

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

April 4, 2019

9:01 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

CONFIRMATION HEARING(S) :

University of Alaska Board of Regents
Darroll Hargraves - Wasilla

CONFIRMATION ADVANCED

Alaska Board of Education and Early Development
Tiffany Scott - Kotzebue

- CONFIRMATION ADVANCED

SENATE BILL NO. 79

"An Act relating to course credit for students; relating to annual reports regarding school district performance and school district employees; relating to school operating fund reserves; relating to competency examinations for teacher certificates; relating to the duties and powers of the Department of Education and Early Development; relating to the Professional Teaching Practices Commission; relating to a virtual education consortium; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 79

SHORT TITLE: VIRTUAL ED/TEACHER EXAM./COURSE EXAM.

SPONSOR(s): SENATOR(s) HUGHES

03/06/19	(S)	READ THE FIRST TIME - REFERRALS
03/06/19	(S)	EDC, FIN
03/26/19	(S)	EDC AT 8:00 AM BUTROVICH 205
03/26/19	(S)	Heard & Held
03/26/19	(S)	MINUTE (EDC)
04/04/19	(S)	EDC AT 9:00 AM BUTROVICH 205

WITNESS REGISTER

DARROLL HARGRAVES, Appointee
University of Alaska
Board of Regents
Wasilla, Alaska

POSITION STATEMENT: Testified during his confirmation hearing.

TIFFANY SCOTT, Appointee
Alaska State Board of Education and Early Development
Kotzebue, Alaska

POSITION STATEMENT: Testified during her confirmation hearing.

SHEILA MORRISON, Intern
Senator Shelly Hughes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Reviewed SB 79 summary points for bill sponsor.

JUDY ELEDGE, representing herself
Anchorage, Alaska

POSITION STATEMENT: Supported SB 79.

LISA SKILES PARADY, Ph.D., Executive Director
Alaska Council of School Administrators
Juneau, Alaska

POSITION STATEMENT: Gave her organization's perspective on SB 79.

WILLY KEPPEO, representing himself
Quinhagak, Alaska

POSITION STATEMENT: Provided his perspective on educational issues in the Lower Kuskokwim School District.

ACTION NARRATIVE

[9:01:16 AM](#)

CHAIR GARY STEVENS called the Senate Education Standing Committee meeting to order at 9:01 a.m. Present at the call to order were Senators Birch, Hughes, Begich, and Chair Stevens.

**CONFIRMATION HEARING(S): University of Alaska Board of Regents
Alaska Board of Education and Early Development**

[9:01:27 AM](#)

CHAIR STEVENS announced the continuation of the confirmation hearing for the governor's appointees to the University of Alaska Board of Regents.

CHAIR STEVENS asked Mr. Hargraves to give his personal background, what he brings to the board, why he is interested in serving, and any goals he may have to improve the university system.

[9:02:26 AM](#)

DARROLL HARGRAVES, Appointee, University of Alaska Board of Regents, Wasilla, provided his work history. In 1969, he arrived in Fairbanks on his way to teach in Barrow. After Barrow, he taught in Kivalina and Gambell. He served as an intern for the University of Alaska (UA) and later as the director of Statewide Programs and Services. In 1974, he became the superintendent in Nome, and later in Ketchikan. After he retired, he served as a consulting superintendent for five different school districts. He served as a member and as chair of the Local Boundary Commission under four governors. He has traveled to or is familiar with many communities in Alaska, except for the Aleutian chain.

MR. HARGRAVES said he is pleased to assist the University of Alaska, although he was unaware of the depth of the university's problems when he agreed to serve on the Board of Regents. He said he hoped the university could solve these issues so it can move on to others, such as completing the land grant. The university owns approximately 145,000 acres of the 360,000 acres it is entitled to under federal laws enacted in 1915 and 1929. Currently, the university's administration is still deliberating over budget cuts. He expressed concern over losing the accreditation for the teacher preparation program in Anchorage.

He offered his belief that the University of Alaska can streamline functions between its campuses and become a statewide system. For example, one credit hour at one campus should equal one credit hour at all campuses.

[9:07:02 AM](#)

CHAIR STEVENS asked him to reflect more on the teacher preparation programs. The university lost accreditation for some teacher preparation programs at the University of Alaska Anchorage. He recalled that the UA president, [Jim Johnsen] has recommended to the board that it consider closing the School of Education or part of it. He expressed concern since the majority of the teacher education program was affected. He asked Mr. Hargraves whether the UAA should apply for reaccreditation again, or if the program can be addressed at the Juneau and Fairbanks campuses.

MR. HARGRAVES replied that the Department of Education has one of the most direct influences across the state. He related his understanding that after the spring and summer semesters, the university anticipated up to 350 students planned to enter teaching from that campus. That could help address the teacher shortage in Alaska. He said the young people in the program are exactly what the state needs. He expressed concern that these students would not be certified. Although he could not speak for the Board of Regents or the administration, it was unthinkable that a department could lose accreditation so easily, he said. He has had extensive experience with the Northwest Accreditation Commission. Institutions just do not lose accreditation overnight, he said. He has not yet figured out the reason, but he hoped that the people responsible for this were fired. The University of Alaska Fairbanks and University of Alaska Southeast could continue to train teachers under their accreditation, he said.

CHAIR STEVENS said he is certainly the right person to be there at this tough time for the university.

[9:12:15 AM](#)

SENATOR COSTELLO said education is the most important issue in the state since it trains young people for jobs. She asked him to identify the number one challenge facing Alaska as a member of the Board of Regents.

MR. HARGRAVES explained that the Board of Regents hires and fires the University of Alaska president, approves the budget, and establishes other policies for the university. Currently,

the budget and the accreditation of the Department of Education were the two biggest problems facing the Board of Regents. He said that in general, education has been going through a restructuring process of necessity due to revenue shortfalls. He predicted that this process will continue, which will result in increased distance delivery for all levels. Thirty years from now classrooms simply may not be used. In fact, some Lower 48 universities have been very successful using distance delivery. Some campuses, such as the University of Arizona, run full programs completely by distance delivery, he said.

SENATOR COSTELLO raised two concerns: teacher turnover and the timing of the budget, which requires districts to write several budgets and lay people off. Educators know that having consistent adults in a young person's life can help alleviate adverse childhood experiences. She offered her belief that the budget process is almost untenable. The legislature puts districts through churning, but ultimately don't change much with the budget. The legislature does not pass the budget until the very end. so talented teachers leave the state.

She characterized it as a chronic problem. She expressed concern that the university system faces the loss of accreditation, which seemed almost due to a lack of communication because it was not appealed. At this point in the state's history, the state was still shining a light on problems in education. She said that she hoped for leadership to address issues. She introduced legislation to help alleviate education funding issues and early funding education earlier would save the state \$20 million. She asked whether he viewed teacher turnover as a problem related to the pink slip issues due to the legislature's budget passage timing, which falls late in the session.

MR. HARGRAVES said that during his time in Nome as a superintendent, annual teacher turnover levels historically were 45 to 50 percent. During that time, teacher positions were filled by telephone, so he hired people from all over the United States. Any local certified teacher automatically got a job, he said.

He said that in the early 70s that the state obtained a Ford foundation grant to train teachers in order to keep them in the state, but it was not particularly successful. However, teacher turnover has always been a problem. He expressed concern that with the loss of teacher training in Anchorage the problem would get worse. In fact, superintendents and school districts all over the state travel to the Lower 48 to contact teacher

placements trying to locate applicants since not enough applicants in Alaska apply.

MR. HARGRAVE agreed that one of the biggest problems in the system was the big delay in getting an approved budget. Some school districts were successful working within that process. However, it would be fantastic to fund education a year in advance to allow districts to prepare their budgets and know the number of teacher positions to keep. He acknowledged some disadvantages would be experienced in that process, but overall it would be a better process.

SENATOR COSTELLO said the legislature has done a lot to help the state to grow their own engineers with programs. She would hope the efforts would turn to cultivating new teachers, perhaps by finding a means to identify people in rural areas who want to teach in rural communities.

CHAIR STEVENS suggested the legislature could review the nursing program for successes since having the program in the state has made a difference.

9:21:08 AM

SENATOR BEGICH said he agreed that the current accreditation should be extended to students in Anchorage so these students can receive a meaningful certificate. He wanted to put on the record that he does run a scholarship program for students who go to University of Alaska Anchorage to become educators. His bigger concern is the president's comments that he does not intend to pursue accreditation. He said he didn't hear Mr. Hargraves directly address that aspect. He asked him whether he agrees with the university president or if the University of Alaska Anchorage should pursue accreditation.

MR. HARGRAVES remarked that it was a terrible thing for UAA to lose the education accreditation. As a member of the Board of Regents, he has not yet been fully informed about what President Johnsen will recommend since the University of Alaska's president has not met with the Board of Regents. He said he would work to keep the program in place. One problem he envisioned was that the university would lose a minimum of two to three years of accreditation, so students in these programs will graduate without it. If the UAA were to reapply for accreditation, it would still take time to reinstate it. He pointed out the Department of Education rules currently require accreditation, although he understood that some states did not find that particular accreditation necessary. Still, Alaska

adopted it, so each campus enrolled students in the programs. These students paid tuition with the understanding that their programs were accredited. He suggested that some type of extension program might help the University of Alaska retain its education students. However, at this time the Board of Regents does not have enough information to respond.

9:24:56 AM

SENATOR BEGICH related President Johnsen's intent was to recommend that the Board of Regents not pursue the accreditation program any longer. He recognized the potential two-to-three-year transition for accreditation. However, he would like something more concrete. He would like his community, which is the largest in the state with 40 percent of the population, to have an accredited university. He related his understanding that Mr. Hargraves will need to listen to what the UAA president suggests as a solution. However, he hoped that Mr. Hargraves would be more aggressive in supporting Anchorage's and essentially the Mat-Su's School of Education. He urged him take accreditation seriously and the need for Anchorage to have an accredited School of Education.

CHAIR STEVENS related his understanding that the board would meet this month to address this issue vis-à-vis the UAA president's recommendation. He related his understanding that this issue would not affect the entire University of Alaska School of Education, that it would be limited to part of the program. He said he assumed the other programs would continue.

MR. HARGRAVES acknowledged that he has read the news reports. The Board of Regents received notice that the UAA president will make recommendations at the next board meeting. His first impulse is to find a way to get that accreditation back in place, he said.

9:28:18 AM

SENATOR BIRCH said he appreciated Mr. Hargrave's advocacy for the land grant program. He briefly discussed the University of Alaska's history. In 1917, it was founded as a School of Agriculture and College of Mines when the federal government committed land to establish the university. In 1959, Alaska's first legislature granted a million acres of land to the university. He said he appreciated Mr. Hargrave's aspirations, including for distance learning. He said he attended the University of Alaska in the late 60s and 70s when it was one university. Now the UA has three major campuses and 13 satellite campuses. He questioned whether the UA can operate in so many

locations. In fact, this is something he struggled with when UAA Fairbanks opened a second College of Engineering many years ago.

MR. HARGRAVES said that while he was still at the UA, he was tasked to create the Tanana Valley Community College (TVCC). He pointed out that there was no need for new buildings. Although the university built an administrative building for TVCC, the college shared the Hutchinson Career Center and Fairbanks North Star Borough School District (FNSBSD) facilities to meet its needs. Since the Community College Act of 1962, the UA via memorandum of agreements has used local school buildings, he said.

MR. HARGRAVES explained that years ago, a prior UA president decided that it made sense to abolish the MOA's and build its own buildings, which the legislature supported. The proliferation of physical assets for the university at some sites never made any sense to him. He has observed these facilities in communities, which sit dark all day. Even if these facilities weren't staffed, each one hired a director, he said. He offered his belief that school district facilities could satisfy all of these communities' needs. He suggested returning to the community college concept and reinstitute the MOAs for school district facilities. He recalled this method worked well when he was the director of the UA Statewide Services. He offered his belief that many people consider the university's facilities to be the center of community activities, but he does not share that view. Although some rural locations have enough students to justify a campus, it is not true for many, he said.

[9:34:00 AM](#)

SENATOR HUGHES related her understanding that the University of Alaska currently offers over 400 university degree programs. She asked whether the Board of Regents would be interested in reviewing the programs using three criteria: student interest and demand, the state's workforce, and programs that related to Alaska's uniqueness in the Arctic. She said she was optimistic that by restructuring, consolidating, and streamlining the university system and programs, that it could encourage students to stay in the state and also entice out-of-state students. She expressed concern that offering too many programs weakened the overall programs. Instead, she reiterated that the UAA should provide programs based on these three criteria This effort could increase UAA's college rankings and bolster student enrollment. She asked for his view of this model.

MR. HARGRAVES responded that he agreed with all of her points. He agreed that by focusing on too many courses it could dilute and diminish the quality of the overall programs the university offers. He pointed out that the UAA has an active program to review courses. He said he has been encouraged that department heads, deans, and provosts have been cancelling and cutting programs that lack adequate justification. He offered his intent to suggest the administration increase this effort.

[9:37:53 AM](#)

CHAIR STEVENS opened public testimony and after ascertaining there was none, closed public testimony. He solicited a motion.

[9:38:21 AM](#)

SENATOR HUGHES stated that in accordance with AS 39.05.080, the Senate Education Standing Committee reviewed the following and recommends the appointment be forwarded to a joint session for consideration:

University of Alaska Board of Regents
Darroll Hargraves - Wasilla

[9:38:34 AM](#)

CHAIR STEVENS found no objection and the motion passed.

Signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees; the nominations are merely forwarded to the full legislature for confirmation or rejection.

[9:38:48 AM](#)

At ease.

[9:40:14 AM](#)

CHAIR STEVENS reconvened the meeting and announced the confirmation hearing for Ms. Scott, appointee to the Alaska State Board of Education and Early Development. He asked her to speak to what she brings to the board, why she is interested in serving, and any goals she may have for their education system.

[9:40:50 AM](#)

TIFFANY SCOTT, Appointee, Alaska State Board of Education and Early Development, Kotzebue, introduced herself. Her Eskimo name is "Nipisan" and her English name is Tiffany Scott, she said. She is from Kotzebue, but her family originally comes from Noorvik. She said she works as a registered nurse in the emergency department at Maniilaq Health Center in Kotzebue,

which serves 12 federally recognized tribes in the Northwest Arctic. She graduated from Colony High School in Palmer in 2003, the School of Nursing at the University of Alaska Anchorage, and the Alaska Technical Center in Kotzebue. She holds a Bachelor of Liberal Arts from the Harvard University Extension School in Cambridge, Massachusetts, she said.

MS. SCOTT explained that last year former Governor Bill Walker appointed her to serve on the State Board of Education (BOE) as the representative for the Second Judicial District. Governor Dunleavy reappointed her to the same seat for a five-year term. The state BOE has seven members, comprised of leaders in special education, indigenous education, school counseling serving unrepresented students in postsecondary education, local school board, and athletics and education policy. Each of these perspectives helps the state to move forward on the three commitments of the Alaska Education Challenge, which is to increase student success, support responsible and reflective learners, and cultivate safety and well-being. She said that she hoped to bring her perspective as a rural resident, nurse, and former school board member. She hoped it would expand the BOE's work, especially as it relates to cultivating student safety and well-being.

MS. SCOTT expressed an interest in serving on the Board of Education because in Alaska's earliest history, she would not have been allowed to serve since she is an Alaska Native person and woman. Her mother has shared her experiences attending boarding schools operated by the Bureau of Indian Affairs. Her mother was sent from home when she was twelve years old to attend schools in Southeast Alaska. She said that once her mother and classmates returned home, these children knew their lives would never be the same. These youth lost parts of the Native culture that the Inupiat have been working hard to preserve and revitalize. She expressed gratitude for the many years of advocacy asserting the rights of Alaska Natives in education that has helped her reach a seat on the board. The state must partner with tribes and Alaska Native organizations to not only narrow the achievement gap but to take seriously the charge to transform Alaska's schools. Education provides people with hope and can help them overcome social challenges that threaten the promise of education. Ms. Scott spoke in Inupiaq, which she translated to mean "We work together."

CHAIR STEVENS expressed appreciation for her service on the board.

[9:44:04 AM](#)

CHAIR STEVENS opened public testimony, and after ascertaining there was none, closed public testimony.

[9:44:18 AM](#)

SENATOR COSTELLO asked the record to reflect that the committee and legislature appreciates Alaskans who come forward to serve the state. She offered her belief that Ms. Scott was familiar with many of the issues the committee has deliberated and discussed, including teacher turnover in rural and urban Alaska and the high rate of suicide among young people. She said that Ms. Scott was a fabulous addition to the board. The lack of questions for her does not indicate any lack of interest in the strengths she brings to the board, she said.

[9:45:11 AM](#)

SENATOR HUGHES remarked that Ms. Scott did a great job during her time serving on the Mat-Su school board. She recalled Ms. Scott attended Colony High School with some of her children. She said that Ms. Scott's comments about transforming education rings true. She said she was glad that Ms. Scott understood the need to close achievement gaps

[9:46:04 AM](#)

SENATOR BIRCH extended his appreciation for her continuing engagement in public service. She continues a long tradition of public service in her family, he said.

[9:46:30 AM](#)

CHAIR STEVENS solicited a motion.

[9:46:33 AM](#)

SENATOR HUGHES stated that in accordance with AS 39.05.080, the Senate Education Standing Committee reviewed the following and recommends the appointment be forwarded to a joint session for consideration:

Alaska Board of Education and Early Development
Tiffany Scott - Kotzebue

[9:46:45 AM](#)

CHAIR STEVENS found no objection and the motion passed.

Signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees; the nominations are merely forwarded to the full legislature for confirmation or rejection.

9:46:59 AM

At ease.

SB 79-VIRTUAL ED/TEACHER EXAM./COURSE EXAM.

9:48:10 AM

CHAIR STEVENS reconvened the meeting and announced the consideration of SB 79 and his intention to have committee discussion, take public testimony, and hold the bill in committee.

9:48:29 AM

SENATOR HUGHES said the committee heard an overview and sectional of the bill at the March 26, 2019 meeting. She referred to a sheet with summary points in members' packets. This bill is the culmination of several years' work by some members of the committee, particularly Senator Begich. The committee held numerous joint meetings with the House Education Committee, bringing forward provisions with consensus. Her staff will review the six major aspects of bill. She offered to address some possible concepts to include in a committee substitute.

9:49:59 AM

SHEILA MORRISON, Intern, Senator Shelly Hughes, Alaska State Legislature, Juneau, reviewed a summary document, relating that the first two points pertain to students and improved outcomes, the second two relate to the importance of enough quality teachers, and the last two points focus on cost savings measures and focus on increased funding in classrooms. She paraphrased the summary titled, "SB 79 Virtual Ed / Teacher Exam / Course Exam Sponsored by Sen. Education Transformation Act, Summary Points:

- VIRTUAL EDUCATION Creates virtual education consortium in the department to allow students statewide to take online classes offered by other school districts. Gives districts the option to join the consortium. The consortium will maintain a database/menu of course offerings with course descriptions, video introductions of teachers, video instruction samples, and curriculum samples. Teachers will have access to virtual teaching training and professional development courses. Allows a district to charge for a course offered. Districts that join the consortium will be

assessed a fee to support the operations of the consortium.

- COURSE CREDIT FOR OUT-OF-SCHOOL ACTIVITIES Allow students to receive credit for activities outside of school for career and technical education, physical education, art, and music, including for cultural activities, if the activities meet the district course requirements.

MS. MORRISON paraphrased the next two sections, which relate to teachers.

- RAISED BAR FOR TEACHER CERTIFICATION Requires teacher certification test scores to be increased when they are lower than other states.
- RATIO REPORTING Requires each school district to report annually on ratio of administrative employees to teachers to students to the department and to a district's local community. Requires the department to report these ratios to the legislature.

MS. MORRISON paraphrased the next two sections related to cost savings and classroom funding.

- ROLLOVER SAVINGS LIMIT INCREASE Increases school district fund balance cap from 10% of operating costs to 25% to encourage efficiency improvements. Savings derived from cooperative agreements are outside the 25% cap for first three years.
- CONSOLIDATION OF ADMINISTRATIVE SUPPORT IN DEPARTMENT Consolidates the administrative support for the Professional Teaching Practices Commission into the department.

SENATOR HUGHES reviewed the considerations for a potential committee substitute (CS) for SB 79. She paraphrased the summary provisions.

- Virtual education working group: remove specificity of consortium in bill and require commissioner to convene working group to determine its structure, how it will function, district participation, any teacher training requirements, class fee methodology, etc.

- Praxis adjustments to occur every 3 years rather than "periodically" as currently stated in bill.
- Insertion of "classroom" prior to "teacher" in ratio language. Inclusion of classroom teacher definition.
- Read by nine language - early child literacy. (Will reduce achievement gaps and social promotion.)
- New method for acquiring student count for BSA calculation: instead of average daily attendance for dates in October, use average daily attendance for school year. (Will decrease absenteeism)
- Expanded cooperative agreement language to include shared services and partnerships with other districts, other government agencies, businesses, and non-profit organizations. (Will free up dollars for classrooms.)

SENATOR HUGHES said that the commissioner recommended including stakeholders from the Alaska Society for Technology in Education (ASTE) in the Virtual Education Working Group. She noted that Jerry Covey previously suggested changing the language by adjusting Praxis scores. She added that the commissioner provided a standard definition for teacher that was used by the department, which is in members' packets.

SENATOR HUGHES directed attention to the read by nine literacy provision. The committee just heard from Tiffany Scott, BOE, about achievement gaps in the state. Virtual education primarily was for middle and high school student. However, the need for students to learn to read by the third grade is necessary to close the achievement gap, she said. While some educators are beginning to use online tools to help struggling readers, she cautioned against not having a classroom teacher for K-3 students or even older students struggling with reading.

She reiterated the goal was to try to close achievement gaps in both the higher and lower grades. She directed attention to the language in the draft legislation, which was based on legislation used elsewhere. For example, one provision would require districts to hold summer camps. She suggested that the language be changed to "may" because it might not work for some communities.

[9:56:56 AM](#)

She suggested adding language to address situations for the students receiving intensive instruction who are doing fine in other subjects, but struggle to keep up with their cohorts in reading. She recommended that these students be allowed to stay

with their cohorts as much as possible. For example, one option would be to keep these students with their cohorts once their reading skills were at grade level. She said she hoped that school districts would consider this approach. She related that Dr. Bishop has indicated that the Anchorage School District was already implementing many of these concepts. However, the goal would be to close the achievement gaps throughout the state. When children learn to read by age nine, these students subsequently "learn" by reading, so reading is an essential skill, she said.

[9:58:49 AM](#)

SENATOR BIRCH said that the fiscal note would require the Department of Education and Early Development (DEED) to establish a virtual education consortium. He asked whether removing that requirement would positively affect the fiscal note.

SENATOR HUGHES answered that the commissioner said he would like to work to reduce the fiscal note for the working group in the first year by reducing the number of employees. She recalled that the fiscal note added seven or eight employees, but the commissioner thought that the work could be done with fewer staff. She offered her belief that the fiscal note will change.

SENATOR BIRCH asked how credits earned for activities conducted outside of the school day would be determined, in particular, in terms of graduation credits. He further asked how that would be managed so students do not have credits that would not advance their academic interests.

SENATOR HUGHES replied that some districts were already doing allowing credits outside the school, so long as the activity met the district requirements. For example, a band course requires a certain number of hours. However, if students were in community bands or took lessons, and the district determined that the activity meets the course requirements, the student could receive music credits. She characterized this approach as a flexible one. For example, students on the varsity basketball team could use their gym training hours to meet the physical education (PE) requirements, which would free students up to take other courses. She envisioned that these decisions would be made by each district and the activity must meet the course requirements. She remarked that many valuable educational experiences happen outside of the school.

[10:01:05 AM](#)

SENATOR BIRCH noted [Section 7] would amend AS 14.17.505 by increasing the districts' unreserved fund balance limit from 10 percent to 25 percent of district expenditures. He cautioned that district expenditures for education are immense. He recalled that one report showed districts had reserved hundreds of millions of school funding. He expressed concern about the amount of money school districts were squirreling away in unreserved fund balances that could better be used to fund education. He asked for the justification for districts to increase the percentage of their unreserved fund balances.

SENATOR HUGHES answered that the statewide combined total was a couple hundred million. The reason for the increase was to encourage efficiencies and allow school districts to have more funding available to weather rougher economic times. For example, a district could achieve efficiencies in order to save its funds for a great instructional program. She recalled that Senator von Imhof brought this suggestion forward.

[10:02:46 AM](#)

SENATOR BIRCH reiterated his belief that the legislature needed to see "all the piggy bank dollars on the table" so everyone would be on an even playing field. He noted that a couple hundred million dollars was not an insignificant amount.

SENATOR HUGHES said the committee has the discretion to reduce the amount or even remove the provision. She said she certainly would not want that provision to prevent passage of other great provisions in the bill.

[10:03:26 AM](#)

SENATOR COSTELLO commended Senator Hughes as a passionate advocate who seeks better results in education and promotes innovative solutions.

She acknowledged that some districts already offer online courses. For example, the Anchorage School District has an agreement with Middlebury College to offer language classes in middle schools and high schools. She asked whether the virtual education consortium would mean that the department could not work with Middlebury College, or if this specifically related to online courses offered within a school building. She asked whether this referred to courses teachers in local school would develop and videoconference or to curriculum the districts would write and offer online. She offered her own experiences as a teacher who developed lesson plans. She expressed concern about the level of support teachers receive from the district. She

said she wishes DEED had the benefit of her lesson plans in a format that could be shared with other teachers in Alaska.

SENATOR COSTELLO related her understanding that this focus was more about fostering a connection between an online class in one district with an online class in another. She remarked that it takes significant time to find good online classes and communicate the course work to students. She questioned whether the department should be involved, since this work would all happen within districts. She further suggested that the department could focus its time and energy on helping to improve what happens in classrooms.

CHAIR STEVENS noted that the department was online.

SENATOR HUGHES answered that she initially envisioned developing a database for students to use, but she realized these online courses could also be wonderful resource for teachers to observe how other teachers teach. She pointed out that the database could be similar to the one that Senator Costello described. For example, a teacher at Teeland Middle School could share recordings of how to solve math problems that could be accessed by anyone in the country.

This bill would not require districts to go through the department to reach agreements with colleges, so it would not interfere with the Anchorage School District's arrangement with Middlebury College, she said. She suggested that this topic might be something the working group could further discuss. She said she initially envisioned that districts would share open slots in classrooms with other districts. The working group was formed to allow districts to figure out what would be most helpful, she said

[10:08:23 AM](#)

SENATOR COSTELLO asked the sponsor whether she had contemplated potential unintended consequences of allowing course credit for outside activities. She said she strongly supports music in school since it can have a huge impact on children's enjoyment of school. Research shows that learning a musical instrument provides tremendous benefits for students. She expressed concern that some parents who can afford to do so might pay for private music lessons for their children instead of having them participate in the school band or symphony. She highlighted that the whole culture of music programs in schools is tremendously beneficial because students gain from working collectively with their peers. She recalled that one of her most enjoyable moments

as a parent was watching a diverse group of students coming together to perform music for an audience.

SENATOR HUGHES argued that it would not have that effect. She related that she heard from a number of superintendents who indicated that many schools already allow this flexibility. It has not resulted in what Senator Costello described. Instead, it supplements the music program, so students who plan to major in music can obtain additional music credits beyond band and choir. From what she has heard, it has not been a problem. She surmised that it was probably more of an exception for a student to free up a period in order to take a higher math class. She suggested this issue could be addressed further if problems arose.

10:11:47 AM

SENATOR COSTELLO expressed concern about teacher certification test scores. She said she learned that grades should be based on meeting the standards. For example, in aviation, pilots have performance-based assessments. Pilots are trained and must prove their ability to perform to a certain standard. Instead of basing teacher certification relative to other teachers across the country, it should be based on meeting a set of standards, she said. She questioned the fairness of one class of teachers meeting one standard and another class meeting another standard because the standards change. She offered to discuss this further with the sponsor.

SENATOR HUGHES replied that she had not thought of it in that way. She suggested that perhaps the adjustment would not need to be made every three years. She recalled that high school physics teachers in Alaska were 25 points or so lower. She said that it is important for students who want to go to college to have confidence that their high school physics teachers fully understands the physics being taught. She agreed to further discuss this provision.

10:14:48 AM

SENATOR BEGICH explained that in his high school, students who learned course subject matter outside of the classroom were required to prove their competence and comprehension of the course material. These students were subject to a rigorous and difficult process to show teachers that the course requirements were met, he said. He offered his belief that this bill would encourage students to do that. It would force students to contemplate the credit requirements and show how their work relates to it, he said. The Anchorage School District has offered students the ability to challenge courses for decades.

In fact, he graduated from high school early because he was able to double up on courses, but he had to prove it to his teachers, he said.

SENATOR BEGICH referred to an issue discussed earlier that related to districts' fund balances that totaled \$200 million. He directed attention to a letter members received from Melody Douglas, the Alaska Association of School Business Officials (ALASBO). The letter explained the importance of fund balances. For example, teacher salaries must be paid timely, but if state funding was delayed for any reason, the districts could fail to meet payroll. Salaries vary, with some salaries paid year round whereas others are paid for nine months, he said. Just as the legislature uses the Constitutional Budget Reserve Fund for cash flow, the districts' fund balances are required by most accounting processes to make sure the districts were performing their due diligence as public officials.

He clarified the reason for the increase [to the districts' unreserved fund balance limit from 10 percent to 25 percent of district expenditures] suggested by Senator von Imhof would recognize that massive innovation might require some upfront costs. The corollary is that certain grant applications and bond debt require reserves be kept on hand. He recalled on recent suggestion implied that if the unreserved fund balances were swept up, it could offset the proposed education cuts. He offered his belief that taking that approach would be devastating for school districts. He encouraged members to read the letter.

[10:17:46 AM](#)

SENATOR BEGICH expressed concern on the read by nine provision. He suggested that it might not be effective for districts that use a fluid process instead of a graded one. For example, the Chugach School District uses a fluid process, but it does not use retention as a factor, so there would be no way to measure it. He recalled that Bob Griffin, appointee to the State Board of Education, previously mentioned the Finnish model, which also uses a flexible model, he said. If the state were to adopt a model like the Finnish one, the concept of a third grade retention would be less effective because it would not fit the model. He cautioned that the committee keep its options open as it seeks innovation and not to create "brackets." It could prevent districts from using innovative systems, such as the Finnish model, or the system used by former Commissioner Hanley in the Chugach School District.

SENATOR HUGHES remarked that the bill can be improved by suggestions from members. She suggested that the committee may wish to consider some type of waiver to address Senator Begich's concern if the language is adopted in the proposed committee substitute.

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SENATOR BEGICH said he raised the issue because he supports the bill. He echoed Senator Costello's comments that teachers need supported curriculum.

He noted that the House recently eliminated the \$19.5 million funding for former Senator MacKinnon's approach to curriculum revision. He said he was confident that the incentives were not needed. However, in the process, the department lost three curriculum positions, which he hoped the committee would consider restoring. The DEED is notoriously close to failing to meet its support requirements under the Constitution of the State of Alaska, as evidenced through court cases, he said. He offered his belief that with three curriculum positions, the DEED could provide curriculum support and other support necessary for teachers. He thanked Senator Hughes for her work on these long-sought education bill.

SENATOR HUGHES referred to the last two bullet points.

- New method for acquiring student count for BSA calculation: instead of average daily attendance for dates in October, use average daily attendance for school year. (Will decrease absenteeism)
- Expanded cooperative agreement language to include shared services and partnerships with other districts, other government agencies, businesses, and non-profit organizations. (Will free up dollars for classrooms.)

The districts currently use specific dates in October for student counts to determine the base student allocation (BSA) calculations. SB 79 would use the average attendance for the entire school year. The districts work hard to encourage student to attend school in October, but the goal is to encourage attendance year-round, she said. Absenteeism can affect the counts in some districts, especially in places with achievement gaps, she said. She acknowledged that this change was not a "magic bullet" that would suddenly make students show up. However, it could create a culture in schools that would emphasize the importance of year-round attendance. It could help smooth funding for special education. In instances in which

students attend one school at the beginning of the year, but move to another district, the extra funding for special education does not move with the student. She suggested that this might be a fairer approach.

SENATOR HUGHES said the provision about cooperative agreements would expand the language in statute to include shared services between districts, governmental agencies, and nonprofits. She explained that the goal was to funnel cooperative agreement grant savings back into classrooms. She clarified that this does not request additional money for cooperative agreement grants although the Senate Finance Committee may decide to consider it.

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CHAIR STEVENS opened public testimony.

[10:23:32 AM](#)

JUDY ELEDGE, representing herself, Anchorage, stated support for SB 79 and the virtual classrooms. She said that since 1997 she has worked in rural Alaska in low performing schools. She has been dedicated, has slept on school floors, and brought her own food. She offered her belief that she brings a different perspective to what happens in schools. She characterized the K-12 education as archaic. She described the situation where one teacher tries to teach all K-12 grades as impossible. She said that the districts hire high school teachers, who place their emphasis on teaching high school students, even when most of these schools have fewer high school students. The virtual classroom can help free up teacher time so it could be spent teaching in the lower grades. These schools need to have good primary teachers to teach reading in order for education to improve. Schools should also have good teacher aides, which would help immensely, she said. The virtual classrooms can really open that door and students' eyes to the world outside.

MS. ELEDGE offered her support for using student counts averaged for the full school year. She characterized the truancy law enforcement as nonexistent. Someone can miss 50 days of school and still pass to the next grade. She also offered her support for the read by nine model, because it is clear and simple. She said that the "No Child Left Behind" policy required every child to read by third grade, but it did not work since there were no consequences. She offered her belief that the rural schools have major systematic problems, but SB 79 could start the process to improve them. She said the bill could make a difference, but it will take time.

10:27:37 AM

SENATOR BEGICH said he appreciated her saying that it does not happen overnight.

MS. ELEDGE confirmed that the problems in districts could not be solved in one year.

10:28:14 AM

LISA SKILES PARADY, Ph.D., Executive Director, Alaska Council of School Administrators (ACSA), Juneau, said that SB 79 was going in the right direction. She said that many districts were already working on distance learning. She suggested the districts should implement these changes in a thoughtful, methodical way to ensure it is done right. She asked the committee to urge administrators to support the efforts. She suggested that Dr. Mary Wegner, who is a member of the International Society for Technology in Education, should be consulted since she could provide valuable resources in the process. She has been recognized as a state and national leader in distance education. A number people have formed a working group to work on the issue. She offered to share their recommendations in writing or at a future hearing.

SENATOR BIRCH referred to the committee's earlier discussion on the unreserved fund balance increases for districts. He asked whether districts obligate and commit funds on an annual basis when the districts hire their employees. The committee received a memorandum from DEED that indicated the unreserved fund balance was \$200 million statewide. He asked whether she saw a need for that increase.

DR. PARADY answered that she would like to hold discussions on this, along with ALASBO, since the group was intimately familiar with the unreserved fund balance. She pointed out that it varies by district, but the figures can be deceiving. In fact, the unreserved fund balance purpose is for emergency use, such as if the boiler fails and needs to be replaced, she said. The governor suggested that school districts could use fund balances to transition to his proposed budget. She said she would like to dispel the notion that this fund was a transition fund to buffer school districts against the proposed budget because it is not. For example, the Juneau superintendent, Dr. Weiss, indicated that the Juneau School District could one operate for three days with its fund balance. Further, Jim Anderson, Chief Financial Officer, Anchorage School District, indicated that the ASD was required by municipal charter to maintain a certain fund balance

to maintain its good bond rating. She suggested the legislature must review the fund by district.

[10:34:15 AM](#)

SENATOR BIRCH said a one percent reserve is probably not enough but there have been concerns voiced about voters turning down a bond proposition and school districts building anyway because there is money in the reserve. He said he was still trying to sort through the issue and looked forward to the discussion.

CHAIR STEVENS suggested the committee continue to discuss the issue of fund balances for before going on to other issues.

SENATOR HUGHES said she misspoke when she credited Senator von Imhof with bringing the idea forward. It was Senator MacKinnon who made the suggestion and Senator von Imhof voiced support. She also expressed hope that DEED took note and would consult Dr. Wegner.

DR. PARADY referenced Senator Birch's comment and said she did not believe that districts can redirect funds for any purpose other than what was stated on the bond proposition. She offered her belief that it is appropriate to save whenever possible but didn't want that misconstrued to mean that districts were "squirreling away money." That is certainly isn't the case in Alaska, she said.

[10:36:57 AM](#)

SENATOR BEGICH echoed Senator Birch's concern saying he did not know the reason for an increase to the fund balance.

CHAIR STEVENS said that the committee would be glad to hear from the department about fund balances.

SENATOR COSTELLO commented that the committee was working to discern whether the bill achieves the desired results. She reminded members that in 1977 Governor Jay Hammond signed Senate Bill 35 which gave clear direction that Alaska wanted local control. She said she preferred local decisions for schools to be made by the people who have children in the schools and know the community. She expressed an interest in what superintendents need. She expressed frustration that the legislature never gets to that question because it is always arguing about the funding. She said she supports early education funding to free up time to hold other discussions. She asked Dr. Paraday to weigh in on what superintendents need.

DR. PARADY said she would like time to consider the question. She offered her belief that superintendents frequently discuss the need to stabilize districts, in terms of overall funding, but also the timing of it so districts can hire quality staff. She noted that the council's joint position statements do outline their priorities, such as early childhood education. If districts want their students to accomplish things by third grade, the legislature needs to invest in education and make sure children are ready to learn when students come to school. She said superintendents appreciate Senator Begich's efforts on SB 6. In order for students to succeed, the state must invest in that early education.

DR. PARADY encouraged the committee to review the joint position statements. She also acknowledged that career and technical education was important. Students who engage in career and technical education graduate. The state must build that out for all students. Extending the reach of good, quality teachers and doing whatever the state can do to shore up its crisis around quality teachers is important and Senator Costello's bill helps.

DR. PARADY reminded the committee that the state worked on this through the Alaska Learning Network (AKLN) but the program collapsed when funding was cut. She emphasized that the legislature must commit to increasing bandwidth and while the bill to incrementally increase the Broadband Assistance Grant (BAG) to a minimum of 25 Mbps does not provide for student connectivity needs, it may be the best that the state can do this year. The state does not have the \$2 billion necessary to wire the whole state, but it can be done incrementally to better support the type of programs suggested in this bill.

DR. PARADY said the legislature and the Alaska Council of School Administrators must thoughtfully figure out how to move forward.

DR. PARADY said the districts have lost many of its superintendents because the job has gotten more difficult. The experience level across the state has declined. Dan Walker, Lower Kuskokwim School District (LKSD) is an example of longevity in leadership, she said. His ongoing leadership and his leadership team have focused on making a difference in student graduation rates. LKSD, the largest rural school district, does not have a school in the lowest 10 percent. That is significant. Those are the kind of progress points the districts need work on. The LKSD has sustained focus and ongoing leadership and the district pours enormous resources into retention of their teachers and into growing their own. As the

committee has said, that is a pocket of prosperity. LKSD is a model for rural schools, but it comes with solid leadership over time. The districts do not experience that success in the rest of the state. She suggested the legislature and administrators need to understand what happens in successful districts and replicate it in other districts .

[10:45:31 AM](#)

SENATOR HUGHES said that she appreciated her comments. She said the state must give students statewide access to great teachers and that SB 79 would help. One thing that surfaced in the Senate Finance Committee is a correlation between career and technical courses and academic achievement in core subjects, she said. While virtual education might not allow students to put on goggles and participate in welding, it that will come, she said.

DR. PARADY said she appreciated the comments about local control because districts know best what their children need.

[10:47:25 AM](#)

WILLY KEPPEO, representing himself, Quinhagak, said his community on the coast of the Bering Sea is part of the Lower Kuskokwim School District. He said that he views this differently because he is not a part of the system. He has been watching LKSD for 30 years. He has three children and his youngest attends Mt. Edgecumbe High School because she wants to go to college. She wanted to have a job like her sister. He suggested that LKSD needed a total forensic audit. Even when the superintendent changes, the new one enters a system that has been in place for so many years that the new superintendent cannot change anything. The district is lucky if teachers stay for two years. He questioned why the system can't be set up like the army where the teachers would sign contracts for a certain number of years in exchange for paying for their education. He remarked that life in the villages was a completely different lifestyle. He offered his belief that district spending needed to be curtailed, because the waste is unbelievable.

He offered his belief that consolidating schools was a good idea. For example, parents in Quinhagak would prefer to have their children go to school in Bethel rather than attend school in Mt. Edgecumbe in Southeast Alaska. It is costly to fly to Sitka and parents could visit students more easily in Bethel. Students want the opportunity to take courses, such as shop, but it is not feasible for districts to offer these classes in schools with only a few students. He said he hoped the outcome of SB 79 would be change. He acknowledged that he did not have

solutions to the problems. However, the legislature needs to know the funding available in the districts, so he recommended a forensic audit.

CHAIR STEVENS said the committee takes public comments seriously. He recalled Senator Hoffman raised the same issue in the Senate Finance Committee, in terms of lifestyle in the villages, such that teachers relocating from cities such as Boston will choose not to stay for long.

[10:55:12 AM](#)

CHAIR STEVENS held SB 79 in committee.

SENATOR HUGHES said that she planned to visit offices to explore waivers for the literacy, the fund balances, and Praxis scores.

[10:56:03 AM](#)

There being no further business to come before the committee, Chair Stevens adjourned the Senate Education Standing Committee at 10:56 a.m.