

ALASKA LEGISLATURE

2528

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

94

HB

171

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 171
 (H) Publish Date: 3/5/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title An Act repealing the charter school grant BRU Teaching & learning Support
 program; and providing for an effective date. Component Quality Schhols
 Sponsor _____
 Requester _____ Component No. 2147

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	(158.4)				
Miscellaneous						
TOTAL OPERATING	0.0	(158.4)	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(158.4)				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	(158.4)	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This proposed amendment eliminates The state charter school start up grants of \$500 per student beginning July 1, 2004. EED is able to increase the start up allocation under the federal grant program for new charter schools.

Prepared by: Eddy Jeans, School Finance Manager
 Division: Education and Early Development
 Approved by: Karen Rahfeld
 Agency: Education and Early Development

Phone _____
 Date/Time 3/5/03 8:54 AM
 Date 3/5/2003



FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

~~HB 171~~
HB 171
P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

March 5, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would discontinue the state start-up grants for charter schools. The state grant program, implemented in FY2002, allocates \$500 per ADM for each new charter school. This funding was intended to supplement the federal start up grants for charter schools.

The Alaska Department of Education and Early Development is working closely with U.S. Department of Education to increase the level of start-up grants provided by the federal government therefore eliminating the need for the state supplemental grant program beginning in FY 2005. The state will allocate to a new charter school \$150,000 a year for the first three years and \$45,000 in the fourth year for a total of \$495,000 in start up funds over the four year period.

This bill is effective July 1, 2004. The delayed implementation will allow the state to fulfill its commitment of start-up grants to the existing charter schools. Any new charter schools approved to operate in FY 2004 will be eligible for the federal grant funds.

I urge your prompt and favorable action on this measure.

Sincerely,

Frank H. Murkowski
Governor

HB

171

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 15 2003
SENATE FINANCE
COMMITTEE

DATE: 4/29/03

FURTHER:

DATE TURNED
IN TO OFFICE: 15 May 2003

Finance Committee considered HOUSE BILL NO. 171 am

HB 171 REPEAL CHARTER SCHOOL GRANTS

"An Act repealing the charter school grant program; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Education	3/5/03			#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Adrian L. Taylor</i>	✓		✓	
<i>Tommy Williams</i>			✓	
<i>Alan C. Kelly</i>			✓	
<i>T.C. Bunker</i>	✓			
<i>Ben Stevens</i>	✓			
COCHAIR:				
COCHAIR: <i>Tommy Williams</i>	✓			

HOUSE BILL NO. 171 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Amended: 4/25/03

Introduced: 3/5/03

A BILL

FOR AN ACT ENTITLED

1 "An Act repealing the charter school grant program; and providing for an effective
2 date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 14.03.263 is repealed.

5 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **CONTINGENT EFFECT.** Section 1 of this Act takes effect only if the state has
8 received federal funding for charter school start-up costs that equals or exceeds the funding
9 provided by the state for charter school start-up costs in fiscal year 2003. The director of the
10 division of legislative finance shall notify the revisor of statutes when the state receives the
11 federal funding for charter schools as described in this section.

12 * **Sec. 3.** If this Act takes effect, it takes effect 90 days after the director of the division of
13 legislative finance notifies the revisor of statutes as described in sec. 2 of this Act.

MAY 15 2003

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 171
(H) Publish Date: 3/5/03

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Title An Act repealing the charter school grant BRU Teaching & learning Support
program; and providing for an effective date. Component Quality Schhols
Sponsor _____
Requester _____ Component No. 2147

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	(158.4)				
Miscellaneous						
TOTAL OPERATING	0.0	(158.4)	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(158.4)				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	(158.4)	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed amendment eliminates The state charter school start up grants of \$500 per student beginning July 1, 2004. EED is able to increase the start up allocation under the federal grant program for new charter schools.

Prepared by: Eddy Jeans, School Finance Manager
Division: Education and Early Development
Approved by: Karen Rehfeld
Agency: Education and Early Development

Phone _____
Date/Time 3/5/03 8:54 AM
Date 3/5/2003

Breakdown of Alaska Charter School Federal and State Grants

School	Federal Grant	State Grant	Total
Academy	\$ 181,834	\$ 75,500	\$ 257,334
Anvil	145,000	19,500	164,500
Aquarian	181,834	117,500	299,334
Aurora Borealis	161,834	66,000	227,834
Ayaprun Elitnaurvik	161,834	94,000	255,834
Delta Cyber	181,834	188,000	369,834
Family Partnership	181,834	297,000	478,834
Fireweed	161,830	13,500	175,330
Juneau	181,834	31,000	212,834
Ketchikan	181,834	57,000	238,834
Midnight Sun	181,834	46,000	227,834
PACE	161,834	161,500	323,334
Village	161,808	78,500	240,308
TOTAL	\$ 2,226,978	\$ 1,245,000	\$ 3,471,978

	Federal	Current State	Total
Soldotna Montessori	82,500	21,000	103,500
Chinook Montessori	181,834	77,000	258,834
TOTAL	\$ 264,334	\$ 98,000	\$ 362,334

Proposed Charter Schools	New Federal Grant Level		
	First 3 Years	4th Year	Total
Frontier	450,000	45,000	495,000
Highland Tech	450,000	45,000	495,000
Horizon	450,000	45,000	495,000
Tongass	450,000	45,000	495,000
TOTAL	1,800,000	180,000	1,980,000

*** Additional new charter schools from April 2003 to September 2006 approximately 17 total (based on current interest and projected figures) @ \$495,000 = \$8,415,000 plus 4 new charter schools on March 2003 docket @ \$495,000 = \$1,980,000. Total for 21 new schools equals \$10,395,000 of Federal funding.

Date: February 27, 2003

Authorizer: Louis Yannotti

provided by - the Dept. Education & Early Development

HB

172

HFIN

FILE

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 172
 (H) Publish Date: 3/5/03
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):
 Title INCOME ELIGIBILITY FOR CERTAIN
MEDICAID BENEFITS

BRU Medical Assistance
 Component Medicaid Services

Sponsor RULSE
 Requester GOVERNOR

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(716.8)	(2,671.8)	(4,378.5)	(6,166.2)	(8,072.1)	(10,132.6)
Miscellaneous						
TOTAL OPERATING	(716.8)	(2,671.8)	(4,378.5)	(6,166.2)	(8,072.1)	(10,132.6)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	(458.5)	(1,702.9)	(2,792.4)	(3,935.4)	(5,151.0)	(6,462.8)
1003 GF Match	(258.3)	(968.9)	(1,586.1)	(2,230.8)	(2,921.1)	(3,669.8)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
TOTAL	(716.8)	(2,671.8)	(4,378.5)	(6,166.2)	(8,072.1)	(10,132.6)

Estimate of any current year (FY2003) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS						
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This bill is intended to reduce Medicaid spending by freezing the income eligibility standard at the 2003 level for individuals whose Medicaid eligibility is determined under the 300% Special Income eligibility category for nursing home or HCB waiver recipients and by freezing the income eligibility standard at what is essentially the 2002 Federal Poverty Guidelines (FPG) for Alaska for the Denali KidCare program for children and pregnant women. See assumptions on the next page.
 The Governor's FY2004 budget includes a decrement of \$223.0 general fund match.

Prepared by: Jon Sherwood Phone 465-5820
 Division Manager, Beneficiary Eligibility Policy Unit Date/Time 03/05/2003
 Approved by: Joel S. Gilbertson, Commissioner Date 03/05/2003
 Agency Department of Health and Social Services

FISCAL NOTE
FN # 1

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. HB 172

ANALYSIS CONTINUATION
ASSUMPTIONS

The number of individuals potentially eligible in future years will be significantly reduced. Many will remain eligible in the first year, but since much of the nursing home and waiver population relies heavily on Social Security retirement income, Social Security Disability Insurance payments, and pension programs that use an annual COLA increase, more will lose eligibility in future years as their countable income eventually exceeds the frozen 2003 standard.

FY 2004 savings will be limited by the fact that as we phase in implementation pregnant women who are already eligible continue to be eligible through their pregnancy and post-partum period. Children on DKC will continue to be eligible through their 6 months continuous eligibility period. The impact on the nursing home and HCB waiver populations will not take effect until January 2004.

Annually we anticipate both the FPG and the SSI standard to grow at an average of 2.24%. Assuming an equal distribution of income within each eligibility category, we determined the number of individuals whose income would be expected to be above the frozen standard. This results in the number of eligibles who would no longer be eligible for Medicaid or Denali KidCare.

The following table shows the total REDUCTION OF ELIGIBLES:

	FY04	FY05	FY06	FY07	FY08	FY09
Pregnant Women	31	80	127	174	219	263
Title XXI Children	61	157	250	342	431	519
Special Income	9	17	26	34	42	50
Total	101	254	403	550	692	832

The final fiscal impact is determined by multiplying the number of eligibles by the following average annual expenditures per individual in that eligibility category. The resulting savings are:

SAVINGS (in thousands):

	FY04	FY05	FY06	FY07	FY08	FY09
Pg Women	\$ 124.4	\$ 466.6	\$ 806.2	\$ 1,202.7	\$ 1,647.8	\$ 2,155.5
Children	\$ 321.2	\$ 1,143.6	\$ 1,890.0	\$ 2,684.0	\$ 3,506.6	\$ 4,378.3
NH/HCB	\$ 271.2	\$ 1,061.6	\$ 1,682.3	\$ 2,279.5	\$ 2,917.7	\$ 3,598.8
Total	\$ 716.8	\$ 2,671.8	\$ 4,378.5	\$ 6,166.2	\$ 8,072.1	\$ 10,132.6

A federal match rate of 58.39% was used for Pregnant Women and Nursing Home recipients; 70.87% was used for DKC children.

FISCAL NOTE

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2003 LEGISLATIVE SESSION

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 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

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MEDICAID BENEFITS

BRU Medical Assistance
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Sponsor RULSE

Requester GOVERNOR

Component No. 2077

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Prepared by: Jon Sherwood

Division: Manager, Beneficiary Eligibility Policy Unit

Approved by: Joel S. Gilbertson, Commissioner

Agency: Department of Health and Social Services

Phone 465-5820

Date/Time 03/05/2003

Date 03/05/2003

FISCAL NOTE
FN # 1

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. HB 172

ANALYSIS CONTINUATION
ASSUMPTIONS

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The final fiscal impact is determined by multiplying the number of eligibles by the following average annual expenditures per individual in that eligibility category. The resulting savings are:

SAVINGS (in thousands):

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A federal match rate of 58.39% was used for Pregnant Women and Nursing Home recipients; 70.87% was used for DKC children.

Alaska State Legislature
HOUSE OF REPRESENTATIVES
House Finance Committee

AGENDA

April 1, 2003 - Tuesday

*Repealed
Out*
HB 172 – MEDICAID CHILDREN / PREGNANT WOMEN

Testify:

Joel Gilbertson, Commissioner, Department of Health &
Social Services,

Chip Wagoner, Alaska Catholic Conference

Teleconference for Questions:

Stacy Kraley, Assistant Attorney General

Alaska State Legislature
HOUSE OF REPRESENTATIVES
House Finance Committee

AGENDA

April 1, 2003 - Tuesday

HB 172 – MEDICAID CHILDREN / PREGNANT WOMEN

Testify:

Joel Gilbertson, Commissioner, Department of Health &
Social Services,

Teleconference Testimony:

Dennis Murray, Heritage Place, Soldotna

Teleconference for Questions:

Stacy Kraley, Assistant Attorney General

House Finance Committee Vote Sheet

DATE: 4/1/

SUBJECT: HB 172

MEMBER

YES

NO

WHITAKER	✓	
CHENAULT	✓	
CROFT		✓
FOSTER	✓	
HAWKER	✓	
JOULE		✓
MEYER	✓	
MOSES	✓	
STOLTZE	✓	
HARRIS	✓	
WILLIAMS	✓	
TOTAL:		

PASSED: 9-2

FAILED: _____

House Finance Committee Vote Sheet

DATE:

8/1

SUBJECT:

Amendment 1 HB 172

MEMBER

YES

NO

STOLTZE		✓
WHITAKER		✓
CHENAULT		✓
CROFT	✓	
FOSTER		✓
HAWKER		✓
JOULE	✓	
MEYER		✓
MOSES	✓	
WILLIAMS		✓
HARRIS		✓
TOTAL:		

PASSED:

3-8

FAILED:

*Legal 415
manion*

Adopted

23-GH1128VD
Lauterbach
3/31/03

CS FOR HOUSE BILL NO. 172(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): **HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to eligibility requirements for medical assistance for certain children,**
2 **pregnant women, and persons in a medical or intermediate care facility; and providing**
3 **for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** AS 47.07.020(b) is amended to read:

6 (b) In addition to the persons specified in (a) of this section, the following
7 optional groups of persons for whom the state may claim federal financial
8 participation are eligible for medical assistance:

9 (1) persons eligible for but not receiving assistance under any plan of
10 the state approved under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act,
11 Supplemental Security Income) or a federal program designated as the successor to the
12 aid to families with dependent children program;

13 (2) persons in a general hospital, skilled nursing facility, or
14 intermediate care facility, who, if they left the facility, would be eligible for assistance

1 under one of the federal programs specified in (1) of this subsection;

2 (3) persons under age 21 who are under supervision of the department,
3 for whom maintenance is being paid in whole or in part from public funds, and who
4 are in foster homes or private child-care institutions;

5 (4) aged, blind, or disabled persons, who, because they do not meet
6 income and resources requirements, do not receive supplemental security income
7 under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act), and who do not
8 receive a mandatory state supplement, but who are eligible, or would be eligible if
9 they were not in a skilled nursing facility or intermediate care facility to receive an
10 optional state supplementary payment;

11 (5) persons under age 21 who are in an institution designated as an
12 intermediate care facility for the mentally retarded and who are financially eligible as
13 determined by the standards of the federal program designated as the successor to the
14 aid to families with dependent children program;

15 (6) persons in a medical or intermediate care facility whose income
16 while in the facility does not exceed \$1.656 a month [300 PERCENT OF THE
17 SUPPLEMENTAL SECURITY INCOME BENEFIT RATE UNDER 42 U.S.C. 1381
18 - 1383C (TITLE XVI, SOCIAL SECURITY ACT)] but who would not be eligible for
19 an optional state supplementary payment if they left the hospital or other facility;

20 (7) persons under age 21 who are receiving active treatment in a
21 psychiatric hospital and who are financially eligible as determined by the standards of
22 the federal program designated as the successor to the Aid to Families with Dependent
23 Children program;

24 (8) persons under age 21 and not covered under (a) of this section, who
25 would be eligible for benefits under the federal program designated as the successor to
26 the aid to families with dependent children program, except that they have the care and
27 support of both their natural and adoptive parents;

28 (9) pregnant women not covered under (a) of this section and who
29 meet the income and resource requirements of the federal program designated as the
30 successor to the aid to families with dependent children program;

31 (10) persons under age 21 not covered under (a) of this section who the

1 department has determined cannot be placed for adoption without medical assistance
2 because of a special need for medical or rehabilitative care and who the department
3 has determined are hard-to-place children eligible for subsidy under AS 25.23.190 -
4 25.23.220;

5 (11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title
6 XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom
7 a supplemental security income is being paid under 42 U.S.C. 1381 - 1383c (Title
8 XVI, Social Security Act) because they meet all of the following criteria:

9 (A) they are 18 years of age or younger and qualify as disabled
10 individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

11 (B) the department has determined that

12 (i) they require a level of care provided in a hospital,
13 nursing facility, or intermediate care facility for the mentally retarded;

14 (ii) it is appropriate to provide their care outside of an
15 institution; and

16 (iii) the estimated amount that would be spent for
17 medical assistance for their individual care outside an institution is not
18 greater than the estimated amount that would otherwise be expended
19 individually for medical assistance within an appropriate institution;

20 (C) if they were in a medical institution, they would be eligible
21 for medical assistance under other provisions of this chapter; and

22 (D) home and community-based services under a waiver
23 approved by the federal government are either not available to them under this
24 chapter or would be inappropriate for them;

25 (12) disabled persons, as described in 42 U.S.C.
26 1396a(a)(10)(A)(ii)(XIII), who are in families whose income, as determined under
27 applicable federal regulations or guidelines, is less than 250 percent of the official
28 poverty line applicable to a family of that size according to the federal Office of
29 Management and Budget, and who, but for earnings in excess of the limit established
30 under 42 U.S.C. 1396d(q)(2)(B), would be considered to be individuals with respect to
31 whom a supplemental security income is being paid under 42 U.S.C. 1381 - 1383c; a

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person eligible for assistance under this paragraph who is not eligible under another provision of this section shall pay a premium or other cost-sharing charges according to a sliding fee scale that is based on income as established by the department in regulations;

(13) persons under age 19 who are not covered under (a) of this section and whose household income does not exceed

(A) \$1.847 a month if the household consists of one person:

(B) \$2.489 a month if the household consists of two persons:

(C) \$3.130 a month if the household consists of three persons:

(D) \$3.772 a month if the household consists of four

persons:

(E) \$4.414 a month if the household consists of five persons:

(F) \$5.055 a month if the household consists of six persons:

(G) \$5.697 a month if the household consists of seven persons:

(H) \$6.339 a month if the household consists of eight

persons:

(I) \$6.339 a month, plus an additional \$642 a month for each extra person above eight persons who is in the household if the household consists of nine persons or more [200 PERCENT OF THE FEDERAL POVERTY GUIDELINE AS DEFINED BY THE FEDERAL OFFICE OF MANAGEMENT AND BUDGET AND REVISED UNDER 42 U.S.C. 9902(2)];

(14) pregnant women who are not covered under (a) of this section and whose household income does not exceed

(A) \$2.489 a month if the household consists of two persons: a pregnant woman in a household alone is considered to be a household of two persons:

(B) \$3.130 a month if the household consists of three persons:

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(C) \$3,772 a month if the household consists of four

persons:

(D) \$4,414 a month if the household consists of five persons:

(E) \$5,055 a month if the household consists of six persons:

(F) \$5,697 a month if the household consists of seven

persons:

(G) \$6,339 a month if the household consists of eight

persons:

(H) \$6,339 a month, plus an additional \$642 a month for each extra person above eight persons who is in the household if the household consists of nine persons or more [200 PERCENT OF THE FEDERAL POVERTY LINE AS DEFINED BY THE FEDERAL OFFICE OF MANAGEMENT AND BUDGET AND REVISED UNDER 42 U.S.C. 9902(2)].

* Sec. 2. AS 47.07.042(d) is amended to read:

(d) In addition to the requirements established under (a) and (b) of this section, the department may require premiums or cost-sharing contributions from recipients who are eligible for benefits under AS 47.07.020(b)(13) and whose household income is greater than the applicable amount set out in (e) of this section [BETWEEN 150 AND 200 PERCENT OF THE FEDERAL POVERTY GUIDELINE]. If the department requires premiums or cost-sharing contributions under this subsection, the department

(1) shall adopt in regulation a sliding scale for those premiums or contributions based on household income;

(2) may not exceed the maximums allowed under federal law; and

(3) shall implement a system by which the department or its designee collects those premiums or contributions.

* Sec. 3. AS 47.07.042 is amended by adding a new subsection to read:

(e) In (d) of this section, the term "applicable amount" means

(1) \$1,385 a month if the household consists of one person;

(2) \$1,867 a month if the household consists of two persons; a

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pregnant woman in a household alone is considered to be a household of two persons:

(3) \$2,348 a month if the household consists of three persons;

(4) \$2,829 a month if the household consists of four persons;

(5) \$3,310 a month if the household consists of five persons;

(6) \$3,792 a month if the household consists of six persons;

(7) \$4,273 a month if the household consists of seven persons;

(8) \$4,754 a month if the household consists of eight persons;

(9) \$4,754 a month, plus an additional \$482 a month for each extra person above eight persons who is in the household if the household consists of nine persons or more.

* Sec. 4. This Act takes effect July 1, 2003.

Failed

AMENDMENT 1

OFFERED IN HOUSE FINANCE COMMITTEE
BY REPRESENTATIVE CROFT

TO: HOUSE BILL NO. 172

Insert a new section:

Sec. 5. This Act is repealed two years after the effective date of this Act.

HB 172



FRANK H. MURKOWSKI
GOVERNOR

GOVERNOR@GOV.STATE.AK.US

P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 5, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill to "freeze" income levels for eligibility for Denali Kid Care and for Medicaid under the special income limit for nursing homes and home and community based waiver services.

Under current law, income standards for these eligibility categories increase every year by the amount of cost-of-living adjustments to the Supplemental Security Income (SSI) program or the federal poverty guidelines. This bill will eliminate these annual cost-of-living adjustments and put in statute fixed dollar income levels for these programs based on the SSI standard that became effective on January 1, 2003 or the federal poverty guideline for Alaska that became effective on April 1, 2002.

The next cost-of-living adjustment for Denali KidCare is scheduled to become effective on April 1, 2003. Therefore upon the July 1, 2003 effective date of this bill eligibility levels will be rolled-back by the 1.4% cost-of-living allowance implemented on April 1, 2003. For example, income eligibility for a family of three with children on Denali Kid Care will decrease from \$3,179 per month to \$3,130 per month on July 1, 2003.

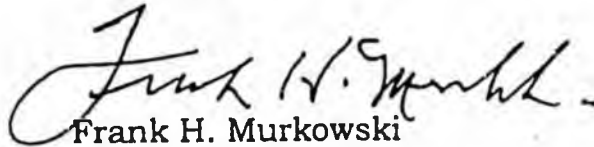
The number of persons who lose eligibility on July 1, 2003 by virtue of this provision cannot be estimated with precision; but should be very small. For example pregnant women who establish eligibility between April 1, 2003 and June 30, 2003 will remain eligible for nine months notwithstanding the passage of this legislation.

The Honorable Pete Kott
March 5, 2003
Page 2

While the cost savings associated with this bill are modest in the short-term; this measure will significantly reduce future year costs. In this time of fiscal austerity, I believe this proposal strikes the appropriate balance between maintaining health care coverage for lower income Alaskans while also addressing our need for fiscal restraint.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3068

March 20, 2003

Honorable Bill Williams
Co-Chair
House Finance Committee
Alaska State Capitol, Rm. 515
Juneau, AK 99811

Dear Representative Williams,

The Department of Health and Social Services respectfully requests a hearing in the House Finance Committee on House Bill 172 "An Act relating to eligibility requirements for medical assistance for certain children, pregnant women, and persons in a medical or intermediate care facility; and providing for an effective date."

This bill would "freeze" income levels for eligibility for Denali Kid Care and for Medicaid under the special income limit for nursing homes and home and community based waiver services.

Under current law, income standards for these eligibility categories increase every year by the amount of cost-of-living adjustments to the Supplemental Security Income (SSI) program or the federal poverty guidelines. This bill will eliminate these annual cost-of-living adjustments and put in statute fixed dollar income levels for these programs based on the SSI standard that became effective on January 1, 2003 or the federal poverty guideline for Alaska that became effective on April 1, 2002.

The next cost-of-living adjustment for Denali KidCare is scheduled to become effective on April 1, 2003. Therefore upon the July 1, 2003 effective date of this bill eligibility levels will be rolled-back by the 1.4% cost-of-living allowance implemented on April 1, 2003. For example, income eligibility for a family of three with children on Denali Kid Care will decrease from \$3,179 per month to \$3,130 per month on July 1, 2003.

The number of persons who lose eligibility on July 1, 2003 by virtue of this provision cannot be estimated with precision; but should be very small. For example pregnant women who establish eligibility between April 1, 2003 and June 30, 2003 will remain eligible for nine months notwithstanding the passage of this legislation.

While the cost savings associated with this bill are modest in the short-term; this measure will significantly reduce future year costs. A fiscal note should already be on file with the committee.

Your favorable consideration of this request would be appreciated.

Sincerely,

Elmer A. Lindstrom
Special Assistant to the Commissioner

Cc: Mike Tibbles, Legislative Director
Office of the Governor

Virginia Stonkus, Acting Director
Division of Medical Assistance

HB

173

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB173(FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Tire fee; studded tire fee BRU Revenue Operations
 Component Tax Division
 Sponsor Rules Committee
 Requester House Finance Committee Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	47.7	47.7	47.7	47.7	47.7	47.7
Travel	5.0	2.0	2.0	2.0	2.0	2.0
Contractual	15.0	3.0	3.0	3.0	3.0	3.0
Supplies	2.0	1.0	1.0	1.0	1.0	1.0
Equipment	2.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	72.2	53.7	53.7	53.7	53.7	53.7

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	2,350.0	3,325.0	3,325.0	3,325.0	3,325.0	3,325.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	72.2	53.7	53.7	53.7	53.7	53.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	72.2	53.7	53.7	53.7	53.7	53.7

Estimate of any current year (FY2003) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would impose a \$2.50 fee per tire on all new tires sold in Alaska for motor vehicles, effective July 1, 2003. This legislation also would impose an additional \$5 fee per tire on all new tires with heavy studs, effective July 1, 2004. The fee would be imposed at the retail level, with the tire seller to collect the fee from the buyer and remit the money to the state.

The fee would be imposed on all tires sold for highway use.

Businesses would be required to file quarterly reports and remit payments to the Department of Revenue. Businesses would be allowed to retain 5% of the amount collected, not to exceed \$900 a quarter, to cover expenses in collecting and remitting the fee.

Based on projections from the Department of Transportation and Public Facilities, the fee would be collected on 1.25 million new motor vehicle tires sold each year in Alaska and an estimated 40,000 new tires sold each year with heavy studs. The first-year revenue would be for three fiscal quarters of tax collections.

The operating expense includes one Tax Technician III (Range 14) to administer and collect the fees. The Department expects several hundred businesses statewide will be included in this new program. The first-year costs include funding for an outreach effort to educate businesses.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
 Division Department of Revenue Date/Time 5/3/03 8:55 AM
 Approved by: Larry Persily, Deputy Commissioner Date 5/3/2003
 Agency Department of Revenue

HB

174

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 174(STA)
 (H) Publish Date: 4/25/03

Revision Date/Time (Note if correction): _____ Dept. Affected Education & Early Development
 Title An Act relating to the state centralized BRU Alyeska Central School
correspondence study program and the duties of schools... Component Alyeska Central School
 Sponsor House Rules Committee
 Requester Governor Component No. 2106

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	2,809.3	(2,809.3)				
Travel	55.0	(55.0)				
Contractual	538.3	(538.3)				
Supplies	918.4	(918.4)				
Equipment	18.0	(18.0)				
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	4,339.0	(4,339.0)	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1007 Inter Agency/Program Receipts	3,839.0	(3,839.0)				
1156 Receipt services	500.0	(500.0)				
Other (Specify Type--Do not abbreviate)						
TOTAL	4,339.0	(4,339.0)	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	21	-21				
Part-time	26	-26				
Temporary	1	-1				

ANALYSIS: (Attach a separate page if necessary)

CS HB174(STA) will eliminate Alyeska Central School the statewide correspondence program operated by the state beginning with the 2004-2005 school year. This bill will repeal summer school funding for Alyeska Central School beginning with the 2003 -2004 school year.

Prepared by: Eddy Jeans, School Finance Manager
 Division Education and Early Development
 Approved by: _____
 Agency Education and Early Development

Phone 465-8679
 Date/Time 4/23/03 4:47 PM
 Date 4/23/2003

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 174
 (H) Publish Date: 3/10/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title: An Act relating to the state centralized BRU K-12 Support
correspondence study program and to the duties of school... Component: Foundation Program
 Sponsor: _____
 Requester: _____ Component No. 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(1,170.3)					
Miscellaneous						
TOTAL OPERATING	(1,170.3)	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(1,170.3)					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
TOTAL	(1,170.3)	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This amendment eliminates summer school counts for the Alyeska Centralized Correspondence program. The above numbers are based on the FY03 counts.

FY03 Summer School ADM 364.84
 Correspondence Funding Level 80%
 Adjusted ADM 291.88
 Based Student Allocation \$4,010
 Summer School Funding \$1,170,349

Prepared by: Eddy Jeans, School Finance Manager
 Division: Education and Early Development
 Approved by: _____
 Agency: Education and Early Development

Phone: _____
 Date/Time: 3/5/03 8:57 AM
 Date: 3/5/2003

What is this

Adopted

AMENDMENT 1

OFFERED IN THE HOUSE

TO: CSHB 174(STA)

1 Page 2, following line 2:

2 Insert a new bill section to read:

3 -Sec. 3. AS 14.08.111(1) is amended to read:

4 (1) provide, during the school term of each year, an educational

5 program for each school age child who is enrolled in or a resident of the district;"

6

7 Renumber the following bill sections accordingly.

8

9 Page 3, line 9:

10 Delete "5 and 6"

11 Insert "6 and 7"

12

13 Page 3, line 10:

14 Delete "sec. 8"

15 Insert "sec. 9"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 174(STA)

1 Page 2, following line 2:

2 Insert a new bill section to read:

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5 program for each school age child who ^{is} enrolled in or a resident of the district;"

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7 Renumber the following bill sections accordingly.

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9 Page 3, line 9:

10 Delete "5 and 6"

11 Insert "6 and 7"

12

13 Page 3, line 10:

14 Delete "sec. 8"

15 Insert "sec. 9"

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 30, 2003

SUBJECT: Centralized correspondence study CSHB 174(STA)

TO: Representative Bill Williams
Attn: Randy

FROM: Michael F. Ford 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Establishes the purpose of the bill.

Section 2. Amends the duties of the Department of Education and Early Development.

Section 3. Amends the duties of school boards to include students enrolled in the district as well as resident students.

Section 4. Requires certain school boards to provide information on correspondence schools.

Section 5. Adds a provision to provide funding for education programs that occur primarily outside a school facility.

Section 6. Repeals a provision of law relating to counting summer correspondence school students.

Section 7. Repeals a reference to correspondence teachers in the Department of Education and Early Development.

Section 8. Effective date for sections 5 and 6.

Section 9. Effective date for all sections but 5 and 6.

MFF:med
03-459.med

Alyeska Central School Student Enrollment Counts as of 3/4/03

ACS Students by district as of 3/4/03	Total	Grades K-6	Grades 7-12	Regular (all grades)	Tuition (all grades)
TOTALS	1082	176	906	641	441
Alaska Gateway Schools	3	0	3	1	2
Aleutians East Borough Schools	1	0	1	0	1
Anchorage Schools	459	64	395	324	135
Annette Islands Schools	3	1	2	2	1
Bering Strait Schools	9	1	8	6	3
Bristol Bay Borough Schools	2	0	2	0	2
Chatham Schools	9	1	8	7	2
Copper River Schools	22	5	17	8	14
Craig City Schools	1	0	1	1	0
Delta/Greely Schools	2	0	2	1	1
Denali Borough Schools	1	0	1	1	0
Dillingham City Schools	3	0	3	3	0
Fairbanks North Star Borough Schools	62	15	47	45	17
Galena City Schools	5	0	5	2	3
Haines Borough Schools	10	0	10	4	6
Hoonah City Schools	1	0	1	1	0
Iditarod Area Schools	3	0	3	1	2
Juneau Borough Schools	148	21	127	65	83
Kake City Schools	1	1	0	1	0
Kenai Peninsula Borough Schools	65	9	56	35	30
Ketchikan Gateway Borough Schools	14	3	11	10	4
Kodiak Island Borough Schools	20	14	6	17	3
Kuspuk School District	1	0	1	0	1
Lake & Peninsula Borough Schools	6	2	4	3	3
Lower Kuskokwim Schools	23	5	18	11	12
Lower Yukon Schools	2	0	2	1	1
Mat-Su Borough Schools	59	11	48	39	20
Mt. Edgecumbe High School	17	0	17	0	17
Nenana City Schools	1	1	0	1	0
Nome City Schools	6	2	4	5	1
North Slope Borough Schools	51	3	48	5	46
Northwest Arctic Borough Schools	8	1	7	6	2
Pelican City Schools	1	0	1	1	0
Petersburg City Schools	10	3	7	10	0
Pribilof Schools	2	0	2	2	0
Sitka Borough Schools	20	2	18	2	18
Skagway City Schools	1	0	1	0	1
Southeast Island Schools	5	2	3	5	0
Southwest Region Schools	10	4	6	5	5
Valdez City Schools	4	0	4	3	1
Wrangell Public Schools	4	1	3	2	2
Yukon Flats Schools	4	3	1	4	0
Yukon/Koyukuk Schools	2	0	2	0	2
Yuplit Schools	1	1	0	1	0

Regular enrollment represents students funded by the foundation formula. Tuition enrollment represents students enrolled in courses paid for by parents or districts.

Source: Alaska Department of Education and Early Development
Public School Funding Program
Prepared 3/13/02

School District	State Contribution	Cost Per Student	FY02ADM	Cor.ADM	#ACS St.
Anchorage	\$199,751,175	\$4,101.85	48,697.83	549.00	459
Fairbanks NSB	\$65,099,549	\$4,325.10	15,051.58	202.93	62
Juneau	\$20,873,019	\$3,825.06	5,456.90	50.60	148
Kenai	\$42,718.263	\$4,530.57	9,428.90	370.48	65
Lower Kuskokwim	\$35,262.741	\$9,669.69	3,646.73	00.00	23
Mat-Su	\$65,370,660	\$5,133.72	12,733.59	422.65	59
Sitka	\$6,709,606	\$4,390.069	1,528.36	81.05	20
North Slope	\$8,945,709	\$4,426.86	2,020.78	00.00	51
Northwest Arctic	\$19,505,893	\$9,070.82	2,150.40	13.95	8
ACS	\$4,701.228	\$3,220.80	00.00	1,465.47	1,465.47

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

ACS Closure is not a cost savings!

\$4,010 Per Student 641 Students \$ 2,056,328

Correspondence		Brick & Mortar		Foundation \$	Increase	%
Stay	80%	Switch	100%			
95%	\$ 1,953,512	5%	\$ 128,521	\$ 2,082,032	\$ 25,704	1%
90%	\$ 1,850,695	10%	\$ 257,041	\$ 2,107,736	\$ 51,408	3%
85%	\$ 1,747,879	15%	\$ 385,562	\$ 2,133,440	\$ 77,112	4%
80%	\$ 1,645,062	20%	\$ 514,082	\$ 2,159,145	\$ 102,817	5%
75%	\$ 1,542,246	25%	\$ 642,603	\$ 2,184,849	\$ 128,521	6%
70%	\$ 1,439,430	30%	\$ 771,123	\$ 2,210,553	\$ 154,225	8%
65%	\$ 1,336,613	35%	\$ 899,644	\$ 2,236,257	\$ 179,929	9%
60%	\$ 1,233,797	40%	\$ 1,028,164	\$ 2,261,961	\$ 205,633	10%
55%	\$ 1,130,980	45%	\$ 1,156,685	\$ 2,287,665	\$ 231,337	11%
50%	\$ 1,028,164	50%	\$ 1,285,205	\$ 2,313,370	\$ 257,042	13%
45%	\$ 925,348	55%	\$ 1,413,726	\$ 2,339,074	\$ 282,746	14%
40%	\$ 822,531	60%	\$ 1,542,246	\$ 2,364,778	\$ 308,450	15%
35%	\$ 719,715	65%	\$ 1,670,767	\$ 2,390,482	\$ 334,154	16%
30%	\$ 616,898	70%	\$ 1,799,287	\$ 2,416,188	\$ 359,858	18%
25%	\$ 514,082	75%	\$ 1,927,808	\$ 2,441,890	\$ 385,562	19%
20%	\$ 411,266	80%	\$ 2,056,328	\$ 2,467,594	\$ 411,266	20%
15%	\$ 308,449	85%	\$ 2,184,849	\$ 2,493,299	\$ 436,971	21%
10%	\$ 205,633	90%	\$ 2,313,369	\$ 2,519,003	\$ 462,675	23%
5%	\$ 102,816	95%	\$ 2,441,890	\$ 2,544,707	\$ 488,379	24%
0%	\$ -	100%	\$ 2,570,410	\$ 2,570,411	\$ 514,083	25%

Current ACS Foundation Funding

[Empty Box]

Potential Foundation Funding Increase

Cost Differential
1.504

Barrow	\$ 6,031.04
ACS	\$ 3,208.00
Total	\$ 2,823.04

Additional Foundation Funding needed for students returning to local districts with cost differential such as Barrow.

Local Contribution
23%

JSD	\$ 4,932.30
ACS	\$ 3,208.00
Total	\$ 1,724.30

Additional Local Funding needed for students returning to local districts with a local contribution such as June: u...

A of A

HB-174 and SB-107 are companion bills offered by the Governor's office whose initial fiscal notes purported to "save" \$5.5M through closing Alyeska Central School (District).

1. FISCAL NOTE REDUCED BY GOVERNOR FROM \$5.1M TO \$1.2M

A recent letter from the Governor's budget office (copy attached as a Word.doc) indicates this has been amended to \$1.2M, although the fiscal notes attached still (on the web, at least) cite \$5.5M.

The reason for this reduction is as follows (quote from attached letter from Governor):

"The closure of Alyeska Central School will result in savings of \$1.2 million to the state. The school's other \$4.3 million in funding will be distributed around the state to other programs in which the students enroll."

This savings is not realized through closure of the school itself, but only closure of the summer school. ACS is the ONLY such summer program offered for Alaskan students to avoid repeating classes in the regular school year, and has been used by all school districts of the state. The school employs teachers from around the state, most on summer vacation, to teach the students. It is, however, distinct from the regular school, and to cease this service (and save \$1.2M) does not require school or district closure.

2. "DUPLICATION OF SERVICES" NONEXISTANT

Alyeska Central School (ACS) is now smaller in enrollment than at least one other distance education program. The following quote is from the attached letter from the Governor:

"Some 8,000 students are currently enrolled in correspondence programs around the state. Of these 8,000 students, approximately 640 are enrolled at Alyeska as full-time students. Another 400 students enroll in a few classes at ACS, but attend school elsewhere."

Note first that districts from around the state have SELECTED Alyeska for 400 of their students. Apparently in these districts, many of whom have their own "duplicative" programs, ACS is the "school of choice."

There exists at least one program which is larger than ACS. The following quote is from the attached letter from the Governor:

"By eliminating Alyeska, other district correspondence programs will step forward to fill this role. These programs have proven their success and popularity. The Galena Interior Distance Education of Alaska (IDEA) program alone serves 3,700 students."

The cited "IDEA" program is the largest such program and exemplifies services offered by most other districts. It is advertised on the web (<http://www.ideafamilies.org/>) as follows, and is quite different, rather than "duplicative" (compare page attached as a Word.doc):

- **Choice of curricular materials**

IDEA: "You may use any material you deem appropriate for your children"

ACS: Materials are provided by ACS:

- **Allotments**

IDEA: "Allotments are provided for each student, added together into a family allotment. These can be used for academics including the traditional core subject areas of math, social studies, science, and language arts as well as for lessons in areas such as art, sports, and music. The allotment amount is \$1400 for grades K-3, \$1600 for grades 4-8, and \$1800 for grades 9-12. If you enroll older children, you may also enroll 4-year-old preschoolers, receiving an allotment of \$200 for them.

ACS: Does not allot funds to parents, nor allocate funds for art supplies, bicycles, music lessons, etc. ACS does not operate a pre-school program nor receive funds for such. All materials for all courses are provided by the school as either expendable items or require return.

- **Equipment**

IDEA: "We provide you with a Windows computer and a multi-function office machine (printer/fax/copier/scanner) as needed. A refundable \$100 cash deposit is required for the office machine. The computers can be received in exchange for a \$200 cash deposit or you may lease them from us with a yearly allotment deduction."

ACS: Computers are "loaners."

Curriculum

IDEA: "IDEA sponsors a Curriculum Fair each spring in Anchorage, Fairbanks, Soldotna, and Juneau. Vendors come from all over the country to share their products at booths and their knowledge in workshops. IDEA families attend free."

ACS: Curriculum is provided directly. Students and parents do not select their own books and materials.

- **Progress Assessment**

IDEA: "As the parent/teacher, you need to report your students' progress to us twice a year. This is done through Progress Reports for grades K-8 and High School Evaluation forms provided on this website. We will be glad to offer suggestions and assistance in grading if you wish."

ACS: Progress is monitored and evaluated (graded) at least monthly by certificated teachers of the appropriate grade level or content area. Parents and/or students do not provide grades to the teacher.

- **Monthly Contact**

IDEA: "In accordance with state regulations, your contact teacher must document communication with you on a monthly basis. This can be as simple as a short phone call, an exchange of e-mails, visiting when you drop by the office, or even bumping into you in the store."

ACS: ACS teachers contact each student at least monthly via lessons submitted, letters, e-mail, phone, fax, etc. Bumping into students at the store doesn't count as submission of required work.

ACCREDITATION:

None of the Alaskan schools on line are accredited except Alyeska which is fully accredited as a K-12 school. The military services and institutions of higher learning do not accept home-school curriculum and grades assigned by parents, but do recognize curricula and grades from accredited schools, including Alyeska Central School.

SUMMARY:

- The only savings now included in the fiscal note (see Governor's letter) is \$1.2M through closure of ACS "SUMMER SCHOOL." Closure of Summer School is a consideration *independent* of closure of the regular school.
- The only apparent duplication of services is in name. While programs such as IDEA appeal to thousands of Alaskans because of the independence from traditional regimens through provision of allotments, ACS is still the choice for over 1,000 students, parents, and school counselors. This is so because it is a "traditional" distance education program, fully accredited, and similar to the methodology employed by the University of Alaska and many other similar institutions. ACS district is currently, I believe, number 20 out of 54 in the state in student enrollment. There is NO other district in Alaska that provides "duplication" of ACS.
- The quality level of ACS seems not at all in question, as demonstrated by its regular high standing in all the various state-wide assessments.

If the ACS Summer School is considered an "unaffordable education luxury," then so be it. Since a study has never been conducted, it is arguable whether any true savings have been realized from success in summer school versus having students repeat a year in school or finish High School with a certificate of attendance vice a diploma. In any event, however, the "baby" doesn't need to be "thrown out with the wash."

It is unfortunate that the previous administration provided closure of ACS as an option to the new Governor to presumably save funding. As a strong supporter of the Governor for many years I have never seen a comparable "red herring" slipped into his hand by his own staff or appointees. The Knowles Administration appointees authored this embarrassment for the

Governor. I have my own personal opinions why this was done to him, but of course they are not germane to the issue.

I appreciate your attention, and hope you will assist the Governor in the long term by continued support of ACS.

Sincerely,

John J. ("Jack") Cadigan
Captain, U.S. Coast Guard (Retired)

Also:

- Local business owner
- Alaska resident since 1965
- Retired teacher of Physics, Mathematics, Physical Science, Computer Science at Alyeska Central School



FRANK H. MURKOWSKI
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 5, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill eliminating the Alyeska Central School program (ACS), the state's correspondence program.

Alyeska was once the state's only correspondence program offering education services to students statewide. The school began operations in 1939 offering programs to students living in remote areas with no local schools. However, there are 12 school districts currently offering statewide correspondence services to Alaska's school age residents.

The district-operated statewide correspondence programs offer a variety of education delivery methods. Educational delivery models include US postal, Internet and family developed programs supported by district staff.

Eliminating the ACS program will eliminate the duplicative services currently being provided by school districts enrolling and serving correspondence students statewide. The Department of Education and Early Development will help ACS students and families identify the appropriate educational services and assist them in moving to other programs to ensure no child is left behind.

I urge your prompt and favorable action on this measure.

Sincerely,

Frank H. Murkowski
Governor

**THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES**

STATE OF ALASKA

Department of Education & Early Development
Office of the Commissioner

FRANK EL MURKOWSKI, GOVERNOR

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

March 6, 2003

Dear ACS students and families,

We regret to inform you of the proposed permanent closure of Alyeska Central School effective June 30, 2003. This proposal is being pursued as part of a statewide move to reduce government spending and to eliminate duplicate services. We want to assure you and your family that we will make every attempt to make this change with as little impact as possible on your schooling.

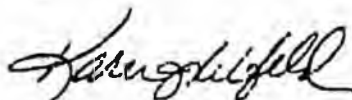
Alyeska has been in existence since 1939 as an effective alternative correspondence study program for students, first in the Territory of Alaska and, upon statehood in 1959, in the State of Alaska. In the past six years about a dozen additional correspondence study programs have been created by school districts in Alaska. Each of these programs enrolls students statewide. In fact, Alyeska Central School enrollments have decreased in recent years as some students have selected services through these other programs. There are about 8,000 students enrolled in other district operated statewide correspondence programs.

There are several options available for Alyeska students in our state. The local school district in which you reside may offer a correspondence program, a charter school or other alternative school. Our Alyeska staff will work with you over the next four months to find a suitable program, should you need assistance. In addition, Alyeska staff members will do all they can to help students complete their current coursework and graduating seniors earn their diplomas by June 30, 2003.

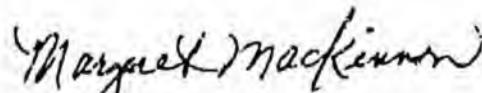
The closure of Alyeska is currently a proposal that will require legislative action to repeal the responsibility of the Department of Education & Early Development to operate a correspondence program [AS 14.07.020 (9)]. There will be public hearings on the bill as it moves through the legislature. You can follow the bill through your local Legislative Information Office.

We encourage you to work to complete your current courses by the middle of June. Continue to send in your work on a regular basis and contact your teacher or counselor if you have questions or need any help in completing your work. Thank you for the opportunity to support your education through Alyeska Central School.

Sincerely,



Karen Rehfeld
Acting Commissioner



Margaret MacKinnon, Acting Director
Alyeska Central School

Today, the line has turned, information minister Mohammed Saeed al-Sahhaf said. "We are destroying them." He read a statement from Saddam telling Iraq's fighters to rush at the Americans and "exhaust (them) and increase the depth of their wounds."

Al-Sahhaf said the Americans were in the suburbs and in a message on television urged residents to inform Iraqi troops about any U.S. movements. Maintain "calm, good organization ... to confront the enemy effectively, conquer it, and force it to retreat accursed and defeated," he said.

By Saturday night, city streets were crawling with all kinds of armed men - government troops, militiamen, loyalists from Saddam's Baath party. Members of the Fedayeen, a militia led by Saddam's son Odai, appeared in their distinctive black uniforms in the city center for the first time since the war began.

Armed with Kalashnikovs, mortars and heavy machine guns, soldiers of the elite Republican Guard Corps dug fresh trenches and fortified old ones. Some took over

Please see **WAR**, Page A7



Statue of limitations: A U.S. Army vehicle from the 4th Republican Guard's Medina Division headquarters survived airstrikes and abandoned by Iraqi forces.

Correspondence school's planned closing concerns School Board

By **ERIC FRY**

JUNEAU EMPIRE © 2003

The proposed closing of the state-run correspondence school could help the Juneau School District's budget but would hurt some local students who need personalized attention or help to graduate, according to administrators and School Board members.

The School Board said Tuesday it will send a letter to legislators expressing concern about the proposed closing of Alyeska Central School.

Alyeska enrolls about 640 full-time students and 440 tuition-paying students who take selected courses. Its summer school enrolled 3,450 students last year.

The Alyeska closure is among a number of Murkowski administration measures to reduce the state education budget. Closing Alyeska would save the state \$1.2 million, the cost of its summer school, state officials have said.

The state wouldn't necessarily save money by closing the regular program because the state still would fund the education of those students if they enrolled in an Alaska school district or a district-based home-school program.



BRIAN WALLACE / JUNEAU EMPIRE

Home learning: Laurie Clough instructs her son Forrest during a home school lesson at their North Douglas home Saturday.

Eighty Juneau children attend Alyeska full time, said Juneau schools Superintendent Peggy Cowan. If Alyeska closed, some of those students might enroll in the Juneau School District, either in its regular schools or in its two home-school programs, thus increasing the district's state fund-

ing.

At a meeting last week, School Board member Paul Gulyas discounted the idea that many Alyeska students would transfer into regular schools. The students have chosen an alternative program and will seek another such

Please see **HOME SCHOOL**, Page A8

Home school: Students would have to pay for correspondence courses from outside Alaska

Continued from Page A1

program if Alyeska closes, he said.

Cowan also pointed out some local downsides to Alyeska's closure.

Last summer Juneau School District students took 275 courses in the Alyeska summer school, which is funded by the state. The school district's summer school focuses on remedial courses, and it would be hard for it to match the diversity of Alyeska's courses, administrators said. The Juneau summer school charges a fee but offers some scholarships.

A lot of Juneau students who take summer courses at Alyeska want to work ahead, not take remedial courses, said Carol Sewill, who runs the Juneau School District's correspondence program.

If Alyeska closed, those students would have to pay for correspondence courses from outside of Alaska if they still wanted them. No other Alaska distance-education programs sell such courses, Sewill said.

"We would have a very hard time duplicating the 275 courses," said School Board member Mary Becker. "This would be a very great loss to our students."

The Alyeska summer courses are valuable to high school seniors who are short a few credits to graduate, Sewill said. Without a substitute program, they would have to re-enroll in high school in the fall, putting off college.

Also, 83 Juneau children, some enrolled in the school district, are paying tuition to take selected courses at Alyeska during the regular school year. Some of those are middle school students taking advanced courses such as algebra and geometry, Cowan said.

Sewill said Alyeska's tuition-paying students can buy courses from out of state for a comparable fee, but Juneau children won't have the close access to Alyeska's certified teachers, who work here. Nor will the outside courses be

I just never thought I'd see another '1986' here with the state being hit so hard. I'm having trouble understanding the necessity for cutting state government to the level they are.

DEBBIE CHALMERS

President, Alyeska teachers union

geared to Alaska, she said.

Laurie Clough of Juneau enrolls two sons, 13 and 15, in the public schools part time, and they also take some courses for a fee at Alyeska. Clough, a former public school teacher, said Juneau's schools are good but in some ways were a bad fit for her sons.

"I wanted them to excel in school, and I could see they weren't doing it," she said.

The Murkowski administration has argued that Alyeska's services are duplicated elsewhere. But Clough said the statewide distance-education programs run by Alaska school districts won't accept part-time students. And she's concerned Outside programs won't provide a quick turnaround in reviewing lessons.

Also of concern locally is the loss of jobs. Alyeska employs 20 teachers and 18 support staff, all in Juneau, the school has said. Another 10 positions, all but one in Juneau, are unfilled.

Debbie Chalmers, president of the Alyeska teachers union, said her family had to leave Juneau and eventually Alaska when low oil prices in 1986 triggered layoffs of untenured teachers. She returned in 1990.

"I just never thought I'd see another '1986' here with the state being hit so hard," Chalmers said. "I'm having trouble understanding the necessity for cutting state government to the level they are."

The Juneau market for home sales is "soft," she said. "You put 10 or 15 more homes on the market - I think that's going to have an appreciable impact."

Because a statewide correspondence school is mandated by Alaska law, it will take another law to undo the requirement.

The House Health Education and Social Services Committee was split in its review of House Bill 174 to close Alyeska. The bill has been scheduled for a hearing, among other bills, in the State Affairs Committee, chaired by Juneau Republican Rep. Bruce Weyhrauch, at 8 a.m. Tuesday.

A similar measure, Senate Bill 107, was passed out of the Senate Health Education and Social Services Committee on Thursday and will go to that body's Finance Committee.

Closing Alyeska is a tough policy call, Rep. John Coghill, a North Pole Republican who supports the closure, said at a House Health Education and Social Services Committee hearing late last month.

The state is working to get school districts connected to their students, and the districts have been stepping up with their own home-school programs, he said.

"The policy call we are asking here is do we give the school districts now the responsibility for providing correspondence school," he told the committee.

• Eric Fry can be reached at efry@juneauempire.com.

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Alyeska Central School Costs and Funding

Statement by Rick Currier,

Alyeska Central School Teacher and member, Alyeska Central School Education Association

Alyeska Central School receives the majority of its funding from the Department of Education and Early Development foundation funding. Other income comes from selling courses on a tuition basis at \$250.00 per semester course and some federal grant funding under the Migrant Education program. Foundation funding and tuition course receipts, not appropriated funds fund faculty and staff salaries, educational supplies, the warehouse lease, and course-printing equipment costs. In addition, ACS is "taxed" for certain services received from the Department and other state agencies including:

- \$52,000.00 per year for the Commissioner's office
- \$15,000.00 per year for the State Board of Education
- \$18,300.00 per year for ESS costs including Human Resources, and accounting
- \$19,000.00 per year for miscellaneous services from other departments
 - Including legal services from the Department of Law, risk management, mail room operation, and the library connection
- \$11,000.00 per year for IT support
- \$115,300.00 annual total**

The above costs are paid with receipts from foundation funding and tuition courses. If ACS is closed, other divisions in the Department will have to bear these costs.

Alyeska Central School has two major leases. One is the warehouse at \$128,000.00 per year. The Department of Administration contributes \$19,000.00 per year toward this lease. Alyeska's annual cost share for the warehouse lease is \$109,000.00 per year. The other lease is \$95,000.00 for printer/copier machines to reproduce course lesson plans. Both leases are funded with ACS's proceeds from foundation funding and tuition courses. The warehouse lease expires in 2009. Although the lease has a release clause if the Legislature doesn't fund ACS, the State doesn't typically cancel active leases in order to maintain the good will and confidence of lenders and leasers.

In my previous testimony, I stated that closing Alyeska Central School will cost the State money, rather than save money. I have included several enclosures that breakdown the differences in FTE the State will pay if various percentages of our currently enrolled students enter classrooms in Anchorage, which receives no rural cost differential funding, rather than enroll in another distance education program. Please note the statements that you have heard from several parents and students indicating that they do not feel other distance learning programs can meet their needs. Thus, if 25 per cent of our 641 foundation-funded students enroll in local brick and mortar schools at 100 per cent FTE, the State will pay an additional \$128,521.00 or 6 per cent more per year.

20F4

If 40 per cent seek brick and mortar enrollment, it will cost the State \$205, 000.00 more per year. If 70 per cent enroll in local classrooms, the State will pay an additional \$359,000.00 per year. Note that these figures are for Anchorage or schools that have no rural cost differentials. If rural cost differentials are added, the costs increase substantially. For example, our five Barrow students will cost the State an additional \$2823.04 each per year each or \$14, 115.00 per year in rural cost differential plus the difference between 0.8 and 100 per cent FTE of \$3946.00 for an increase of \$18,061.00. That's just for five students. We have students in every school district in the state. Note that if 95 per cent or more of our students enter brick and mortar classrooms next year, the result will be a 25 percent foundation funding increase.

- Encl: (1) ACS Closure is not a Cost Saving chart
(2) Potential Foundation Funding Increases due to ACS Closure graphic
(3) Alyeska Central School Student Enrollment Counts as of 03/04/03

3 of 4

Wolcott Family

April 5, 2003

Page 1 of 4

To: Governor, Lt. Governor, Senators & Representatives

Reference: SB174/HB107 Proposed Closure of ACS

We are continuing to update and collect additional information for your review. There is no duplication; this is not a cost saving measure. Our children are our future. Don't cut our children's quality education.

Please DO NOT CLOSE Alyeska Central School.

Note: Sitka & S.E. Island correspondence courses will not be operating state wide programs next year. This is straight from the Department of Education's office. Out of the 11 options this department keeps mentioning, reality is, we actually only have 9. None of them compare to Alyeska Central School. One example to follow this cover sheet.

Those of you that are fighting for us THANK YOU!!! Those of you that are not take a look at the facts and reconsider your position for the welfare of our children.

Choice is the driving force in education and is the heart and soul of all recent movements and philosophies in American education from the federal to the state and local levels.

Every statewide correspondence or charter "at home" program in Alaska has differences. Different students and families have different needs that require different approaches. This is the fundamental justification for choice in education. In no way is one better than another—just different.

Comparisons and Features of two different and viable choices available to Alaskans.

ACS Traditional & Structured

IDEA Home School Support

Teachers certified in content area and grade level review books and other materials and make selections that will best meet both the Alaska Standards and the needs of students.	Parents choose all materials from vendor lists or in person at curriculum fairs put on by vendors.
Teachers certified in content area write courses and daily lesson plans designed to meet the Alaska State Standards.	Parents are provided lists of course objectives and state standards to help them design and write their own learning plans. The LP must be submitted and approved by IDEA.
Certified teachers create tests and other assignments required for assessment.	Parents create tests and assessments based on school provided guidelines.
Teachers certified in content area evaluate assessments and assign grades. All work is returned to the student by the course teacher with comments, corrections and suggestions.	Parents grade their own student's assessments. Parents choose sample(s) of student's work and submit these to the school.
Certified teachers determine and assign course grade based on their assessment of all required assignments.	Parents submit course grades with comments and explanations of how grade was determined. A teacher assigns a final grade after considering parent recommendations.
Fully accredited by NWASC since 1979. Transcripts readily accepted by other high schools, the military, colleges and NCAA scholarships.	Provisional Accreditation in place. Full Accreditation awaiting completion of self study.
Internet courses available but internet access not required for paper based courses.	Must have Internet access and an active e-mail account that must be checked on a regular basis.
ACS students must have a homeschool teacher of record. While the homeschool teacher is usually the parent, it is not a requirement.	One parent must be at home during school hours. Enrolled students cannot be schooled by friends, neighbors or anyone other than a parent.
Students enroll in a specific class taught by a specific content certified teacher. Each course teacher is available by phone, email, fax, or on-line within the web based course sites to provide specific course content help to both the student and homeschool teacher.	Certified teachers are available from a list specified by grade level or general content area such as K-8, K-12, 9-12 or math specialist, but not by grade level/course content, such as 8 th grade science. They will provide consultation and educational advice to the parent.
Required by law to offer educational services to all Alaskans.	Required only to offer educational services to district residents. May serve students statewide at districts discretion.



FACTS ABOUT ACS

- While many students are enrolled in correspondence schools statewide, a large number of those students were not previously enrolled in any public school, including ACS. ACS regular enrollment has declined some due to parents and students having more choices, as well as changes in the way students have been counted, but ACS still enrolls a significant number of students statewide. For FY03, there were 35 school districts in Alaska that enrolled fewer students than ACS.
- Since the passage of the Alaska home school law in 1997, there are now nearly 8000 students per year being served by a dozen "at home" district-based programs. It must be concluded that these new programs are serving a new and different group of families with different needs and philosophies.
- Alaskan parents are well informed and intelligent. Parents enroll their children in programs of their own choice after investigating the options available.
- ACS has not ceased to "serve its purpose" or it would have died of natural causes during the past five years.
- ACS is unique. It is a fully accredited program offering a full range of educational services as well as Alaskan Certified Teacher developed standards based curriculum.
- ACS is the only statutorily mandated program in the state and cannot arbitrarily cease to offer statewide services. School districts offer statewide programs at their own pleasure.
- ACS operates 12 months of the year and offers flexibility for family and student schedules.
- ACS enrolls many students on a tuition basis, not through foundation funding, to accommodate educational needs that may not be met by local schools.
- ACS is a founding member of the Alaska Online Consortium and offers 18 of the 29 online courses now available to school districts through the consortium.
- ACS is the first distance program to offer AP (advanced college placement) courses to college bound students.
- ACS has the infrastructure in place to offer distance education options to students in rural schools to support the goals of NCLB federal legislation.

Please do not limit the educational choice available to Alaskan families. The state of Alaska needs all of the choice and flexibility it can muster to meet the challenges of "NO Child Left Behind" as well as the ever increasing demands and expectations placed on students to become well educated and valuable members of society.

The state of Alaska cannot require any district to service students out of their district. If the intent is to replace ACS with one of the choices offered by districts, how will parents and students be guaranteed that these choices will be available next year or the year after?

Please do not eliminate or dismantle a valuable and unique choice when there is no measurable impact on state spending.

If this legislation is really a policy issue, then the policy must be to eliminate choice.

It has been stated:

Alyeska is a duplication of services.

Please let us know the name(s) of such choice(s). NONE of them compare. Isn't it true it could cost the state a lot more money if ACS closed: ACS \$3800.00 per child - all going child's education, IDEA \$4100.00 per child only \$1700.00 going to family for education, Boarding School \$15,000.00.

It has been stated:

The state will save money by closing Alyeska Central School.

Rent \$\$ Issue (ownership - Permanent Dividend Fund) - Isn't it true that the education department will just take over the office space Alyeska currently has if Alyeska was to be closed? Isn't it true this space can only be occupied by a state agency? Where is the state going to get the additional money to cover Alyeska's part (\$115,300.00) for the fees for sections of the Department that are non revenue producing?

It has been stated:

Alyeska students should return to their own districts.

Isn't it true the district schools are over crowded and under budgeted? How is adding the Alyeska students to their district (where possible) going to help?

It has been stated:

Districts to provide same services as ACS.

What if it is not advantageous to the district to provide a similar program statewide? Can't they cease providing the program at anytime?

It has been stated:

Still providing ACS Curriculum.

Wouldn't this take qualified staff to keep up to date? It takes experienced people to write for students at a distance.

It has been stated:

Governor Murkowski and administration are committed to quality education.

SHOW US!!!! Don't close Alyeska Central School.

Mieke K. Malmberg
California SBN# 209992

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(310) 393-4850

Family Address
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pilebay@yahoo.com
mkm@quinnemanuel.com

VIA ELECTRONIC MAIL and FIRST CLASS MAIL

Rep. Bill Williams
State Capital
Juneau, AK 99801-1182

RE: HB 174 & SB 107 – Please DO NOT pass this legislation closing Alyeska Central School

Dear Rep. Williams:

Reference is made to the above legislation that, if passed, will require the closure of Alyeska Central School thereby a) taking away the centralized correspondence study program in the State of Alaska and b) leaving the responsibilities of administering a correspondence study to each individual district, a responsibility each district may choose to accept or not.

I. INTRODUCTION

I first heard about this proposed legislation last week from my 15 year old brother who is currently enrolled in Alyeska Central School ("ACS"). He wrote to me stating, "this idea [that ACS could be closed] is terrible. It [ACS] is a family tradition and we have to keep it going. Please write a letter to the legislature. WE CAN MAKE A DIFFERENCE." After researching and thinking about the proposal I agree with him: closing ACS is a terrible idea. First, a centralized correspondence study is the optimal model to deliver high quality educational services to remote students. Additionally, the closure of the centralized program will result in complete chaos and undependability as well as a lower quality of educational services delivered at a cumulatively higher cost. Finally, closing ACS fails to fulfill legislative intent because ACS' services are not 'duplicative' of other district programs and its comparatively large enrollment shows that it is valued and utilized by the State's residents.

II. ARGUMENT

A. Personal Experience Shows that a Centralized Correspondence Study Is Optimal for High Quality Education

Alyeska Central School (formerly known as Centralized Correspondence Study) has played an integral role in my life. Raised in a family of six children on a remote homestead located on the west side of Kodiak Island, I was enrolled in ACS from first grade through the ninth grade. Following the ninth grade I moved to the town of Kodiak and attended Kodiak H.S. where I graduated in 1992, finishing in the top 5% of my class. Since then I've earned a B.S. in Biochemistry and Cell Biology and a B.A. in History from the University of California, San Diego, graduated in the top 25% of my class from the University of California, Hastings College of the Law and passed the rigorous California Bar Examination on my first attempt. I am now a third year associate at a top-tier law firm in Los Angeles practicing primarily patent litigation.

Having attended both ACS and regular public school in the State of Alaska, I can attest to the high quality of education that ACS delivers. ACS is intellectually challenging, well organized and well managed. In fact, I firmly believe that ACS did a better job of preparing me for a highly ranked college and professional program than other options available in the State of Alaska. The commitment of the teachers is strong (some of my elementary and junior high school teachers are still at ACS) and the lesson plans are constantly being updated to keep up with the latest developments in education. Examples of how good the education is that ACS delivers abound, including the fact that it took me three more years of Spanish at Kodiak H.S. to reach the end of the first year of material that I had learned already at ACS to the fact that four out of five of my younger siblings (who were also educated through ACS) either hold college degrees or are currently enrolled in major universities (my younger brother is a high school student enrolled in ACS).

In fact, although the Kodiak School District has always offered an alternative correspondence program, my mother investigated that program and specifically chose to go through ACS believing that the quality of the lesson plans, the constant updating of the material and the fact that there are individual teachers trained and accredited at each grade level make it far superior to the program run out of Kodiak where there are only one or two teachers to assist

all students at all grade levels. Judging from my success as an ACS student, I would have to agree.

B. Requiring Each District to Administer Its Own Correspondence Program Invites Chaos, a Lower Quality of Education at a Cumulatively Higher Cost and Complete Undependability

Removing the centralized correspondence program from the State of Alaska will be disastrous. In a state where a high number of rural students make correspondence study an absolute necessity, decentralizing this program and turning it over to the whims of each individual district can only invite chaos, a lower quality of education at a cumulatively higher cost and undependable administration. Following are several reasons that the closure of Alyeska Central School is an unsavory option:

- There will no longer be teachers trained at every grade level, thereby decreasing the quality of education. It is doubtful that individual districts will have the necessary resources to employ correspondence teachers that are certified in each grade level, relying instead on one or more teachers each undoubtedly trained in only one level, to administer (or be prepared to administer) each and every grade level at all times. This will decrease the quality of education and individual assistance being delivered to rural students and their families.
- The quality of lesson plans will suffer and local programs will no longer be able to rely on ACS to develop timely curricula. With only a few teachers in each of the districts that choose to offer correspondence study, who will be responsible for developing new lesson plans and keeping abreast of current developments in education? Certainly a few teachers administering a program for multiple students across several grade levels will not have the time nor the expertise to develop and continuously update lesson plans that are timely and challenging for every single grade level for which they are responsible. In the past these local correspondence programs have been able to depend on ACS for current lesson plans and curricula; if ACS is closed this option will no longer be available.
- If in fact the school districts decide to assign the correspondence responsibility to a teacher already teaching in that district, this will also be disastrous. A teacher already dealing with the day to day rigors of being in a classroom will have no commitment to a correspondence program which, in order to run smoothly and well, would require creativity, self-motivation, constant diligence, upkeep and supervision.

- Decentralizing the pool of resources will make it impossible for local programs with fluctuating enrollment to offer current materials and library services for each and every student each and every year. Distributing funding over several correspondence programs will ultimately cause it to be at a cumulatively higher cost and lower quality. With the current centralized correspondence model, one pool of funding can purchase books and supplies, pay teacher salaries and administer student activities and a library for a large pool of students in each grade level each and every year. By destabilizing this program it means that each district that decides to offer a correspondence program (currently, 12 districts)¹ must cover all of these expenses on its own. With the fluctuation of rural enrollment this means that while in one year there may be a student in each grade level, the next year there may be no students in a given grade level or several in another grade level. Given this constant fluctuation of correspondence enrollment within a district, it will be expensive and impossible to offer current books and materials for each and every student each and every year.
- Differences in district allocations of funding will cause a disparity in the quality of correspondence education delivered by each district. Different districts will allocate funding differently depending on enrollment and other factors. By decentralizing the correspondence program students and their families will lose the dependable high quality education they have come to expect and deserve from correspondence study.
- A failure to designate specific funding for correspondence study will provide no safeguards whatsoever, allowing districts to use funding on other pet projects. If correspondence does not have specific funding districts may be encouraged to start correspondence programs in order to be eligible for additional funding from the State and then allocate those funds elsewhere. Without safeguards, districts are more likely to take care of those students with direct access to their facilities than they are to take care of those rural students who are essentially 'out of sight, out of mind.'
- De-centralizing correspondence study will cause home-schooling to lose prestige and credibility. As someone who has been educated by correspondence study and questioned about it throughout my life, I am quick to remind people that Alaska's correspondence program is centralized, organized and controlled. The fact that there are accredited teachers at every grade level and that it is a public school funded by the State with a long history of offering high quality education lends to it a certain amount of respect and prestige. Decentralizing correspondence study will cause home-schooling to lose the prestige and credibility that the centralized program has fought so hard to attain. Consequently those who are educated through correspondence study will suffer.

¹ See Governor's Transmittal Letter re: HB 174, dated 3/5/03 (hereinafter "Governor's Letter").

Although people will be able to choose a correspondence program in which to enroll, closing ACS will make correspondence study an undependable option and possibly increase dropout rates. Districts that may offer an alternative program at first may decide in a few years that it is no longer feasible to run their own program due to the expense and changes in enrollment. Additionally, with changes in funding each year spread out over only a few students, the effects will be felt more harshly by those enrolled in a district than they are felt now by the entire student body of ACS. Because of the high likelihood that district programs will close down after only a few years of operation, or that districts may decide to begin programs later on or not at all, there will be no continuity in correspondence study. Without constant research (which is difficult in any rural situation) and marketing on the part of the districts (another unaccounted for investment of time and money), remote families will not know where to go for their educational needs and will constantly need to be re-evaluating their choices and their alternatives.

In a state where an appalling 6.2% of students in grades 7-12 drop out, the State of Alaska should be doing everything in its power to provide reliable and consistent educational choices to its residents.² This drop out rate (which does not even account for those students in grades 1-6) will only increase with the ease in which rural students will be able to disappear into the abyss, with correspondence programs opening and closing around the State. In a State where many individuals do not necessarily see the value of education, where seamanship and outdoor skills are more highly valued than a college degree, it is highly unlikely that most families will embrace the constant diligence and responsibility needed to ensure that their children are receiving high quality education through correspondence study. Such diligence and responsibility will be an absolute necessity if the centralized program is removed as a stable and viable option.

C. Closing ACS Fails to Fulfill Legislative Intent Because ACS' Services Are Not Duplicative of Other District Programs and a Comparatively Large Enrollment Shows that ACS Is Valued and Utilized by Many Alaskans

Although the legislation is aimed at cutting the costs of 'duplicative services' provided by district programs,³ there is a fundamental problem with this approach: ACS is not providing services 'duplicative' of other district correspondence programs. In order to be 'duplicative,' the service must be exactly the same.⁴ This is not the case. ACS is providing teachers trained and

² See Dropout Rates in 2000-2001 found at <http://www.educ.state.ak.us/stats/dropoutrates/2000-2001dropoutratesbyethnicity.pdf>.

³ See Governor's Letter ("Eliminating the ACS program will eliminate the duplicative services currently being provided by school districts enrolling and serving correspondence students statewide.").

⁴ See Webster's College Dictionary, defining 'duplicative' as an *adj.* of 'duplicate' - "a copy exactly like the

accredited at every grade level. ACS is providing constantly updated educational materials and lesson plans (which are often used by the district programs). ACS is providing superior library services and student activities to rural students. District programs, on the other hand, provide only a few teachers to administer the program for all students, often depend on ACS for their updated educational materials and do not provide the same extensive library services and student activities that ACS is able to provide to its students. While districts may choose to shunt some of their funding to a local correspondence program, it is unfair to remove ACS as an educational choice when its services are certainly not 'duplicative' of local programs.

Additionally, public information available on Alaska's schools fails to show why the centralized correspondence program, an important and fundamental service being provided to the State's residents, is being unfairly targeted by this legislation. According to the Alaska Department of Education and Early Development Office of Data Management, 34 out of the 54 school districts in the State (not counting ACS, which is considered a district for this purpose) boast *lower* enrollment than ACS as of October 1, 2002.⁵ Indeed, many of these school districts fall short of ACS' current enrollment by *several hundred students*. Clearly residents in the State of Alaska see the value of the centralized correspondence program and are continuing to utilize it despite the fact other options may be available to them.⁶

original; anything corresponding in all respects to something else."

⁵ See Alaska Department of Education and Early Development Office of Data Management, statistics on school enrollment as of October 1, 2001 and October 1, 2003 found at <http://www.educ.state.ak.us/stats/schoolenrollment/2003schoolenrollment.pdf> and <http://www.educ.state.ak.us/stats/schoolenrollment/2003schoolenrollment.pdf>. The 2003 documents shows that 724 students were enrolled in ACS as of October 1, 2002.

⁶ See *id.* The fact that enrollment at ACS fell in the last year does not provide proper justification to close the school. While certainly the enrollment at ACS fell between 2001 and 2002, so did the enrollment in 32 other districts in the State (2 districts remained the same and 20 districts showed an increase in enrollment). None of these other districts face the possibility of being closed down.

Subject: [Fwd: ACS Differences]

Date: Mon, 07 Apr 2003 14:23:18 -0800

From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Ginny Austerman <Ginny_Austerman@legis.state.ak.us>

bill file

Subject: ACS Differences

Date: Mon, 7 Apr 2003 11:27:18 -0500

From: "Gary Michou" <gcgrmichou@msn.com>

To: <Representative_Bruce_Weyhrauch@legis.state.ak.us>

<?xml:namespace prefix="v" /> <?xml:namespace prefix="o" />
Dear Rep. Weyhrauch,

I have looked over the eleven schools that were given as an alternate to Alyeska Central School. Out of the eleven, only the Mat-Su Borough came close to Alyeska. The only problem is that, their Correspondence Study School is only open to Mat-Su students. They do operate a cyber school but we do not want to be on line for four to five hours a day!

As I went through the other schools, it became apparent that there are really only two schools. Let me explain this position starting with Alyeska.

Alyeska is a teacher based correspondence course. Certified teachers choose the curriculum that best meets the needs of Alaska and Alaskan standards. These same teachers write the lesson plans and make up the tests that are used to evaluate what the student has learned. All tests and end of unit work is sent in to be graded and evaluated. They then assign the student a letter grade. In the Alyeska case, the teachers are doing the teaching of the students, with the parents supervising, supporting, and guiding the student. If problems arise, the family can contact the teacher for help.

The other correspondence school type is the Galena City School or the IDEA program. In this correspondence school setup, the parents choose the curriculum their child will use. They choose the books, make up lesson plans, make up the tests their child will take and they also have the option of evaluating and grading their own child. The families have an academic advisor who may or may not be able to help them if a problem arises. Materials are purchased through vendors. Paper work must be filled out and sent in showing your lesson plans, purchases, any changes that need to be made during the year to lesson plans sent in, in writing, and approved. In this school case, the roll of teaching is reversed. The parents teach and the school acts as the advisor to guide and support the parent teacher. Some families love this approach. I personally do not like because I could not evaluate my son objectively. I know that this approach can cause friction between the student and the parent if the student doesn't feel that the parent has evaluated him or her fairly.

Which brings us to Copper River School, Craig City School, Delta Greely School, Nenana City School, Chugach School and the Yukon Koyukuk School. They are all set up and based on the Galena City School pattern. It is interesting to note that these schools including Galena use Alyeska as one of their vendors.

The Denali Borough School is charter only and I found no correspondence school listed for them. I have not found anything for the Iditarod Area School.

In conclusion, families now have two school style options. If Alyeska closes, there will only be only one choice not two. I like the teacher based schooling, it works the best for my son and I. Thank

[Fwd: ACS Differences]

you for your time.

Sincerely,
Mrs. Cynthia Michou
Robert Michou
gcarmichou@msn.com
Eagle River AK
984-2702

APR 07 2003

Subject: House Bill 174**Date:** Mon, 07 Apr 2003 09:07:51 -0800**From:** boys3andagirl <boys3andagirl@alaska.net>

To: <Representative_Bruce_Weyhrauch@legis.state.ak.us>,
 <Representative_Jim_Holm@legis.state.ak.us>,
 <Representative_Nancy_Dahlstrom@legis.state.ak.us>,
 <Representative_Bob_Lynn@legis.state.ak.us>,
 <Representative_Paul_Seaton@legis.state.ak.us>,
 <Representative_Ethan_Berkowitz@legis.state.ak.us>,
 <Representative_Max_Gruenberg@legis.state.ak.us>

Dear Representatives of the House State Affairs:

My name is Jathan E. Day, and I am a student through Alyeska Central School, a correspondence school. I am writing in regard to House Bill 174, which would ultimately shut down Alyeska Central School according to Frank Murkowski's budget plan, in order to eliminate duplicate services and to save on government spending. I would like to make a strong objection to this proposal.

For the past month or so, I have been writing these letters to the committees of which this bill has passed through, and quite frankly, I am not satisfied with the way this bill has been handled. It seems to me that some of you representatives think that we won't be greatly affected by any change that you make to a system, and that is where you are absolutely incorrect. We elected you into office with the promise that you would work to better Alaska, *not* to change it in some drastic way that causes problems and disagreements among the people. You are supposed to *work for us*, not the other way around.

I am sick and tired of writing these letters to committees who are not listening to us. It seems that I am not being aggressive enough with my politicians. Do not confuse our seriousness with simple government participation; we are *dead serious*. We don't really appreciate it when our supposed leaders are taking money and hope from places that are good and healthy to us. I am prepared to defend this case like a mother bear would her cubs. I do not want to see the death of such a wonderful and experienced place like ACS. I stand today with countless others who are in support for keeping ACS open. WE WILL NOT ACCEPT "NO" AS AN ANSWER!!!

I would like to once more go over the many qualities of Alyeska Central School, and why it is more than obvious that it should stay open.

HISTORY of ACS:

Alyeska Central School has been a constant and unconditional source of education since 1939. This means not only that the school has been providing these fantastic services for nearly 64 years, but it also means that this school is one of the most experienced schools in the entire state of Alaska. ACS had provided educational services to people who were living in the isolated areas of the state, but in these past years, they have evolved to benefit not only those who are in isolation, but those in communities, as well. ACS works for just about anyone in the state of Alaska.

SERVICES that ACS OFFERS:

Let me make one thing explicitly clear, ladies and gentlemen. Alyeska Central School is not a duplicate service. Whoever came up with this idea needs to have his or her head rearranged. There are so many services that ACS provides that many of these other correspondence schools in Alaska do not. There is simply no competition when it comes to ACS.

ACS has a large staff of fine teachers who write many of the courses that the school provides. This

means that they are able to complete pretty large amounts of work *and* grade lessons/units, as well. The courses are well-planned, and the instructions make it very simple to carry out the day's work. If there is any amount of confusion, one can contact their course's corresponding teacher at the *toll free number*.

To make up for the courses that ACS does not have, they have volunteered other correspondence schools from places such as Nebraska and North Dakota, who do teach them. In addition, the teachers at ACS even teach some of the out-of-state courses as well! There is pretty much nothing that this school cannot offer to students!

ACS offers a wide range of both core subjects and electives. They range from the very basic (for those who are slow learners, or need extra reinforcement) to the very complex (for those who are college-bound, or those who have a strong base in any one subject). ACS offers a myriad, and I put an emphasis on "myriad", of electives to choose from. There would be no possible way for a student to take every single elective; there are just so many. They offer language courses, job skill courses, you name it, they more than likely have it.

ACS also has a Parent Advisory Council, which does a lot of activities and helps other families with homeschooling, as well. ACS has so much to offer for a student! They really are an original correspondence school. When I think of correspondence schools, I think of ACS first, and I know that there are countless others who agree with me.

ACS UNDERSTANDING:

One of the most remarkable things about ACS is the staff. The teachers are some of the most open and understanding that I have ever been graced to know. I would like to mention a few, because they deserve the credit for such an outstanding job!

Gayle Goedde, an English teacher, has been the absolute best English teacher I've ever had. She has allowed me to open up myself and discover the various aspects of my humanness. She has also allowed the freedom to delve into my dark side, and to bring the negativity from the inside out. This is very important to me as a person, because I know there are many other teachers who would not let me be so open.

Alexander Dolitsky, a social studies teacher, has been my social studies teacher through all my years of high school. I want to take another course with him, but I can't do that if you politicians get the upper hand, now can I? He is probably the most knowledgeable individual I know. He has taught me how to see the beauty in cultures and in our own country's history, and it has certainly paid off.

Carolyn Stegner, an art teacher, has been my foundation in this fight to save ACS. She is the one who inspired me to fight for this excellent cause. She is also another one of those teachers who have let me be open and honest about life, and I have shown that in my own art. Like I said earlier, this is not just my fight, this is a fight for anyone who gives even a tiny care.

These teachers are *not* something that you can just throw away. I, as a student, am not just something you can throw away, either. This department takes a very serious and personal interest in every single student, no matter how lousy their work is. This is how much ACS means to me, ladies and gentlemen.

There is also one thing about ACS that sets itself apart from other schools (period). ACS does not have a school schedule, but rather a year round schedule. This is wonderful for students who just can't get their work in on time. This is also wonderful for people like me, who are late with work because of personal problems. If you must know, I have been through several depressions. These depressions have lasted anywhere from a week to a couple of months. As a result, I am a year behind in school. ACS did not, however, throw me out the door. They kept me on because they want me to succeed, and I wish nothing but the same to them as well. I am relieved to know that ACS let me work through school dictated by how I was feeling. I did not have some strict schedule to adhere to, or some extension fee that I would have to no doubt pay. They understood me, and then let me get back to work. Many other students like myself and families need this kind of understanding. This is why many of us stick around.

YOUR STUPID "MONEY PROBLEMS":

According to the government of Alaska, Alaska has a budget gap that needs to be filled. Frank Murkowski is wrong for cutting the many programs in Alaska that everyone enjoys. He is only rubbing us the wrong way. There are always other ways that you could fill the gap. One of you representatives had a really excellent idea, ladies and gentlemen. We really should tax cruise passengers \$100.00 a head. That would bring in so much revenue, it's not funny. I implore you to go that route and any other similar idea rather than cut ACS. That fact that it brings in \$5-million-some-odd a year does not mean it is wasting government money. It means that they are an excellent school, and deserve to be credited as a original, experienced, and well-supported correspondence school, because *they are*.

I want to have faith in my decision makers. Quite frankly, however, you are not making some good decisions lately. I want you to please keep ACS open. If you are the intelligent, responsible representatives that I think you are, then you will find some other way that will not hurt us.

ACS is my home. I have never been more proud of a school than I have been of ACS. Together, we really are a family, and we are not going to let somebody trample on us just like that. We are going to fight this until you are so annoyed that you will finally see the right thing to do. This is our home, and it's high time we defended it.

I am going to get some e-mails of support to show you the level of commitment that is involved here, ladies and gentlemen. I want you to see how very desperate we are to keep our school open. DON'T, I repeat, DON'T CLOSE OUR SCHOOL!!!

Thank you for hearing me out, and I hope that some sense will kick in.

Jathan E. Day

Subject: Concern respecting Truth in Education Story

Date: Wed, 05 Mar 2003 12:26:58 -0500

From: "J Allan MacKinnon" <jallan2760@email.com>

**To: representative_bruce_veyhrauch@legis.state.ak.us,
representative_beth_kerttula@legis.state.ak.us, senator_kim_elton@legis.state.ak.us**

Dear Friends:

Thank you all for your ear and representing the Juneau population. At first this communication is coming from Allan MacKinnon as an individual and is not from Margaret. On the face of it --it would appear that it is self serving since my wife is Acting Director of Alyeska Central School.

However, when material is put forward as fact; I am disturbed at misrepresentation and from my perspective it must be the TRUTH.

The release that you received and is out there from the Dept of Ed and the Governor's Office respecting the closing of Alyeska Central School is a very real concern.

1. Cost Savings

It saves the State nothing; all the funds are Foundation Formula money which would still be there and spent by others;

2. Real Impact. Loss of 50 jobs in the EED and Juneau.

3. Duplicate Services; the previous commissioner and board of education allowed districts to begin serving pupils Outside their boundaries several years ago. These districts borrowed tried and true expertise from Alyeska to produce their programs. They duplicated the State mandated distance delivery of courses; not the other way around.

4. The various district offered programs for correspondence or not of the same calibre as the ACS offerings. ACS has custom written Alaska based courses. ACS has actual teachers correcting the work of students and monitoring progress to completion and success. Many of the other correspondence (home schooling) options Allow parents to correct the work with little or no monitoring of quality or outcome by accredited staff.

5. The Staff at ACS was blind-sided by the Administration when they could find no places to cut in the Education Dept. Most programs are foundation funded, federal funded or required by law!

6. The Staff at ACS is terribly disrupted; do they begin to close down; look for other jobs or what?

7. The program has been around since 1939 and modified in statute some years ago to be the Statewide alternative available to all students no matter where they reside in the state. Should it be closed down--all students in the State can not be served by local districts, should not be and would be "left behind."

8. With the latest Federal mandates concerning excellence in education and monitoring of outcomes--this flies in the face of all the requirements of "No Child Left Behind."

9. Alyeska Central School has been cited as the "crown jewel" in the department's offerings with an excellence in teaching staff, writing of curriculum, creation of a web based school and recognition of its graduates.

10. The ACS Summer School, which is in high demand, is one of those items which, in some cases, is paid for by the recipient--not foundation funds. However, it is the only summer school offering of the quality to satisfy thousands of parents and students seeking to complete their education requirements.

11. This is the second disruption for staff at ACS. The previous director and commissioner had given notice of massive layoffs in January which very much affected morale at the institution. This is a second disruption of a much more public and grave nature.

Thank you for your initial comments in the media folks. This is a serious situation and would really impact the Education offerings of the State as we seek to graduate more youth no matter where they live.

Again, Margaret is not a party to this communication. She does not know that I am writing you. Please use these comments in your deliberations any way you wish. However, please do not use my name due to the nature of everyone's well being.