

**HB**

**464**

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FILE

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 464(HES)  
(H) Publish Date: 4/15/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: EED  
Title School District Correspondence Study BRU Teaching & Learning Support  
Component Quality Schools  
Sponsor Representatives James, Dyson  
Requester H HES Component No. 2147

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 464 does not add any new or additional duties to the department, therefore there is no cost to DEED. The bill will also lower the number of yearly approval applications that the department will process. HB 464 requires the local school district to monitor its students.

Prepared by: House HESS Committee Phone \_\_\_\_\_  
Division \_\_\_\_\_ Date/Time 3/15/02 3:45 PM  
Approved by: Representative Fred Dyson, Chair HES Committee Date 3/15/02  
Agency \_\_\_\_\_



# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSHB 464(HES)  
 (H) Publish Date: 4/25/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: EED  
 Title: School District Correspondence Study BRU: Teaching & Learning Support  
 Component: Quality Schools  
 Sponsor: Representatives James, Dyson  
 Requester: HEDU Component No.: 2147

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	115.0	115.0	115.0	115.0	115.0	115.0
Travel	15.5	15.5	15.5	15.5	15.5	15.5
Contractual	34.5	34.5	34.5	34.5	34.5	34.5
Supplies	5.0	5.0	5.0	5.0	5.0	5.0
Equipment	5.0	5.0	5.0	5.0	5.0	5.0
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	175.0	175.0	175.0	175.0	175.0	175.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time	2					
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

In the FY2003 budget, the department has requested funding to administer an increasing number of statewide correspondence study students and programs. This funding is necessary to fulfill current statutory and regulatory requirements. This would include the requirements of HB 464. Section 1 of this bill may result in some programs being allowed to apply for statewide correspondence status only once every 10 years, but if the average student assessment in reading, writing, or mathematics for all students in a statewide correspondence program falls below the corresponding statewide average student assessment for two consecutive schools years, an annual application is still required.

Prepared by: Barbara Thompson Phone: 465-8727  
 Division: Teaching & Learning Support Date/Time: 4/15/02 8:43 AM  
 Approved by: Ed McLain, Deputy Commissioner of Education Date: 4/15/2002  
 Agency: Education & Early Development

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1  
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Title School District Correspondence Study BRU Teaching & Learning Support  
Component Quality Schools  
Sponsor Representatives James, Dyson  
Requester H HES Component No. 2147

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

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Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

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1003 GF Match						
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Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
HB 464 does not add any new or additional duties to the department, therefore there is no cost to DEED. The bill will also lower the number of yearly approval applications that the department will process. HB 464 requires the local school district to monitor its students.

Prepared by: House HESS Committee Phone \_\_\_\_\_  
Division \_\_\_\_\_ Date/Time 3/15/02 3:45 PM  
Approved by: Representative Fred Dyson, Chair HHES Committee Date 3/15/02  
Agency \_\_\_\_\_

# ALASKA STATE LEGISLATURE

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House of Representatives  
House District 34

## **SPONSOR STATEMENT** **CS HB 464 (EDU)**

Contact: Richard F. Schmitz 465-6791

The purpose of HB 464 is to foster the continued successful operation of statewide school district correspondence study programs, with the goal being to maintain the home teacher's freedom, individuality, and innovation.

The strong point of statewide correspondence study programs is in the ability to deliver superior public education at low cost (ie, "faster, better, cheaper") in a manner that participating parents appreciate and support.

Correspondence study programs provide an education alternative to parents and students who may find difficulty in a more traditional environment. Public schools must strive to "leave no child behind." HB 464 helps to support a worthy tool to achieve that goal.

Specifically, CS HB 464 (HES):

1. Establishes a 5-year certification period -- unless a program is designated deficient or in crisis according to state statute.
2. Permits a program to set its own parameters for monitoring of students by program personnel, including quarterly grade assignment by a certified teacher.
3. Gives the program the authority to establish procedures for approving curriculum materials, home designed courses, and evaluation of student work, according to the requirements of relative state statutes.

Revised: April 23, 2002

# ALASKA STATE LEGISLATURE

REPRESENTATIVE  
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House of Representatives  
House District 34

## **SECTIONAL ANALYSIS CS HB 464 (EDU)**

Contact: Richard F. Schmitz 465-6791

**SECTIONS 1, 3 and 4:** Revises existing statutes that govern selection of textbooks to include statewide correspondence study programs, and adds a term to clarify intent that participating families may use, at home, educational materials purchased privately.

**SECTION 2(a):** This section is an addition to AS 14.07 to define powers related to correspondence study programs offered by school districts, charter schools or Alyeska Central School. Specifically,

**PART 1** Establishes a 5-year certification period for statewide correspondence study programs; This requirement does not apply to a program that is "in crisis" or "deficient" as established in AS 14.03:123(a) (school accountability).

**PART 2:** addresses the responsibility of program staff to monitor enrolled students. Specifically, a certified teacher is responsible for at least quarterly monitoring and assigning of grades, while certified teachers or other appropriately trained program employees are responsible for day-to-day monitoring as established by program policy. Exceptions are made for special education students, who may receive more frequent monitoring by a certified teacher.

**SECTION 2(b):** aligns definition of "district" to existing state statute.

Revised: April 23, 2002

Department of Education & Early Development

Office of the Commissioner

Goldbell Place  
801 West Tenth Street, Suite 200  
Juneau, Alaska 99801-1894  
(907) 465-2800  
(907) 465-4156 Fax

To: House Finance Committee  
Alaska State Legislature

From: Ed McLain, Ed.D.  
Deputy Commissioner

Date: April 26, 2002

Subject: Explanation/Justification of fiscal note for HB 464

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During hearings in some of the committee meetings held on HB 464, I was asked to review the fiscal note for this bill. The fiscal note as submitted funds two positions in EED to provide oversight and support to districts and staff related to statewide correspondence programs.

There are currently 11 districts offering statewide correspondence programs. These programs serve 9,000 students. This number has grown significantly each year. We anticipate 12 districts next year. Currently, correspondence schools are required to submit a new application each year. HB 464 would amend that to once every 5 years for schools/programs that are rated satisfactory or exemplary – annually for others. The department will be responsible to annually monitor the progress of students enrolled in each statewide correspondence study program separately to determine their designation as described under AS 14.03.123(a) and make appropriate recommendations for continuance of approval.

The "monitoring" of these statewide correspondence programs goes beyond checking to see that their applications are complete - which is to date all we have been able to accomplish due to the fact that we do not have staff to supervise these programs. Since these programs are public school programs and they are operated by school districts that receive federal funding, they are subject to the same compliance requirements as any other school site. As more school districts choose to engage in these options, the monitoring and support workload for the department increases rather than decreases.

To better describe the specific support and monitoring needs of these alternative educational options, we can draw our attention to charter school programs. By comparison, there are 10 districts that have charter schools. These charter schools serve approximately 2,500 students. Charter Schools are required to submit applications every 10 years. Currently the state provides one full-time Education Specialist II position and one full-time administrative clerk to oversee the charter schools program.

	<b>Statewide Correspondence Programs</b>	<b>Charter Schools</b>
Number of districts	11 in FY02, possibly 12 in FY03	10 in FY02, possibly 11 in FY03
Number of students	9,000 in FY 02	2,500 in FY02
Number of schools/programs	11 in FY 02, possibly 12 in FY 03	15 in FY02, possibly 20 in FY03
Application period	Every year in FY02, every 5 years beginning in FY03 for those programs deemed successful or distinguished	Every 10 years in FY02 and FY03
State and Federal funding for supplemental support	No	Yes
Staff to support/provide program oversight	0 in FY02, 2 requested in fiscal note and budget for FY 03	2 in FY02 and FY03
State funding to districts or schools	Approximately \$30 million in FY 03	\$1 million in one time state grants, \$11.2 million foundation funds in FY 02

The department has requested a fiscal note in the amount of \$175,000, most of which would be utilized to fund appropriate staffing. The balance of the funds requested through the fiscal note reflects travel and contractual costs associated with the support and monitoring functions of program management. These costs are comparable to those expended through the state-funded charter school program.

The fiscal support requested in the FY03 budget, submitted by the department and reflected in the original fiscal note for HB 464 will be used to provide support and oversight to the districts and personnel setting up and offering statewide correspondence programs.

Staff monitoring and support responsibilities related to Statewide Correspondence Programs would include the following:

- 1.) Provide technical assistance to school district staff that want to establish and operate statewide correspondence programs. This includes providing guidance on all applicable state laws and regulations governing these programs either on-site, by phone, email, fax, or general correspondence. This all includes providing guidance on the federal requirements to funding attached to federal education grant programs (i.e., Title I, Special Education, Vocational Education, required assessment and professional development activities, etc.).
- 2.) Organize and conduct the statewide correspondence program application review team. Have team review correspondence school applications and then make recommendations to the Division Director and Deputy Commissioner on approval of programs.
- 3.) Develop on-site program review criteria and establish a team to conduct on-site evaluations, as needed, based on individual program results. This would include visiting a program on-site, conducting an evaluation, preparing a report and working with the district and program staff to bring a program into compliance with state law and regulations governing statewide correspondence programs.
- 4.) Track legislative changes related to statewide correspondence programs schools and prepare information about proposed changes for department staff and legislative staff.

- 5.) Update statewide correspondence program regulations in concert with direction from the State Board of Education & Early Development and with legislative intent. This is done in conjunction with the Department of Law, the Legislature, and Commissioner's Office.
- 6.) Generate forms and procedures, as necessary, which are related to the establishment of a new correspondence school or a renewal process.
- 7.) Disseminate any pertinent correspondence information to all Alaska School Districts, or to anyone who requests such information (parents, students, public, Legislators).
- 8.) Respond to numerous requests for information from districts, parents and students, and Legislators on a broad spectrum of statewide correspondence program issues.
- 9.) Help organize, attend, and present information about Statewide Correspondence Programs at statewide, regional or local workshops, open forums, meetings or conferences.

This fiscal support will result in enhanced communications and increased ability of the department to supervise, respond to, and provide assistance to persons and districts involved in the various statewide correspondence programs. As in the charter schools oversight and support, the presence and availability of specific staff members assigned to the statewide correspondence programs will result in enhanced services, reduced problems, and better communications and administration by both department and the programs. Legislative action to support these costs will indicate a belief that statewide correspondence programs deserve the same level of advocacy and support as other innovative options, such as charter schools. Attached is the breakdown of the specific costs associated with the fiscal note.

Based on the above information, we believe the fiscal note for this bill is reasonable and responsible.

The department has been very clearly indicating the fiscal impact of statewide correspondence programs for the past 2 years in our budget process and in any legislation regarding these types of options. It would be misleading to indicate that there is not additional cost to the state to oversee these new options.

Please feel free to contact me if you would like further information.

Attachment – Correspondence Study Fiscal Note breakdown

Department of Education & Early Development  
 Quality Schools Component  
 Statewide Correspondence Study Program Review Increment

		Total	
Personal Services	72.3		Education Specialist II 21A/B (New PFT)
	43.2		Education Program Assistant 12A/B (New PFT)
		115.5	
Travel	8.0		Monitoring - agency staff to accompany contract on-site visits; 3 days each - 4 per year @ \$1,000 each x 2 staff
	7.0		Training; working with statewide correspondence programs
		15.0	
Contractual	12.0		Monitoring Visits - 2 contractors at \$500 per day - 3 days each - 4 districts per year
	8.0		Contractor travel for Monitoring Team - \$1,000 each trip - 4 trips x2 contractors
	14.5		postage, phone, copier, printing
		34.5	
Supplies	5.0		paper, materials, folders, training materials
		5.0	
Equipment	5.0		computer equipment
		5.0	
<b>Total</b>		<b>175.0</b>	

The number of students enrolling in statewide correspondence programs has increased dramatically over the past several years. The department does not have the resources to adequately review the applications from school districts to operate these programs or follow up on monitoring and evaluating these programs. Additional oversight is necessary to ensure instructional and fiscal accountability. The department is requesting 2 PFTs: 05#026 Education Specialist II range 21, Juneau and 05#027 Education Program Assistant range 12, Juneau.