD's Raven program, but it has struggled to fill teacher positions.

[10:59:48 AM](#)

REPRESENTATIVE PRAX asked if the district is hiring certified teachers.

MS. BOYD answered that the district follows state guidance and only hires certified teachers. The district was able to recruit some teachers from other districts.

REPRESENTATIVE PRAX asked her if she has an estimate of how many teachers came from other districts versus how many were new to the Alaska school system.

MS. BOYD offered to research and report back to the committee with the information.

CHAIR STEVENS asked her to provide his staff with the information and his office will make sure everyone receives it.

[11:03:34 AM](#)

MS. BOYD reviewed slide 24, COVID-19 Economic Impact for Yukon-Koyukuk. Homeschool enrollment increases will result in a 54 percent increase in revenue, resulting in an additional \$12 million for 2020/2021. The district worked with the DEED to make sure it had allotments for the families and funds for internet. DEED made the district aware of a statute to help districts experiencing an economic impact with forward funding.

MS. BOYD said the district has not had any significant increases to its district office staff. They are working on a rotating basis to help the district during the pandemic. The staff for the Raven program primarily work from home and work minimally in the office.

[11:05:04 AM](#)

MS. BOYD reviewed slide 25, Stabilizing Schools for Students. While stabilizing funding is important, her priority as the ASA president and the focus for superintendents across the state is to provide a focused delivery of high-quality instruction during the pandemic. ASA will continue to work with DEED and the districts to do what it can to help students.

SENATOR BEGICH expressed concern the legislature will only have time in the upcoming session to address budget issues. However, he acknowledged she raised important issues, including teacher retention. He asked for clarification on the district needs beyond the budget.

MS. BOYD suggested the legislature look statewide at education policy, connectivity issues, and how districts provide reading instruction. She said the ASA and department are available to help.

[11:08:16 AM](#)

CHAIR STEVENS remarked he realizes that things are different with kids not receiving the education that they might normally get. He noted his seven-year-old grandchild tells him about students who just do not show up to her online class and are not doing the work.

CHAIR STEVENS asked if the children that are missing out will be able to catch up.

MS. BOYD answered that even though students are not in the building, districts must address issues that will affect students for the rest of their lives. Students must build routines and responsibilities to focus and do their homework. That is their job right now until they graduate from high school and districts must continue to emphasize that through the pandemic as schools close.

MS. BOYD acknowledged that some children and parents do not have the same level of expectations with closed schools. She said that superintendents must ensure that education expectations are even higher during the pandemic while children are learning skills.

[11:10:22 AM](#)

REPRESENTATIVE PRAX noted earlier commentary on having to take a new look on how to provide new services. He asked Dr. Parady if there has been consideration of a force majeure provision for all their contracts such as employee unions and bus service. In most private industry contracts, there is a force majeure clause for something beyond a party's control that causes the need to change a contract. He said it seems that there was some mention

of contracts inhibiting flexibility and he was wondering if there was consideration of force majeure.

DR. PARADY answered she understands what force majeure is in terms of unforeseeable circumstances which districts certainly find themselves in. She deferred to the next presentation from the Kenai Peninsula Borough School District (KPBSD) will address contracts.

She further added that the collective bargaining agreements (CBAs) for personnel represents about 80-90 percent of the districts' budget across the state. Some districts have been working with their respective union representatives to address specific situations and she cannot speak to each district's issues. She deferred to KPBSD regarding their contract situations to provide clarity to the question on force majeure.

[11:13:52 AM](#)

JOHN O'BRIEN, Superintendent of Schools, Kenai Peninsula Borough School District (KPBSD), Soldotna, Alaska, stated he and his colleague will focus their KPBSD presentation on enrollment and how COVID-19 has affected enrollment in brick-and-mortar schools, the Connections Homeschool program, and the out-migration of students who otherwise would have been attending school in other statewide programs: Idea and Raven.

He explained when KPBSD, under the guidance of DEED, developed its Smart Start program, the district felt strongly in providing parents and students with choices and options, given the uncertainty from COVID-19.

MR. O'BRIEN said when KPBSD built its Smart Start plan, the district provided parents with options: enrolling their students fulltime in their neighborhood brick-and-mortar school; using the district's Connections Homeschool Program; or remote enrollment through their neighborhood school.

MS. BOYD noted each district has green, yellow, and red thresholds. While KPBSD was in the green and yellow thresholds, things were going extremely well. However, due to a spike in COVID-19 cases in mid-October 2020, the district had to switch from in-school options to 100 percent remote for most students. Even though the district was 100 percent remote in its eastern, southern, and central regions, they were still serving some in-person special education and intensive-needs students every day.

He explained the district was also servicing pre-kindergarten students because the district felt strongly that those literacy building blocks are so important that if students fall behind in those early years, it will take them their entire career to regain those learning losses.

[11:18:32 AM](#)

MR. O'BRIEN said currently, KPBSD is the third highest region for COVID-19 cases. On the southern peninsula, the region is 4.5 times over the number that would allow the region to get back into the yellow threshold for in-person learning. The district's eastern peninsula region, which includes Seward, is 4.5 times over the threshold. More troubling are the numbers in the district's central region, which includes Kenai, Soldotna, Nikiski, Sterling, and Kasilof. Currently the region is 11 times over the yellow threshold.

MR. O'BRIEN explained that the district has begun work on reexamining its Smart Start plan by creating additional mitigations and safety measures to try during the red threshold to bring more students into schools. Unfortunately, the district moved to 100 percent remote learning because the numbers in the district reached a point where in-person learning was not safe, even for pre-kindergarten, kindergarten, and intensive needs students.

MR. O'BRIEN explained that in the early part of the COVID-19 spike, the district was in the middle of its October DEED [Online Alaska School Information System] (OASIS) student count. The division saw a tremendous migration from brick-and-mortar schools to homeschool programs and statewide homeschool programs.

MR. O'BRIEN noted during the red threshold, the district's pandemic team had to grapple daily with hundreds of positive COVID-19 cases for students and staff members, contact tracing, and quarantine. COVID-19 cases would be higher if the district maintained in-person learning. Since March with the uncertainty of the COVID-19 pandemic, 2020 is the most difficult year. The district is doing the best it can. Its teachers and administrative staff are working hard, he said.

CHAIR STEVENS agreed that it is shocking to realize where everyone is right now.

[11:23:45 AM](#)

DAVE JONES, Assistant Superintendent, Kenai Peninsula Borough School District (KBSD), Soldotna, Alaska, noted his school finance background in both the Kodiak and Kenai districts.

He reviewed slide 28, FY21 Student Count. He explained each year the KBSD needs to project the enrollment and submits the data to DEED by November 5 so the department can project the budget cost for the governor and the legislature. Student enrollment increased in the Connections Homeschool Program and that helped the district mitigate some of its revenue losses. The district had an 814-student outflow with the majority to statewide correspondence programs.

MR. JONES stated the important thing about the intensive needs students is they receive funding through the foundation program at 13-times a regular student so losing 21 intensive needs students is a significant loss.

[11:28:46 AM](#)

MR. JONES reviewed slide 29, FY21 General Fund Budget State of Alaska (SOA) Foundation Revenue. This shows the effects of the KPBSD enrollment changes. Most of the difference from the original budget is funding that the district lost by the decrease in intensive needs students.

MR. JONES pointed out the hold harmless provision is 75 percent of a district's brick-and-mortar schools. However, the provision does not address a loss of intensive needs students. He thanked the legislature for having the forethought of putting the provision in place in AS 14.17.410 to help districts in these situations.

He referred to line 2, which shows the district had over a \$12 million deficit and would not have had the ability to continue operations. However, the district is only dealing with a \$1.4 million deficit due to the hold harmless provision.

[11:31:37 AM](#)

MR. JONES turned to slide 30, which shows that pupil transportation receives funding separately from the general fund. Transportation funding is based on neighborhood school enrollments. Each district receives funding through the transportation program as a dollar amount per student enrolled in neighborhood brick-and-mortar schools. However, districts do

not receive funding for transportation for students who are in the correspondence programs.

He said the district contacted DEED to confirm the use of its brick-and-mortar schools enrollment figure after the application of the 75-percent credit from the hold harmless provision. The department response was the hold harmless enrollment increase does not apply to transportation and the district will be using the 6,015-student count.

MR. JONES said Representative Prax previously asked about force majeure clauses. DEED helped the district develop its contract several years ago with its transportation company when the legislature tasked the department to address transportation costs and to bring in additional vendors to the state. He explained that contracts issued in the state subsequently are standard contracts with a guarantee to the vendors that they would receive payment, at least for KPBSD, 170 student days—the district's student calendar.

MR. JONES said the district was able to attract a new vendor and realized a \$1 million savings in its transportation contract. The district needs to make sure they still have a vendor contract once COVID-19 goes away.

MR. JONES explained that the KPBD was able to reach an agreement with its vendor. In the spring 2020, when the district did not need transportation, the district used some of the buses to deliver meals. However, because the buses were idle, the district did not experience fuel or mileage costs for those buses. The district paid 90 percent of the costs and is in the process of trying to reach the same agreement.

MR. JONES said the district is currently trying to pursue other revenue sources. The district began preliminary work with the Kenai Peninsula Borough to see if it was eligible to receive some of the CARES Act funding. However, districts are concerned that funding will come from the neighborhood brick-and-mortar schools and statewide those are down tremendously.

[11:37:02 AM](#)

MR. JONES reviewed slide 31, FY21 Quick Budget Summary, as follows:

- FY 2021 Deficit without Revenue Loss: (\$942,778)
 - Deficit: (\$942,778)

- Governor Veto of Legislative One-Time funding: (\$2,072,133)
 - Deficit: (\$3,014,911)
- KPB COVID-19 Revenue related decrease (July 2020): (\$2,776,473)
 - Deficit: (\$5,791,384)
- AK Foundation Enrollment Revenue decrease (November 2020): (\$1,470,271)
 - Deficit: (\$7,261,655)
- Pupil Transportation: (\$1,767,228)
 - Deficit: (\$9,028,883)

He referred to the first line, the FY 2021 deficit without revenue loss. There was a short period in the spring 2020 when the Kenai Peninsula Borough (KPB) agreed to fund the district at the cap. In addition, the legislature passed early funding and an additional \$30 million in one-time funding. At that point, the district was looking at a funding deficit of \$942,000, and the KPBSD board said the district was going to spend its fund balance to cover the deficit.

MR. JONES remarked there was a short window of time in spring 2020 when the district thought it had a shiny future. Unfortunately, the governor vetoed the one-time funding and said the CARES Act fund would replace the \$2,072,000 that the district lost. However, when the regulations and controls came out on the CARES Act fund, the district was unable to use it to replace its lost funding. The district's budget deficit increased to \$3,014,000. At that time, the district had taken some action because the legislature acted, and the district was trying to maintain and recruit teachers. The district issued contracts in spring 2020 to its non-tenured teachers a month earlier than the district ever had in the past. Once the district has issued contracts to its non-tenured teachers, the district issued contracts to everyone.

Turning to the earlier question about force majeure clauses, he explained that districts are hiring teachers in March and signing contracts with teachers in March for the following fiscal year. Districts are unique because the districts receive funds based on 20 days in October. The KPBSD signs a contract, teachers start teaching in August, and the district knows where its funding is going to be by the end of October.

MR. JONES said under current state statutes, KPBSD is not able to say, "Sorry, we don't have the students we thought we had, and you no longer have a contract with the district." The district needs to honor its teacher contracts, but it limits the

district's ability to react. When the governor vetoed the one-time funding, the KPBSD board responded by directing use of the fund balance because the district cannot make cuts to people already hired.

MR. JONES noted COVID-19 started hitting the Kenai in May and the KPBSD board said most of the funding for the district would come from sales tax revenue. However, the impacts from COVID-19 greatly reduced the borough's sales tax revenue over the summer and into the coming year. As a result, the borough reduced the funding to the district by \$2,776,000. In May 2020, the district issued contracts and hired people with the feeling that it would have students coming in the fall. The deficit increased to \$5,791,000. The KPBSD board, after much discussion, because of their concern about the fund balance agreed that the district would use fund balance.

MR. JONES said after the district sent its budget to DEED in July with a \$5.7 million deficit, the district sent its 20-day count to DEED in November with an additional \$1,470,000 loss, putting the deficit at \$7.2 million. If the district is not able to get additional revenue for transportation, the district will be at a \$9 million deficit.

MR. JONES said at this point if the district covers the \$1.4 million from the loss in enrollment with the fund balance, the district will have used its entire amount of unassigned fund balance. To fund the transportation deficit, the KPBSD board will have to get into the fund balance that is set aside for dire emergencies. The district is hoping that it will be able to save some money out of the general fund to provide some additional pupil transportation.

He turned to Senator Hughes's earlier remarks about the Mat-Su District's fund balance increase at the end of the last fiscal year. KPBSD's fund balance increased, but the district will use the increased amount from last year to cover its enrollment revenue loss and other matters. Right now, the KPBSD board believes the district is going to be able to make it through FY 2021.

[11:44:48 AM](#)

MR. JONES reviewed slide 32, Projected FY22 enrollment. He said the KPBSD is going to make it through FY 2021, but its bank will be empty at the end of FY 2021. Because of that, when the

district looks at FY 2022, the district is taking a very conservative approach.

He noted the districts have some optimistic principals projecting that all students will be back by fall 2021. However, the district's conservative projection for student enrollment in FY 2022 is 7,861 students.

He said the district's enrollment projection is above its previous year. However, because the number of contracts that the district issues is based on the pupil-teacher ratio, the district cannot afford to be optimistic with its numbers and hire more teachers than it needs in its classrooms because the district does not have the ability to remove teachers once they sign their contracts.

MR. JONES explained that the district has told its schools that in late March or early April 2021, the district is going to reevaluate where it is in terms of the COVID-19 situation. The districts will ask principals and their school personnel to contact parents whose students are no longer in the buildings and ask them if they plan to return in fall 2021. If families plan to return at that point in time, the district will do an internal budget adjustment and commit to hiring more staff. However, the district is currently projecting a significantly lower FY 2022 enrollment than what the district came into this year believing where it would be.

[11:48:15 AM](#)

REPRESENTATIVE HOPKINS said Fairbanks is facing a situation like KPBSD. He referred to the August 2020 letter from ASA that asks that the October 2019 student enrollment count be used for next year's budget and noted that additional costs will occur from COVID-19.

REPRESENTATIVE HOPKINS thanked KPBSD for detailing the impacts of the COVID-19 reductions in enrollment, an important reminder that a lot more goes into districts' budgets than just the BSA and the foundation formula.

REPRESENTATIVE HOPKINS said the Fairbanks North Star Borough School District (FNSBSD) reviewed the same numbers in their school board meeting yesterday, noting their overall impact doubled from \$9 million to nearly \$20 million. He noted the impact is for both the current and following school years.

REPRESENTATIVE HOPKINS recalled earlier comments on the importance of students and the education system receiving funds now. He agreed with Senator Hughes on the need to protect student access and not having them lose ground this year. However, everyone must also look towards next year. There will be many additional costs to help students recover and rebound from the impacts of this year, especially in the social and emotional category regarding trauma from COVID-19.

REPRESENTATIVE HOPKINS, referring to the ASA letter regarding their request to use the numbers from the October 2019 student enrollment count for next year's budget, indicated that the legislature will address that in the upcoming session. He asked Mr. Jones to clarify whether the districts will use the hold harmless provision or the FY 2020 numbers from October 2019 in FY 2021 or FY 2022.

[11:50:38 AM](#)

MR. JONES explained his understanding that the ASA letter requested the use of the FY 2019 counts for the FY 2021 budget. However, the district could clarify the item for the committee.

REPRESENTATIVE HOPKINS asked if the legislature does not change the statute and uses past numbers, then the districts would set numbers at a floor from the hold-harmless provision currently in statute for next year's numbers.

MR. JONES answered that is correct. When the district projects its budget for next year, the projection uses the hold harmless provision found in current statute. He stated, "We are projecting that it will still be less than we projected, but it will be a lot better than it would be without it."

REPRESENTATIVE HOPKINS referenced the ASA letter and quoted the first sentence that read:

On behalf of the Alaska Superintendents Association, we are writing to express strong support for using the November 2019 estimated student count to determine the amount of state aid under the public education funding formula for FY2021.

REPRESENTATIVE HOPKINS said that would be for the current school year. However, without a floor, district enrollments would be set dramatically lower than the actual enrollments expected for next year as students come back from correspondence schools.

11:52:50 AM

REPRESENTATIVE PRAX noted Mr. Jones said districts receive 13 times the base student cost for special needs students and the district was going to lose quite a bit of money because there was a decline in special needs student enrollment. However, the district did not speak to the expected lower cost if students are not present. He asked Mr. Jones if the district has analyzed the KPBSD's cost savings.

MR. JONES explained that in the foundation formula after the student count, the district multiplies the number of its intensive-needs students by 13, and then multiplies that number by the BSA value to determine the additional funding required to hire additional teachers and staff to provide for the students' needs.

MR. JONES said he spent a couple of hours yesterday with the district's director of special education to discuss what will happen when the intensive-needs students return. The district lost half of that student population and currently has no contact with them.

He added the district also has a problem with students who transferred to a statewide correspondence school. These families tell them their children will return after the COVID-19 situation resolves, but the district is going to have to provide the services to those students without receiving the funding for them for the period they were gone. He remarked, "If they are not here, you would think that we would be able to just reduce cost and move on." However, the district has contractual stipulations and negotiated agreements that somewhat ties their hands on how to address that during the school year He said he would be glad to follow up and discuss this further.

11:56:50 AM

REPRESENTATIVE PRAX agreed because it seems odd that in the meantime the district has a considerable number of teachers that are not teaching, particularly with special needs. That seems like an onerous position in the contract that might require additional review.

MR. O'BRIEN assured the members that there is not a situation where the district has teachers that have no students. KPBSD is a district with 42 schools and 8,500 students. When the district

sees a reduction in intensive-needs students, the district does not have intensive-needs teachers sitting somewhere in a classroom teaching zero students, there still are intensive-students who need instruction. The district has contracted teachers, speech language pathologists, occupational therapists, physical therapists, and all other auxiliary service personnel who normally service a student with intensive needs, there are just fewer of them.

[11:59:16 AM](#)

SENATOR BEGICH commented as follows:

This is about a singular pandemic that has caused a change in our structuring. To create stability, these issues of whether there are enough students this year or next year, are not about long-term changes, they are about structural change caused by a pandemic.

SENATOR BEGICH said there should not be a debate about whether to reduce school budgets drastically because of a monetary crisis. Rather, the committee should be talking about long-term stability.

SENATOR HUGHES, in terms of stability and the count, noted that KPBSD has its own homeschool program. She recalled Mr. O'Brien noted the district lost several students to other programs. She asked Mr. O'Brien if he had any discussions with the parents to determine why they did not choose the district's homeschool program.

MR. O'BRIEN answered the district routinely has conversations with parents when students exit either neighborhood schools or its Connections Homeschool program. The district has struggled with whether to take their homeschool program statewide and go in direct competition with Idea, Raven, and other programs. However, the district knows it offers a quality program and feels to do so would take away from the quality provided to its own students, and the district did not want to pilfer students from other districts. The district made the decision to maintain its own program.

MR. O'BRIEN said the problem that the KPBSD almost tripled the district's homeschool program. The district needed to hire staff or shift staff from its brick-and-mortar schools to provide the needed support through its Connection Homeschool program, which was a very difficult ramp up. He applauded his colleagues that

run the Idea and Raven homeschool programs on their ability to ramp up their support level when their enrollments increased by two to four times.

MR. O'BRIEN noted the district made a valiant effort to remind parents that if they take their students out of the district's Connections Homeschool program, not a single penny of those funds would come back to KPBSD.

MR. O'BRIEN said parents have a choice and they talk to other parents who had a good experience with another program, whether Idea, Raven, or other statewide programs. Parents are going to exercise their choices and the district respects their rights to do so. However, in spring 2021, after the resolution of the COVID-19 situation, when parents suddenly decide to reenroll their students back into KPBSD schools, the district may not have the programming and staffing to provide them with the quality education because those dollars went to another school district.

[12:04:04 PM](#)

CHAIR STEVENS said he appreciates the discussion and realizes the quandary the school districts are in and the problems they are facing. He thanked all participants and their contributions.

CHAIR STEVENS invited Commissioner Johnson to provide an overview from the Alaska Department of Education and Early Development (DEED).

[12:05:42 PM](#)

MICHAEL JOHNSON, PhD, Commissioner, Alaska Department of Education and Early Development, Juneau, Alaska. He said, "Our work together over the last few months has been something that we can truly hold up as an example for Alaska students, it is an example of the character and hard work it takes to overcome challenges from partnerships."

COMMISSIONER JOHNSON said DEED is presenting its initial enrollment numbers. The department appreciates the opportunity to share the information currently and looks forward to sharing more details as it continues the annual count process.

[12:07:04 PM](#)

COMMISSIONER JOHNSON referred to slide 2, Agenda. He said the education committees asked DEED to address student enrollment and the Alaska school system based on the initial numbers the department collected a week or so ago from the current year's count. In the coming weeks, DEED will be reviewing the data, checking for duplicates and other areas, errors, and analyzing the data for the legislature and others.

COMMISSIONER JOHNSON asked the department has a lot more work to do in the next several weeks with its partners.

COMMISSIONER JOHNSON thanked the department's school finance team who worked through the weekend to compile the data. Many do not realize that the departmental student count process is a manual process. The teams get separate spreadsheets that requires collating and combining data into a single spreadsheet. In the coming weeks, the departmental teams will be going through the data line-by-line, school-by-school, and district-by-district for over 125,000 students. The student count team is incredibly experienced, but the count process is tedious and hard work, and he appreciates their commitment to accuracy and detail.

He said the information that the committee will see includes a couple of snapshots just to show how the impacts looks different in different district contexts. The information is not comprehensive, but it is instructive via examples.

[12:08:43 PM](#)

COMMISSIONER JOHNSON referred to slide 3, Our Mission; Our Vision. He thanked all the public educators, administrators, local tribes, fellow citizens, and parents for keeping the department's mission front and center during the pandemic, which is "an excellent education for every student, every day." The struggles the department hears about are an indication of how important education is to Alaskans.

COMMISSIONER JOHNSON noted today happens to be National Education Professional Day, so a special shoutout to all the teachers' aides and other education professionals, they often do not get enough recognition for the role they play.

COMMISSIONER JOHNSON said the public education system has partnered with parents this year in ways it has never done before. He expressed appreciation to parents and students for adapting and being willing participants in all the mitigation

efforts. He frequently heard how willing students are to follow district guidelines for safety.

COMMISSIONER JOHNSON remarked he often thinks of this year's kindergartners, their first year of school has been so challenging, yet their enthusiasm for learning has not suffered a bit, the virus has not dimmed their enthusiasm.

He thanked all students for doing their part to make everything work during a challenging year. He noted earlier in the morning he joined with students online from a south Anchorage high school and thanked them for putting their show together and exhibiting their inspiring can-do attitude.

[12:10:35 PM](#)

COMMISSIONER JOHNSON referred to slide 4, Alaska's Education Challenge that lists five shared priorities. He said that 2020 has been a tough time. However, with vaccines on the horizon, many are beginning to think about the road ahead.

He said the "five shared priorities" that DEED has addressed multiple times in the Alaska education challenge and the shared commitment that the department has with so many school districts are still the pathway forward, even more so now because of all that everyone has been through.

COMMISSIONER JOHNSON stated a meaningful effort to support early learners after COVID-19 must center on reading proficiently. An effective reading bill is still important if not more so. Additionally, culturally relevant and indigenous skills-based instruction will be more important than ever for high school students. The shared priorities provide a pathway through the innovation and modernization that will come post-COVID-19.

COMMISSIONER JOHNSON said he will turn the presentation over to Director Teshner to present enrollment data.

CHAIR STEVENS said he sees students who are not keeping up will probably not make the level of reading that they need to by the end of the third grade. He asked if these children can make that up.

COMMISSIONER JOHNSON answered yes, but that will depend on every student. The department will talk later in its presentation about the federal government considering providing more aid for public schools. Districts could apply to summer school options

and add time to the school year specifically to address some of the challenges that students have faced. The department recently worked on waivers for after-school programs for application in different ways to help make up the difference.

COMMISSIONER JOHNSON said addressing the challenges will not be easy, but kids are super resilient. If the education system can be as equally resilient it will take time, but the department can address some of the shortcomings that has happened in 2020.

CHAIR STEVENS said summer school does seem appropriate for those kids left behind.

[12:13:26 PM](#)

HEIDI TESHNER, Director of Finance and Support Services, Alaska Department of Education and Early Development, Juneau, Alaska, referred to slide 5, Public School Funding. She explained that the legislature has provided a formula in statute for funding school operational costs, also referred to as the public-school funding formula or more commonly known as the foundation formula. The legislature adopted the formula under Senate Bill 36 in 1998 and implemented it in 1999 as defined in AS 14.17.

MS. TESHNER noted the funding for school districts is a combination of state aid, required local contribution, and federal impact aid. Regional Educational Attendance Areas (REAAAs) do not have a local contribution since they lack a taxing authority. Just one district does not receive local contribution or impact aid, she said. A school district is only eligible for foundation funding as calculated under the formula, set out in AS 14.17.410, and explained in AS 14.17.400(a). The first step in determining state aid for a school district is determined by the average daily membership (ADM) for each school.

[12:15:11 PM](#)

MS. TESHNER reviewed slide 6, Annual Count Period. She explained ADM is the defined term for student count data and is the number enrolled students during the 20-day count period, ending the fourth Friday of October. For the 2020-2021 school year, that 20-day count period was September 28 to October 23, 2020.

She explained that to determine state aid, districts must submit their ADM within two weeks after the count period in accordance with AS 14.17.600(a). For the 2020-2021 school year count

period, those numbers were due to the department by November 6, 2020.

MS. TESHNER said based on statute, the student data from the count period is the starting point for all the calculations that lead to the determination of state aid to school districts.

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MS. TESHNER reviewed slide 7, FY2021 Preliminary Statewide Count. She explained that the FY 2021 projected data is a total of the projected student count the districts provided to the department in November 2019 in accordance with AS 14.17.175. Preparation for the FY 2021 operating budget used these counts. In addition, districts provided the FY 2021 preliminary data, also known as preliminary actuals, to the department from the results of the 20-day student count period that ended on October 23, 2020 in accordance with AS 14.17.600(a).

She said the received numbers are preliminary actuals which are subject to change once the department has completed its reconciliation. This process includes the clearing of all duplications and assuring that no student accounts for more than one ADM across the state and conducting the special education-intensive student reviews.

MS. TESHNER explained that the FY 2021 preliminary ADM for brick-and-mortar schools has decreased 15,202.70 or 13.2 percent compared to the FY 2021 projection. In addition, the FY 2021 preliminary for Correspondence ADM has increased 13,540.81 or 95.6 percent over the FY 2021 projected. The shift from brick-and-mortar to correspondence aligns with what districts have communicated to the department over the past three months. Netting the shift from brick-and-mortar to correspondence results in an overall total ADM decrease of 1,661.89, or a 1.3 percent decrease compared to the FY 2021 projected figures.

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CO-CHAIR STORY asked if she has data that shows where the 1,661 students have gone.

MS. TESHNER answered the department has not had a chance to do analyze the data to determine where those students may have gone but it will do in the coming weeks.

CHAIR STEVENS said the committee looks forward to learning more as time passes.

MS. TESHNER said the adjusted ADM has increased 5,946.69 or 2.3 percent compared to FY 2021 projected. A table on slide 9 provides the factors used to determine the adjusted ADM.

She said the shift from brick-and-mortar to correspondence is the main factor affecting the ADM total. The shift in count has a direct impact on the school-size ADM calculation and determines if the comparison with the prior year's school size triggers the hold harmless provision. All of these are compounding factors early in the foundation formula.

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MS. TESHNER reviewed slide 8, Hold Harmless Provision. She said the hold harmless provision has been discussed by districts and other stakeholders since the late spring 2020. In 2008, the legislature enacted the provision in House Bill 273 for school districts experiencing a reduction in their brick-and-mortar schools' ADM after an adjustment for school size in the foundation formula.

She explained eligibility for the hold harmless provision is determined after the districts adjusted for the total school-size ADM are calculated and totaled for all schools. This represents an overall district change in school-size ADM. The district compares its total adjusted-for-school-size ADM against the prior fiscal year's total adjusted-for-school-size ADM to determine if a decrease of five percent or greater has occurred. If so, the district locks in the prior fiscal year as a base year for the next three years. The new school size adjustment with the hold harmless provision continues through the formula, which results in the restoration of approximately 75 percent of the basic need calculation in the first year.

MS. TESHNER said the hold harmless provision is available to school districts over a three-year stepdown: 75 percent in the first year, 50 percent in the second year, and 25 percent in the final year, provided that the adjusted-for-school-size ADM is below the established base year.

MS. TESHNER explained that when the legislative task force implemented the hold harmless provision, it was not its intention to hold districts 100 percent harmless, but rather to provide a three-year stepdown process that allows time for

districts' budgets to adjust to a decreased funding that due to the reduction in their brick-and-mortar schools' ADM.

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MS. TESHNER reviewed slides 9 and 10, Public School Funding Formula. She noted the tables only provide a quick glance at the foundation formula component and multipliers used to determine each district's state aid total.

She said slide 9 shows the multipliers that determine a district's adjusted ADM. These include the district cost factor, special needs factor, vocation education factor, special education intensives, and correspondence ADM.

MS. TESHNER explained that after the district reports its student-count data, the ADM for each school is calculated by applying the school-size factor to the student count according to a table in AS 14.17.410. The district then uses the product of that calculation as a factor in the next steps shown in the slide. The steps include going through a district-cost factor, the special-needs factor, the vocational-education factor, special-needs intensive, and correspondence ADM, as shown in the headings.

She turned to slide 10 that shows the remaining component and multipliers that determine state aid. As slides 9 and 10 show, Alaska statutes define the formula. Absent a change in statute, the DEED does not have authority to amend or modify any component or multiplier of the foundation formula.

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MS. TESHNER reviewed slide 11, FY2021 Preliminary Statewide Comparison. She said her focus will be on the bottom portion of the slide related to the funding of the foundation formula.

MS. TESHNER explained the FY 2021 preliminary figures compared to the FY 2021 projected show a net increase of \$26.5 million or 2.2 percent, reflected in the \$26.5 million increase in the current fiscal year's budget. The department anticipates that 26 school districts will receive increased aid totaling approximately \$55.1 million and 28 school districts will receive reductions to their state aid totaling approximately \$28.6 million.

She reviewed the FY 2021 preliminary data versus the FY 2020 actual, which shows a net increase of \$39.5 million or 3.2 percent. She said that the DEED anticipates that 34 school districts will receive increased state aid totaling approximately \$57.4 million, with 20 districts will receive decreased state aid totaling approximately \$21 million.

[12:26:51 PM](#)

MS. TESHNER reviewed slides 12-16, which are snapshots of five districts. Slide 16, District Snapshot: Delta/Greely School District (DGSD), reviews a regional education attendance area (REAA) district. The district does have one district correspondence program: Delta/Greely Homeschool.

She explained the district's FY 2021 data shows a 25-percent decrease in the DGSD's regular brick-and-mortar ADM, with a 247-percent increase in its correspondence ADM from the FY 2021 projected figures. This district triggered the hold harmless provision with a 20.41 percent reduction from the FY 2020 school-size ADM. In addition, DGSD reported a decrease of seven intensive special education students. The district is showing a small reduction in its basic need total with a \$70,300 or 0.70 percent decrease from FY 2021 projected figures.

She said since the district is an REAA district, it does not have taxing authority, so it does not have any required local contributions. Therefore, the required local effort highlighted on the slide is zero. Overall, the district anticipates a \$175,200 or 1.70 percent reduction in state aid compared to FY 2021 projected state aid figures.

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MS. TESHNER reviewed slide 13, District Snapshot: Mat-Su Borough School District (MSBSD). She said the MSBSD is a city-borough district. This district has two correspondence programs: Mat-Su Central, a statewide correspondence program, and Twindly Bridge Charter, a district correspondence program.

MS. TESHNER said the district's FY 2021 data indicates a 14.30-percent decrease in its regular ADM from the FY 2021 projected, and a 45.10-percent increase in the correspondence ADM. The MSBSD district triggered the hold harmless provision with an 11.44 percent reduction from the FY 2021 school-size ADM. The district's intensive special education student count increased by 37 from the FY 2021 projected. The district experienced an

increase in its basic need total with a \$3.1 million or 1.50 percent increase from the FY 2021 projected figures. Although the district is a city-borough school district and has a required local effort, the MSBSD does not receive any federal impact aid funding, so the Deductible Impact Aid is zero. Overall, the district anticipates receiving \$3.1 million or 1.80-percent increase in state aid in FY 2021.

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MS. TESHNER reviewed slide 14, District Snapshot: Unalaska City School District (UCSD). She said this district is a city-borough district. The UCSD's FY 2021 data shows a 10-percent decrease in its regular ADM. The district does not have a correspondence program and the UCSD did not trigger the hold harmless provision.

The UCSD's FY 2021 school-size ADM experienced a 4.91 percent reduction, just shy of the 5 percent reduction, needed to trigger the hold harmless provision. The district's intensive special education decreased by one. The UCSD experienced decrease in its basic need total of \$561,600 or 9.10 percent decrease from the FY 2021 projected figures.

MS. TESHNER explained the UCSD must provide the required local contribution and the district receives federal impact aid. Overall, the district anticipates a \$561,000 or 13.10 percent decrease in state aid compared to the FY 2021 projected state aid.

MS. TESHNER reviewed slide 15, District Snapshot: Wrangell Public Schools (WPSD). She said this district is a city-borough school district. The district's FY 2021 data showed a 41.20 percent decrease in its regular brick-and-mortar ADM compared to the FY 2021 projected figures. The WPSD does not have a correspondence program. The district triggered the hold harmless provision with a 33.46 percent reduction from the FY 2020 school-size ADM.

MS. TESHNER reported that the WPSD was one of four districts that experienced a school-size ADM reduction of 30 percent or more from the FY 2020 school-size ADM. The district's intensive special education student count decreased by 2. The district experienced a \$559,000 or 12.60 percent decrease in its basic need total.

MS. TESHNER explained the WPSD has the required local contribution and receives federal impact aid. Overall, the district anticipates a \$561,000 or 14.50 percent decrease in its state aid in FY 2021.

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MS. TESHNER reviewed slide 16, District Snapshot: Yukon-Koyukuk School District. She said the district is a REAA district. The district has one statewide correspondence program: Raven Correspondence. The district's FY 2021 data indicates a 3 percent increase in its brick-and-mortar ADM compared to FY 2021 projected, and a 133-percent increase in its correspondence ADM. The district did not trigger hold harmless provision in FY 2021.

MS. TESHNER said the YKSD reported an increase of 16 intensive special education students compared to FY 2021 projected. The district experienced an increase in its basic need total with a \$13.155 million or 74.20 percent increase from its FY 2021 projected figures. The YKSD is a REAA district without taxing authority or any local contribution. The YKSD anticipates a \$12.9 million or 77.20 percent increase in state aid.

CHAIR STEVENS thanked Director Teshner for doing the calculations and giving the committees an idea of the actual impact on districts.

[12:35:23 PM](#)

MS. TESHNER reviewed slide 17, Foundation Payments Process. This slide shows how districts receive state aid payments. AS 14.17.610 outlines the distribution process for a district's state aid. Districts received monthly payments by the 15th of each month based on the prior year's student count for the first nine months of the school year per AS 14.17.610(a). Final payments for the last three months of the school year is a recalculation based on the finalized actual current year foundation formula to "true up" the remaining three months: April-June. This ensures that when the fiscal year ends the districts receive what is due based on the current year FY 2021 actual reconciled ADM count.

MS. TESHNER reviewed slide 18, Foundation Payments: Advances. AS 14.17.610(c) allows for advances on foundation payments. If a school district is experiencing a large increase in its student enrollment and the district anticipates a shortfall, this provision allows the district to request an advance on its state

aid funding after providing bank statements, cash reconciliation, and a list of investments with maturity dates.

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MS. TESHNER reviewed slide 19, Federal Impact Aid Disparity Test. She explained in order to qualify for the provision, the state must demonstrate an equalized funding formula in which there is not more than a 25 percent disparity between districts' revenue per adjusted average daily membership (AADM). The federal government allows the state to deduct 90 percent of the allowable impact aid from the amount of foundation formula the state allocates to districts. Failure to pass the annual disparity test has resulted in a cost of at least \$255 million to the state.

MS. TESHNER detailed AS 14.17.410 equates to basic need minus required local contribution, minus the 90 percent of eligible impact aid, equals state aid. This reduces the state's cost by an average of \$85 million per year. However, the federal government only allows the state to deduct via federal impact aid if it has an equalized formula in accordance with federal law.

MS. TESHNER explained pursuant to section 7009(c)(1)(b) of Title 7—Impact Aid Programs, the state of Alaska must ask for permission from the federal government to take impact aid payments into account in determining state aid to school districts. This is an annual certification, and it must occur not later than 120 days prior to the next fiscal year.

She said that by the end of January, DEED must submit their test to the federal government. The department performs its certification every year, which compares the high per revenue and low per revenue districts to each other. If the funding differential is not more than 25 percent disparity between the district revenue per AADM, then the federal government considers the funding formula equalized and allows the State of Alaska to deduct that \$85 million in federal impact aid in the formula. This is also the reason for the 23-percent cap in the maximum local contribution because its intent is to ensure that the disparity does not go over 25 percent.

MS. TESHNER said if the state were to fail the disparity test, the federal government does not consider the formula equalized, Since the disparity test occurs after the fiscal year is over, the state would owe the \$85 million for multiple years. For

example, if the state fails for FY 2021, the results would be determined in FY 2022 and recertification would not occur until at least FY 2024. Failing the disparity test would cost the state at least \$255 million based on \$85 million for each of 3 years.

She referred to an earlier about the request to establish a floor for funding using FY 2021 projected figures. She cautioned that there are increasing funding needs for schools experiencing increased enrollment such as the YKSD. In the DEED's initial analysis if the legislature were to fund districts with a floor without establishing a ceiling, the state would break the disparity test and face the \$255 million in penalties.

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MS. TESHNER reviewed slides 20-23. Additional Considerations. Changes in the ADM affect other state-funded programs including pupil transportation and residential schools.

She reiterated that the DEED recently received the count data so it has not had time to conduct analysis but will do so to determine the overall impacts on programs.

She explained that these slides outline the support that the state and the governor put into place to allow for additional carryovers at the district level as well as additional funding provided to districts.

MS. TESHNER directed attention left side of slide 21 outlines the operating budget carryover. The governor issued the COVID-19 Disaster Order of Suspension No. 3, which suspended AS 14.17.505 and regulation 4 AAC 09.160. The suspension of this statute and regulation allowed districts to retain more than 10 percent of their unreserved operating funds for the following year. After an initial review of the 40 district audits received so far, the most districts were able to carry over their funds.

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SENATOR BEGICH referred to the snapshot slides from various districts and noted those figures were from one year. He asked her to confirm that the department expects the data to reflect a pandemic and not an ongoing trend.

MS. TESHNER answered that is correct.

SENATOR BEGICH asked the record to reflect that piece. He also noted that she previously described the possibility of creating a disparity that would cost the state \$255 million in federal funds. He pointed out districts proposed a solution for the disparity, but the department said the solution would not work. He asked if the department has an approach to solve the issue of the structural breakdown of local district budgets and maintain a level of stability. He further inquired if the department anticipates a federal waiver related to the disparity issue for change or a temporary suspension for the disparity test given every state probably is probably suffering the same thing Alaska is.

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MS. TESHNER answered Alaska is only one of three or four states that have an equalized funding formula. This issue will not affect all states. She said she is unaware of any instance in which the federal government would allow a waiver on the disparity issue nor does not have any recommendation at this time. However, providing additional funding to districts should be based on the ADM because that distribution ensures equalization across the state.

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SENATOR BEGICH asked her for the recommended policy or method to stabilize that would be based on the ADM. He inquired if the department will be analyzing how that would affect the districts' ability to ensure maintaining the disparity for the more adversely impacted districts.

SENATOR BEGICH remarked that this left him with the belief that districts are going to face significant uncertainty and unless there is a recommended policy from DEED, every district could propose a different policy that ultimately will not work.

He asked Commissioner Johnson if the department will be developing a recommended policy approach in concert with the school districts to allow some level of certainty for them. He explained his intent is to try to determine where the data is leading us.

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COMMISSIONER JOHNSON replied the department does not currently have a recommendation because it has not yet reviewed all the

data and there are other important data elements to consider before the department offers any recommendations.

He said the disparity test is a conundrum. Any solution will pull one string that pulls another. However, the department is will analyze all relevant data points before making any recommendation.

He noted one strategy, not a specific solution yet, pertains to federal money coming in for COVID-19 relief. To his knowledge, federal money does not break the disparity test because it does not come through state funding. This avenue warrants analysis for consideration. At this time, the department has only had preliminary conversations with the federal government. He said he wanted to inform the committees that the disparity test is a factor.

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MS. TESHNER directed attention to the right side of slide 21, to the CARES Act Funds for districts. Per Title I, 51 districts received the Elementary and Secondary School Emergency Relief Funds (ESSERF). Based on the department's 21 CARES Act allocations and carryover report, approximately \$31.4 million will be available for school districts in FY 2021, although there might be obligations for the carryover. In addition, the Governor's Emergency Education Relief Funds (GEERF) total \$3.7 million, of which approximately \$3.1 million is available to districts for FY 2021.

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CO-CHAIR DRUMMOND asked if the approximate \$31 million of the \$34 million in ESSERF and \$3.1 million of the \$3.7 million in GEERF are still unspent or are they committed for the school districts' current fiscal year.

MS. TESHNER answered districts only spent a small portion at the end of FY 2020. Most districts saved those funds for additional COVID-19 response in FY 2021.

CO-CHAIR DRUMMOND asked if the department will have to wait until the end of the fiscal year to know how districts spent those funds.

MS. TESHNER replied the department receives budgets outlining how districts plan to spend the funds. The department could

provide data to show how districts spend the funds, but that data is currently not available.

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MS. TESHNER displayed slide 22 and explained that the U.S. Department of Education (ED) approved a DEED waiver application in April 2020. The federal pilot programs listed are ones covered under the funding waiver that DEED received. That means there were no restrictions on the amount of Elementary and Secondary Education Consolidation Application funding that a district could carryover from FY 2020 to FY 2021.

She explained that under normal circumstances Title I, Part A funds have a 15 percent carryover limit that is based in Section 11-27-A of the Elementary and Secondary Education Act (ESEA). However, the funding waiver allows a district to carryover 25 percent without penalty.

CHAIR STEVENS thanked Director Teshner for providing the information, noting the department has not had a chance to look at all the material and data, but the legislature will get the recommendations later.

He asked Commissioner Johnson if he had any concluding thoughts.

[12:55:37 PM](#)

COMMISSIONER JOHNSON reviewed future COVID-19 Federal relief. Nationally, \$30.75 billion in K-12 CARES Act funding has been allocated to date. Current congressional discussions indicate additional funding ranging from \$58 billion to \$175 billion in additional K-12 relief. He related his understanding that the forthcoming relief packages will not break the disparity test. The relief packages do not solve every problem, but it does provide one pathway forward.

[12:57:03 PM](#)

COMMISSIONER JOHNSON directed attention to the helpful resources on slide 24, with updated links to the foundation funding formula, the public-school funding program overview, and the FY 2021 student count period and hold harmless provision documents.

COMMISSIONER JOHNSON remarked that many students and families have chosen correspondence programs. Unlike other states, Alaska has a rich history of providing distance education. The state

has some robust and wonderful programs with many experienced educators. Though distance learning has been difficult, and it has not worked in every situation, he was grateful for Alaska educators.

COMMISSIONER JOHNSON, in closing, said that COVID-19 has had a big impact on students, but the department remains committed to an education system that works for kids and prepares them for any future pandemic. He expressed confidence that these students will have on the future, which gives him great optimism even as the state suffers through the consequences of the current pandemic.

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CO-CHAIR STORY asked members to consider the importance of parents and school board members to provide stability and certainty to deliver a quality education for Alaskans. Many parents desperately want their children to come back into more learning, in-person school. Considering alternatives and providing certainty are important aspects when in-person learning returns.

CHAIR STEVENS thanked everyone, noting the information from the meeting was extremely valuable.

CO-CHAIR STORY said she had a one-minute video to share to end the meeting on a high note. There are many good things going on in schools and with what teachers are doing with their students. The video is from a seven-year-old student.

[1:00:15 PM](#)

TIM LAMKIN, Committee Aide, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, said Co-Chair Story's office will present their video. It is also available via the legislative BASIS documents file associated with the meeting.

CHAIR STEVENS said members were welcome to stay and watch the video.

[1:01:04 PM](#)

ADJOURNMENT

There being no further business to come before the committee, the joint meeting of the Senate and House Education Standing Committees adjourned the meeting at 1:01 p.m.