

**ALASKA STATE LEGISLATURE  
SENATE EDUCATION STANDING COMMITTEE**

March 14, 2019

8:59 a.m.

**MEMBERS PRESENT**

Senator Gary Stevens, Chair  
Senator Shelley Hughes, Vice Chair  
Senator Chris Birch  
Senator Mia Costello  
Senator Tom Begich

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE JOINT RESOLUTION NO. 9

Proposing amendments to the Constitution of the State of Alaska relating to an appropriation bill funding public education for grades kindergarten through 12.

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SJR 9

SHORT TITLE: CONST.AM: APPROP. BILL FOR PUBL EDUCATION

SPONSOR(S): SENATOR(S) COSTELLO

03/06/19	(S)	READ THE FIRST TIME - REFERRALS
03/06/19	(S)	EDC, JUD, FIN
03/14/19	(S)	EDC AT 9:00 AM BUTROVICH 205

**WITNESS REGISTER**

TOM WRIGHT, Staff  
Senator Mia Costello  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced SJR 9 on behalf of the sponsor.

LISA SKILES PARADY, Ph.D., Executive Director

Alaska Council of School Administrators  
Juneau, Alaska

**POSITION STATEMENT:** Supported SJR 9.

TIM PARKER, President  
National Education Association (NEA) Alaska  
Fairbanks, Alaska

**POSITION STATEMENT:** Supported SJR 9.

NILS ANDREASSEN, Director  
Alaska Municipal League  
Juneau, Alaska

**POSITION STATEMENT:** Supported SJR 9.

SARAH SLEDGE, Director  
Coalition for Education Equity  
Anchorage, Alaska

**POSITION STATEMENT:** Supported SJR 9.

TAMMY SMITH, State Director  
National Education Association-Alaska  
Fairbanks, Alaska

**POSITION STATEMENT:** Supported SJR 9.

CHRISTINE VILLANO, National Education Association-Alaska  
Fairbanks, Alaska

**POSITION STATEMENT:** Supported SJR 9.

ERIC PETERSON, President  
Alaska Association of Elementary School Principals;  
Principal  
Paul Banks Elementary School  
Homer, Alaska

**POSITION STATEMENT:** Supported SJR 9.

DAVID NEESE, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Supported SJR 9.

DIANNE SHIBE, President  
Matanuska-Susitna Education Association  
Wasilla, Alaska

**POSITION STATEMENT:** Supported SJR 9

DAN CARSTENS, President  
Alaska Association of Secondary School Principals  
Principal

Nikiski Middle-High School  
Nikiski, Alaska  
**POSITION STATEMENT:** Supported SJR 9.

SHAWN ARNOLD, Superintendent  
Valdez City Schools  
Valdez, Alaska  
**POSITION STATEMENT:** Supported SJR 9.

PETE HOEPFNER, School Board Member  
Cordova School District  
Cordova, Alaska  
**POSITION STATEMENT:** Supported SJR 9.

ROY GETCHELL, Superintendent  
Haines Borough School District  
Haines, Alaska  
**POSITION STATEMENT:** Supported SJR 9.

PATRICK MAYER, President  
Alaska Council of School Administrators  
Superintendent  
Yakutat School District  
Yakutat, Alaska  
**POSITION STATEMENT:** Supported SJR 9.

JILL SHOWMAN, representing self  
Palmer, Alaska  
**POSITION STATEMENT:** Supported SJR 9.

CONNIE NEWMAN, Superintendent  
Iditarod Area School District  
McGrath, Alaska  
**POSITION STATEMENT:** Supported SJR 9.

BRIDGET WEISS, Ph.D., Superintendent  
Juneau School District  
Juneau, Alaska  
**POSITION STATEMENT:** Supported SJR 9.

#### **ACTION NARRATIVE**

[8:59:39 AM](#)

**CHAIR GARY STEVENS** called the Senate Education Standing Committee meeting to order at 8:59 a.m. Present at the call to

order were Senators Begich, Hughes, Costello, Birch, and Chair Stevens.

**SJR 9-CONST.AM: APPROP. BILL FOR PUBL EDUCATION**

[8:59:49 AM](#)

CHAIR STEVENS announced the consideration of SJR 9. He stated his intent to introduce the bill, hear public testimony, and hold the bill in committee.

[9:01:02 AM](#)

TOM WRIGHT, Staff, Senator Mia Costello, Alaska State Legislature, Juneau, Alaska, introduced SJR 9, related to early funding for education, on behalf of the sponsor. He reviewed the contents of the bill packets including the legal memo from Legislative Legal Services that explains that one legislature cannot pass a statute that binds a future legislature. This is referred to as legislative entrenchment. Both the U.S. Supreme Court and the Alaska Supreme Court have ruled that legislative entrenchment by statute is not allowed. However, it is permissible for a legislature to entrench legislation through a constitutional amendment.

MR. WRIGHT said none of the various education amendments before the legislature from 1993 to the present have dealt with early funding. SJR 9 requires a separate appropriation bill to fund K-12 public education and requires the legislature to pass and transmit an appropriation bill for K-12 education by the 45th day of each regulation session. Currently, school districts by statute must submit budgets to municipal governments by May 1. These dates vary from March 1 to early May depending on the municipal ordinance. Research done by Mr. Lamkin and Legislative Research shows the legislature typically passes the operating budget, which includes education funding, from mid-April to late May and on some occasions, into June. Passage after May 1 creates uncertainty for school districts and municipalities. The uncertainty forces school districts to issue pink slips if contracts are not finalized by May 15 for tenured teachers and by the last day of the school term for nontenured teachers as outlined in AS 14.20.140.

MR. WRIGHT said the Institute of Social and Economic Research (ISER) study in the bill packets shows that between 2016 and 2017, the turnover rates for teachers in rural areas was over 30 percent, 22 percent for hub communities, and 14 to 16 percent in more populous communities. According to ISER, research shows

high teacher turnover hurts student achievement. According to the National Education Association (NEA), 1,000 of the 8,900 teachers in the state turn over yearly. This comes at a cost to each school district.

MR. WRIGHT said uncertainty among municipalities and local governments when attempting to build a budget for the next fiscal year is another reason to look at early funding. He noted that SJR 9 has letters of support from the Alaska Council of School Administrators, the Association of Alaska School Boards, NEA, and many teachers and constituents statewide. SJR 9 does not address funding sources. It does not talk about increases or decreases, funding the Public Employee Retiree System or the Teacher Retirement System, school bonds or debt, or pupil-teacher ratios. It does remove education funding from late-session negotiations that are conducted between the two legislative bodies and the administration. He said SJR 9 is about supporting K-12 education funding and removing the uncertainty of funding for schools.

CHAIR STEVENS asked for an explanation of process for a constitutional amendment.

MR. WRIGHT answered that the resolution requires a two-third vote from each body and if it passes, it goes directly to the ballot. The governor does not have much of a role.

CHAIR STEVENS said it requires a simple majority in the election.

MR. WRIGHT agreed.

[9:06:47 AM](#)

SENATOR BIRCH said he is generally reticent to put things in the constitution. He noted the talk about a flurry of pink slips and said he wonders how much of that is a manifestation of labor contracts that municipalities or school districts have engaged in and the notice requirements for tenured employees. He suggested that perhaps the budget should be passed in 90 days so it doesn't drag out halfway through the summer. He asked Mr. Wright to speak to the labor contracts.

MR. WRIGHT said there is a statutory requirement that requires pink slips to go out by a certain date if the budget is not finalized. He deferred further explanation to the NEA representative.

SENATOR BIRCH said there is no mandate in statute to align fiscal years and they often differ for cities and school districts. He asked if that had any impact.

MR. WRIGHT answered no and added that Anchorage municipal ordinance says the school district budget is due to the assembly by the first Monday in March.

[9:09:26 AM](#)

SENATOR BEGICH said he supports the constitutional amendment and wonders if the sponsor would consider amending the language to allow for the possibility, if prekindergarten is statutorily authorized, for prekindergarten to be included. He suggested that the language could refer to expenditures to fund public education to precollege.

MR. WRIGHT replied that he would respond after talking to the bill sponsor.

SENATOR BEGICH referenced legislative entrenchment and offered his understanding that it takes an act of the legislature to choose not to be bound. The legislature passes a bill and the legislature chooses to continue to act under the authority of that statute that "binds" it but has the power to reverse it. He said that is why he likes this constitutional approach.

MR. WRIGHT responded that without the Legislative Legal memo the sponsor probably would have introduced statutory language like the chair did in 2018 with Senate Bill 131.

[9:11:31 AM](#)

SENATOR HUGHES commented on the importance of certainty in K-12 funding and the short time the legislature has to figure the education budget out. She asked if in the early 2000s there was an attempt to fund education a year in advance. She noted that would require double funding one year, which would be tough.

MR. WRIGHT answered that his recollection is that there was forward funding some years back that ended three or four years ago at the beginning of the budget crisis.

SENATOR HUGHES said she would prefer that because that would allow the full time for vetting. She said she would be concerned about a new governor laying out a revised budget February 15 and the legislature having only 15 days to figure things out.

CHAIR STEVENS asked if the legal opinion raised the question of forward funding.

MR. WRIGHT answered that it does not.

9:14:08 AM

SENATOR BEGICH said he was pleased to hear the legal opinion does not affect forward funding because that is technically what the legislature did last year when they passed two years of funding. One year of funding was put in the public education fund. He said the binding language is that the legislature retains the right to repeal that action. He offered his interpretation that the first year of a new administration's budget regarding education is irrelevant because the legislature has already funded it. That addresses the question because the legislature didn't have to wait 15 days to review or revise. It already happened because of forward funding.

SENATOR HUGHES asked if it would make more sense to prohibit peeling back what was forward funded. It would be part of the normal 90- or 120-days budget process the prior year.

CHAIR STEVENS said the committee certainly wants to hear about the problems districts have.

9:16:48 AM

LISA SKILES PARADY, Ph.D., Executive Director, Alaska Council of School Administrators (ACSA), Juneau, Alaska, said SJR 9 is an important bill at a critical time. To address Senator Birch's questions, she said ACSA agrees with his initial reticence to support a constitutional amendment. Ideally the legislature would do what it did last year or forward fund or do something to ensure reliable funding. The whole point is for school districts to operate efficiently and run like a business. In order to do that, it is necessary to know the budget. ACSA members appreciate that Senator Costello brought this forward. At the end of the day, it needs to be consistent and reliable and this seems to be the best pathway to ensure that.

DR. PARADY said the teacher shortage is a national crisis. Alaska historically is reliant on recruiting teachers from the lower 48, which makes the crisis worse. She noted that the ISER numbers are a bit dated. Currently, teacher turnover in the state is 25 percent and the trajectory is going up, particularly in non-urban areas. In remote, isolated places, the turnover is 60 to 70 percent. That is devastating considering the research on student achievement and the importance of quality staff in

classrooms. Principals are second only to teachers in terms of student achievement and principal turnover is 26 percent. She said the leadership component is also essential. In her five years in office, she has seen almost a 70 percent turnover rate of superintendents. Thinking of it as a business, the teachers are the front line, the principals are the middle management, and the superintendents are the CEOs. She asked what the output of a business is with that kind of turnover.

DR. PARADY said it is important to look at districts as a business as well. Districts are working hard to be efficient and effective and serve their students in the best way possible. She said all policymakers need to understand that reliable and predictable funding is key to their ability to serve students. Her organization just completed an impact survey to learn how individual districts will be impacted by the governor's proposed budget. Their initial takeaway shows Alaska is hemorrhaging teachers because of the uncertainty. A principal told her yesterday that two great nontenured teachers were leaving because he can't give them their contracts. She mentioned the letter she sent to committee members and the timeline and said that unequivocally the highest priority is timely, reliable, and predictable revenue for schools so that they can do the appropriate planning the way the committee would like them to.

9:24:30 AM

CHAIR STEVENS asked her to go through the timeline for the public.

DR. PARADY said pursuant to AS 14.14.060 school districts that are a component unit of a city or borough must submit their budgets to their municipality by May 1. Right now tenured teachers' contracts are being signed. In many school districts nontenured [contracts] are being held as a result of budget uncertainty. If there is no resolution on education funding by May 15, nontenured teachers will likely be pink slipped. That is the hard deadline. There are different timelines in ordinances for submitting budgets. Anchorage has a March 1 deadline. Many deadlines are April 1. Districts are preparing their budgets in December to present to their governing bodies.

CHAIR STEVENS said it is difficult for districts to do hiring without knowing the budget. His sympathies go out to superintendents who must decide what the budget is going to be and must decide whether to hire people without knowing whether the money will be there. It is an enormous problem for superintendents.

SENATOR BIRCH said everyone is subject to a budget. His frustration relates to being involved in local government. There is a disconnect between the two masters. The State of Alaska provides significant funding for education. There is also a local component. A lot of the spending rests with the local school boards, such as contract provisions and health benefits. The legislature doesn't have any control over that. Anyone who has been a parent or in a work environment strives to have certainty and stability in both one's professional and personal life. The pink slip kerfuffle that seems to happen when there's a funding issue has always troubled him. If there is a budget people are subject to, the budget has to be approved, whether state, local, or federal. His frustration is that the pink slip issue is largely a manifestation of a contract provision that could be dealt with at a local level. It is not being dealt with effectively. If the money is not there, someone is not going to have a job. He doesn't know anyone who discounts the importance of education. He has four kids in the Anchorage School District. The fact is that they will fund education this year. He is concerned with the issue of contract requirements. There are hard and fast dates for tenured vs. nontenured. He asked if the difference is a manifestation of state law or a contract provision.

DR. PARADY said school districts do not have control over many costs, such as health insurance. Addressing some of those things from a policy level would provide some relief to school districts. A superintendent this year looks at a budget that takes funding back to 2005 levels, which is what the governor's budget does, and looks at inflationary costs of health insurance since 2005, which districts have no control over, but they absorb those costs in their budgets. If a superintendent in that situation knows and believes that the legislature will not fund education at the 2005 level, but also knows that is all there is at this point, how does the superintendent budget for that. What happens is multiple budget scenarios. One is for the worst-case scenario. The Kenai School District will cut all sports. Districts will do x and y. Enormous amounts of energy are spent trying to anticipate where the budget will land. And then there are the statutory requirements, the tenured/nontenured dates, the ordinance dates, and any specific collective bargaining agreement pieces. It is a complex way to plan for districts. She thanked the committee for what the legislature did last year. It was hard fought and gave everyone in education the opportunity to plan and do budgets with some assurance that they could offer contracts in a timely way and retain and attract teachers. They

want to encourage legislators to stay the course. The law is clear. That action did not bind the hands of future legislators. They were within their rights to put an extension of the effective date on existing funds. That was legal, it will hold if it goes into law.

9:33:46 AM

SENATOR BIRCH commented that testimony in Senate Finance related to education indicated that the cost of health care increased from \$300 million to \$600 million. He said he doesn't understand why local district would not have control over that because they negotiate labor contracts that define how health care is paid and how much is paid.

DR. PARADY said she was referring to the extreme escalating cost of health insurance. Her organization is in the private, nonprofit sector and she's had not control over the 37 percent increase in insurance. Furthermore, she said she doesn't know of a district that has not negotiated with teachers and others to address escalating costs in health care. It's not possible to keep up with the extreme increases even if health care provisions are changed in collective bargaining agreements.

SENATOR HUGHES asked if she had any information on how district employee contributions compare with contributions for federal and state employees and most private sector employees. She said her understanding is that district employee contributions are smaller.

DR. PARADY answered no but she would think that it would look different for each collective bargaining unit. She suggested that NEA may have that information.

SENATOR HUGHES reiterated her understanding but acknowledged that she did not know the numbers.

SENATOR BEGICH reminded the committee that tenure rights are a statutory issue, not a negotiated issue.

DR. PARADY added that teachers become tenured on the first day of their fourth year. This is not negotiated.

9:37:04 AM

TIM PARKER, President, National Education Association (NEA) Alaska, Fairbanks, Alaska, said he is an English teacher from Lathrop High School. He represents 13,000 members from across the state, both teachers and education support professionals. He

said NEA's mission and job is to make sure student learning happens so proposals like this and others that increase student learning are very important and will receive NEA support. He noted that there seems to be unanimous consensus today that stability and certainty are what everyone is looking for. Issues arise when that is disrupted. He thanked the sponsor for this legislation and the entire legislature for the work it did last year in an attempt to provide some stability and consistency. He said that work did not have the intended effect because of the budget proposal. It's a topic statewide but in particular for teachers because their limited term to obtain contracts has started. People are or are not being offered contracts and they are choosing to stay or leave the state. An unintended consequence is that some teachers anticipate they won't receive a contract and they are leaving now. Some of the best teachers are leaving the state.

He thanked the entire legislature for last year's work, which was an attempt to do something similar to this--provide some stability and consistency. It should have had that intended effect. It is not having the entire intended effect now because of the budget proposal that's become the topic of the legislature. Everyone in the state is talking about it. Teachers are talking about it. Teachers have a limited term to obtain contracts. Their window has already started. People are being offered or not being offered contracts. Some are anticipating leaving. That is the unintended consequence. People look down the line and see they are the person who will be let go so they might as well leave. Some teachers of the best teachers are talking about leaving the state because of the lack of certainty.

MR. PARKER said it's critical to focus on attracting and retaining professionals because there is a national teacher shortage and Alaska is in competition with the rest of the country. He noted that more than 20 governors have proposed increasing teacher pay. In Washington state last year salary increases of 20 percent were common. Alaska is not keeping up in the competition. At the same time, recent research shows that enrollment in teacher colleges has dropped 35 percent throughout the country. In part it's because the profession has been picked on and insulted. Alaska has to hire many teachers from Outside because Alaska colleges produce 200 to 250 teachers a year, and the state needs close to a thousand teachers every year.

MR. PARKER said another factor is that Alaska has the worst retirement in the country for teachers. Forty-nine states have

defined benefits or a hybrid. Alaska is the only state that has defined contributions only and no Social Security. The youngest educators realize that it is a mammoth risk factor and they are leaving. Portability that was put in the 2006 package looked attractive when salaries were going up everywhere else combined with the disruption in Alaska created a perfect storm and people are leaving. It is hurting the system.

MR. PARKER advised that the Alaska Education Challenge (AEC) report was on the DEED website. He said the commissioner is highlighting the trajectory to prepare, attract, and retain effective education professionals and the State Board of Education is leaning into that. The national research cited in the report suggests that outcomes improve when students receive quality instruction from well-prepared teachers and that teacher turnover negatively affects student outcomes.

MR. PARKER described SJR 9 as part of the solution to high teacher turnover rates. It provides stability and that leads to better student outcomes. Teachers who stay are able to form relationships and improve student trust, all of which increases the likelihood that learning will occur.

[9:48:47 AM](#)

CHAIR STEVENS said that his experience in high school was that forming relationships with teachers who were there year after year was very important in building trust.

SENATOR BEGICH explained that by statute, tenured teachers must be notified by May 15 and all others by the end of the school year that they will not be retained. That is not part of contract negotiations.

SENATOR BIRCH asked if it was necessary to issue pink slips because they're inevitably turned around. He shared that he supports advance funding for education like the legislature did last year.

MR. PARKER replied he didn't know if they were necessary. He said pink slips are a question mark and people are forced to make career decisions based on that question mark. Some choose to stay but most do not.

[9:51:32 AM](#)

SENATOR BIRCH commented that when he was in local government the Anchorage School District health care plan was always shrouded

in mystery and not very transparent. He asked how health care is generally offered to teachers across the state.

MR. PARKER said that health care is an important component because everyone has suffered from explosive health care increases. Health care in Alaska is outpacing prices in the lower 48, which is why people fly to Seattle for low-level things like colonoscopies. He said NEA members, who tend to be slightly older and mostly female, place a high premium on health care. Other memberships, like a group of 25-year-old men, might place a different value on health care. He said various arrangements are made for health care throughout the state. The Public Education Health Trust is one of the larger options that can be negotiated. Other areas, like Fairbanks and Kenai, are self-insured. Trusts cannot stop increases in health care costs because they are subject to the same hospital and doctor charges as everyone else. He said he doesn't know what to do about it. That is not his area of expertise.

SENATOR HUGHES asked if he could speak to the average employee contributions for health care in districts across the state. She said her understanding is that those contributions are low compared to federal and state employee contracts.

MR. PARKER said he would follow up with the numbers comparing the two groups. He continued to say that the only difference is that NEA puts a high premium on health care. In general, NEA members on average are 52 years old and female. NEA bargains health care and is always willing to pay more to keep members from going without health care.

SENATOR HUGHES asked him to follow up with the information.

MR. PARKER agreed to do so.

9:56:30 AM

CHAIR STEVENS said the National Conference of State Legislators had a federally-funded program called Legislators in the Classroom. It was a wonderful program that stopped when the grant funding ran out. He said there was no cost to it and he would hope that school districts would invite legislators into classrooms. He related that last year he spent an exhausting half-day in a first grade class and he was in awe that the teacher, a woman in her 50s, had complete control of the class. He emphasized the importance for all legislators to take time to go into the classroom.

SENATOR HUGHES expressed concern about the national teacher shortage, the loss of teacher accreditation [for the University of Anchorage (UAA) Alaska School of Education], and the national reduction in students enrolling in teacher preparation programs. She asked if there was any information that shows the correlation between schools with high turnover rates and lower academic performance. She said that is important information for legislators as they consider education funding.

MR. PARKER said that by any measure, whether it is the National Assessment of Educational Progress, the state's PEAKS assessment, MAP [Measures of Academic Progress] assessments, or teacher assessments, high teacher turnover horribly disrupts students' ability to learn in the classroom. Studies show that it is never good when positions can't be filled or are filled by long-term substitute teachers, but that situation is becoming more common.

He said NEA is watching the UAA situation carefully. If the university system were to produce fewer teachers than it does now, recruitment from outside Alaska would need to increase. ISER studies show it costs \$25,000 to recruit a new teacher from the lower 48. He noted that University President Johnsen has talked about ways to increase the numbers in the teacher programs in the state and NEA supports that, especially if people from across the state enter the programs and then return as teachers to wherever they came from. He noted that at Lathrop High School all the teachers who attended Lathrop as students are recognized in the first assembly of the year. It's very powerful for the students to see that. He said the successes in the system are almost always associated with a solid community base and it's important to build on that. It's a win for everyone.

CHAIR STEVENS opened public testimony.

[10:01:09 AM](#)

NILS ANDREASSEN, Director, Alaska Municipal League, Juneau, Alaska, said the Alaska Municipal League (AML) is comprised of 165 municipalities and incorporated cities and boroughs across the state. State budget appropriations and allocations are of extreme importance to the health and well-being of local governments. AML is the advocacy arm of Alaska's municipalities. He said AML believes that SJR 9 is beneficial to local government. The National Conference on State Legislatures (NCSL) knows that states bear the burden of ensuring that the statewide school finance system is founded on sound governance principles.

This includes promoting predictability and stability of education revenues and expenditures over time. He said every state constitution contains a clause that requires the state to provide a system of free public education. The Alaska Municipal League has been a proponent of forward funding the education budget. In 2006 and 2007, after ISER studies of the time, AML voted on resolutions that advocated for stable and predictable funding. Since 2012, AML position statements have included support for full forward funding of education foundation programs, school bond debt reimbursement, and construction programs.

MR. ANDREASSEN said AML remains committed to giving school districts the lead time needed to recruit and retain qualified and high-performing teachers and opposes reductions to school funding or school bond debt reimbursement. He said sudden alternations in funding and dramatic shifts in funding levels cause havoc as districts try to implement programs and local governments try to respond. Thus, funding stability is required for the adequate management of school districts. He pointed out that billions of state and local dollars have been expended on educational infrastructure and sudden reductions in funding inevitably cause the deferral of maintenance for such massive investments. This increases the eventual price tag when minor maintenance issues become critical failures.

MR. ANDREASSEN said AML cannot comment on whether SJR 9 should be a constitutional amendment or a statutory change, but they are advocating for something to be done to shift the state from uncertainty and conflict towards sustainable, affordable, and predictable solutions. Such solutions cannot come at the cost of student achievement. They should be implemented over time and should correspond to local conditions, planning, and negotiated agreements. At the local level and for school districts, this resolution is a critical step toward improving educational attainment in Alaska. This improves municipalities' ability to budget accordingly and plan for increases or reductions to local school districts. He highlighted that there is a wide range in the ability of local governments to respond to funding increases or decrements. One borough recently pointed out that there is a six-month lag between a state decision that affects the borough's budget and their ability to implement a tax to make up the difference. He said local taxes can shift according to local need and SJR 9 builds on this responsiveness.

[10:06:16 AM](#)

SENATOR BIRCH asked if he could speak to the status of the Teacher Retirement System (TRS) and Public Employee Retirement System (PERS) liability from a community standpoint.

Mr. ANDREASSEN replied the TRS and PERS issue is critically important and a component of education funding. He said his understanding is that municipalities are challenged by this issue. PERS affects 64 of the 165 municipalities AML represents. He said he doesn't know the number of school districts affected. It is a large percentage of district and local government budgets. Right sizing a budget in response to a state funding decision doesn't take away any of those liabilities. A reduction in the state workforce increases the overall net pension liability for all employers and municipalities make up 18 percent of that employer base. State reductions or reductions across the employer pool add to the net pension liability and overall the unfunded liability, which increases the state contribution or on behalf payment. He said it is a significant issue. School districts or local governments are challenged to anticipate increases in health care costs and the state pension system is similarly challenged. AML's perspective is that health care increases within the pension system have been the greatest destabilizer to PERS and TRS over the last 20 years.

SENATOR BIRCH said he looked forward to working together on a solution.

10:09:04 AM

SARAH SLEDGE, Director, Coalition for Education Equity (CEE), Anchorage, Alaska, said CEE's mission is to champion an adequate and equitable public education for every Alaskan child. A top priority is adequate state investment in Alaska's public education system. This includes ensuring that public education funding is reliable and that funding decisions are made in a timely manner to enable school districts to plan efficiently and responsibly. SJR 9 puts students first by removing the financial uncertainty schools have faced year after year throughout the budgeting process and is critical for ensuring a long-term fiscal plan for public education. She said CEE is continually asking school districts to plan and budget effectively, looking for efficiencies where possible.

MS. SLEDGE said that the Alaska Association of School Business Officials (ALASBO) testified last year about the ways that school districts are able to plan budgets more efficiently when they have advance knowledge of the budget. They can look for contracts, budget travel, and hire teachers. She related that

when she worked with United Way of Anchorage, she worked on research around protective factors and children outcomes. It correlates certain protective factors with positive behaviors and academic outcomes in students. The top protective factor for students is a supportive adult relationship. That correlates to positive behaviors like attending school, better grades, and decreases in risk factors such as depression and suicide. She highlighted that this is an increasing concern, especially in the rural areas of Alaska.

MS. SLEDGE said that most school districts that she represents are rural and have just a handful of teachers. Mr. Parker mentioned how difficult it can be to build that trust relationship with young people. But in some of those schools, those relationships are built quickly, and children come to depend on their teachers for that support. When those teachers leave year after year, it is devastating to the students. She emphasized that increasing teacher retention is critical to the success of these kids.

MS. SLEDGE said any effort to stabilize K-12 funding will allow public schools to budget effectively and efficiently, which leads to greater ability to recruit and retain quality educators and greater capacity to focus on maintaining and improving quality instruction for Alaskan children.

SENATOR BIRCH noted that later today another committee will consider telemedicine. He asked her perspective of using distance learning in rural areas for K-12.

MS. SLEDGE replied that some school districts are successfully using a video teleconferencing model to expand curricular options in the smaller villages. She emphasized that it does not replace having an adult in the classroom, but it can expand the content that is provided.

SENATOR BEGICH asked about the limits on broadband and connectivity in rural villages, which create obstacles for that type of learning.

MS. SLEDGE replied that many communities don't have access to the broadband needed for video teleconferencing. Others might have the bandwidth, but it is another budgeting concern for school districts to get access to the bandwidth needed to do video teleconferencing.

SENATOR HUGHES said she has a bill for that and the senator from Bethel has a broadband funding bill, which is timely and will open opportunities, help with the teacher shortages, and increase academic learning. She thanked Ms. Sledge for her insights. She commented that there are pockets of excellence and some districts do a phenomenal job, but overall the statewide academic performance is lacking. The legislature has work to do, she said.

[10:17:21 AM](#)

TAMMY SMITH, State Director, National Education Association-Alaska, Fairbanks, Alaska, said that she is a teacher on spring break and thrilled to be in Juneau because this is so timely. She emphasized that districts need to be able to plan ahead. Being able to recruit and retain teachers is critical to students and to improve student learning. She related how traumatic it was to receive pink slips as a young teacher in 1989, 1990, and 1991. She considered leaving Alaska. She said when she was pink slipped in the past, there were many applicants for positions and now that isn't the case. The shortage of teachers is real across the country. For Alaska to sustain the education environment it is necessary to be proactive.

MS. SMITH said she also wanted to address Senator Birch's comment about using technology for distance education. She suggested the committee ask students how it feels to be put in front of computers before looking at technology as a way to support districts. She is a special education teacher for K-8 students who struggle with reading, writing, and math. They get tired of being in front of a computer too long. They like being with a teacher.

CHAIR STEVENS asked if she would say that distance learning is valuable in some cases but doesn't fit all situations and all students.

MS. SMITH answered absolutely.

[10:24:10 AM](#)

SENATOR BIRCH asked what year she received her first pink slip.

MS. SMITH replied in 1989 or 1990.

SENATOR BIRCH said he remembers that.

MS. SMITH noted he was on the borough assembly at that time.

CHAIR STEVENS thanked her for persevering and staying in Alaska.

SENATOR BEGICH referenced earlier discussion about distance learning and explained it related to a bipartisan omnibus bill the legislature worked on the last two years to improve education. The testimony in Florida and New York made it clear that a capable teacher must be in the room and that distance learning is for bringing content experts that would not otherwise be available. It is never the intent to replace classroom teachers. That was said on the record many times. The idea was always to enhance the classroom as opposed to replacing classroom teachers.

SENATOR BIRCH commented that his children got a great start in school as Pearl Creek Puffins in the Fairbanks North Star Borough.

MS. SMITH said her students were the Nordale Tigers.

[10:26:44 AM](#)

CHRISTINE VILLANO, National Education Association (NEA)-Alaska, Fairbanks, Alaska, supported SJR 9. She said she has been involved in education for 40 years. She taught in Saint Mary's in rural Alaska and later in Fairbanks, mostly at Denali Elementary. As a young mother she advocated with the Parent Teacher Association to Senator Birch who was on the borough assembly to rebuild and keep Joy School. She said she has a passion for education as a parent, grandparent, and teacher leader. She noted that one of her daughters teaches special education in Shishmaref and one is a scientist at the University of Alaska Fairbanks and does outreach in classrooms.

MS. VILLANO said that in her experience, budget stability leads districts and educators to focus on the core mission of student success and support. As a village teacher, it is not only important to build relationships with kids, but also with their families and the community. That is true in towns also. In Fairbanks she sees people she has known for years. Senator Kawasaki came to her Girl Scout troop with his sister. Relationships are the core of good education. When she was at Denali, she started teaching kids of kids. They knew and trusted her. She was pink slipped as a beginning educator. It makes people want to quit and leave the state or profession. Now with the teacher shortage, the best and brightest will leave, especially as there is not a good retirement system. One of the teachers of the year, who she has known since he was a kid, told

her he is going to leave Alaska because he does not have a good retirement. He is in his mid-30s and that gives her concern for the future of Alaska. When she was pink slipped, she was very worried and concerned, and that ripples down to kids. That is why she supports SJR 9.

SENATOR BIRCH said teachers achieve tenure on the first day of the fourth year. He asked if pink slips are only given to nontenured teachers.

MS. VILLANO said her understanding is that nontenured teachers are pink slipped first and then tenured teachers can get pink slipped.

10:38:15 AM

ERIC PETERSON, President, Alaska Association of Elementary School Principals; Principal, Paul Banks Elementary School, Homer, Alaska, supported SJR 9. He said early funding is the most important topic in the budget discussion. He has three teachers without contracts for next year because of not knowing what the funding will be for next year. His fear is that he will lose them. As a principal, he invests a lot into his new teachers, but they may be taking those skills and knowledge to a new city or state. If funding does come after he has dismissed these teachers, he fears he will be hiring in the summer. In the past when he has had to hire in the summer, the candidate pool got shallow very quickly. Most importantly, without knowledge about funding and who will be teaching in the school, he cannot build classrooms for next year. That pushes all that work until the fall. He loses a window of opportunity for his students. He has a Title 1 school with high-needs students. They are deliberate about who they put where. When he knows who the teachers are, they can start building relationships with those high-needs students. That practice reduces fear in students because they know where they will be next year. His school is also a special education magnet school with an intensive-needs preschool. In the spring there are transition meetings. When he has early funding, they can meet with parents and build teams. It helps relationships and builds trust. Many teachers will do activities in summer and invite those students. People assume the school year starts in the fall, but it starts in the spring. From a principal's standpoint, not being able to answer parent and community questions doesn't allow him to build trusting and relationships as much as he would like. He asks the legislature to fund school districts early.

10:42:04 AM

DAVID NEESE, representing self, Anchorage, Alaska, supported SJR 9. He said it is a good component because it reinforces Judge Sharon Gleason's comments in the Moore vs. State of Alaska decision that education in Alaska is K-12 in nature. That is not in the constitution. With mandatory education beginning at age seven, it is important to clarify that. He said the information in the bill packet is eye opening. The history of the budget shows that for the most part the legislature has missed the May 1 date that this proposes. The main problem is AS 14.14.060, as Dr. Parady pointed out, which requires the budget to be submitted by May 1. He said the big problem is there is a hold harmless clause for funding schools, but not for teachers. It would solve the problem to put a hold harm clause in AS 14.14.060 that districts will have to continue sending their state funding into the teacher positions. Moving to a later date would also work, but it's been pointed out that the school year ends in May and many teachers are looking for where they are going to be next year so the decisions in June on rehire is not good. Pink slips could be eliminated by added a hold harmless clause that said if the budget is not resolved by a certain date, school districts will keep employing people in the same round as last year. He said he appreciated the testimony from the people in the education industry. He asked if any members of the committee received funds from NEA. If so, they should declare a conflict. He said he is pleased that Senator Costello brought this forward to make sure that the constitution says that education is K-12.

CHAIR STEVENS stated that he did not receive campaign funds from NEA in his last election.

[10:46:00 AM](#)

DIANNE SHIBE, President, Matanuska-Susitna Education Association (MSEA), Wasilla, Alaska, supported SJR 9. She said forward funding is an anomaly in this state. That makes this resolution imperative to reduce the guessing game and the chaos that too often ensues in districts every spring. This uncertainty does not help make teaching an attractive profession, which is essential to improving the education system in Alaska so districts stop losing teachers and incurring the cost of constant recruitment. Those funds could be going into the classroom.

[10:46:53 AM](#)

DAN CARSTENS, President, Alaska Association of Secondary School Principals; Principal, Nikiski Middle-High School, Nikiski, Alaska, supported SJR 9. He said he experiences the need for

forward funding on a yearly basis. The reality of pink slips is that if a contract is not offered to a nontenured teacher, they automatically receive a contract on their last day of work, so what happens is by the middle of May, they will receive a letter saying they are nonretained due to cause or nonretained due to budget. Right now a lot of teachers will not be retained due to budget. Most of those teachers do not come back once they have left the state. His district must submit a budget by April or the board meeting the first of May. Historically his school has not received a budget from the state by then. School requests to the borough to fund to the cap are sometimes successful and sometimes not. Principals then have the task of preparing different scenarios with different pupil-teacher ratios. They prepare an initial budget with no idea if that will be the actual budget. When nontenured teachers leave, tenured teachers often end up teaching in content areas they are not certified in. This is permissible because as long as a teacher is teaching over 50 percent in their content area, the teacher can teach in other areas if working toward certification in that area.

MR. CARSTENS said every spring kids are asked what classes they want to take next year, but there is no guarantee of what they will be able to offer. Students have to make five or six choices which makes it difficult to schedule fall classes. Forward funding would let schools know what they are looking at and what staff they will have. That is huge for planning for subsequent years, he said.

10:51:52 AM

SHAWN ARNOLD, Superintendent, Valdez City Schools, Valdez, Alaska, supported SJR 9. He said he is also president-elect of the Alaska Superintendents Association. He reported that ISER research from last year shows that it costs a district a minimum of \$20,000 for every teacher turnover. He saw that impact firsthand when he was superintendent of Nome public schools for four years. The average turnover rate for the district was about ten to 15 teachers a year, which was a significant cost.

MR. ARNOLD said he does a lot of research into other education systems. Many comparisons are made to Finland, and one thing Finland does right is to forward fund. That makes education funding predictable and timely. There is no discussion of cuts every year. A general principle in effective funding of education systems across the globe is ensuring that funds are allocated in a transparent and predictable way. The value of predictability for Alaska school districts cannot be overstated. When funding levels are obscure, complicated, and unstable,

districts are forced into bad behaviors. It takes more than two to three months to comprehensively evaluate spending, reflect on progress, and develop new budgets, yet districts are forced to wait for final cuts to be handed down from the legislature before their local budgets can be finalized.

MR. ARNOLD said that if districts are expected to spend responsibly, they need to be given the time to plan accordingly. Equally important, legislators need the ability to project state investments years into the future for sound debt management. Strategic thinking and long-term planning are central to successful governance of complex education systems. Timely, reliable, and predictable funding of future resource needs ensures the education system long-term fiscal sustainability and development of clear implementation paths for education reforms, such as the Alaska Education Challenge. Forecasting resource needs in education involves anticipating developments and the demand for services across different education levels and sectors as well as their implications for human, pedagogical, fiscal and financial resource needs. By providing for predictable funding for K-12 schools, legislatures are investing in the economic future of the state and the future of Alaska's children.

[10:56:44 AM](#)

PETE HOEPFNER, School Board Member, Cordova School District, Cordova, Alaska, supported SJR 9. He said creating a separate education budget will let school districts budget with certainty and predictability. In the past, education was forward funded for multiple years. At one point districts had three years of forward funding. Over the last few years education funding has not been determined until late in the session, leading to uncertainty. The present teacher shortage in the nation and the uncertainty in Alaska does not create a healthy work environment. School districts need reliable and known funding.

[10:58:05 AM](#)

ROY GETCHELL, Superintendent, Haines Borough School District (HBSD) , Haines, Alaska, supported SJR 9. He said Haines is a Title 1 school, but one of the highest performing ones in the state. One of the reasons is that they have high-quality teachers who have been there a while. In Haines and across Alaska, kids are in classrooms and teachers are teaching while the debates go on about their future. The yearly angst created by not knowing what programs will be cut or funded, jobs lost or gained, strategic plans implemented or shelved, is a dilemma for school districts. It is impossible to properly plan, it is bad

for morale, and it requires reaction vs. strategy. Putting aside the devastating cuts, SJR 9 would help HBSD's strategic plan to hire another math teacher to give high school students higher level options. That aligns with what the governor talked about in his campaign and with the Alaska Education Challenge. But due to the funding uncertainty the district faces, that option is off the table. He shared that in 1991 he was at Captain Cook Hotel at the Alaska teacher job fair with 3,500 other teachers and he didn't get a job. He said this is his first opportunity to work in Alaska and he is privileged to be here. Before being hired in Haines, he worked overseas for the United Arab Emirates. That country is probably importing a thousand or more American teachers a year. That pales in comparison to other countries who value American training and are promoting English within their own systems. Thus, Alaska is facing a two-headed monster of predictable funding and being able to recruit and retain the best.

[11:01:11 AM](#)

PATRICK MAYER, President, Alaska Council of School Administrators (ACSA); Superintendent, Yakutat School District (YSD), Yakutat, Alaska, supported SJR 9. He said it is exceedingly important for school districts to have timely, reliable, and predictable revenue for schools. This is a key component in ACSA's 2019 joint position statement. School districts cannot operate efficiently and effectively without knowing their revenues. For example, Yakutat and other small school districts operate on a thin financial margin. Yakutat has just one teaching position to fill this year, but that is 16 percent of their certified staff. It is difficult to make the decision to go forward with that hire because of the governor's budget proposal and the fact that staff costs make up the majority of a school district's budget. The current situation suggests a particularly protracted timeframe for budget finality and now is the hiring season. He said YSD has decided to roll the dice and try to hire the one teacher, but they are aware that the decision comes with some risk. He asked the committee and legislature to take the issue of timely, reliable, and predictable funding seriously. Early notification of funding is crucial to sound financial management as well as to recruiting and retaining quality educators. Stabilizing districts budgetarily will improve student achievement. He said he also wanted to note that the bandwidth disparity is a huge equity issue in the state. He concluded that getting rural districts enhanced bandwidth would be phenomenal.

[11:04:50 AM](#)

JILL SHOWMAN, representing self, Palmer, Alaska, supported SJR 9. She said she is a teacher who is not concerned about losing her position, but several of her colleagues are. Nontenured teachers get nervous this time of year because they don't know if they will have a position next year. Mat-Su will not issue contracts to nontenured teachers until the budget is set. The anxiety of the new teachers is real and affects their community and comes into the classroom. She said she moved from Iowa in 1997 and was pink slipped three years in a row when she lived on the Kenai Peninsula. She chose to stay, but others left because there was no guarantee of a job the next school year. Alaska lost a lot of great teachers then and can't afford to do that now, particularly with the uncertainty at UAA. She related that she also taught an elementary education class for the University of Alaska Southeast about a decade ago. At that time the highest enrollment in her class, which was the last curricular class for teachers entering elementary education, was 12 to 13. She said Alaska already has to recruit teachers from Outside and those candidates also must be retained. It is easier to retain current staff than recruit new candidates. She agreed with earlier testimony that Alaska is not only competing with the U.S. but with international schools.

CHAIR STEVENS said the UAA regents are considering the loss of accreditation now and he is convinced they will find a solution by using other campuses while working to get UAA accreditation back.

[11:08:00 AM](#)

CONNIE NEWMAN, Superintendent, Iditarod Area School District (IASD), McGrath, Alaska, supported SJR 9. She said Iditarod is a Regional Education Attendance Area in the heart of Alaska. Forward funding enhances recruitment and retention of highly qualified staff, supporting student success in school and life. She shared that she was pink slipped in her first year in education in Idaho and she left and did not return. She described the challenge of teacher turnover in the Iditarod Area School District. IASD started recruiting in January and February last year to get their staff. They anticipate losing 11 positions, which is more than 54 percent of the district teaching staff.

CHAIR STEVENS commented that a remarkable number of testifiers have experienced the anxiety of being pink slipped.

[11:09:59 AM](#)

BRIDGET WEISS, Ph.D., Superintendent, Juneau School District (JSD), Juneau, Alaska, supported SJR 9. She said she was born and raised in Juneau. She spent the first 26 years of her career in Washington. She came back to Alaska and was principal of North Pole High School for four years. She brought teachers on board who worked effectively with existing staff and energized that system. She was put in a position of sitting face-to-face with new, effective teachers and telling them they might not be back in August. That was very detrimental to young teachers starting their careers. Before becoming superintendent in Juneau, she was director of student services in Juneau and supported the special education program. Looking at teacher openings in the state shows that year after year districts are desperate to fill special education positions. That is one of the most challenging and crucial positions to fill. That type of vulnerability makes it hard to recruit. For a whole family to move, there must be a perspective of state stability. SJR 9 is a critical lifeline to make that possible. There are so many interconnected pieces and critical overlays. Attracting and retaining quality educators is strongly tied to this. It is one of the Juneau's school board initiatives. It is a legislative priority for the administrators' association. It is critical to work being done around student achievement in Alaska. Most of the school districts in Washington increased their teacher salaries from five to 18 percent through legislative action. That makes it harder for Alaska to compete. She emphasized the importance of having a desirable economic environment to provide the opportunities for people to come and fill these most needed positions. What is done in education is the lifeline for the future and economy of the state. Like herself, many students return to Alaska and contribute to their communities and the economy.

[11:14:48 AM](#)

CHAIR STEVENS closed public testimony.

[CHAIR STEVENS held SJR 9 in committee.]

[11:15:05 AM](#)

There being no further business to come before the committee, Chair Stevens adjourned the Senate Education Standing Committee meeting at 11:15 a.m.