



Thank you for the opportunity to engage with AASB and the Legislatures of the State of Alaska. Patti Truesdell, Kaegan Koski, (Mike B. Kaegan's Chaperone) Pegge Erkeneff and I spent 5 days in Juneau telling our story and advocating for education in the State. It was a pleasure to be with such a diverse group of people.

The ability to connect with and interact with students, board members and superintendents from around the state is always rewarding. It opens my eyes to the struggles and successes we as a state have.

A lot of conversation was around forward sustainable funding for education. The struggles of never knowing how much or when funding is coming inhibits districts ability to offer non tenure contracts which inhibits the districts to retain some of the brightest young people coming into education. Teacher retention in Alaska is essential to student performance.

The Marine highway and how it is affecting the coastal communities, from food supplies to travel. The cost of flying teams out to participate in extracurricular activities is cost prohibitive and while our main focus is on education, we must also look at the needs of the students. For a lot of students, we see an increase in grade performance because of sports.

The Alaska Reads Act is a bill that would create a statewide comprehensive K-3 reading policy designed to improve reading outcomes. The policy expands high-quality pre-k opportunities for four and five year old's, provides direct support and intervention services for low-performing schools, ensures early identification of struggling readers, and requires reading intervention services for K-3 students who need more help to become successful readers. (source <https://gov.alaska.gov/wp-content/uploads/sites/2/Alaska-Reads-Act-What-and-Why-01152020.pdf>) I will talk more about this later in my report.

School District Bond Re-imbusement and the ages of facilities across the state of Alaska. Every school district sees needs for repairs to buildings whether because of the age of the facility or earthquake damage. As a state we can not continue to defer maintenance.

Mental Health/Social Emotional learning. All students are affected by social expectations because of an ever-increasing access to knowledge, bullying and the fast pace of the world around them.

The need for Limited Teacher Certification

These among many other topics were discussed during the week.

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*Questions from legislatures:*

*Representative Stutes wanted to know if we have the population changes for Port Graham and Nanwalek for the past ten years?*

*Senator Micciche wanted to know if there was any quantifiable data on what causes social emotional problems?*

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On Saturday morning we started with an introduction from Norm Wooten and Lisa Skiles Parady

Lisa Parady spoke on the need to retain leaders and educators in the state.

**Retaining effective educators and leaders is essential to closing achievement gaps and increasing student performance in all subjects across all grade levels.** ACSA strongly encourages the development of comprehensive statewide programs to prepare, attract and retain high quality educators and professionals. ACSA further recommends strengthening statewide and national recruiting efforts along with a renewed commitment to growing our own educators, teachers, principals, and superintendents.



I thought it was interesting that across the board we have a higher turnover rate for Principals in all areas of the state.

She also spoke about **New Revenue Streams**. I researched the effects of the taxes Ms. Parady spoke on following is the information I was able to derive:

**Educational Raffle** Half all of the money raised goes directly to public education for the year; 25% is put toward a new education endowment fund; the remaining 25% is placed in the raffle fund.

The raffle fund is divided between winners and future prize money. The person who gets first place wins 8% of the raffle fund, with 4% given to whoever wins second place, 2% to third and 1% to fourth.

The education raffle was proposed by Sen. Click Bishop, R-Fairbanks, in 2017, became law in 2018 and was implemented last year.

The State saw the first pay out of the raffle this year. Bishop says the final amount for this year's inaugural drawing pencils out to about \$870,000. The money is on top of what state lawmakers approved in the general fund.

**Sales Tax/Income Tax** at this point there is no specific legislation to address this only talk

**Education Head Tax** Sponsored by Senator Bishop

SB 50 - Sponsor Statement “Alaska Education Facilities, Maintenance, and Construction Tax”

From 1919-1980, Alaska had an annual employment head tax for the purpose of collecting revenues to fund schools. The tax went through numerous transformations, but it always charged an equal amount to each employed individual. When it was repealed in 1980, the tax was \$10 per person which has the equivalent value of \$30 today.

SB 50 proposes to revive the repealed head tax on employed individuals, both resident and nonresident, with income from a source in Alaska. The “Alaska Education Facilities, Maintenance, and Construction Tax” would collect \$30 from each person employed in the state. The tax would be withheld from an employee’s first paycheck each year while self-employed individuals would be required to remit payment to the Alaska Department of Revenue. The tax would be deductible on an individual’s federal income tax return.

According to the most recent statistics from the Alaska Department of Labor and Workforce Development and the U.S. Census Bureau, there are approximately 441,596 employed individuals in Alaska. Roughly 20% of those workers who earn their living in Alaska do not reside here resulting in \$2.5 billion in non-resident income that leaves Alaska’s economy each year and, in most cases, gets taxed by a non-resident’s home state.

It is estimated that this tax would generate \$13 million each year. The revenue collected would be deposited into the state’s general fund and accounted for separately to pay for the growing maintenance and construction needs of Alaska’s schools.

**Motor Fuel Tax: SB 115 introduced by Senator Bishop would double the motor fuel tax we currently pay but Alaska would still have the lowest motor fuel tax in the state.**

DOR's Fall 2019 Revenue Sources Book estimates FY21 receipts from motor fuel tax on highway fuel, gasohol, and marine fuel of \$33.8 million. A doubling of the tax rates under this bill would increase FY21 tax receipts by an additional \$33.8 million, for a total of \$67.6 million. Estimates are based on gallons of motor fuels reported on tax returns and tracked in the Tax Revenue Management System (TRMS), combined with U.S. consumption projections from the federal Energy Information Agency. DOR expects that Alaska's future highway and marine fuel consumption will mirror overall U.S. trends, declining at between 1% and 2% per year. The estimates make no adjustment for changes in demand due to higher prices, or for stockpiling in advance of the tax increase

As reported by Lisa Skiles Parady

**Alaska is realizing more revenue from the Permanent Fund than from oil!**

- Current estimate is for the Permanent Fund to deliver **\$2.7B** to the state treasury this fiscal year
- The oil industry will pay \$2.1B in taxes and royalties
- This isn’t a short-term shift

“Department of Revenue projections indicate the Permanent Fund's investments will out-earn all other taxes and royalties each year through 2028, the end of the forecast period”

<https://aasb.org/2020-legislative-fly-in-youth-advocacy-institute/>

By following the above link you will be able to see the presentations given to us. I would highly recommend all board members look at the Overstep or Oversight? Presentation given by Timi Tullis and Lon Garrison. It was very informative with actual scenarios that happened here in Alaska

## **Saturday, February 8, 2020**

Reality in Alaska

Governance vs Management

Your Role in the Budget Process: What You Need to Know

Overstep or Oversight?

Superintendent/School Board Communications

School Board and Superintendent Teams

## **Sunday, February 9, 2020**

Legislative Process and Context

Key Legislative Issues

2020 NSBA Advocacy Institute

Lobbying 101

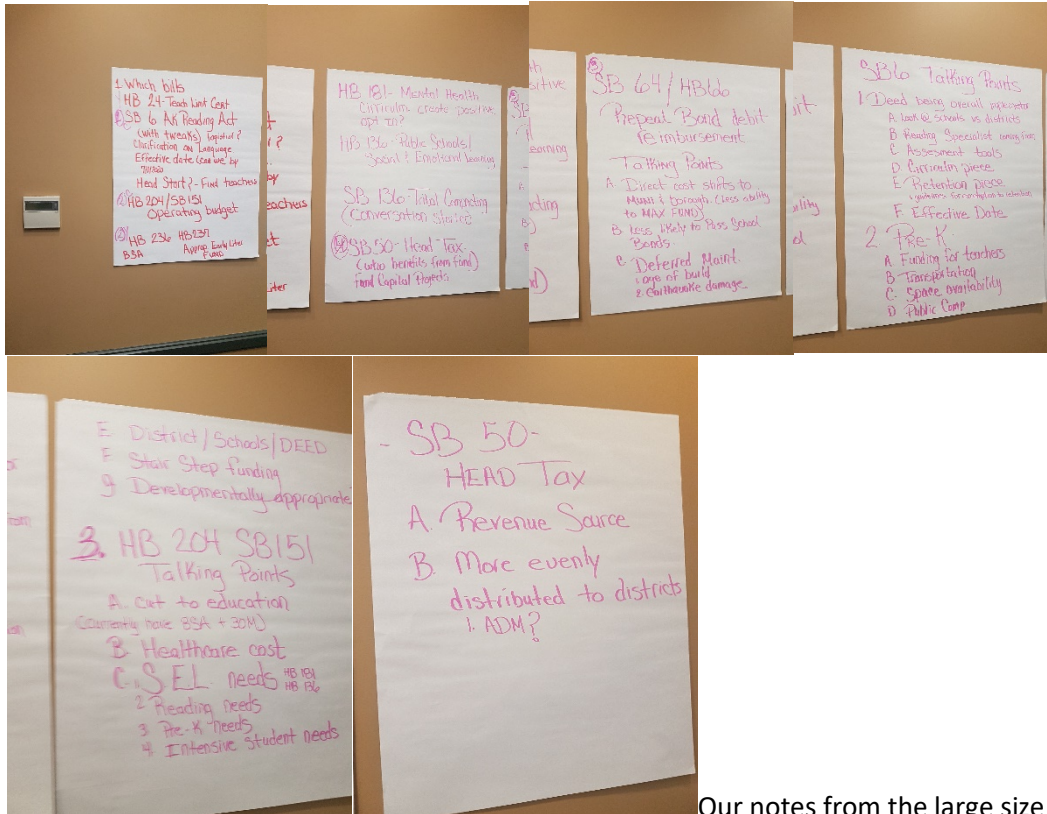
OMB Budget Overview by OMB Director Neil Steininger

After the district like size meetings we came back together and following is the list of Legislative Talking Points we came up.

SUPPORT RELIABLE, IMMEDIATE AND LONG-TERM INVESTMENT IN EDUCATION - (HB236) (HB204, SB151) A reliable and adequate investment in education, specifically through an increase in the BSA, is an investment in Alaska. Alaska's Foundation Formula provides a coherent and transparent system for funding education across the state. Furthermore, it gives local flexibility for school boards to allocate resources, which best address their specific needs. One of the surest ways to sustain our posterity is investing in the education of Alaska's children. (AASB Belief 7, Resolutions 2.1, 2.2, 2.50)

THE ALASKA READS ACT – (SB6) School boards across the state strongly agree that reading proficiency by the 3rd grade is one of the most important educational priorities to ensure the greatest opportunity for students to graduate and become successful adults. However, there are many questions and concerns regarding the implementation and funding of SB6 that create confusion and doubt about its likelihood for success (i.e., assessments, curriculum, impact on existing bilingual language programs, the need for reading specialists, retention of students, facility space requirements, competitive Pre-K grants and “stair-step” funding, an unknown fiscal note) (AASB Belief 19, Resolutions 2.34, 2.35, 2.6, 5.23)

All of this led to preparing us to meet with legislatures and staff members. We went as a group to as many meetings as possible. It was amazing how positive our messages were received by all. While I believe all of the legislature and staff want forward funding of education, I don't believe we are there YET!



Our notes from the large size district meetings

**OPPOSE REPEAL OF BOND DEBT REIMBURSEMENT – (HB66, SB64)** AASB and school boards oppose the repeal of the state bond-debt reimbursement program that shifts the entire burden of large, expensive, construction, and maintenance projects entirely to local funding. This will create a local tax burden that is unsustainable and will lead to a further decline in the condition and creation of safe and sound facilities that support and enable student learning. (AASB Belief 9, Resolution 2.12, 2.51)

**SUPPORT TEACHER RETENTION AND RECRUITMENT** Alaska faces a teacher retention and recruitment crisis that severely impacts the ability of school districts to meet the basic needs of providing a quality education for every child every day. In particular, rural school districts struggle to attract and retain teachers due to issues with housing, wages, benefits, retirement, and remoteness. Alaska must do more to "grow its own" teachers that are familiar with the Alaskan challenges and cultures. An investment in a strong Alaska University system that provides for Alaska teacher certificates is necessary for our long-term success. (AASB Belief 18, Resolutions 2.4, 4.1, 4.5, 4.7)

**SUPPORT FOR A STRONG ALASKA MARINE HIGHWAY SYSTEM – (HB204)** School districts across coastal Alaska rely upon a strong, reliable marine highway system to connect them to the rest of the state. The

state ferry system provides a cost-effective and sometimes singular option of transportation that is necessary for the transport of students, materials, and food. The Alaska Marine Highway is an essential transportation infrastructure of the state. (AASB Resolution 2.21)

SUPPORT EXPANSION OF LIMITED TEACHERS CERTIFICATES – (HB24) For school districts across the state, the ability to utilize local expertise through limited teacher certifications (Type-M) provides exceptional and needed educational opportunities. These certifications in Alaska Native cultures, non-English languages, CTE, and military science allow districts to provide classes that connect students to cultures and skills that may not otherwise be available. (AASB Resolutions 4.11, 5.28)

## Monday & Tuesday Meeting with Legislatures & Staff

**Representative Sarah Vance** ..... Sponsored HB 156 Health Insurance..... would allow for a larger pool to possibly reduce the cost of health care across the state, While we support the concept we would hope it would be mandatory not voluntary to join.

HB 194 School Consolidation..... This would take 54 school districts down to 18. This is not something we support. There is no list of exactly what this would look like and having an implementation of July 2020 would be too cumbersome to accomplish.

Rep. Vance did speak about advancing agriculture opportunities in the state as a way to increase revenue and jobs in the state. She spoke about a trial Hemp program.

Kaegan spoke about Sources of Strength, and the positivity having peer to peer mentorship. He also spoke of his and his sisters "Book Nook Project" centering around the ideas of how important reading is and it shapes the person you become.

**Representative Andi Story** ... Andi is an amazing supporter of education. She has introduced HB 236 which would put a BSA into statute over the next two years as a way to fund education. **This was heard on 2/26 & has another hearing on 3/4/2020**

**There are currently 8 cosponsors for this bill** REPRESENTATIVES STORY, Drummond, Fields, Spohnholz, Tuck, Josephson, Zulkosky, Hopkins, Claman

She has also introduced HB 237 "An Act making special appropriations from the general fund for early literacy 2 programs in public schools; and providing for an effective date." This bill has not seen any movement since it was introduced.

HB 155 "An Act relating to eligibility for the Alaska performance scholarship program." Also has not seen any movement this session

**Representative Tiffany Zulkosky, Representative Harriet Drummond, Representative Grier Hopkins, Representative Ivy Sponholtz, Representative Neil Foster, Senator Elvi Gray-Jackson, Representative Matt Claman, & Senator Tom Begich** We were able to meet with their staff and take our messages of

Forward funding education to ensure a reliable source to help with retention of teachers and improve the educational opportunity.

We spoke about our support for SB 6 with some minor misgivings, such as, has consideration of physical space, transportation, funding source, mandatory retention & assessment tools among others.

We also spoke about Social Emotional learning & the districts commitment to hiring 6 elementary counselors. That by addressing the needs of students at a young it is our believe that we will see less need at the high school level.

We spoke of the fiscal reality of not only our district but all districts across the state. We explained when we do a budget we build it on what we anticipate our revenue and expenses to be which may be different than other districts that build a dream budget on wants. (Senator Begich said in an address to the attendees, we should ask for everything because if we don't how do they know what we are doing without?) Interesting approach in my opinion.

I'd like to note Representative Neil Foster's staff "**Brody**" was able to explain the confusion we kept hearing about education only taking a 10 million dollar hit this next physical year. (The 30 million dollar cut results from there not being any funds from outside the foundation formula being added to this year's budget. The only hope we have of getting more funding is for HB 236 passes.)

Let's see if I can put this on paper:

There was primarily a 20 million dollar increase to the education budget over last year, There is a decrease in the number of students enrolled but a significant increase in the number for Intensive Needs students. But the increase in Intensive Needs students funding correlates to an increase to services and cost for those students, so we are still looking at a 30 million dollar cut to education.

**Kaegan spoke about Sources of Strength, and the positivity having peer to peer mentorship. He also spoke of his and his sisters "Book Nook Project" centering around the ideas of how important reading is and it shapes the person you become.**

**Representative Louise Stutes:** Patti Truesdell & I met with Rep. Stutes we had a great conversation about the Marine highway and the impacts to the school districts because of it. Rep Stutes is a staunch supporter of education. She did ask if we had information about the population and demographic changes that have occurred in Port Graham and Nanwalek over the past few years.

**Representative Gary Knopp:** As always, a great conversation with Gary. Gary is proud of the KPBSD and all that we have accomplished. Gary did solicit support for HB 198, aggravating factors considered at sentencing, basically they have added hate crime against the LGBTQ community.

**Representative Jenifer Johnston:** We only had a short time with Representative Johnson but we were able to get our thoughts out. Representative Johnson is a strong advocate for funding and early funding of education

**Senator John Coghill:** Senator Coghill always spends time with us and lets us know how much he appreciates what the KPBSD does and how well we do.

**Representative DeLena Johnson:** Representative Johnson did not have us on her books but did take a few minutes with us.

**Commissioner Michael Johnson:** This was a great meeting. Commissioner Johnson took the time to engage with Kaegan and even took time from his busy schedule to be interviewed for the “Book Nook” project.

He took the time to welcome Patti Truesdell. The Commissioner is a strong supporter of the Alaska Reads Act and let us know that it was a bipartisan venture to get to where we are today.

**Senator Gary Stevens:** Senator Stevens is not only our Senator for the lower peninsula but is a great supporter of education who truly understands the needs of the peninsula and the state as a whole. It is a pleasure to present our information and our successes to share.

We were able to testify at the House education hearing. Kaegan spoke on Sources of Strength and the Book Nook project while I highlighted the innovative ways we have moved forward in the district.

We were able to testify at a question and answer session with the Senate Education Committee. Where we were able to highlight the district, our current title 1 Pre-K programs, Social emotional learning needs, aging buildings and the need to bond for repairs.

Kagean spoke about Sources of Strength and the Book Nook Project which fights the apathy younger students have toward reading.

Pegge was able to give information on our fund balance when asked.

It is always stressful to testify in front of committees and I would like to recognize the ease which Kagean & Pegge accomplish this.

In closing I would encourage everyone to get involved and let your legislatures know your feelings on the numerous education and education related legislation out there.