

ALASKA STATE LEGISLATURE
SENATE JUDICIARY STANDING COMMITTEE

April 10, 2019

1:33 p.m.

MEMBERS PRESENT

Senator Shelley Hughes, Chair
Senator Lora Reinbold, Vice Chair
Senator Peter Micciche
Senator Jesse Kiehl
Senator Mike Shower

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
03/14/19	(S)	Heard & Held
03/14/19	(S)	MINUTE(EDC)
03/29/19	(S)	EDC AT 9:00 AM BUTROVICH 205
03/29/19	(S)	Moved SJR 9 Out of Committee
03/29/19	(S)	MINUTE(EDC)
04/01/19	(S)	EDC RPT 3NR 1DP
04/01/19	(S)	NR: STEVENS, BIRCH, HUGHES
04/01/19	(S)	DP: COSTELLO
04/10/19	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR MIA COSTELLO
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of SJR 9.

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

POSITION STATEMENT: Testified and answered questions during the presentation of SJR 9.

WILLIAM MILKS, Attorney
Labor & State Affairs
Civil Division
Department of Law
Juneau, Alaska

POSITION STATEMENT: Answered constitutional questions during the hearing on SJR 9.

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

POSITION STATEMENT: Testified in support of SJR 9.

NILS ANDREASSEN, Executive Director
Alaska Municipal League (AML)
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion on SJR 9 on the importance of early funding and stability in funding.

TOM KLAAMEYER, Teacher; Vice-President
National Education Association, Alaska
Eagle River, Alaska

POSITION STATEMENT: Testified in support of SJR 9 to provide stability for school funding.

SHAWN ARNOLD, Superintendent
Valdez City Schools;
President-Elect
Alaska Superintendents Association
Valdez, Alaska

POSITION STATEMENT: Testified in support of SJR 9.

JIM ANDERSON, Chief Financial Officer
Anchorage School District
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SJR 9.

DAN CARSTENS, President
Alaska Association of Secondary School Principals;
Principal
Nikiski High School
Nikiski, Alaska

POSITION STATEMENT:

ACTION NARRATIVE

[1:33:26 PM](#)

CHAIR SHELLEY HUGHES called the Senate Judiciary Standing Committee meeting to order at 1:33 p.m. Present at the call to order were Senators Reinbold, Kiehl, and Chair Hughes. Senators Shower and Micciche arrived as the meeting was in progress.

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

[1:33:43 PM](#)

CHAIR HUGHES announced that the only order of business would be 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.

[1:34:49 PM](#)

SENATOR MIA COSTELLO, Alaska State Legislature, Juneau, as sponsor of SJR 9, stated that this resolution is a constitutional Amendment that would fund education early during the legislative session. She paraphrased the following sponsor statement:

State statute, AS 14.14.060(c), requires school districts to submit their funding requests to their municipal governments by May 1st. However, municipal ordinances vary in the date in which school districts must submit a budget, varying from March 1 to early May. Typically, the Legislature passes the operating budget, containing K-12 funding, anywhere from mid-April to late May. The passage of the budget at such late dates causes uncertainty for school districts as they develop their budgets. In most instances, this

uncertainty forces school districts to have to issue pink slips to educators then rehire them once the educational funding is finalized by the Legislature. Not only are the school districts impacted, municipalities and local government officials also bear the brunt of this uncertainty when attempting to develop their budgets.

Senate Joint Resolution 9, would require, if approved by the Legislature and the voters, a separate appropriation bill funding K-12 education to be passed by the 45th day of each regular session. This change occurs within Article 9, Section 12 of the Alaska Constitution.

SENATOR COSTELLO identified one of the problems Alaska currently has is the churning of talented teachers who come to teach in schools, but within the first year they are given pink slips.

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SENATOR COSTELLO explained that SJR 9 could save \$20 million by funding education earlier in the year. This figure also includes the school districts' costs to train teachers. She said that rural districts have reported that losing teachers is significant for students because teachers are coming and going each year. The legislature has a role to create more stability, she said. The testimony given by teachers at a hearing before the Senate Education Standing Committee related that teachers are hired, work one year, then they receive pink slips, and must move. This resolution would pass the education funding within the first 45 days of the legislative session. However, it does not set a certain level of funding for education.

[1:37:25 PM](#)

TOM WRIGHT, Staff, Senator Mia Costello, Alaska State Legislature, Juneau, referred to a legal memo from Legislative Legal Services in members' packets that discusses the reason the sponsor chose to introduce a constitutional amendment rather than a statute change.

MR. WRIGHT said that some efforts have previously been made to address education funding. He referred to a memo from Meera Caouette, Legislative Legal Services, dated February 19, 2019, that indicates legislative entrenchment, or binding one legislature to another, is prohibited by the U.S. Supreme Court and the Alaska Supreme Court (ASC). This constitutional amendment was drafted as a result. He has also researched early

educational funding and although many bills have been introduced none were successful.

MR. WRIGHT said that SJR 9 would require a separate appropriation bill to fund K-12 public education. It would require the legislature to pass an appropriation bill and transmit it to the governor by the 45th day of each regular legislative session. Currently, school districts by statute are required to submit their budgets to municipal governments by May 1, although the dates vary from March 1 to sometime in May, depending on the municipal ordinance. He said that the legislature typically passes its operating budget from mid-April to late May. However, passage of the operating budget after May 1 would create uncertainty for school districts and also for municipalities. This uncertainty forces school districts to issue pink slips to tenured teachers if the budget is not finalized by May 15 and non-tenured pink slips on or before the last day of school per AS 14.21.040. An Institute of Social and Economic Research (ISER) study shows the turnover rate throughout communities in Alaska. This study quantifies the turnover rate for rural areas at over 30 percent, hub communities at 22 percent, and more populated areas at 14-16 percent.

He said that the Institute of Social and Economic Research report indicates high teacher turnover hurts student achievement. The latest figures from the NEA [National Education Association] indicated that of the approximately 8,900 teachers in the state, turnover was approximately 1,000 teachers per year. The cost to train teachers is approximately \$20,000 per teacher or \$20 million per year.

MR. WRIGHT said that SJR 9 would also solve uncertainty in the municipal budget process. He referenced numerous e-mails and letters of support in members' packets from school districts and organizations, including the Alaska Council of School Administrators, the Association of Alaska School Boards, and NEA. Passage of SJR 9 would also help alleviate any end of session negotiations, he said.

[1:42:29 PM](#)

CHAIR HUGHES asked for further clarification how many teachers are in Alaska.

MR. WRIGHT answered 8,900.

CHAIR HUGHES related her understanding that turnover rates can be as high as 100 percent turnover or even higher in school districts if a teacher does not stay for the full academic year. She referred to page 2 of the Legislative Research Services paper dated March 11, 2019, by Chuck Burnham, Manager, which asked, "Do any states have constitutional provisions requiring the passage of state K-12 funding measures by a specific date?" The agency's response was, "We located no state constitutional provisions that require school districts to submit a budget to local governments by a certain date." She recalled that she may have been the one who asked that question. However, what she really would like to know is whether any states have adopted any constitutional provisions, such as this one, requiring the legislature to pass K-12 funding by a certain date.

MR. WRIGHT answered that he also posed that question to the Legislative Research Services. The agency could not find any other states that had that requirement.

CHAIR HUGHES wondered if other states have the same pink slip problem or how they have avoided it.

MR. WRIGHT said he did not know.

CHAIR HUGHES said that the representatives from the Department of Education and Early Development (DEED) in the audience were nodding their heads no. She commented that it would be helpful to find out how other states have addressed this issue.

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SENATOR REINBOLD remarked that she abhors how teachers are "politicized." She recalled that she offered an amendment on the House floor several years ago to the operating budget that would have prioritized teacher layoffs and cuts last. However, the floor amendment did not pass, although it failed by a small margin. She asked whether local school boards can currently prioritize teacher [layoffs].

MR. WRIGHT deferred to the Alaska Council of School Administrators or the Association of Alaska School Boards.

SENATOR REINBOLD expressed concern that constitutional amendments could take years to approve. She offered her belief that funding for teachers should have priority and an amendment to the budget is needed.

MR. WRIGHT related that the sponsor considered a number of ways to address this issue. He offered his belief that the problem is related to state and municipal funding. It would not address the issue if the state held teachers until July and then gave them pink slips.

SENATOR REINBOLD asked whether teacher's contracts require them to be notified.

MR. WRIGHT referred again to the statutory language for notification of non-tenured and tenured teachers.

SENATOR REINBOLD related her understanding that it would be possible to address prioritizing teacher layoffs by statute.

MR. WRIGHT agreed it is possible, but the issue was predicated on funding. At some point, teachers need to know if they have jobs, so they can look for other jobs in Alaska or out of state if they receive pink slips.

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SENATOR KIEHL reiterated that May 15 is the statutorily required date for tenured teachers to receive layoff notices. He agreed that teachers must be given time to seek employment opportunities if the state is not going to fund their positions. He remarked that he likes the concept of SJR 9. He related his understanding that the legislature must pass a bill by the first week of March.

MR. WRIGHT agreed.

[1:49:22 PM](#)

SENATOR KIEHL recalled that municipal school districts must submit their budgets to the assemblies by May 1. He asked how the process would work during the two months between the legislature finishing its funding and school districts submitting their budgets to the municipal assembly.

MR. WRIGHT deferred to Dr. Parady. He said that the deadlines to submit school district budgets to municipalities vary between districts. For example, the deadline in Juneau is April 5th, Anchorage is the first Monday in March, the Mat-Su is the last Tuesday in March, he said.

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SENATOR KIEHL asked whether it would be more efficient if the funding was advance funding for one year ahead rather than early

in the legislative session to give school districts and municipalities some additional planning time.

SENATOR COSTELLO responded that the timing of education funding across the legislative narrative has depended on the priority of the individual legislature. She pointed out that the legislature forward funded education this year and yet issues still exist.

[1:51:31 PM](#)

SENATOR SHOWER joined the meeting.

[1:51:38 PM](#)

SENATOR COSTELLO pointed out that although she has previously supported forward funding for education, it would not address the delay in funding that districts experience. Typically, education funding is either fully funded or the legislature adds funding. However, putting an end to the havoc in the schools is more valuable than any last-minute negotiations that might take place. She reiterated that SJR 9 would not affect the level of funding but only the timing.

[1:52:45 PM](#)

CHAIR HUGHES expressed concern about a separate appropriation bill solely for education since the state must fund many other important functions, including public safety. This committee has spent significant time on how to reduce crimes in Alaska and to ensure that law enforcement, prosecutors, and the courts have adequate tools. The state is currently experiencing a time of limited revenues, she said.

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SENATOR MICCICHE joined the meeting.

[1:53:24 PM](#)

CHAIR HUGHES said if this proposal were in the Constitution of the State of Alaska that she could support forward funding since it would not entrench future legislatures. It would be part of the whole process to ensure adequate funds are available for public safety, and road maintenance. It would eliminate the problem because the schools would know the funding a year in advance. The trick would be the transition since it would require funding two years of education in one budget cycle. However, she could still support that because it would take into consideration all of the different obligations of the state. She suggested that the legislature might fund things differently when all things are considered together.

SENATOR COSTELLO pointed out that SJR 9 only pertained to early funding. She acknowledged the point that the state has other important responsibilities, so she would not be averse to having the entire budget passed in the first 45 days of the legislative session. Nor would she object to a biennial budget, in which the legislature funds government in one year and works on legislation the next, she said.

She pointed out one difference is that police officers and troopers are not "pink slipped." One of the things the committee will find, based on the testimony presented today, is that the delay in education funding is damaging and devastating to the state. In order to improve student results in Alaska's schools, schools must have qualified, dedicated, and prepared teachers in front of the students. This is one of the main indicators of success for students, she said. Essentially, the state allows 1,000 professionals to leave school districts, she said. She said that she speaks from the perspective of a parent, a product of the Anchorage School District, and as a former teacher who taught in three school districts. Further, she also has family members who are in classrooms.

She said she shares Senator Reinbold's frustration with teachers receiving pink slips. She has previously introduced legislation to address this issue, but the bill did not pass the legislature. The state continues to work to improve classroom results, so it would behoove the legislature to address the timing of the education budget. That budget timing alone has created tremendous issues for school districts. In fact, many school districts prepare three budgets, one for full funding, one for additional funding, and one for reduced funding, which means the districts are essentially writing budgets in the dark. Further, teacher dissatisfaction is significant. She related that her sister-in-law was a first-year teacher in a rural community who received a pink slip. She wondered if she was let go because she was not a good teacher. She said she told her that the reason she was pink slipped is that is what happens in Alaska.

SENATOR COSTELLO stated that she initially had considered a statutory remedy since passing a constitutional amendment is a higher bar. She reiterated the vicious cycle that puts the districts on hold when teachers are given pink slips, that teachers take other jobs. At that point the hiring pool changes, she said. This resolution would highlight the question of whether it is worth creating the adverse childhood experiences.

[1:59:18 PM](#)

SENATOR KIEHL emphasized the importance of stabilizing education funding and making it predictable. He asked for clarification on how SJR 9 would interact with the confinement clause of the Constitution of the State of Alaska. He wondered if it would be confined to education or if it could have other appropriations such as the supplemental funding for education. He wondered if the legislature could provide early baseline funding and add additional funding later or if this resolution would require all of the education funding be passed at 45 days.

SENATOR COSTELLO answered that SJR 9 would not expand to other issues. She offered her belief it would be possible to provide early funding and subsequently add funding later. However, she deferred to Legislative Legal Services to respond.

[2:00:52 PM](#)

SENATOR MICCICHE related his understanding that this resolution would require transmitting an education appropriation bill to the governor by the 45th day of the legislative session. He wondered if the sponsor has considered other mechanics for passage of the bill. He could envision some funding being redlined and perhaps a veto override process that might stretch beyond 90 days.

SENATOR COSTELLO answered that this resolution would not change the governor's power to veto or the ability of the legislature to override the governor's vetoes. She maintained her interest in starting the discussion earlier in the legislative session.

[2:02:08 PM](#)

SENATOR SHOWER said he understands part of the problem that [SJR 9] would address is the wild spending swings in education. In reviewing the broader scope, he acknowledged that the legislature has also been considering a suite of constitutional amendments, including SJR 6, to address a constitutional spending limit. He wondered if constitutional changes to the permanent fund structure this year were to pass, whether it would provide the necessary stability for educational funding. If so, SJR 9 might not be needed, he said. He wondered if deeper structural problems may exist that are causing pink slips to be issued, which causes a reaction.

SENATOR COSTELLO responded that she participated in the Senate Finance Committee when the Percent of Market Value legislation was heard. That bill passed the legislature and established a structured draw designed to assure that savings grow without

spending more than the state earns, which she supports. Instead, this is a timing issue, she said. She did not believe that this approach would address this issue. The timing issue has fiscal impacts, whereas the other issues do not have fiscal ramifications that require laying people off due to the timing of the bill, she said.

2:04:55 PM

SENATOR SHOWER said he was contemplating the effect of the legislature being held to a 90-day session. However, he decided to further contemplate the timing issue.

CHAIR HUGHES suggested that the legislature could convene in November and take a Christmas break and pass the entire budget [earlier].

CHAIR HUGHES said she liked the idea of a biennial budget process for advance planning. She reiterated her request to determine if other states have the same timing problem, and if not, how they avoid educational funding issues. Further, she asked the sponsor to consider a constitutional amendment for forward funding, so education could be part of the entire budget process. For example, if such a change were in place this year, the legislature would consider the FY 2020 funding for public safety and transportation along with all the other state responsibilities. At the same time, the legislature would consider education funding for FY 2021, she said. She asked whether the sponsor would consider this proposal in lieu of SJR 9. She expressed concerned about teasing this out when the legislature does not know its other obligations.

SENATOR COSTELLO added that the budgetary questions do not change between the 45th, the 90th, or the 120th day. She said that SJR 9 would move the funding decision to an earlier timeframe. As far as being open to changing the language in the resolution, it is up to the will of the committee, she said. She expressed a willingness to hold discussions on other ideas to address the issue.

MR. WRIGHT said that even if the legislature prepared a biennial budget, the first year would still have uncertainty about funding.

CHAIR HUGHES explained that her suggestion is to put it in the Constitution of the State of Alaska so that every year the legislative budget process would be working one year ahead.

MR. WRIGHT acknowledged her suggestion. His point was related to the earlier discussion of potential issues for education funding in a biennial budget process.

2:09:43 PM

WILLIAM MILKS, Attorney, Labor & State Affairs, Civil Division, Department of Law, Juneau, related his understanding that the question is whether this is appropriate as a constitutional amendment. Other constitutional amendments have been proposed this legislative session. One question that arises is whether it is appropriate to change the Constitution of the State of Alaska by a resolution, an amendment, or if the change is so substantial it would be considered a revision by the Alaska Supreme Court and require a constitutional convention.

MR. MILKS stated that the Department of Law has reviewed SJR 9 and believes it is appropriate. As the sponsor described SJR 9, it would amend Article IX, Section 12, which is the budget provision of the Constitution of the State of Alaska, to provide for a separate appropriation bill for education. It further would provide a timeline for the legislature to enact that resolution. He reiterated that in the Department of Law's view, SJR 9 would not propose a sweeping change in the constitutional framework that would trigger a revision.

2:11:14 PM

SENATOR MICCICHE asked whether it would be viewed in the same way if a year of forward funding was included in the resolution.

MR. MILKS answered that the department limited its review to SJR 9, so if SJR 9 were to change, the department would need to consider the specific language and facts. He clarified that the budget article in the Constitution of the State of Alaska already requires an appropriation for general spending. This resolution would add a second one for the subset of education, he said.

CHAIR HUGHES requested that the Department of Law consider whether forward funding education would pose any constitutional issues.

2:12:24 PM

SENATOR KIEHL expressed his concern about the confinement clause and asked whether SJR 9 posed any issues.

MR. MILKS responded that SJR 9, as currently drafted, would require an additional appropriation bill each year for

education. However, it would not change the powers of other branches of government. It would also provide a timeframe. He concluded that it seemed to meet the Bess v. Ulmer test as an appropriate amendment to the Constitution of the State of Alaska, he said.

[2:13:40 PM](#)

SENATOR MICCICHE recalled last year a forward funding bill passed the legislature. The Constitution of the State of Alaska talks about the appropriation power of the legislature, that it cannot be bound by future legislatures. However, it does not speak to the appropriation power of the governor. He said that the legislature can change any bill at will, so future legislatures would not be bound. He expressed interest in the Department of Law's interpretation on whether that would change if the provision were in the Constitution of the State of Alaska instead of in statute. It is one reason why it may be problematic to put forward funding in the constitution, he said.

MR. MILKS agreed to do so. He recapped the questions, that the sponsor described [SJR 9] as not affecting other constitution powers. Second, he was interested in whether forward funding would cause any other constitutional issues.

CHAIR HUGHES asked whether the administration supports SJR 9.

MR. MILKS responded that he cannot speak to that.

[2:16:18 PM](#)

LISA SKILES PARADY, Ph.D., Executive Director, Alaska Council of School Administrators (ACSA), Juneau, said that the ACSA represents the Alaska Superintendents Association, the Alaska Association of Elementary School Principals, the Alaska Association of Secondary School Principals, and the Alaska Association of School Business Officials, and all school administrators. She said that the ACSA supports SJR 9 because it would result in early funding notification for K-12 education.

MS. PARADY said that the Alaska Council of School Administrators (ACSA) undertakes a several month process to identify key policy positions for the legislature's consideration. The organization prepares joint positions to inform the legislature on issues it believes are the most important ones in education. Two of the highest ranked position statements are, first, that the state provides timely, reliable, and predictable revenue for schools, funding the true cost of education in all districts. The ACSA would like the legislature to provide full funding for

initiatives, laws, and mandates that require additional services. Early notification of funding is crucial to sound financial management as well as recruitment and retention of quality educators.

She said that the second ACSA priority is preparing, attracting, and retaining qualified educators. She said that retaining effective educators and leaders is essential to closing achievement gaps and increasing student performance in all subjects across all grade levels. She indicated that of the myriad of issues in education, those two issues rise to the top as priorities for the ACSA.

DR. PARADY acknowledged that the sponsors, the members, and educators must collectively be focused on those two issues. She said that the ACSA is focused on stability. The state faces an education shortage in Alaska that has not previously occurred in the history of Alaska. The national education shortage is as prevalent. She said the ACSA had a robust discussion in the Senate Education Standing Committee about whether teacher shortages are happening in the Lower 48 or if this issue is confined to Alaska. She confirmed that it is a national crisis. Typically, Alaska's position is worsened because the state relies so heavily on recruiting educators from the Lower 48, she said.

She provided some figures, including that currently the state has a 25 percent teacher turnover rate and a 26 percent principal turnover rate throughout Alaska, but it is highest in rural areas. In fact, it can reach 100 percent staff turnover. As previously stated, student achievement is tied to having quality teachers in the classroom, followed by having principal continuity. This highlights the need for the state to do whatever it can to stabilize the school districts.

[2:21:05 PM](#)

DR. PARADY reported that superintendent turnover in Alaska in the last four years is over 70 percent. The ACSA views SJR 9 as a means to help stabilize schools. She pointed out that the legislature requires school districts to be accountable. However, as previously mentioned, ISER indicates that it costs districts \$20,000 for each teacher turnover and \$75,000 for principals. She emphasized that she shares these figures because it adds another element of importance to stabilize school district funding. The districts want all of the funding to flow to the classroom, she said.

She explained the process, that school districts start their recruitment in early spring since the districts struggle to staff their classrooms. She said that stable funding for school districts is essential, which is why SJR 9 would have a substantial positive impact on K-12 school districts throughout the state. It would bring certainty, stability, and budget planning. It would eliminate the nonproductive work of preparing various budget scenarios while education funding is debated to the bitter end of the legislative session. As Senator Shower mentioned, it is an age-old problem. The legislature wants the schools to be productive and in order to do so, they must have stable funding.

DR. PARADY said that some members are online to provide more detail. As previously mentioned, the timing of signing contracts for tenured teachers is May 15 and at the end of the school year for nontenured teachers. She emphasized the need to tell quality educators that they have jobs, so they do not leave. While some issues related to teacher retention are not relevant to SJR 9, it would provide the needed budgetary stability. In closing she indicated that the ACSA supports SJR 9.

[2:25:04 PM](#)

CHAIR HUGHES asked her earlier question, whether other states are facing similar problems.

DR. PARADY said that she works with the Northwest Regional Education Lab, a federal lab that receives funding to support the Northwest region. She said that the organization is working to address the educator shortage that everyone in the U.S. faces. Although she did not have specific information on these states, she was aware that Washington increased their teachers' salaries.

CHAIR HUGHES asked to hone on the issue related to pink slips rather than on teacher shortages.

DR. PARADY offered to research it and report back to the committee.

[2:26:34 PM](#)

SENATOR MICCICHE asked what happens in other jurisdictions in terms of teacher [pink slips] and the level of salaries and benefits. He hoped to use this information as a tool for hiring and retention. He understood that these vary in other states, but he would like to determine the extent of the obstacle.

DR. PARADY offered to provide the information to the committee.

2:27:17 PM

SENATOR SHOWER acknowledged that the state has constitutional and statutory obligations to provide education. The timing seems critical, so he currently supports SJR 9. In terms of funding, he recalled the lack of tenure. He suggested that the youngest teachers coming in are likely the ones who are cut first. It seems that the districts would want to keep them. He asked the percentage of [tenured versus non-tenured teachers] who are affected.

DR. PARADY related her understanding that he is speaking of tenured versus non-tenured teachers. She responded that 30 percent of the teachers who are not retained are non-tenured. These are the teachers who receive notification or pink slips on the last day. She acknowledged that some of these teachers are fantastic teachers who are energetic and resourceful that the districts would like to retain. These teachers can leave and work anywhere.

2:29:28 PM

NILS ANDREASSEN, Executive Director, Alaska Municipal League (AML), Juneau, spoke on the importance of early funding and stability in funding. The National Conference of State Legislatures (NCSL) notes that states bear the burden of ensuring a statewide education finance system is founded on sound governance principles. According to NCSL a sound state school finance system promotes predictability and stability of education revenues and expenditures over time.

He referred to an earlier question on how other state legislatures approach funding. He did a quick review and found that many other legislatures adjourn in April, May, June, and July. He surmised these jurisdictions must similarly struggle with these issues. He offered to ask his counterparts in leagues throughout the nation.

Every state constitution contains a clause that requires that the state must provide a system of free public education. The Alaska Municipal League (AML) has been a strong proponent of forward funding, early funding of education budgets, including support for school bond debt reimbursement and school construction. In 2006 and 2007, the AML adopted resolutions advocating for stable and predictable funding. Since then the AML's position statements have reflected its support for early funding to give school districts the lead time needed to recruit

and retain qualified and high performing teachers. The AML is opposed to decreasing funding for schools since dramatic shifts in funding levels or timing creates havoc for districts to implement programs, and because it also leads to deferred maintenance on school facilities.

MR. ANDREASSEN urged that something must be done to find solutions that are predictable and sustainable. These solutions cannot come at the cost of student achievement and should be implemented over time and correspond to local conditions, planning, and negotiated agreements.

He said that passing SJR 9 is a critical step for school districts to improve educational attainment in Alaska. It would allow municipalities to plan and budget accordingly, especially since local taxes can shift. This resolution would improve the quality of the local contribution by building in this responsiveness. In FY 2017, local governments contributed \$486 million to school districts, or 40 percent of the state contribution toward its constitutional obligation to provide public education. In addition, federal impact aid, a form of local contribution, added millions to the total. Local contributions can be more effective when the state's support is predictable and identified early enough in the planning process for local governments to effectively plan. In closing, he said that AML applauds this effort to improve the timeliness of state decision making as it relates to education in Alaska.

[2:33:27 PM](#)

TOM KLAAMEYER, Teacher; Vice-President, National Education Association, Alaska (NEA Alaska), Eagle River, spoke in support of SJR 9 since it creates the additional stability and certainty for students, educators, and the families who depend on the public schools every day. Stability improves student outcomes. As a social studies teacher at the Eagle River High School, he also serves as the president of the Anchorage Education Association. He spoke on behalf of the NEA Alaska. Educators includes not only teachers, but the administrators, bus drivers, cafeteria workers, and nurses who work in the school community to nurture its students.

[2:36:10 PM](#)

MR. KLAAMEYER thanked the sponsor and the committee for its efforts and support. As teachers and professionals, student learning is the focus and top priority. He emphasized the importance of having well-trained, highly qualified teachers in the classroom, in conjunction with other support staff including

teacher assistants, counselors, and school psychologists. He emphasized this is key to their success. This helps develop trust.

He expressed concern with the current system, which creates an annual element of disruption during the legislative budget process. The Anchorage School District cannot generate revenue but relies on the state funding. The ASD's deadline to submit its budget to the municipality is in March, which means the state budget decisions for education are out of synch with the local process. Last year, the bipartisan effort created temporary forward funding. Educators are scared about class sizes, jobs, families, and pink slips. Seven former teachers of the year wrote an opinion published in the Anchorage Daily news recently that illustrates the problems teachers face in Alaska as compared with other states. Alaska is the only state without a defined benefit program, he said. He shared anecdotes that highlighted the problems, including that the Anchorage School District has eighty openings with no applicants. The five-year attrition rate is 50 percent in Anchorage. In closing he offered the NEA Alaska's support for SJR 9.

[2:41:40 PM](#)

SENATOR MICCICHE asked for verification that Alaska is the only state without a defined benefit plan.

[2:42:35 PM](#)

SENATOR SHOWER responded that he has not seen any willingness [by NEA Alaska] to work to reduce school districts or buildings. He emphasized that the legislature wants educators to have stability, but it needs NEA and other groups to help find solutions and efficiencies. He understands that the issues are complicated, but he has not found a cooperative environment.

MR. KLAAMEYER said he and Mr. Parker are willing to engage in conversations to improve student outcomes.

[2:45:28 PM](#)

CHAIR HUGHES stated that she welcomes the public to submit written comments to senate.judiciary@akleg.gov.

[2:46:02 PM](#)

SENATOR KIEHL said that returning to a defined benefit system would lower the upfront cost and keep costs neutral in the long term. He commented that it provides efficiency in the system.

[2:46:35 PM](#)

CHAIR HUGHES opened public testimony on SJR 9.

2:46:43 PM

SHAWN ARNOLD, Superintendent, Valdez City Schools; President-Elect Alaska Superintendents Association, Valdez, spoke in support of SJR 9. He echoed the importance of predictable funding, timely, and reliable funding, which is crucial to sound financial management and recruitment and retention of quality educators. As Dr. Parady previously mentioned, this is the key component in their 2019 joint statement. He emphasized that school districts cannot operate efficiently and effectively without knowing revenue for the school year. As a school superintendent, he said that his goal is to provide a globally competitive education to enable students to be successful. His school district must submit its budget to the local municipality by May 1. The district prepares four budgets to be prepared for any outcome. Although the district has hired its teachers for next year, it is possible the district would need to spend its reserves to make up any difference.

He urged members to consider timely, reliable, and predictable funding for K-12 school districts to create stability and improve student outcomes.

2:50:15 PM

JIM ANDERSON, Chief Financial Officer, Anchorage School District, Anchorage, spoke in support of SJR 9 in order to provide timely, reliable, and predictable funding throughout Alaska. He indicated that several years of flat funding is taking its toll on the school districts' ability to retain talented teachers, implement programmatic changes and to focus on student needs and outcomes. It is challenging to create a multi-year strategy to improve student outcomes when the districts' administrators do not know the level of funding the districts will receive 45 days prior to the beginning of the school year. For example, implementing curriculum changes requires professional development to improve the level of instruction. Further, continually assessing data for student outcomes requires predictable resources. He reiterated the deadline for budget submittals to the Anchorage Assembly is March 1. Last January, the district felt confident it would not need to issue pink slips in May due to forward funding that passed in House Bill 287. In fact, for the first time in three years, the school district was able to keep the same pupil to teacher ratio. However, without any certainty of the district's budget, by statute the district must issue pink slips to tenured teachers in 34 days and to non-tenured teachers in 42 days. He

said that historically 10 percent of the teachers who receive pink slips either leave the state, take a job in another district, or are no longer available for hire. The Anchorage School District enjoys some economies of scale, such that 79.3 percent of spending is for instruction. At this point, any cuts are cuts to teachers. He urged the committee to strongly consider SJR 9. Alaska's children are its most precious resource. Any failures to educate students are often not apparent for eight or nine years, he elaborated. "Their future is our future," he said.

[2:56:18 PM](#)

DAN CARSTENS, President, Alaska Association of Secondary School Principals; Principal, Nikiski High School, Nikiski, spoke in support of SJR 9. Currently, the school district cannot offer contracts to five non-tenured teachers. These five teachers are ones who give "above and beyond." He characterized them as "some of our best and brightest." It is hugely important to keep this generation of teachers to avoid gaps when other teachers retire, he said. When teachers leave the area, they often do not return. He emphasized that early education funding would help retain teachers. He urged members to pass SJR 9 to allow the district and schools to adequately plan and so it can retain its new teachers.

[2:59:04 PM](#)

CHAIR HUGHES, after first determining no one else wished to testify, closed public testimony on SJR 9.

[2:59:29 PM](#)

SENATOR MICCICHE said that he appreciated the sponsor bringing SJR 9 forward. He acknowledged that education funding is a primary issue that is exacerbated by challenging budgets and Alaska's children are paying the price. He said that he supports this approach. He said he has discussed this issue with Mr. Carsens, who confirmed that the district works hard to bring people into the district, but it is especially difficult to retain them. Often times, these teachers prove during their one year in the classroom that they are excellent teachers, which makes it easier for them to find better jobs and pay elsewhere. Alaska never gets them back, he said.

[SJR 9 was held in committee].

[3:00:46 PM](#)

There being no further business to come before the committee, Chair Hughes adjourned the Senate Judiciary Standing Committee meeting at 3:00 p.m.