

**ALASKA STATE LEGISLATURE  
HOUSE EDUCATION STANDING COMMITTEE**

March 16, 2022

8:08 a.m.

**MEMBERS PRESENT**

Representative Harriet Drummond, Co-Chair  
Representative Andi Story, Co-Chair  
Representative Tiffany Zulkosky  
Representative Grier Hopkins  
Representative Mike Prax  
Representative Mike Cronk  
Representative Ronald Gillham

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 108

"An Act relating to concurrent vocational education, training, and on-the-job trade experience programs for students enrolled in public secondary schools; relating to child labor; and providing for an effective date."

- HEARD & HELD

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 48

"An Act relating to the Alaska performance scholarship program."

- MOVED CSSSHB 48 OUT OF COMMITTEE

SENATE BILL NO. 198

"An Act providing that Rampart School is located within the Yukon-Koyukuk School District regional educational attendance area; and providing for an effective date."

- MOVED SB 198 OUT OF COMMITTEE

HOUSE BILL NO. 173

"An Act relating to state education policy; relating to school climate and connectedness; establishing the School Climate and School Connectedness Improvement Committee; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 335

"An Act providing that Rampart School is located within the Yukon-Koyukuk School District regional educational attendance area; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 350

"An Act relating to school bond debt reimbursement; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 108

SHORT TITLE: CONCURRENT SECONDARY & TRADE SCHOOL

SPONSOR(S): REPRESENTATIVE(S) MCCARTY

02/22/21	(H)	READ THE FIRST TIME - REFERRALS
02/22/21	(H)	EDC, L&C, FIN
04/09/21	(H)	EDC AT 8:00 AM DAVIS 106
04/09/21	(H)	Heard & Held
04/09/21	(H)	MINUTE(EDC)
02/23/22	(H)	EDC AT 3:30 PM DAVIS 106
02/23/22	(H)	Heard & Held
02/23/22	(H)	MINUTE(EDC)
03/04/22	(H)	EDC AT 8:00 AM DAVIS 106
03/04/22	(H)	Heard & Held
03/04/22	(H)	MINUTE(EDC)
03/14/22	(H)	EDC AT 8:00 AM DAVIS 106
03/14/22	(H)	Scheduled but Not Heard
03/16/22	(H)	EDC AT 8:00 AM DAVIS 106

BILL: HB 48

SHORT TITLE: AK PERFORMANCE SCHOLARSHIP; ELIGIBILITY

SPONSOR(S): REPRESENTATIVE(S) STORY

02/18/21	(H)	PREFILE RELEASED 1/8/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	EDC, FIN
04/12/21	(H)	EDC AT 8:00 AM DAVIS 106
04/12/21	(H)	Heard & Held
04/12/21	(H)	MINUTE(EDC)
04/28/21	(H)	EDC AT 8:00 AM DAVIS 106

04/28/21	(H)	Heard & Held
04/28/21	(H)	MINUTE(EDC)
02/22/22	(H)	SPONSOR SUBSTITUTE INTRODUCED
02/22/22	(H)	READ THE FIRST TIME - REFERRALS
02/22/22	(H)	EDC, FIN
02/25/22	(H)	EDC AT 9:00 AM DAVIS 106
02/25/22	(H)	Heard & Held
02/25/22	(H)	MINUTE(EDC)
03/04/22	(H)	EDC AT 8:00 AM DAVIS 106
03/04/22	(H)	Heard & Held
03/04/22	(H)	MINUTE(EDC)
03/14/22	(H)	EDC AT 8:00 AM DAVIS 106
03/14/22	(H)	Scheduled but Not Heard
03/16/22	(H)	EDC AT 8:00 AM DAVIS 106

BILL: SB 198

SHORT TITLE: RAMPART SCHOOL: YUKON-KOYUKUK DISTRICT

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/16/22	(S)	READ THE FIRST TIME - REFERRALS
02/16/22	(S)	EDC
02/25/22	(S)	EDC RPT 5DP
02/25/22	(S)	DP: HOLLAND, HUGHES, STEVENS, MICCICHE, BEGICH
02/25/22	(S)	EDC AT 9:00 AM BUTROVICH 205
02/25/22	(S)	Moved SB 198 Out of Committee
02/25/22	(S)	MINUTE(EDC)
03/09/22	(S)	TRANSMITTED TO (H)
03/09/22	(S)	VERSION: SB 198
03/14/22	(H)	READ THE FIRST TIME - REFERRALS
03/14/22	(H)	EDC
03/16/22	(H)	EDC AT 8:00 AM DAVIS 106

**WITNESS REGISTER**

REPRESENTATIVE KEN MCCARTY

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, provided information and answered questions on HB 108.

HEIDI TESHNER, Acting Deputy Commissioner

Department of Education and Early Development

Juneau, Alaska

**POSITION STATEMENT:** Answered questions on SB 108; presented SB 198 on behalf of the sponsor, House Rules by request of the governor.

DEBORAH RIDDLE, Division Operations Manager  
Innovation and Education Excellence  
Department of Education and Early Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 108.

LAURIE THOMAS, President  
Yukon Flats School Board  
Fort Yukon, Alaska

**POSITION STATEMENT:** Testified in support of SB 198.

GRACE BEAUJEAN, Research Analyst  
Division of Community and Regional Affairs  
Department of Commerce, Community & Economic Development  
Anchorage, Alaska

**POSITION STATEMENT:** Provided information on SB 198.

#### **ACTION NARRATIVE**

[8:08:29 AM](#)

**CO-CHAIR ANDI STORY** called the House Education Standing Committee meeting to order at [8:08] a.m. Representatives Cronk, Gillham, Prax, Hopkins, Drummond, and Story were present at the call to order. Representative Zulkosky arrived as the meeting was in progress.

#### **HB 108-CONCURRENT SECONDARY & TRADE SCHOOL**

[8:10:04 AM](#)

CO-CHAIR STORY announced that the first order of business would be HOUSE BILL NO. 108, "An Act relating to concurrent vocational education, training, and on-the-job trade experience programs for students enrolled in public secondary schools; relating to child labor; and providing for an effective date."

[The committee adopted an amendment to HB 108 at its last hearing of the bill on 3/4/2022.]

[8:10:29 AM](#)

REPRESENTATIVE KEN MCCARTY, Alaska State Legislature, as prime sponsor, offered that the main concern of HB 108 would be the funding for the career and technical education (CTE) programs in

the school districts. He stated that the Juneau School District (JSD) is taking on a \$45 million expansion project, which includes \$7 million in employee benefits. He stated that the focus of the benefit package is retention of JSD's workforce. He added that the district has cited the importance of having a younger workforce that is invested in the community to create longevity. He stressed that investing in the careers of youth in communities is a theme throughout the state. He offered the opinion that, when the workforce comes from out of state, people do not necessarily stay and work for their lifetime in the state.

[8:12:14 AM](#)

CO-CHAIR STORY remarked that, during the previous hearing on HB 108, an amendment was adopted that changed the responsibility for negotiating CTE contracts from the Department of Education and Early Development (DEED) to the school districts. She pointed out that the amendment would also designate the school districts to fund tuition for CTE programs. She voiced concern over the districts "having the dollars" to contract with CTE vendors and fund the programs. She questioned whether districts have responded to funding the programs.

REPRESENTATIVE MCCARTY replied that the districts requested the amendment, as they would have better knowledge about the available resources for contracting in their communities.

CO-CHAIR STORY stated that a letter of support from the Nome Public Schools (NPS) communicated that the district may not have the means to support CTE programs. She added that JSD also expressed concerns about the resources to pay for the contracting. She questioned whether there has been a conversation with NPS since the amendment passed.

REPRESENTATIVE MCCARTY answered that there has been outreach to NPS with no response.

CO-CHAIR STORY stated that she also reached out to NPS to no avail, noting that there are industry partners funding some of the CTE programs. She requested that Representative McCarty review the process, from the school districts' perspective, so the committee could understand how the agreement would be made to pay the tuition, and how the individual learning plans would all work together.

REPRESENTATIVE MCCARTY responded that school counselors in secondary schools follow guidelines to ensure students have completed the required curriculum before graduation. The school counselor tracks students, so that by senior year, the counselor knows which classes are needed for students to graduate. He stated that the process of following students through the CTE programs would be same. The CTE classes would be considered electives, as the industry creates the criteria. He stated that the counselor would follow concurrent classes, like math and science, along with the CTE classes. He made the distinction that, if the student attends a program that has not contracted with the school district, then the school district would not be responsible for the tuition. He stated that the districts expressed they would have reservations about the legislation if DEED were responsible for the CTE contracts.

[8:19:56 AM](#)

CO-CHAIR DRUMMOND stated that school districts have been cutting staff and, unfortunately, school counselors have been cut the most. She stated that teachers are teaching, doing prep, grading tests, and now, acting as counselors. She stressed that they do not have the time. She pointed out many of the committee members have been on school boards in the past, and they understand the concern over fiscal notes. She warned that the fiscal note may show zero dollars, but the result of 54 schools in the state delivering curricula may reflect differently. She stated that the legislation would have a fiscal note of almost \$400,000 for the first year, \$600,000 for the second year, and close to \$900,000 for the third year. She argued that, unless each district comes forward to speak on the issue, it would be difficult to know the costs. She expressed interest in hearing from DEED on the issue. She said that, not including DEED's basic budget, costs would approach \$1 million in the out years. She stated that it would be best to know the costs to school districts before going forward with the bill.

REPRESENTATIVE MCCARTY related that the Kensington Mine presented an idea for investment into CTE programs.

[8:23:13 AM](#)

HEIDI TESHNER, Acting Deputy Commissioner, Department of Education and Early Development, stated that there should be an updated fiscal note and directed that concern to DEED's operation manager.

[8:23:40 AM](#)

The committee took an at-ease from 8:23 a.m. to 8:30 a.m.

[8:30:56 AM](#)

DEBORAH RIDDLE, Division Operations Manager, Innovation and Education Excellence, Department of Education and Early Development, responded to questions on the fiscal note for HB 108. She stated that the original fiscal note looked at requirements for DEED to be able to negotiate contracts and administer part of the tuition for [CTE programs]. It was determined that DEED would need part of a staff position to work as an education specialist at \$129,400 per year. This amount includes charge backs of \$5,000. She stated that the tuition per student would be estimated at \$1,000 each year. She surmised that the tuition would ease costs and incentivize vendors and organizations to work with students. She stated that DEED anticipated the number of students to be 250 students for the first year, 500 for the second year, and 750 for the third year. She stated there is also a one-time increment of \$6,000 for regulation changes. She indicated that, if the committee adopted the proposed committee substitute, then the costs to DEED would be less. She stated that the new fiscal note would be about \$6,000 for regulation fees. She stated that the new fiscal note would not be written until the committee substitute [is adopted].

[8:35:02 AM](#)

CO-CHAIR DRUMMOND clarified that the correct fiscal note was before the committee. She questioned how DEED would spend the \$1,000 per student.

MS. RIDDLE responded that the \$1,000 per student would be an incentive to help defer the costs on the districts. In a response to a follow-up question, she stated that the distribution of the tuition is yet to be determined, and the money would either go to the districts or directly to the employer.

[8:36:57 AM](#)

REPRESENTATIVE HOPKINS questioned whether the committee substitute needs to be adopted before DEED could discuss the impacts of the amendment.

MS. RIDDLE responded that, if DEED would no longer have the responsibility of contracting, a new formal fiscal note for the committee substitute would need to be reworked. She deferred to Ms. Teshner.

REPRESENTATIVE HOPKINS speculated that, if there is not a centralized organization negotiating with CTE vendors, districts could be looking at \$2,000 or \$3,000 per student, unless the [tuition fee] is controlled within the bill. He stated that, while it is a wonderful idea for a program, it would be interesting to see the costs once the committee substitute is adopted. In response to Co-Chair Story, he said that the committee substitute would be drafted by Legislative Legal Services with the bill sponsor, and then the committee would possibly get the fiscal notes. He stated this could happen going into the next committee of referral, or it could happen in this committee.

[8:38:38 AM](#)

MS. TESHNER, in response to Co-Chair Story, stated that once the committee substitute is adopted, DEED would proceed with finalizing the revised fiscal note. She stated that DEED would no longer be managing the contracts, but there would be a small fee of \$6,000 for regulation changes. In response to a follow-up question concerning the \$1,000 tuition fee, she stated that DEED would only have the regulation cost. She deferred to Ms. Riddle for clarification.

[8:40:02 AM](#)

MS. RIDDLE answered that, if DEED would no longer be handling CTE contracts, the \$1,000 tuition fee would then go to the school districts.

MS. TESHNER responded to Co-Chair Story that it would be up to the will of the committee whether districts or DEED pay the tuition fee of \$1,000 per student.

[8:40:50 AM](#)

CO-CHAIR DRUMMOND suggested that the committee substitute be drafted, with the amendment, so DEED would be able to generate the appropriate fiscal notes. She stated that once the majority of costs shift from DEED to another entity, DEED would still have a cost of about \$130,000 a year for the new education specialist, plus the regulation cost. She surmised that the

other funds would go to the school districts. She questioned whether DEED would generate a fiscal note that shows money going to school districts or the school districts would report the expected costs.

MS. TESHNER stated that the school districts would have to inform DEED of the costs, but it would not be reflected in a fiscal note. She expressed the understanding that the staff position in the current fiscal note would not be needed under the new committee substitute.

CO-CHAIR DRUMMOND suggested that the committee proceed with the committee substitute so the fiscal impact for DEED and school districts could be understood. She said, "Should it turn out to be an unfunded mandate, that's not a bad thing, because ... school districts need to be properly funded to deliver the curriculum that best serves their students, and their communities, and their workforce needs." She stressed that [the costs] would need to be understood before the bill moves out of committee. She stated that the responsibility of the House Education Standing Committee is to ultimately oversee the 54 school districts and the costs that may be imposed on them.

[8:42:57 AM](#)

MS. TESHNER, in response to Co-Chair Story, explained that once DEED receives the committee substitute, the fiscal notes could be produced quickly.

REPRESENTATIVE PRAX expressed confusion and stated the belief that the proposed legislation would "permit" the school districts to provide CTE, but it would not "mandate" them to do so. He expressed the understanding that the difference would be the ability to contract with an employer or apprenticeship program outside of school districts to do the actual work.

CO-CHAIR STORY responded that, according to the current version of the legislation, secondary schools "shall" pay the program tuition. In example, she said that a school would work with an industry partner contracted to pay the tuition for a student. She suggested that the bill sponsor respond to Representative Prax.

[8:45:00 AM](#)

REPRESENTATIVE MCCARTY responded that the goal of the legislation would be to advance programs that offer career

feasibility to students within the education system. If a school district would not be able to offer training to students, because of unavailability, the district would not be mandated to offer that program. Districts would only offer the programs they can contract. In response to a follow-up question, he stated that the bill would enable school districts to pay a third party for tuition costs, but districts would need to be given the authority to do that. He stated that a system is already in place, and some districts contract with organizations to train students, but this legislation would extend that capability throughout the state. He reiterated that it would not be mandated. In response to a follow-up question, he stated that it would be up to the districts to decide from which source they obtain the tuition money. He stated that he understood from districts' testimonies that the plans to fund CTE programs could include employers in the community, the Carl D. Perkins Career and Technical Education Improvement Act of 2006 ("Perkins IV"), and Alaska Native corporations.

[8:48:12 AM](#)

REPRESENTATIVE HOPKINS, in reference to the use of "shall" in the legislation, questioned whether school districts would have to offer CTE programs.

REPRESENTATIVE MCCARTY answered that his understanding is the districts would not have to provide CTE programs or make contracts with CTE vendors. In a response to a follow-up question, he stated that the school districts would not have to negotiate a contract with CTE vendors; he could not foresee a reason why a school would not offer a program, unless the request for that program would put a great imposition on the funding of the school.

REPRESENTATIVE HOPKINS hypothesized that the basic student allocation fund could be used to provide CTE programs, and the legislation would not need to provide fiscal support for the school districts. He deduced that, if contracting and providing CTE were the districts' responsibility, then the costs would not be on the fiscal note and determining the [fiscal] impact on school districts would be difficult. He questioned whether there are letters of support from school districts for the amendment changes and, if so, whether the letters include explanations of the expected costs. He expressed interest in whether it is the larger or the smaller districts that support the amendment change.

REPRESENTATIVE MCCARTY responded that he would supply the committee with the letters of support.

CO-CHAIR STORY suggested that any question on the implications of "shall" in the language of the legislation should be referred to Legislative Legal Services.

[8:52:19 AM](#)

CO-CHAIR DRUMMOND stated that the economies of scale for larger school districts would allow them to have complete schools for CTE programs. She gave the example of King Tech High School in Anchorage, which has full-day CTE programs. She stated that some local high schools will bus in students for partial-day programs. She stated that the Kulsilvak Career Academy, created by the Lower Yukon School District, bought an old hotel in the Anchorage area and contracts with the Anchorage School District to send these students to King Tech High School for six-week programs. She suggested that there are creative solutions, but financially it would not be feasible for all school districts, as building a new workshop would be a burden for smaller districts. She stated that there should be awareness around the costs school districts are asked to shoulder to fund the programs. She expressed the opinion that this would be the year to fund programs, as revenues are coming into the state, and the price of oil [has increased]. She argued that "if we don't spend it on our future workforce, then I think we are wasting our time." She suggested that the bill be held until the committee substitute and fiscal notes are available.

[8:55:25 AM](#)

REPRESENTATIVE ZULKOSKY expressed support for Co-Chair Drummond's comments. She stated that often exemplary circumstances stand out as great examples of opportunity, especially in reference to the Kulsilvak Career Academy. She reinforced that the types of resources available to some districts may not be available to other districts. She encouraged future conversations about the availability of resources in the different districts to ensure that each can be successful and not be [held up in comparison to] outlier exemplary examples.

[8:56:31 AM](#)

CO-CHAIR STORY referenced a letter of support from NPS that conveys the concern that the legislation would benefit larger

school districts, while districts made up of smaller villages would not have access to programs or the funds for expansion. She stressed that HB 108 is crucial, and the needed investment should be realistic, so there would be clarity when the legislation moves out of committee to the House Labor and Commerce Standing Committee. She suggested that consulting districts [on costs] would result in clarity.

[8:58:40 AM](#)

CO-CHAIR DRUMMOND, in response to Representatives McCarthy and Story, clarified that the amendment had been adopted. The legislation now needs to be sent to Legislative Legal Services, and then it would return to the committee as [a proposed committee substitute], and at that time the fiscal notes should be ready. She suggested there be a review of Perkins IV to understand how it could be used as a source of funding. She stated that these grants are specifically for career technology.

REPRESENTATIVE MCCARTY suggested that individuals who provided invited testimony during the previous hearing could return, if needed, to answer further questions on the proposed legislation.

[9:00:30 AM](#)

REPRESENTATIVE ZULKOSKY, in response to Representative Prax, expressed the belief that the discussion had already reflected Representative Prax's comment. She indicated that the spirit and intent of the bill should match the mechanism. To make sure of this, she stated that the committee should spend time and make sure the language accomplishes and reflects the stated intention of the legislation.

[HB 108 was held over.]

**HB 48-AK PERFORMANCE SCHOLARSHIP; ELIGIBILITY**

[Contains discussion of HB 108.]

[9:02:15 AM](#)

CO-CHAIR STORY announced that the next order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 48, "An Act relating to the Alaska performance scholarship program."

CO-CHAIR STORY passed the gavel to Co-Chair Drummond.

[9:02:38 AM](#)

CO-CHAIR DRUMMOND noted that public testimony had been left open from a previous hearing, and, after ascertaining there was no one who wished to testify, she closed public testimony on SSHB 48.

[9:03:34 AM](#)

CO-CHAIR STORY, as prime sponsor of SSHB 48, provided a review of the legislation. She stated that the legislation would make the Alaska Performance Scholarship (APS) available to more high school students, helping to meet the state's goal of retaining young talent in its workforce. She stated that the amendment before the committee is the result of recommendations from a program review which occurs every ten years by the McKinley Research Group. She stated that the suggested changes are as follows: create courses for career and technical education; remove college entry exams; increase award amounts; extend the scholarship to eight years; and give juniors access to information to keep them on track to receive scholarships.

CO-CHAIR DRUMMOND noted that the Higher Education Investment Fund does not exist at this time. She stated that this is difficult for students, as this fund's investments have generated the money for their scholarships. She stated that the committee needs to move forward and be prepared, as there is another bill in another process which seeks to recapitalize that fund.

[9:06:26 AM](#)

REPRESENTATIVE HOPKINS moved to adopt Amendment 1, labeled 32-LS0315\G.1, Marx, 3/9/2022, which read as follows:

Page 1, line 7:  
Delete "six"  
Insert "12 [SIX]"

Page 1, line 9, following "completed":  
Insert "or is enrolled in"

Page 2, line 9, following "language":  
Insert "and"

Page 2, lines 10 - 20:  
Delete all material and insert:

"(4) has a minimum grade-point average in high school of 2.5 or higher; the department shall set by regulation minimum requirements based on a substantially similar standard for districts that do not assign grades [;

(5) HAS ACHIEVED A MINIMUM SCORE ON A

(A) COLLEGE ENTRANCE EXAMINATION; OR

(B) STANDARDIZED EXAMINATION DESIGNED TO MEASURE A STUDENT'S LEVEL OF PREPAREDNESS TO MAKE THE TRANSITION TO WORK, AS SELECTED BY THE DEPARTMENT; AND

(6) IS ENROLLED IN GOOD STANDING IN A COURSE OF STUDY AT A QUALIFIED POSTSECONDARY INSTITUTION IN THIS STATE THAT IS INTENDED TO RESULT IN THE AWARD OF A CERTIFICATE OR DEGREE]."

Page 2, line 26:

Delete "a new subsection"

Insert "new subsections"

Page 2, following line 30:

Insert new subsections to read:

"(i) Not later than September 30 of each year, the commission shall notify each applicant awarded a scholarship under (a) of this section that the applicant has been awarded an Alaska performance scholarship. The notice must

(1) identify the Alaska performance scholarship level awarded as described in AS 14.43.825(a); and

(2) inform the applicant that

(A) the commission may disburse the award only if the applicant meets the requirements described in (k) of this section; and

(B) the commission will adjust the applicant's award under the circumstances described in (j) of this section.

(j) If, at the time an applicant awarded an Alaska performance scholarship graduates from high school, the applicant's grade-point average differs from the grade-point average on which the commission based the applicant's award, the commission shall adjust the applicant's award in accordance with the applicable Alaska performance scholarship level described in AS 14.43.825(a).

(k) Notwithstanding (a) of this section, and except as provided in (c) of this section, the commission may disburse an Alaska performance

scholarship awarded to an applicant under this section only if the applicant

(1) has, at the time of the applicant's graduation from high school,

(A) completed the core academic curriculum of high school level coursework described in (a)(3) of this section; and

(B) met the minimum grade-point average in high school described in (a)(4) of this section; and

(2) is enrolled in good standing in a course of study at a qualified postsecondary institution in this state that is intended to result in the award of a certificate or degree."

[9:06:30 AM](#)

CO-CHAIR DRUMMOND objected for the purpose of discussion.

REPRESENTATIVE HOPKINS stated that the amendment is by request of the bill sponsor and the result of recommendations from the McKinley Research Group. He stated that the amendment would move up the date of issuance of APS and would inform students sooner of their qualification status for the scholarship. This would allow the students to know which financial package would be available to them before choosing postsecondary education.

CO-CHAIR STORY added that currently students would not know until the end of their senior year if they would receive the scholarship. She stated that this change would also prevent students from discovering, after the fact, they had not taken the correct curriculum to receive the award. With this change students would be able to adjust their classes in their senior year and maintain their grade point average (GPA) to meet the criteria. She stated that this would allow students to make decisions earlier about postsecondary education.

[9:10:42 AM](#)

REPRESENTATIVE GILLHAM, reflecting on HB 108, suggested that the APS issuance date could be moved up even more, so then the funding would be put towards CTE in high school. The students' records could be reviewed in the sixth to eighth grades to see if they qualify for the scholarship. He conjectured that making the scholarship program eligible even sooner, the fiscal notes for HB 108 could be dropped.

[9:11:39 AM](#)

CO-CHAIR STORY indicated that APS requires a strict curriculum, so this would require a discussion to determine how [HB 108 and SSHB 48] would fit together. She stated that the APS program is very prescriptive, but it does allow students to take some CTE classes. She said that students could use the scholarship to go towards technical programs, and, as HB 108 adds the work experience with the training, [the two pieces of legislation] could complement each other.

[9:12:47 AM](#)

CO-CHAIR DRUMMOND expressed the opinion that Representative Gillham's idea is "brilliant." She added that APS is designed for high school, but to begin in middle school would be a great idea. She expressed the belief that students tend to decide what they want to do around third grade. She referenced the Alaska Native Science and Engineering Program at the University of Alaska. She stated that the [accelerated] program brings in high school students from rural communities, who often graduate as engineers with dual credits and more. She stated that the professor working with the program learned that, to excite students and start them in the right classes, they would need to begin in the sixth grade. She stated that this type of program could be adapted for career technology. She noted that, at the governor's request, the bill would have a substantial fiscal note of \$7.15 million. She stated that now APS is coming out of the general fund, and it is not earning interest. She asserted that, because there was no reverse sweep, the fund now earns around 1 to 2 percent compared with historical earnings of 8 to 12 percent. Referencing the fiscal note and the Office of Management and Budget component 2990, she stated that the legislation would call for \$15.2 million per year in scholarships in the out years. This amount reflects an increase in the size of the award to match tuition rates in state schools. She stated that [Representative Gillham's idea] is worth discussing, but it would require restructuring middle schools around the state.

[9:15:45 AM](#)

CO-CHAIR STORY interjected that, as of mid-January, the Higher Education Investment Fund had not been liquidated and is still earning higher interest rates. She expressed hope that the legislature would keep the fund intact and put the estimated \$400 million back. She stated that the Department of Revenue has delayed the liquidation of the fund because the fund's

return was around 38 percent last year. She stated that the fund would pay for the entire fiscal note that is in front of the committee and has been self-supporting APS. Based on recommendations of the Alaska Commission on Postsecondary Education, a \$7,000 scholarship award [per student, per year] would be a self-sustaining amount. She said, if the Higher Education Investment Fund has not been swept yet, funding for several programs would not have to come out of the general fund. She stated that Representative Josephson is sponsoring a bill to clarify that the House of Representatives and the Senate would both be in support of retaining the fund.

[9:17:40 AM](#)

REPRESENTATIVE GILLHAM, alluding to Co-Chair Drummond's earlier comment, stated that the state has an excess to spend this year, but he is more interested in funding the state's workforce 10 years from now. He suggested that creating interest in middle school would lead students to be involved with a CTE program by the ninth grade. He stated that a constituent has expressed to him that CTE is needed because youth are learning computers but cannot build an outhouse.

CO-CHAIR STORY stated that students would get credit for CTE classes as part of APS. She added that a study by the Alaska Commission on Postsecondary Education shows that students who receive APS have higher completion rates and tend to stay in the state for careers, of which is the goal of the program. She expressed hope that the Higher Education Investment Fund would be put into law, retaining a future funding mechanism for the program.

CO-CHAIR DRUMMOND stated that, in addition to APS, the Higher Education Investment Fund has provided about \$8 million a year for the Alaska Education Grant program. She explained that APS is a performance-based [scholarship], while the Alaska Education Grant program is a needs-based [grant]. She added that the grant can be used anywhere in the state for postsecondary instruction in any field, including hair technology, carpentry, and university courses. She said that the Alaska Education Grant program now pulls from the general fund.

[9:21:56 AM](#)

CO-CHAIR STORY responded to Representative Prax that the [University of Alaska] would receive the scholarship money as long as the student was enrolled in classes. She stated that

the scholarship's availability for students would be increased to eight years because the McKinley Research Group's study related that nontraditional students in Alaska tend to take a gap year to work and then resume classes. It was conveyed that Representative Prax's comments were not speaking to the amendment and would be deferred.

[9:23:37 AM](#)

CO-CHAIR DRUMMOND withdrew her objection to the motion to adopt Amendment 1. There being no further objection, Amendment 1 was adopted.

[9:24:12 AM](#)

REPRESENTATIVE PRAX expressed the understanding that the legislation would extend the scholarship eligibility eight years. He voiced the concern that this would create a greater risk for students to change their mind and not graduate.

CO-CHAIR STORY responded that the extension would not be eight years, but eight total semesters, and the student would have to be on track to use the award. She offered that there would be safeguards in the bill, and a student would have to maintain a certain GPA and take a required number of credits per semester.

REPRESENTATIVE PRAX suggested that if a student enrolled in the university with no career direction and did not finish, the scholarship would have been wasted. He questioned whether a student would have to pay back the money if the student dropped out after two years.

CO-CHAIR STORY responded that scholarship money would not be paid back. She stated the belief that whatever education people receive serves them well.

[9:27:38 AM](#)

REPRESENTATIVE CRONK expressed appreciation for the extension. He commented that there are "bumps" in life, so the eight-year extension is understandable. He questioned whether, if a student waits five years before attending university, he/she would have only three years to use the scholarship.

CO-CHAIR STORY stated that the student would have eight years, and if his/her education extended to one more year, the student may have to pay more of the tuition.

[9:28:34 AM](#)

The committee took an at-ease from 9:28 a.m. to 9:32 a.m.

[9:32:11 AM](#)

REPRESENTATIVE ZULKOSKY moved to report SSHB 48, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSSHB 48(EDC) was reported out of the House Education Standing Committee.

[9:32:43 AM](#)

The committee took an at-ease from 9:33 a.m. to 9:36 a.m.

[9:36:09 AM](#)

**SB 198-RAMPART SCHOOL: YUKON-KOYUKUK DISTRICT**

[9:36:54 AM](#)

CO-CHAIR STORY announced that the final order of business would be SENATE BILL NO. 198, "An Act providing that Rampart School is located within the Yukon-Koyukuk School District regional educational attendance area; and providing for an effective date." She noted that SB 198 is the companion bill to HB 335, which the committee last heard on 3/7/2022.

[9:37:52 AM](#)

MS. TESHNER, Acting Deputy Commissioner, Department of Education and Early Development, presented that SB 198 would move the Rampart School from the Yukon Flat School District (YFSD) to the Yukon-Koyukuk School District (YKSD).

[9:39:02 AM](#)

LAURIE THOMAS, President, Yukon Flats School Board, testified in support of SB 198. She stated that she has served on the Yukon Flats School Board for many years and knows the history of the Rampart School. Over the past 10 years there has been an effort to revitalize the community of Rampart and reopen the school. She said that YFSD had a vocational education program and invited students at the Rampart School to participate. She stated that they worked together and decided to become partners.

They found that, where the community of Rampart is located, logistically it would be more feasible for the Rampart school to be under YFSD, so a memorandum of agreement was created to help with the budgets. She stated that every year the memorandum has been renewed, and then it was decided switching the boundary would be easier. She stated that this is what the community and the students of Rampart want, so the communities voted in favor of the switch.

[9:42:42 AM](#)

GRACE BEAUJEAN, Research Analyst, Division of Community and Regional Affairs, Department of Commerce, Community & Economic Development, described that, before redrawing the boundaries to move the community of Rampart into YKSD, the local communities would be consulted. Then the 2020 U.S. Census Tract boundaries would be used to ensure the entire community of Rampart is successfully redrawn into YKSD. After the new boundaries for each district are drawn, they would need to be described and the geographic information systems updated.

[9:43:46 AM](#)

CO-CHAIR DRUMMOND moved to report SB 198 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 198 was reported out of the House Education Standing Committee.

[9:45:23 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:45 a.m.