

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS**

April 27, 2023

6:03 p.m.

MEMBERS PRESENT

Representative Ben Carpenter, Chair
Representative Jamie Allard
Representative Kevin McCabe
Representative Andrew Gray
Representative Cliff Groh

MEMBERS ABSENT

Representative Tom McKay
Representative Cathy Tilton

COMMITTEE CALENDAR

HOUSE BILL NO. 165

"An Act relating to charter schools; relating to correspondence study programs; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 165

SHORT TITLE: CHARTER SCHOOLS; CORRESPONDENCE PROGRAMS

SPONSOR(S): WAYS & MEANS

04/19/23	(H)	READ THE FIRST TIME - REFERRALS
04/19/23	(H)	W&M, EDC, FIN
04/27/23	(H)	W&M AT 6:00 PM DAVIS 106

WITNESS REGISTER

KENDRA BROUSSARD, Staff
Representative Ben Carpenter
Juneau, Alaska

POSITION STATEMENT: Provided the sponsor statement and sectional analysis on HB 165, on behalf of the sponsor, the House Special Committee on Ways and Means, of which Representative Carpenter serves as chair.

LINDSEY CAUSER, Staff

Representative Jamie Allard
Juneau, Alaska

POSITION STATEMENT: On behalf of the House Special Committee on Ways and Means, sponsor of HB 165, presented the PowerPoint, titled "HB 165 Charter Schools and Correspondence Programs."

DONALD ENOCH, Special Education Administrator
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 165.

ELWIN BLACKWELL, School Finance Manager
School Finance and Facilities Section
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 165.

SARAH MONTALBANO, Education Policy Analyst
Alaska Policy Forum
Anchorage, Alaska

POSITION STATEMENT: Answered questions related to HB 165.

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

POSITION STATEMENT: Answered a question related to HB 165.

ACTION NARRATIVE

[6:03:11 PM](#)

CHAIR BEN CARPENTER called the House Special Committee on Ways and Means meeting to order at 6:03 p.m. Representatives Allard, McCabe, Gray, Groh, and Carpenter were present at the call to order.

HB 165-CHARTER SCHOOLS; CORRESPONDENCE PROGRAMS

[6:03:54 PM](#)

CHAIR CARPENTER announced that the only order of business would be HOUSE BILL NO. 165, "An Act relating to charter schools; relating to correspondence study programs; and providing for an effective date."

CHAIR CARPENTER stated that HB 165 is being introduced as a committee bill. He pointed out that the House Special Committee on Ways and Means has been tasked with finding ways to make government more efficient, and during recent discussions it has identified education as an important aspect of economic outcomes in the state. He advised that improved education outcomes are critical to Alaska's prosperity, arguing that excellent education options would provide reasons for families to move to the state. He stated that this would help grow the economy. He concluded that the committee would continue to bring policy options to help reduce costs and improve government effectiveness.

6:05:30 PM

KENDRA BROUSSARD, Staff, Representative Ben Carpenter, on behalf of the sponsor, the House Special Committee on Ways and Means, of which Representative Carpenter serves as chair, presented the sponsor statement [copy included in the committee packet], which read as follows [original punctuation provided]:

HB 165 would allow Parents to have a greater choice in their child's education.

Parents in several states can choose the best education option for their child. That may be a neighborhood public school for one child, but a charter school or correspondence-type program for another.

HB 165 would allow the state Board of Education to charter schools anywhere in the state, and to direct a state correspondence program. Currently, school districts have the decision authority over the existence of these entities.

Currently, correspondence study programs receive a fraction of the funding than that of the neighborhood public school. Alaska statutes require schools to meet the same instructional standards, provide the same level of curriculum, and meet the needs of students, regardless if the student is receiving their education from a physical school, or a home-based school. Under Special Needs statutes, schools are required to provide services including vocational education, special education, gifted and talented, and bilingual/bicultural education.

The current funding formula for education is heavily weighted toward neighborhood public schools.

There are 29,118 students enrolled in charter or correspondence schools in Alaska, or 23% of Alaska's students. The 21,927 correspondence students are 16% of total students in Alaska, but only account for 5.3% of total funding. The current funding formula for a correspondence student is 90% (0.9) of the BSA with no additional multipliers. HB 165 would change that formula to 150% (1.5) of the BSA. HB 165 also allocates an 11 times multiplier for intensive needs students.

HB 165 also directs school districts to allocate the funds the district receives on behalf of each child in a correspondence study program.

HB 165 allows parents of all income levels to determine the most appropriate method of schooling for their child. HB 165 is likely to incentivize more parents to choose charter or correspondence programs for their children, which will have an additional benefit of saving the state money.

[6:08:03 PM](#)

MS. BROUSSARD, on behalf of the prime sponsor, the House Special Committee on Ways and Means, of which Representative Carpenter serves as chair, provided the sectional analysis [copy included in the committee packet], which read as follows [original punctuation provided]:

Section 1

Creates a new section of law under charter schools that allows the State Board of Education to establish a charter school in a school district. The district local school board will operate the charter under the charter school law.

Section 2

Changes the allotment for correspondence schools to the amount to the annual student allotment calculated in Section 3 of this Act.

Section 3

Adds a new subsection to correspondence school law to calculate student allotments for non-intensive needs students and another for intensive needs students.

Section 4 and 5

Adds to the duties of the Department of Education to offer and make available to any Alaskan through a centralized office a correspondence study program if required to do so by the State Board of Education.

Section 6

Adds to the duties of the State Board of Education that the Board shall adopt regulations regarding establishment of charter schools by the Board.

Section 7

Amends the state funding calculation for correspondence program by adding together the results of multiplying the ADM (student count) by 1.5 and multiplying the correspondence intensive student count by 11.

Section 8

Adds a new subsection of the calculation of the calculation for state funding for correspondence study by defining intensive services and correspondence intensive student.

Section 9 and 10

Provide effective dates.

[6:09:47 PM](#)

LINDSEY CAUSER, Staff, Representative Jamie Allard, on behalf of the sponsor, the House Special Committee on Ways and Means, presented the PowerPoint, titled "HB 165 Charter Schools and Correspondence Programs" [hardcopy included in the committee packet]. She moved to slide 2 and said that Alaska's charter school laws are the third most restrictive nationwide, and HB

165 would address this. She explained that the lack of multiple authorizers is why these laws are seen as restrictive. She moved to slide 3 and directed attention to the second bullet point, which was the Alaska Policy Forum's recommendation that correspondence students should also get average daily membership (AADM) weights for special education of 1.2. She stated that HB 165 would increase this rate to 1.5. She explained that the 1.5 rate is being proposed because the state is only providing correspondence funding of 75 percent of what brick-and-mortar students receive. She added that this number is based on savings accounts in other states. She pointed out that correspondence students with intensive needs should also receive weights to their allotment similar to intensive-needs students in traditional district schools. She suggested an allotment multiplier of at least 10, while HB 165 would propose a multiplier of 11. She pointed out that brick-and-mortar schools receive a 13 times multiplier.

[6:12:24 PM](#)

MS. CAUSER, in response to a committee question, stated that "AADM" stands for "average daily membership." Moving to slide 4, she related that students in Alaska's charter schools perform better than students enrolled in traditional public schools, regardless of ethnicity, gender, or subgroup. She expressed the opinion that charter and correspondence schools help provide students with a better education. Moving to slide 5, she explained that there are 105,526 students enrolled in neighborhood public schools in Alaska, and 21,927 enrolled in correspondence study programs. She stated that correspondence study students are 16.5 percent of all students but account for less than 5.3 percent of total funding. She moved to slide 6 and discussed the funding formula for the current Correspondence School Allotment Program (CSAP), which multiplies the base student allocation (BSA) of \$5,960 by 0.9, and this equals \$5,364. She stated that the allocation to parents is \$2,500, while the remainder is going to the school district. She explained that slide 7 shows the CASP funding formula in the proposed legislation, which uses a 1.5 multiplier, resulting in a BSA of \$8,940. She pointed out that HB 165 would direct the funding to the charter or correspondence school, not the school district.

[6:16:08 PM](#)

MS. CAUSER moved to slide 8 and explained that a larger allocation in the hands of parents to direct their children's

education could result in a significant increase in correspondence school participation. She surmised that the more participation in correspondence schools, the more the state would save. She reiterated that an increase in allotments to parents from CSAP would create more interest in correspondence schools. She moved to slide 9 and advised that the bill's \$72 million fiscal note is misleading because it would only take 7,335 students switching to a correspondence program to break even. She posited that if 10,500 students switched, the state would save \$31.3 million per year. She stated that 10,500 was the number of students who utilized correspondence programs during the COVID-19 pandemic. Because of this, she deduced that the parents are interested, and she suggested that with an increase in funding more students would change to correspondence programs.

[6:19:27 PM](#)

REPRESENTATIVE GRAY asked if the Alaska Department of Education and Early Development (DEED) is available, and whether it would agree with the purported cost savings.

[6:19:51 PM](#)

DONALD ENOCH, Special Education Administrator, Department of Education, shared that he is not involved with financing of this type.

[6:20:31 PM](#)

ELWIN BLACKWELL, School Finance Manager, Department of Education and Early Development, responded that he is unsure he could speak to the numbers in question; however, he pointed out that this is speculative, as it assumes students will move to correspondence programs. He expressed uncertainty because the numbers presented are speculative.

[6:21:10 PM](#)

REPRESENTATIVE ALLARD hypothetically stated that if 10,500 students switched from public schools to correspondence programs, the state would then save \$31 million annually.

MR. BLACKWELL expressed uncertainty because the numbers have not yet been validated.

[6:22:23 PM](#)

MS. CAUSER moved to slide 10 which addressed charter schools in Alaska. She explained that, depending on the location, public charter schools may be another option available. She stated that like traditional public schools, charter schools are free, open, and usually have no requirements for entry. She explained that what distinguishes charter schools is the schools have extra freedom to innovate with learning methods and are accountable for authorizing entities for results. Moving to slide 11, she further elaborated that Alaska passed charter school legislation in 1995 and currently has 31 charter schools, serving more than 9,000 students. She said each school has a charter explaining the school's purpose and the specific community needs it serves. For example, a charter school may offer a Spanish immersion program or a literacy-based curriculum. If there are more families seeking admittance to a charter school than there are seats, a lottery system is typically used to determine admittance. She offered her understanding that charter schools see more activity from the student's parents than public schools.

[6:23:58 PM](#)

REPRESENTATIVE GRAY shared that, as a parent of a child in a charter school, it is required the parent participate.

[6:24:15 PM](#)

MS. CAUSER moved to slide 12 and explained that for the 2023 school year, there are 31 charter public schools serving 8,191 students in Alaska. Furthermore, charter schools in the state have an average math proficiency score of 48 percent, versus the public-school average of 33 percent. She added that charter schools in the state have a reading proficiency score of 59 percent compared to the statewide average of 40 percent. On slide 13, she pointed out that minority enrollment in the state's charter schools is 35 percent of the student body, which is less than the public school's 53 percent average minority enrollment. She moved to slide 14 and explained that permitting the creation of independent authorizers is one of the most important components of a strong charter law. She said the data shows states with multiple chartering authorities have almost three and a half times more charter schools than states which only allow local school board approval. Furthermore, about 78 percent of the nation's charter schools are in states with multiple authorizers or a strong appeals process. She expressed the opinion that states without multiple authorizers have

hostile environments for charter schools because charter schools are viewed as competition, and school boards reject applications not based on merit but based on politics. She continued that, without objective oversight from multiple authorizers, charter schools have no alternatives for approval, and so quality growth is severely stunted. She advised that school board hostility has prevented certain states from meeting growing demand for school choice, such as Maryland, Tennessee, and Rhode Island.

[6:27:20 PM](#)

REPRESENTATIVE GRAY asked how many charter school applications have been denied in Alaska. He further asked for an example of a charter school being denied because of politics.

MS. CAUSER stated she would follow up with an answer after the meeting.

[6:28:04 PM](#)

MS. CAUSER moved to slide 15 and addressed alternative authorizers. She said that 40 states and the District of Columbia now have charter schools. Of these, 14 states have one or more types of alternative charter authorizers. The other 27 states use a combination of local, regional, and state board authorizers. She said that, as of January 2007, 6 states and the District of Columbia had created separate state-level chartering boards, and she listed the states. She explained that, generally, the members of these state-level commissions or boards are appointed by one or more public officials; however, in some states the appointees must represent certain constituencies or possess expertise. In all cases, the sole purpose is to review, approve, and oversee charter schools within the state.

[6:29:43 PM](#)

REPRESENTATIVE GROH pointed out that slide 4 relates that students in Alaska's charter schools perform better on testing than students enrolled in the traditional public schools. He offered his understanding that 85 percent of traditional brick-and-mortar public school students are tested. He asked for the percentage of charter school students who are tested.

MS. CAUSER stated that the information on the slide is from the Alaska Policy Forum; therefore, she expressed uncertainty.

[6:31:15 PM](#)

SARAH MONTALBANO, Education Policy Analyst, Alaska Policy Forum, stated that the forum has a public records request for participation rates. She said correspondence students have a low rate of testing compared to public school students.

REPRESENTATIVE GROH expressed the understanding that when correspondence students take the test, only about 15 percent of the students are tested.

MS. MONTALBANO concurred.

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REPRESENTATIVE ALLARD expressed the opinion that the tests given are political, skewed, and agenda driven. She said that, as a parent, she has pulled her children out of testing because it is unnecessary. She added that frequent testing is not relevant in high school.

REPRESENTATIVE GROH interjected, stating that the percentage of students taking the tests is being discussed, not test scores. He argued that there is a focus on accountability in public schools; however, in reference to correspondence schools, he expressed uncertainty about accountability because a low percentage of correspondence students take the test.

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REPRESENTATIVE MCCABE questioned the importance of how many students take the test. He posited that if 15 percent of the charter school students take a test, and 100 percent of the brick-and-mortar schools take the test, there would still be a bell curve. He persisted that the number of students taking the test is irrelevant, as the committee is looking for a cross section. He said if it could be proved that a cross section was hand picked by the teacher in order to skew the curve, this would be a different matter.

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CHAIR CARPENTER pointed out that charter schools are still considered public schools; therefore, the testing requirements are the same throughout. He suggested that a test with a larger sample size would be considered more trustworthy.

REPRESENTATIVE GROH said the distinction between charter and correspondence schools is charter schools have a testing requirement for students, while only 15 percent of correspondence school students take the tests.

CHAIR CARPENTER responded that both charter and brick-and-mortar schools have the same testing requirements, but both have an allowance concerning participation in testing. He hypothesized that the parents, who are already required to be an active part of the education, are the ones pulling the students [from testing] at a higher rate.

[6:38:47 PM](#)

REPRESENTATIVE GROH laid out three categories: traditional non-charter public schools, charter schools, and correspondence schools.

[6:39:09 PM](#)

REPRESENTATIVE ALLARD shared that she has missed deadlines to opt out her child for tests in the public school, whereas the test notification is better at the charter school. She said that, if there was an option to opt in to testing, there would be an increase in parents wanting to see the students assessed. She emphasized that parents are taking their children to correspondence schools because there a child's education would be better directed.

CHAIR CARPENTER commented that the conversation is not about picking one type of school over another, as HB 165 addresses options for parents and equity in funding.

[6:41:14 PM](#)

REPRESENTATIVE MCCABE opined that the conversation boils down to free market economy, and HB 165 would force real academic accountability over schools collecting test scores every year. He referenced the Nickle Project which shows the amount every state spends in education per child. He recounted that Wasilla High School spends \$14,000 per student, in comparison to a typical correspondence school, which is about \$5,000. He expressed the opinion that the difference in the spending is because the school districts are making money from the correspondence schools.

[6:43:30 PM](#)

REPRESENTATIVE GRAY referred to slide 7 and pointed out that the \$8,940 figure is larger than \$2,500. He related a story of a family who "loved" correspondence schools and had used the money received from CSAP to take a family trip to Disney World. He asked if there is accountability on how parents are using the money.

[6:44:36 PM](#)

DEBORAH RIDDLE, Division Operations Manager, Innovation and Education Excellence, Department of Education and Early Development, responded that, as far as accountability, there are reports as to how the funding is spent. She deferred to Mr. Blackwell.

[6:45:23 PM](#)

MR. BLACKWELL answered that school districts review the expenditures. He offered his understanding on how the programs function: an allotment is set aside for the student; expenditures, like curriculum, are sent to the school district and the correspondence program; and the program purchases the items and ships the items to the parent. He said there are some instances where a parent might purchase a service and then seek reimbursement from the program; however, any purchases must fit within the student's individual learning plan. He said DEED does not collect the correspondence program data separately because it is included with the educational expenditures.

REPRESENTATIVE GRAY asked that, if a parent had three kids in elementary school, would an allotment of \$27,000 be enough to cover curricular costs.

MR. BLACKWELL responded that the curriculum could be purchased but only a little allotment would be left over. He advised that if the parent chooses to reuse curriculum, the allotments would be more. He stated that he cannot speak to the sufficiency of the current allotment.

REPRESENTATIVE GRAY acknowledged that the committee might not view standardized tests as a good indicator; however, there should be some form of accountability. He continued that some homeschooling parents are excellent, and some are not. For the excellent ones, he suggested there should be an award in the form of a larger allocation. Conversely, the parent should have the allocation taken away if the parent is not teaching the

child. He said his concern is a child who is benefitting from public school being taken out and put in a correspondence program so the parent can take the allocation and purchase non-education related items, like a car. He asked for assurance this scenario would not happen.

MR. BLACKWELL responded, "This is a little outside my wheelhouse." He reiterated that expenditures are processed through school district business offices, who review the expenses. Furthermore, the programs require work samples to show progress is being made.

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REPRESENTATIVE ALLARD suggested that one could hire a teacher by using the correspondence program allocation, but pointed out that the allocation itself may not be able to pay for this. She voiced the opinion that taking away the taxpayers' right to use their funds would be like taking away parental rights; therefore, HB 165 would give all competition to parents, schools, and districts.

[6:51:57 PM](#)

MS. CAUSER pointed out that there had been a committee presentation from a charter school which covered the online system for parents. The system allows parents to see their fund balance and enter receipts. She offered her understanding that whatever funds the parents did not use would be rolled over into the next year.

[6:53:18 PM](#)

REPRESENTATIVE MCCABE, in response to Representative Gray, addressed the question which compared the funding to an account which could only be used for certain items and offered that in Arizona the items include tuition at a qualified school, textbooks, tutoring services, curriculum materials, and standardized testing. He said the allotments are regulated and receipts must be shown. He expressed uncertainty about the veracity of the claim where the family used the funds to go to Disney World. If this is correct, considering the Arizona allotment program, this may be breaking the law.

CHAIR CARPENTER added that Alaska has had correspondence programs for years and has developed its own regulations which are working. He said that while there may be instances of

families failing in the correspondence program, there are also families not succeeding in all programs.

6:55:27 PM

REPRESENTATIVE ALLARD asked if there is an Alaska schools' "checkbook" where schools report expenditures.

MR. BLACKWELL answered there is no checkbook, and the data shared with DEED is from the annual audit conducted on school districts. Furthermore, DEED does not receive detailed information from school districts.

6:56:26 PM

REPRESENTATIVE GRAY acknowledged that Interior Distance Education of Alaska (IDEA) is the biggest correspondence program based in the Gelena City School District, with 6,000 students enrolled. He offered the understanding that the allotment goes to the school district, and then it is allotted to the program. He expressed the concern that the allotment may be "eaten up" by the cost of the administrators.

MS. CAUSER responded that the allotment for each student under CSAP is \$5,960, with the parents receiving an average of \$2,500. She stated that, per the proposed legislation, the allotted \$8,940 would go to the correspondence program, so the overhead would be removed, and more funding would go to the parents. She pointed out that school districts are not required to give any amount to the correspondence school.

REPRESENTATIVE GRAY asked what would stop the correspondence school from hiring additional administrators.

MS. CAUSER said that correspondence schools are in competition with each other, and, hypothetically, if one school were to only provide 80 percent of the allotted amount, while the other is offering 90 percent, the person has the choice of which school to go to. She said the competition would prevent the allotments being turned into overhead.

REPRESENTATIVE GRAY said that \$9,000 is more than the current BSA. He expressed the opinion that the state is sending the message parents would do a better job teaching than a credentialed, experienced teacher. He argued that a teacher's credentials and experience mean something.

[7:00:43 PM](#)

REPRESENTATIVE ALLARD reminded members that correspondence school programs do not receive federal or grant funding. She referred to a brief provided to the House Education Standing Committee which explains the small amount each district receives. She advised that 8,000 third graders out of 10,000 do not read proficiently. She expressed the opinion that there are not enough educators teaching students to read at proficient levels and argued not everybody who receives a teaching degree should be a teacher. She expressed support for all teachers.

[7:02:25 PM](#)

REPRESENTATIVE GROH asked how correspondence schools meet federal mandates for special education services. He offered the example that the IDEA program has a ratio of 80 special education students to one special education teacher.

CHAIR CARPENTER responded that funds normally allotted to brick-and-mortar students for special education are not coming to correspondence students at all. He said, "I think that's the reality."

[7:04:33 PM](#)

MS. MONTALBANO explained that the correspondence allotment funding multiplier is 0.9 across the board, and if the student is in public school, then the multiplier is 0.13. She said that if charter students could qualify this would allow their needs to be met by the private market. She noted that for intensive-needs funding in the district, it is not entirely guaranteed the money would follow the student. She suggested that if the funding were allotted to the correspondence student themselves, then the parents would have more control over how the child's needs are met.

MR. BLACKWELL stated that an intensive-needs student in a correspondence program would receive a times 13 multiplier. If the student has special needs but does not qualify for intensive needs, then there is no multiplier. He deferred the explanation of intensive-needs services to Mr. Enoch.

[7:06:53 PM](#)

MR. ENOCH said that the continuum of placement for school districts is complicated, as not all schools have the same

resources, and not all placements in each school district have the same resources. He stated that in order to offer the student a free appropriate public education, the district may have to offer a placement which works with the disability. Teaching a student to read brail, for example, would be best done in the district with a brail teacher because it is hands on and does not work well in a video conference setting. He explained that if a parent chooses to enroll a child in a correspondence program where such services are not available, then the district would not be liable for not providing services in an environment which is the parent's choice. He stated that such occurrences are rare in correspondence programs, and typically the students who are in these programs are with parents who have been given training, oversight, and supervision with a certified special education teacher.

[7:09:38 PM](#)

REPRESENTATIVE GROH shared that he has received letters from school districts. For example, the Craig City School District wrote that HB 165 could financially destroy all statewide correspondence programs, while the Chugach School District related that HB 165 would force many programs, like the FOCUS homeschool program, to shut down. He questioned these concerns.

CHAIR CARPENTER stated that representatives of the school districts are not online to speak to the letters. He added that he will not ask DEED staff to respond as there is no one present to answer the concerns in the letters.

REPRESENTATIVE GROH stressed that he would like to see the concerns addressed, if possible.

CHAIR CARPENTER said he concurs in wanting to know why these districts oppose HB 165.

[7:11:32 PM](#)

REPRESENTATIVE MCCABE commented that he views the letters as public testimony; therefore, DEED is not required to answer the questions.

[7:12:16 PM](#)

REPRESENTATIVE GRAY posited that if there were 10,000 public school students who transferred over to correspondence schools, he still would not understand where the extra 50 percent in

funding comes from. He expressed concern that, while the money may leave with the students, the districts would still have an educational infrastructure and staff to maintain. He said there are those who say the [schools deserve the loss of funding and students] because of the "bad job" they do, but others argue if funding is increased then the schools would do a better job. He surmised that it comes down to one's own political "bent."

CHAIR CARPENTER expressed the intention to reach out to districts who wrote the letters.

[7:14:20 PM](#)

CHAIR CARPENTER announced that HB 165 was held over.

[7:14:30 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Ways and Means meeting was adjourned at 7:14 p.m.