

HEARING OF
U.S. COMMISSION ON CIVIL RIGHTS
Anchorage, Alaska

In Re:)
)
School finance and parity)
issues in Alaska.)
_____)

TRANSCRIPTS OF HEARING

Hilton Anchorage
March 9, 2006
9:00 a.m.

APPEARANCES:

MR. TOM PILLA: U.S. Civil Rights
Commission
Western Regional
Office
Los Angeles,
California

MR. GILBERT GUTIERREZ: Vice-Chairperson
Alaska State
Advisory Committee
Glennallen

MR. DANIEL ALEX: Alaska State
Advisory Committee
Anchorage

MS. CECILIA LACARA: Alaska State
Advisory Committee
Anchorage

MS. DALEE S. DOROUGH: Alaska State
Advisory Committee
Anchorage

MS. MARY A. MILLER: Alaska State
Advisory Committee
Nome

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ORIGINAL

MR. MICHAEL J. WALLERI: Alaska State
Advisory Committee
Fairbanks

MS. CAROL COMEAU: Superintendent
Anchorage School
District

MS. JANET STOKESBARY: Chief Financial
Officer
Anchorage School
District

SENATOR GARY WILKINS: Alaska State
(telephonically) Legislature

MS. SARAH SCANLON: Vice-President
Administration &
Program Management
Alaska Native
Policy Center

MR. JOE BECKFORD: Superintendent
Aleutian Region
School District

MS. SONJA KERR: Supervising Attorney
Disability Law Center
Of Alaska

MS. GRETA GOTO: Director
Alaska Native
Policy Center
First Alaskan
Institute

ALSO PRESENT:
MS. JAN SCOTT,
Court Reporter: Metro Court Reporting
Anchorage, Alaska

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P R O C E E D I N G S

(On record)

MR. GUTIERREZ: Welcome, everybody to the U.S. Commission on Civil Rights Advisory Committee. My name's Gil Gutierrez, Chair -- or Vice-Chair here, and I'd like to make some introductions right now. Let's see. We have some new members.

MS. DOROUGH: Dalee (indiscernible) Dorough.

MS. LACARA: Cecilia LaCara.

MR. GUTIERREZ: Well, welcome. We really appreciate you coming. I understand now with the new rules coming out, I'll be hitting the trail here, right?

MR. PILLA: Quite possibly.

MR. GUTIERREZ: Ten years later, but that's the way it goes. As our guest, Carol Comeau, Superintendent of the School District in Anchorage here, welcome. Sure appreciate you coming. Please join us, if you're going to be speaking to the group, as well as you.....

MS. DOROUGH: Come on Janet.

MR. GUTIERREZ: Would you like to join us?

MS. DOROUGH: She's a morning person. She has to come.

MR. GUTIERREZ: That's great. All of you. You could too.

MS. KERR: I'm actually with the Disability Law Center.

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I can join you now, or (indiscernible - multiple speakers).

MR. GUTIERREZ: You might want to come by a little later when you're up, because we are expecting some other people.

MS. KERR: Okay. I'll just wait up here then.

MR. GUTIERREZ: Okay, I appreciate that. And, of course, there's Mike Walleri our member and.....

MS. MILLER: Mary Miller.

MR. GUTIERREZ: Mary Miller from Nome, I'm sorry.

MS. MILLER: It's okay.

MR. PILLA: Senior moment.

MR. GUTIERREZ: Yeah, senior moment. Maybe that's a good time for me to leave. Anyway, welcome all of you, and we want to get started here. Sorry we're a little late but -- the minutes, did everybody read the minutes? Is there a motion to accept the minutes or are there corrections?

MR. WALLERI: I think there's a correction in terms of my presence on the January 26th. Oh, I am listed as absent. Okay, cool, okay.

MR. GUTIERREZ: Is that right, Mike?

MR. WALLERI: Yeah, I was absent.

MR. GUTIERREZ: Okay. Can I hear a motion for accepting the minutes?

MS. LACARA: I move we accept the minutes as written

for the January 26th.

MR. GUTIERREZ: We have a motion. Can I have a second?

MR. WALLERI: Second.

MR. GUTIERREZ: Mike seconds. All in favor, signify by saying aye.

ALL PARTIES: Aye.

MR. GUTIERREZ: Thank you. I guess we're at the opening remarks here. Have you got some opening remarks? Are these the opening statements right here?

MR. PILLA: I could say something real quickly. A briefing session's not a adversarial proceeding. It's a method used by advisory committees to hear information on a particular subject that they might decide to do an in depth study on, and that's the way all the participants have been invited to present information, and they were advised that it would not be adversarial. They've all volunteered to be here. Mr. Chair.

MR. GUTIERREZ: Thank you. I need to read this opening statement here. Good morning. This meeting of the Alaska Advisory Committee to the United States Commission on Civil Rights will now come to order. I am Gilbert Gutierrez, Vice-Chairperson of the Alaska Advisory Committee to the U.S. Commission on Civil Rights. The Commission on Civil Rights is an independent agency of the United States government established by

Congress in 1957 and directed to investigate complaints alleging that citizens are being deprived of their right to vote by reason of their race, color, religion, sex, age, handicap or national origin or by reason of fraudulent practices, study and collect information concerning legal developments constituting discrimination or denial of equal protection of the laws under the Constitution because of race, color, religion, sex, age, handicap or national origin or in the administration of justice, appraise federal laws and policies with respect to discrimination or denial of equal protection of the laws, serve as a national clearinghouse for information about discrimination, and submit reports, findings and recommendations to the President and Congress. Advisory committees were established in each state and the District of Columbia in accordance with the enabling legislation and the Federal Advisory Committee Act to advise the Commission on matters pertaining to discrimination or denials or equal protection of the laws because of race, color, religion, sex, national origin, age, handicap, or in the administration of justice, and to aid the Commission in a statutory obligation to serve as a national clearinghouse for information on those subjects. The purpose of the meeting today is to obtain information on school finance and parity issues in Alaska. Based upon the information collected at this meeting, a summary

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briefing memorandum will be prepared for the use of the Advisory Committee and submission to the United States Commission on Civil Rights. Other members of the Alaska Advisory Committee with us today -- well, they're not here are they?

MR. PILLA: Not everybody.

MR. GUTIERREZ: Okay. Cecilia LaCara, Dalee Dorough, Mary Miller's here, and Michael Walleri. Also present with us today is Thomas V. Pilla of the Commission's Western Regional Office in Los Angeles. If you have any questions, please -- or need assistance, please contact Mr. Pilla here. He's our staff person and does a great job. He's been with us for years and years, and we may be parting ways here soon -- shortly. That's because.....

MR. PILLA: Not by anybody's choice in this room.

MR. GUTIERREZ: No. This meeting is being held pursuant to federal rules applicable to state advisory committees and regulations promulgated by the U.S. Commission on Civil Rights. All requests regarding these provisions should be directed to Commission staff. I would like to emphasize that this is a briefing meeting and not an adversarial proceeding. Individuals have been invited to come and share with the Committee information relevant to the subject of today's inquiry. Each person who will participate has voluntarily agreed to meet

with the Committee. The record of this meeting will remain open for a period of 30 days following its conclusion. The Committee welcomes additional written statements and exhibits for inclusion in the record. These items should be submitted to the Western Regional Office of the United States Commission on Civil Rights, 300 North Los Angeles Street, Suite 2010, Los Angeles, California 90012. Commission staff should be able to assist you in the process for submitting information. So let us proceed. Please state your name and spell it for the record.

MS. COMEAU: I think -- I'm Carol Comeau, Superintendent of Schools for the Anchorage School District. I'm not exactly sure what specifically you would like us to speak about. Did you want a very brief presentation, where we are in our budget process, or did you have specific questions about the things that you mentioned in the letter, and that might be a better way for us to respond to questions, because I know you have limited time, and I do. So maybe that would be the better way. I don't know what you prefer.

MR. PILLA: Perhaps a little brief presentation on the budget process for you.

MS. COMEAU: Okay.

MR. PILLA: Then we'll open it for questions.

MS. COMEAU: And then -- okay. But I really would be

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happy to respond, or if we need to get you additional information after you've heard from different people, if somebody could just contact my office, we'll be happy to provide that in writing to you, and then you'll have it.

MR. GUTIERREZ: That would be Mr. Tom Pilla here. He would be contacting you.

MS. COMEAU: Okay. So if you wanted to call my office, that would be great. Okay. Well, where we are in the budget process right now is we have a very public process, and I can certainly leave you a copy of this book we call Budget Basics, which is a summary document that distills down a rather large book that has all four budgets in it, but we basically start in September in a very public process trying to estimate what our population increase, decrease will be, what the composition of our student population will be, and then we make some assumptions that we take to the School Board in late September, early October. We go out to the public in multiple ways. We have community forums where we solicit input. We have a number of advisory committees that work in our school district, and we solicit input from them.

We have opened up a link on our Web site, and we started that when I became Superintendent. It's kind of like an on line suggestion box, but we establish a link directed to the budget,

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and that comes to Janet, whose our -- this is Janet Stokesbary, our Chief Financial Officer -- to Janet, to Marie Lolly, our Budget Director, and myself and a number of key staff, and we do respond to everyone of those. So we are soliciting via e-mail, if you will, public input into our budget, because what we have found, no matter how many public meetings we have and advertise, we don't get a large amount of participation, but we really have gotten a lot of public comment through our Web site. I think people are using technology far more to provide input, and so we've found that to be very successful.

We have the Indian Education Advisory Committee, the Native Advisory Committee, if you will. They talk about the budget. They can give us input. The Minority Education Advisory Commission can give us input. The Special Education Advisory Committee can give us input. Title I. Any of the different programs that have an advisory committee, we solicit input through them, either in writing or they come and testify or they can send it through e-mail. So we really work hard. Our employees have access to that. We encourage our employees to give us suggestions. We encourage students, where appropriate, to give us input, and I work with the Student Advisory Board at the middle school and high school level to participate in these also with ideas on what is really important to our students in

their education process.

So once all that comes in, then in January we go to the School Board for two full day work sessions, where each administrative department gives an overview presentation of additions to the budget, decreases to the budget, within the upper limit that the School Board has already established for us to operate under, and then we have -- those are all public and televised, and then we have a first a reading and a second reading where the Board can make any changes to the budget recommendations, and that usually ends the end of January, first of February, and from that point on, then we make any modifications in the budget documents.

We prepare this Budget Basics book, which is the summary document, and we then take and send it over to the Assembly by the first Monday in March, and then we have a work session with the Assembly, which actually is tomorrow, on our budget, and then we have a public hearing scheduled by the end of March, which is the 28th of March. It would be before the Anchorage Assembly. They have the ability to reduce our budget in total, or they can make a cut. They cannot go in and cut or add certain programs. They have line i- -- they don't have line item. They can only approve the upper limit of the budget and the local taxes, and the Mayor then also would have an ability to veto that action or

make an amendment.

We also have -- at the same token, we're actively asking the Legislature to increase funding in the state share. So we're working from the budg- -- the Legislative session from January through whenever it gets over. Then, of course, the Governor has the ability to weigh in on school funding too. So we have that. Then we have the federal budget issue, which, you know, their calendar is through September 30th. The President has made substantial cuts to his recommendation for educational funding that's hitting every aspect, even if there are some increases in certain areas, they are cutting in very critical areas to us. So we have the federal problem, and we probably won't know that funding level until November. So we're making some assumptions based on current year funding. So it's very complex and very frustrating, because we always have to go in cutting, because the state share has not kept up with inflation. It has not allowed us to know, in any kind of a way that's forward planning, so that we don't have to make cuts. We do make additions in certain parts of our budget, because of federal mandates or because we see that we absolutely have to increase programs, so that means we cut in other areas. So that's where we're at right now.

That's an overview of where we are, and then with our -- the other thing you asked us to be prepared to talk about is the

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exit exam, because that was a state rule -- law, and also now we've added No Child Left Behind, which is much more encroachment into local decision making, both at the state level and at the local level, and it's having a significant impact on our budget and our ability to do our job, because we are not getting adequate funding. We don't get adequate special education funding.

We -- you know, back in 1975 the Congress was mandated -- or it was in the legislation that they should appropriate 40 percent of the cost and that the most we've ever gotten in Anchorage is between 16 and 17 percent of the cost, and yet the mandates are very clear, and we want to provide as good an education as we can to the individual students with their individual educational plans, and we're trying very hard to do that, but we're having a harder and harder time recruiting highly qualified or even qualified special education staff, because fewer people are going into special education in college. The university here, minimal numbers of graduates going into special education. So that's a challenge for us. The funding has not kept up with the requirements and No Child Left Behind, the President is reducing many of the funds that we have used very successfully for remediation and acceleration, and so we're working hard to communicate to Senator Murkowski and Stephens and Representative

Young why we need increased federal funding, not less federal funding for education. So that's kind of an overview, and we'll really try and respond to questions.

MR. GUTIERREZ: We appreciate that. We understand that both the state and the feds have been cutting back on funding, and it's always been a problem. I remember in some of these meetings, when I was here, going through the budget and discussing it with, you know, people throughout the community that we're involved in it, so we appreciate that, but we understand what, in a way, I guess, it's changed quite a bit, but -- since I was there, but the principles are the same, as far as your funding is concerned, it seems to me.

MS. COMEAU: We still have the local tax cap. That's another thing that many municipalities in this state, they don't have a local tax cap, and so their borough or their municipality will fund up to the state cap, and our's does not. We -- how much do we roughly.....

MS. STOKESBARY: About 10 million dollars.

MS. COMEAU: About 10 million dollars we cannot access in Anchorage because of the local tax cap, and so that is even a bigger problem. If we could get the funding to the local -- to the state cap, that would give us an additional 10 million dollars. There is no question in my mind, if we could access

that funding, we could do a significantly better job meeting the needs of all of our students and not have these always contentious labor negotiations with our employees, because we are not as competitive as we used to be in attracting and retaining our employees. The TERS and PERS, the teacher and classified retirement issue is huge for us. It's \$13 million right off of the top of Governor Murkowski's increased funding goes to TERS and PERS. Those are mandated increase costs at five percent for each entity, and then we have the increased utility costs and the increased fuel costs. All that and health insurance, and actually our increases are about seven percent in health insurance, which is significantly lower than other school districts, and we get frankly hammered about that all the time by our employee -- our unions, because they know other districts have paid more, but we simply, with a district the size of ours, do not feel that we can afford more than that, so our employees are having to pay a higher percentage of their co-pay.

MR. GUTIERREZ: I have to commend you on that.....

MS. COMEAU: Well, it's not been easy.

MR. GUTIERREZ:health insurance program, 'cause it's tough. It really is. Anybody else have questions for Ms. Comeau?

MR. WALLERI: I had a couple of questions. I

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understand that -- the figure that I hear coming around is about \$90 million that the Governor's proposing to add. If you were to hold steady, what would that figure be in your.....

MS. COMEAU: Just to maintain all our programs and to pay for the mandate.....

MR. WALLERI: The cost of infla- -- inflationary costs and the PERS and the -- I don't know, how do you -- the PERS erosion -- the PERS/TERS erosion, but just to hold position, what would -- from your guys' understanding, what would that be?

MS. STOKESBARY: Without the increase of the 90 million dollars -- without the increase in the current year that we're bringing forward for next year's budget for '06/'07, we had about a 30 million dollar gap, and so now we've brought it down to around 2 million dollars, so that definitely provided an increase and a reduction in the amount of our fiscal gap for '06/'07. Now without any additional increase in the future years but still estimating that we will go to the local tax cap that Superintendent Comeau was referencing, which does have a CPI provision in that, we estimate for the following year that we'll be about a 24 million dollar gap and in the following year about a 42 million dollar gap. So we do -- and that's just to maintain the current programs that we have currently.

MR. WALLERI: So a 42 million dollar -- so those gaps

take into account the gap between the state cap and the local tax cap?

MS. STOKESBARY: We can only go to the local tax cap for the local contribution, and that generally has never -- we have never been able to go to the tax cap that is allowed under the state public funding formula, and the current year is around a 10 million dollar -- excuse me, I'm talking about current -- for '06/'07 there's still the variance of about 10 million dollars. So if we didn't have the local tax cap, if our local government were to approve -- they could approve an additional 10 million dollars.

MS. COMEAU: But I think you will -- you're probably aware that property taxes are the only thing that support public services in Anchorage, other than utility increases and all that that the Municipality can do, and they raise their rates, but we cannot. We do not have any independent ability to raise revenue, other than student fees, so we've added fees to our athletic programs, for instance, and some of those in order to keep a lot of those services available to our students, but we're very limited in that, whereas other communities have implemented a sales tax, and other states, of course, have income taxes and all kinds of things. We have no access to any of that. This tax cap initiative -- I mean, the sales tax initiative right now that's

before the vote- -- that will be before the voters is suppose to offset property tax increases, so it will do nothing to assist us in getting additional revenues. It'll simply maintain the cap, so that is pretty frustrating to us, because we see the needs for more services, the community wants more services, the bulk of them, kids deserve more services, and our employees deserve fair and equitable, you know, compensation and health insurance and so forth, but we're just stymied because of this cap.

MR. WALLERI: Another question I had. You indicated that in terms of the unfunded mandates that you were down to -- basically the federal mandate funding was somewhere around 16 percent.....

MS. COMEAU: No, we get 16 percent of the cost of -- in special education. We get other federal funds in local, state and federal grants to support Title I and others, but we have only gotten 16 percent of the cost of offering special ed instead of the 40 percent.....

MR. WALLERI: Oh, okay.

MS. COMEAU:that's in the law.

MR. WALLERI: In terms of the unfunded mandates for compliance with No Child Left Behind, what -- do you have a figure as to what the percentage of those costs are actually reimbursed by the feds?

MS. COMEAU: No and I'll tell you why it's so hard is that the federal Title I is where most of that funding comes, but there's also safe and drug free schools funding, there's Title I, Title II, Title III, Title -- I can go on and on. The trouble is they're mixed in and they're used more broadly than just complying with No Child Left Behind, and so some of our schools are whole school Title I schools because the poverty rate in those schools is very high, and so the whole school then gets those Title I services, and we have a large number of students and the number, unfortunately, in this community is growing. The poverty rate's growing, the homeless rate's growing, the free and reduced lunch rate's growing, along with our minority population is growing at about a percent to a percent and a half a year, and many of those young people are coming to us and also don't speak any English or, if they do, it's minimal. Our bilingual population is exploding. We have 94 different languages spoken. So you take all of these pieces together, and No Child Left Behind has many programs -- I mean, the federal funding covers many programs. It's just not adequate. It's under funded, not unfunded. It's under funded in all those areas, special education, all the federal programs, and so it's really hard to pull out what exactly goes along with No Child Left Behind.

We've added to our assessment department, for instance,

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because we have huge amounts of compliance reporting requirements and all the testing that's going on, and so that's been good, but we're desperate for a student information system that can pull all the data together and make it make sense so teachers can access it, parents can access their own kid's information, and so forth. We don't have the funds to purchase a student information system that we need to, you know, to access all this data, and that's another kind of one of those changes in the way we do business that's not funded.

MR. WALLERI: Well, if I can, just to follow up on your question. I guess I'm getting to the point where I was kind of getting to my point or what I was trying to get at and that is that in terms of -- I mean, what we're looking at here is equity and -- educational equity interdistrict and the equity education intradistrict. In terms of intradistrict, in terms of just the way that it operates in terms of providing equity in education in the Anchorage district alone, has No Child Left Behind, in your opinion, diverted funds -- it used to be that you'd have Title I or Title whatever schools, and then you had targeted funding for those schools.

MS. COMEAU: Correct and we still do.

MR. WALLERI: And we still do, but have we seen an erosion in terms of trying to -- in trying to use the federal

funds to -- is that resulting in a reduction in targeted funding in order to meet the large scale federal mandate?

MS. COMEAU: Well yes and I think one of the best examples is that the law requires it used to be a 20 percent set aside of Title I funds to bus kids to another school if a school made it into level two of not making AYP. Well in Anchorage we have, first of all, just used our middle schools. We have nine middle schools, one of them is a Title I school, Clark, and then we have all the others are non-Title I, but none of our middle schools have made AYP because of, in most cases, I didn't bring the chart and I probably should have, but in the categories it's many of it's the bilingual students, it may be one of the subgroups who didn't.....

(Phone ringing)

MS. COMEAU: Is that my phone? Oh it's that phone, sorry. One of the subgroups didn't have the 95 percent of the students participating in the testing, and so that kicks the whole school into not making AYP. There are 31 ways to make AYP.....

MR. GUTIERREZ: Excuse me a second. This is Senator Wilkins from Juneau, and he only has a very brief period of time.

MS. COMEAU: Well so do I. I have to be at Conoco-Phillips at 9- -- 11:00, so I can end any time.

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MR. WALLERI: Could we -- could our staff follow up on that question if we could.....

MS. COMEAU: Oh sure.

MR. WALLERI:because I think it is an important issue in terms of the effect of federal funds on the equity intradistrict, and that's all I have.

MR. GUTIERREZ: Did you have a question, Dalee?

MS. DOROUGH: Well yeah and I apologize if you've responded to these items before, but I think it would be useful to have somewhat of an overview of the breakdown and the diversity within the Anchorage School District itself. I mean, your reference to 94 languages being spoken and how is it that teachers deal with non-English speaking students, but just a quick overview of the diversity, and maybe it can be furnished at a later date, because one of the issues that I know that has arisen is the -- in terms of just getting baseline data to measure whether a child's being left behind or not is the transient nature of the population. The Alaska Native population, for example. Those coming from rural Alaska into a school in Anchorage and moving from one school to another school and just tracking that baseline data. I know that that has been a repeated issue for the Native Advisory Committee of the Anchorage School District and just being able to gather that, and

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just for your information, I'm a member of the.....

MS. COMEAU: Good, good.

MS. DOROUGH:a new member of the Native Advisory Committee, so it's -- in terms of just the Anchorage student population, I think it would be helpful to know that the percentage of Alaska Native students, for example, because I think it is probably one of the largest student populations.....

MS. COMEAU: It's about 14 percent and growing.

MS. DOROUGH:of the overall.....

MS. COMEAU: We have all of that in -- it's all up on our Web site, but it's all in our profile of performance that's our annual report card to the Board and to the community about student achievement. Every -- we have an overview of the district demographics of student achievement in each racial ethnic group, as well as special education and the bilingual population, and then we also have it by school, and there's about -- since No Child Left Behind and the exit exam and all the testing we do, there's about 12 pages of data on every school in the district, and this document's about that thick, and we can certainly get you a copy of that, because there is a lot of information in that, and we certainly can get it to the Native Advisory Committee too, but we have all of that, it's just in whatever format, but our diversity is growing, and we expect to

be a minority majority school district within the next few years. East High School, for instance, is now talking that they're 63 percent minority student population, and the diversity is growing. Northeast Anchorage is where -- are the most diverse schools because of housing. It's all -- so much of this is all related to affordable housing or even available housing. We have a huge and growing, unfortunately, population of homeless students and families.

MS. DOROUGH: Right and a growing percentage of students who come to school hungry also?

MS. COMEAU: Exactly, right.

MS. DOROUGH: Of which a large number of them are Alaska Native.

MS. COMEAU: That is correct.

MS. DOROUGH: Yeah.

MS. COMEAU: There are many from Southeast Asia coming in in large numbers now that are also quite poor.

MR. GUTIERREZ: Well thank you very much. We sure appreciate you coming.

MS. COMEAU: Sure. Would you like us to -- I can get you -- how do I get it to you? Is it a huge.....

MR. WALLERI: You can probably give it to me.

MS. COMEAU: Do you want me to -- you'll give me an

address? Okay. If they think of other things, if you could just let my office know, we'll be happy to, you know, get that information to you, because almost all of it's already put together, and it's just a matter of getting it to you.

MR. GUTIERREZ: It's always great to see you, Ms. Comeau.

MS. COMEAU: You too. Thanks.

(Ms. Comeau and Ms. Stokesbary leave)

MR. GUTIERREZ: Welcome, Senator Wilkins.

SENATOR WILKINS: Good morning. This is Gary Wilkins calling from Juneau. I've got you on my speaker phone so I don't have to hold the phone. Is that all right?

MR. GUTIERREZ: That's great. We appreciate you calling. We did receive the information that you sent us. We appreciate that, and we would like to welcome you to our briefing here, and we're in the process of having Ms. Comeau, the Superintendent of the school district, just complete her presentation of information. Is there anything -- any opening statement you would like to make, Senator?

SENATOR WILKINS: No, sir. I just -- Tom thank you for the opportunity to speak with you folks. I was asked, I believe, to do an overview of the education funding formula and limit my remarks to perhaps about eight minutes, and I'm prepared to do

that. I'll be more than happy to spend whatever time you'd like on it for whatever issues you'd like to talk about, but that's what I'm prepared to do, if that works with your schedule.

MR. GUTIERREZ: Fine. That sounds great to us. Yeah, if you're ready to go, just hit the go button.

SENATOR WILKINS: I'm not sure -- okay, Tom, and thank you and thanks again for the opportunity to comment. The -- I don't know what you have in front of you. I sent something called the education funding formula, which is five boxes, and I thought what I would do is just walk through that. I'll assume that you don't have this in front of you, and so I'll try to be a visual as I can.

MR. GUTIERREZ: Well we do have it in front of us, Senator.

SENATOR WILKINS: So are you looking at education funding formula with the five boxes down the side?

MR. GUTIERREZ: Yes, sir.

SENATOR WILKINS: Okay. That'll make a big difference. Our formula was changed back in 1997 from a very complicated system called an instructional unit to something that's much more simple, much more understandable, and it's made up of five different components. A is the annual commitment to the student dollar, and, of course, we talk a lot about that around here, and

people understand the student dollar today. It's at about \$4,919.00 of -- this is general fund money, now. It has nothing to do with federal money or any sort of other -- this is our unrestricted revenues that are a result of oil and gas, studded tire taxes, business licenses, those kinds of things commonly referred to as the people's money.

So today we put about, as a base unit, about \$4,919.00 in our student dollar legislation and process today would drive that up to about \$5,352.00. It's the single largest commitment of general fund money that we make here in Juneau, and it will be just a touch over \$1 billion this year, including pupil transportation, so that's the student dollar. It's interesting to note, since 1999 the commitment of the general fund commitment to K-12 education in Alaska has increased 38 percent. It's grown 38 percent. The number of students that we've educated has shrunk just under one percent, so we're spending 38 percent more of the people's money to educate less people than we did in 1999. I just offer that as a side bar. Then we have the B section, which is the adjusted students, and they get adjusted by a number of ways. We -- as one would expect, we recognize economy's a scale, and I don't know if you see that, but that's the adjust for the school size, and the smaller the school, the more the student dollar is adjusted, and you can see there that it's

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adjusted by some 62 percent if you have a school between 20 and 29, and at over 750 there's a deduct, but that's simply to recognize that economy's a scale. It's always cheaper to spread your fixed costs over more students in this case.

We also adjust for location. That's the district cost factors that we hear so much about, and so it obviously costs more to operate a school in Ft. Yukon than it does in Fairbanks and, for that matter, Anchorage. So in Anchorage it has commonly been used as the leveling point, one point oh. Anchorage doesn't get any sort of cost adjustment. One assumes that that's the most inexpensive place to provide education in the state. Some might argue that.

Fairbanks has, I guess, about a three point nine percent boost, Tok, Alaska Gateway, gets about the 29 percent increase, Galena -- some examples there you can see. Lucian East gets about a 73 point 6 percent increase over the student dollar just on location. So we adjust for that as it flows through the formula, and we'll come up with adjust students, so while we'll have 132,000 actual bodies, actual heads, this year that equates when you run it through the formula to about 200 and -- I don't have my numbers quite right, but maybe 209,000, we'll call them virtual students, I guess. We add in, as we march through the formula, we add intensive needs grants. That's federally

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recognized as students that require extra help, and, I guess, the visual is the student that's in a wheelchair that might not be able to -- maybe a cerebral palsy or something along those lines that require a great deal of time and energy to provide them with the proper education. School districts that have those folks are recognized with five times the student dollars, so it's a multiple of upwards of \$25,000 for everyone of those. Then item D is the local required contribution, probably a subject for a whole presentation on it's own, but briefly, in order to -- in organized Alaska versus unorganized Alaska, organized Alaska is responsible to pay four tenths of one percent of their full and true value of their location. This would be boroughs and first class cities.

The full and true value is as established by the state assessor. You have to pay four tenths of one percent before you can get into the bank, that bank being the money provided by the state government towards K-12. That amounts to a little over \$170 million this year from organized Alaska. Of course, unorganized Alaska has no such requirement, and, of course, that's a discussion on whether they should or shouldn't, and that's a whole other subject, as I've said. Let's see. As we march through the formula too, we should note that there's a 20 percent increase in the student dollar for each school district

for them to allocate as they wish across their students for which they're responsible, and that's for things like vo-tech education, regular special ed that they would have, bilingual education. That money can be used to craft whatever programs they happen to need for their particular area.

Then the last piece is the -- that goes into the adjusted students, by the way. Then the last piece is federal impact aid, which is PL 874 money and today or in this year that's about 103.5 million dollars that's spread across Alaska in various ways, and we can speak to that as you wish. About half of it goes to -- about 48 million dollars this year goes to organized Alaska and about 54.9 million dollars this year goes to unorganized Alaska, so that's a little over 50 percent goes to folks that aren't paying for their education and a little less than 50 goes to folks that are, and that's a function of the amount of federal land you have in your particular area that the federal government recognizes you can't tax for that land, therefore they provide you with federal moneys in place of the federal nontaxable lands. So that's the formula.

It's students adjusted by how big you are and where you are and added in some for special categorical items for your particular school districts. You add in the folks that really need some help, intensive needs, and then you add in some folks

contribute to their own education and you back out some federal moneys, and what you have is an appropriation of somewhere of 950 million dollars this year of general fund money. I think I supplied you -- the result of that is interesting, and we won't have time this morning to go through it in detail, but I would refer you to a book that we've published since about 2000, I guess, and it's called the K-12 Public Education Special Operating Fund -- School Operating Fund Analysis by ADM across Alaska, sorted by state, local, federal, other and special revenues, and we were compelled to do this, and invariably as you start to walk through different districts they are so different, even in the same region districts will be so different and different types of money they have access to.

We put this together so one could refer to just the varied and the -- varied methods of funding in those five areas, and not only that, the spread -- the results of all that funding, and I would refer -- and again you don't have the book there, but I would ask someone sometime, if you're really interested, I'm not sure which pages you've -- I understand you have two books there, but for those that don't have one in their hand, I would just summarize here the results of the foundation formula that we have and funding that's going up, if you look at total revenues, that would be state, local, federal, other and special, there's an

interesting range.

On an ADM basis, the least funded on a total is Galena, which, of course, is not really a fair comparison because most of theirs is correspondence, but Galena is about \$5,900.00 per student. Next is Anchorage, as you would expect just because of it's size, is about \$7,895.00. So that's just Anchorage is below at about \$7,900.00. The high of total money is allocated for K-12 from those five funding sources is Pelican at about \$35,264.00, a multiple of six -- five and a half -- five, I guess, between Anchorage and Pelican. Lucian region is about \$33,800.00. So that's an interesting column to look at, and then where we, of course, we -- the house we live in here is the general fund house, and we always argue and divvy up the general fund money.

It's interesting to look under tab 15, and that tab is sorted by state, and the same type of analysis if you look at the low. The low is Annette Island at two point -- about \$2,996.00, but that's different because they have an extraordinary amount of federal money, so probably the better comparison, Juneau, has the lowest state allocation per student -- pardon me, per student at about \$4,028.00. That's compared to the Pelican region down here, just outside of Juneau, at about \$26,304.00, so the spread there is about four into 26, so that's about a spread of six and

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half -- a multiple of six and a half.

So that's the result of -- that's the formula in a nutshell. It's probably as quickly as I've ever said it but -- and the result, at least two examples of results. As you all know, there's just a wealth of information out there, and you can be smothered in all sorts of reports and details, but I think these are the ones that -- for what I was asked to talk about, I think these are the ones that mean the most to me and I think illustrate how we spread the money out and the results of that effort to make it fair and equitable across the state. So with that, I'll be more and happy to answer any questions you have, or if I've used up my time, again thank you for letting me be with you this morning.

MR. GUTIERREZ: Well thank you, Senator. We sure appreciate your time. Does anybody in the Commission have -- in the Committee here have a question for the Senator? Mike, do you have a question? Dalee? Do you have a question?

MR. WALLERI: Ummm.....

MR. GUTIERREZ: Could you identify yourself?

MR. WALLERI: This is Mike Walleri. The -- in terms of the -- are you aware of any -- there's been -- well let's put it this way. There's been some discussion about -- that the current formulas allocate based upon trying to achieve dollar equity, and

it's obvious that the formulas actually adjust for a wide variety of factors. But there's been some suggestion by some groups that the equity might actually be looking at an equity formula -- or shifting to an equity formula that would be based upon deliverables. In other words, that despite -- that equity is more in terms of what actually happens in the classroom, as opposed to how much dollars are going. Are you aware of any studies that the state has looked at in terms of actually delivering, rather than looking at equity in funding, looking at equity in deliverables?

SENATOR WILKINS: Good morning, Mike. I hope things are fine in the neighborhood.

MR. WALLERI: They are.

SENATOR WILKINS: We're neighbors. No, Mike, I'm not aware of anything like that. The only thing that even comes close to that that's in my thoughts is the effort -- and it's not in law yet -- to some sort of funding based on test scores and provide bonuses for those that improve test scores across the state. But other than that, that's the only thing I can think of, Mike, that is -- that has some sort of funding based on product delivered.

MR. GUTIERREZ: Anybody else have any questions? Nope? Well thank you, Senator. I know you're a busy man.

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SENATOR WILKINS: You bet. Thanks for ringing in, and if we can help from this end, feel free to call me here in Juneau, and if I'm not around, talk with the lady by the name of Sheila Peterson. She'll be glad to provide whatever information you might want.

MR. GUTIERREZ: Thank you very much. Appreciate it.

SENATOR WILKINS: Okay. Thank you. Good day.

MR. GUTIERREZ: This is the book he was talking about. If anybody's interested in reviewing this, let me know or let Tom know, and he can get you one. Okay. Are you interested? You got one?

MR. WALLERI: Can I take a look at it?

MR. GUTIERREZ: Ms. Scanlon, how are you?

MS. SCANLON: Fine.

MR. GUTIERREZ: I'm Gil. I talked to you, I think.

MS. SCANLON: Oh, yes.

MR. GUTIERREZ: You have a power point presentation? Would you like to set it up now?

MS. SCANLON: Yes.

MR. GUTIERREZ: Can we take a few minutes break?

(Off record)

(On record)

MR. GUTIERREZ: Is a mike on you? Oh, he's over there.

I'm sorry. It's a pun on words definitely. Okay. I'd like to open the meeting again. This is -- it's 11:00 or 11:10. We have Ms. Sarah Scanlon and Ms. Greta Goto from the Alaska Native Policy Center. They have a power point presentation they want to present to us, so I'll just turn it over to you.

MS. SCANLON: Thank you for the opportunity to meet with you all today. We really appreciate the work that you are doing. It's much needed to grow this awareness at the national levels by including senators and others that you did this morning, Carol Comeau from the largest school district. Our role today will be to quickly, very quickly, take you through the state of education for our Alaska Native children here and really to raise with you and to speak with you hopefully for a few minutes on the issues that the data is raising for the Native community here in the state and really some of the challenges that we're faced with.

Very quickly we'll take you -- I'm not going to spend a lot of time on the stuff that you can read on your forms -- on the copies that we've provided, other than if you have any questions, but First Alaskans is a 501(c)(3) organization. We do primarily two things. One, leadership development and two, the piece that we'll spend some time with you on today through the Alaska Native Policy Center, research and dissemination of same to the public

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in general. I'm going to -- Greta will take you through the data. She is our Policy Center Director, and at the end I'll raise the questions and challenges that we're faced with and maybe have a quick dialogue with you on those.

MS. GOTO: Thank you, Sarah. Thank you too for the opportunity to present. What we're going to be doing very briefly again and provided copies for you, and if you have questions after, we'll be happy to stay after and talk with you about them, but what we are going to look at very quickly is just a general overview of the population and then some household income statistics that kind of set the framework and parameters for the Alaska Native K-12 Education Indicators Report, which is a report that we do on an annual basis. You're going to be seeing data from the 2003/2004 report. We are currently in the process of updating last school year's report, and I have a couple of figures that I can give to you which hasn't changed too much, at least on the kind of population things.

So just very quickly, one of the things that we do differently in the Alaska Native Policy Center is look at things at the Alaska Native region basis, so you'll look at -- you'll see the Bristol Bay region, for example, where I'm from and grew up there, graduated from the Dillingham High School, and what you're seeing here, right now on this particular map are the

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regions that we break our information down by, and what you're seeing -- the numbers here are data -- population data from the census 2000. So for example again, in the Bristol Bay region the total population was approximately 7,800 people, and the Alaska Native population was about 5,700 people. From percentage wise basis, we see the total population, as of the 2000 census, was about 19 percent Alaska Native and 81 percent all other ethnicities in the state.

In the Bristol Bay region, 73 percent Alaska Native and 27 percent non-Native. The 2004 information, what you're looking at here is just a trend of the population change in the state from 1960 to 2004, and this comes from mainly the Census Bureau statistics, as well as the Department of Labor for 2004, and the total population of Alaska Natives appears to be increasing, which is -- has been the trend throughout time. What this is is an age distribution graph. It's looking at, by age groups, what the percentage of the population is, and on the left-hand side what is interesting to us is that again in 2004 about 43 percent of the Native population is 19 years old or younger, and that has been fairly consistent. We have a younger population in the general population.

This is just giving you the numbers based on that age group, so about 54,000 Alaska Natives were 19 years old and younger, as

of the 2004 census estimates by the Department of Labor. This graph, we're just looking at what the projected forecasted numbers are for the Alaska Native population compared to the total population by 2020. ISER -- this is coming from ISER -- were estimated about 22 percent of the total population would be Alaska Native by 2020. What this does is kind of breaks down by year the age group of 19 years and younger, how that population number will probably change and increase over time, provided that birth rates and death rates and that increase in population stays the same.

Here, just very quickly, I wanted to paint a picture for you on the average household income for non-Natives compared to Alaska Natives by state and then also by region. The non-Native household for -- based on the 2000 census data was about \$60,000.00 statewide, and for Alaska Natives it was around \$43,000.00 per household, and then you can see by region it varies depending on what kinds of economic opportunities are available in those regions, as well as other considerations. Poverty levels, again from the census information and ISER and others look at this kind of data fairly consistently and often, seven percent statewide non-Natives living in poverty and about 20 percent Alaska Natives living in poverty statewide, and again it varies up to 25 percent, for example in the Calista region,

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which includes the Bethel area, down to 14 -- 11 percent in Arctic Slope, and just to kind of give you a sense of cost in our regions, and Mary and I were just visiting here, this information comes from the University of Alaska.

They do a food cost survey on a very regular basis, and you can see that Anchorage, for example, from 1998 through March of '05 fairly consistent in the prices, but for example here in Nome, the cost differential for the food basket, which is what they measure on, has increased pretty significantly over that time period and is quite a bit higher than it is in Anchorage.

This graph we're looking at it over time, comparing Anchorage to Bethel, Anchorage has been fairly consistent over time, and the prices in Bethel have increased and have been about at the same rate as 2003 going into '04 and '05. Another cost that is significantly higher in our rural communities which affects schools and other community buildings is the cost of electricity, cost of gas, and cost of heating fuel. Here we're looking at a brief on the Cook Inlet region for FY '03 on the cost of electricity around 11 cents per kilowatt hour.

If you go to the Bering Straits region, what you're seeing here for say, for example, in Teller, about 53, 54 cents per kilowatt hour and the green indicates the rates that power cost equalization are helping residential areas -- or residences to

subsidizes part of that cost. In 2004, about the same price, 55 cents per kilowatt hour in Teller, but less assistance from the power cost equalization program, and if I remember correctly, schools are not yet part of the PCE program, so they don't have funding to cover their extra costs for fuel.

What I'm going to do now is turn to the Alaska Native K-12 Education Indicators Report, and I think you'll see pretty clearly that the data has showed improved access to education, but there is an achievement gap, and one of the questions that we ask when we are doing this presentation to groups is what needs to be done to close that gap. One of the things that we see improving in is access to education. From 1974 to 2003, for example, the numbers of high schools in our rural communities increased significantly, due in large part to the Molly Hootch case and then oil moneys coming into the state to help fund construction, and some of the data again from the census shows the increase in the numbers of Alaska Natives that have completed high school. From 1960 about 1,700 people said they had completed grade 12, and by the year 2000 nearly 53,000 people said that they had completed high school. Again, you know, a lot of that due to increased access, we believe.

Now looking more specifically at enrollments in the state, from a statewide perspective, about 24 percent of the student

body for the 2003/2004 school year were Alaska Native and for the '04/'05 school year, it's about the same. It's gone up to about 24.3 percent for the last current school year. These percentages, of course, differ by region because of the base population that lives there. You'll recall about 73 percent of the total population in the Bristol Bay area was Alaska Native, so consequently we're going to have higher number -- or higher percentage of students that are Alaska Native in that particular region.

In the Cook Inlet region, and that would include then the Anchorage School District, Kenai School District, and Mat-Su School District, about 11 percent of those three school districts are Alaska Native students and last year's figures that we have show that that number has stayed about at 11.1 percent, but the numbers has gone up to 8,200 students versus 8,100. Looking at educators in Alaska by ethnicity, what we see is that around five percent of all teachers, principals, superintendents are Alaska Native at the 2003/2004 school year. For the '04/'05 school year, it has gone back down to around four point six percent. So we're not quite able to get up to at least five percent of our educators being Alaska Native. Just to kind of give you a brief regional picture, about 58 of the teachers in the Cook Inlet region were Alaska Native as of the '03/'04 school year.

In the Kawerak/Bering Straits region, about 17 of the total number of teachers were Alaska Native teachers. One of the things that we look at too in our indicators is turnover, because, you know, it affects how policies are carried out within the school system and also affects kids' performance is what were seeing from other research. The '03/'04 school year showed about a 16 percent turnover rate for teachers and 27 percent for superintendents and principals on a statewide basis.

For this last year, it looks like those numbers have gone up a bit for the teachers to about 17 percent for the '04/'05 school year. We're not quite sure why. There's some other studies that the university is looking at as to maybe why some of those changes are happening. Schools that are making and not making AYP, those numbers have been improving over time, and it looks like that there have been a few more again for the '04/'05 school year that have passed or made AYP, but there are some changes and there's -- putting into this number, there are a lot of things that go into that, looking at statewide testing scores, how many students are actually in attendance, how many students are graduating. So there are a number of things that go into the determination of this AYP number.

I think here in the next like six slides that we'll go through quickly, but I think you'll see from just the bars here

what we're talking about when we say that we think there is an academic achievement gap. What this is looking at -- and this is the Benchmark Exams results for '03/'04. For the '04/'05 school year, the testing was changed to look at a standards based testing, so it's going from grades three through nine, and then the graduation -- high school graduation qualifying exam, but for this particular time period, there's about a 30 percent difference between Alaska Native students and all other students that are shown as proficient on these tests.

So at grade three, for example, in the reading score on the very left-hand side, you see about 51 percent of Alaska Natives students taking that test were proficient and 81 percent of all other students were proficient. Now this varies by region. In the Cook Inlet region, things are not -- that gap is not as great, but in other regions it's greater. In the Kawerak/Bering Straits region, it happens to be almost 35, 37 percent or so.

Same kind of thing that we see in the graduation qualifying exam scores. About a 30 percent gap statewide, but then again by region it's a little bit less or more, depending on what region that you're looking at. One of the other things that is very concerning to me, and I think a lot of people that we've been talking with, are the drop out rates for Alaska Native students, in particular, and drop out rates for students in general.

Some data that ISER pulled together showed kind of a steady rate here from '91 to '98, and then it started going up again, and some of the experts have been telling us that that's due to the high school graduation qualifying exam coming in. What we see in our more recent data is about seven point eight percent for the '03/'04 school year of Alaska Native students dropping out which equates to about 1,100 Alaska Native students statewide, about 2,900 or almost 3,000 kids leaving -- all kids leaving the school system. The drop out rate is looking at grades seven through 12 for that one school year. The other number that is concerning to us is the high school graduation rate, which we think is a better telling kind of a number, because what this does is looks at the number of students that start in ninth grade and complete high school with a degree, and you can see that less than half of Alaska Native students statewide are -- is what our graduation rate is less than half, and for all other ethnicities it's about 67 percent Alaska Native students. I'll close my part and turn over to Sarah here, but I just wanted to share with some resources that might be helpful as you pursue your briefing, and I gave Tom a copy of the first study here on the Alaska School District Cost Study Update. That was prepared for the Alaska Legislative Budget and Audit Committee in response to a report that the American Institute for

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Research had done looking at costs for schools, and I think this report that ISER did is good, because it looks at actual costs of things like energy, for example, and we all know that energy costs have extremely -- have risen extremely over the last several months even, and school districts, like the Anchorage School District and Juneau School District, have had to increase their budgets by upwards of a half a million dollars to account for those changes in energy costs.

The Kids Count Alaska Data Book, another good resource on just kind of general information about young people in the state. We have a report that will be coming out here shortly from a work that a PhD candidate student has done for us looking at Alaska Native student vitality and what community perspectives on supporting students' success. Fairbanks, which I forgot to put up here, and Anchorage and then I believe there is one other community which we're trying to track down are looking at drop out rates, and Fairbanks, in particular, has done some really good work at looking at their drop out rates and developing some methods to get those kids back into school or to help them at least figure out what they want to do and help them get their GEDs.

MR. GUTIERREZ: Is that in your report?

MS. GOTO: No. The Fairbanks one -- but I can get a

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copy of that for you if you like.

MR. GUTIERREZ: Yeah, that would be great. Thanks.

MS. GOTO: With that, I'll turn it over to Sarah.

MS. SCANLON: Well and very quickly I just wanted to let you know, when we've gone out and presented this data around the state -- how many have we done, 30, 40 something -- the data -- and the issues that come up are these that are listed up there. I'm not going to read them for you, but the one thing that is starting to become clear to us, and it has to do with the question, Mike, that you asked Senator Wilkins a bit ago, is what are the deliverables, and clearly the deliverables that are coming out of the schools for our Native kids are not at par with all the other students in the schools, and, of course, it does ask and begs the question is it an issue of funding, and, of course, it's not something that we talk about much, because our data collection that we're doing hasn't covered that area, but it's obvious to us that yes, there is a disparity in funding, and it has to do with a whole number of things, everything from the costs of running schools out there to the kinds of materials and curriculum that are needed, and AFN, because of this issue of the achievement gap, is creating -- or is looking at creating a commission on Alaska Native education. They're meeting next week on Thursday here in town from 1:00 to 5:00 at the ABI offices,

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and Dalee and others, I hope you'll attend that meeting.

We just talked to Carol this morning about it, and it is to look at a resolution that was passed at the AFN convention in October about what do we need to do collectively to close this achievement gap, and why is this achievement gap occurring, and what are the issues that we in the Native community need to deal with to begin addressing that huge problem. So these are, again, some of the things we've heard from our public out there when we've presented this report to them.

We apologize, we've taken you through what would normally be an hour and a half presentation very, very quickly and really look forward to talking with you more about it, and we have been working peripherally with Joe and his group with the CEAAC folks on the issue of disparity in funding in education, and I'm anxious to hear his discussion also on that.

MR. GUTIERREZ: Thank you. We appreciate that report. That's well done. We have a gathering in Copper Center, and we invite different groups, for example like your group, to come in and talk about these kinds of issues. Could we send you an invitation?

MS. SCANLON: We presented there this last spring.

MS. GOTO: Last fall, in August I think it was.

MS. SCANLON: What was the group?

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MS. GOTO: Is was CRNA's wellness gathering.

MS. SCANLON: The wellness gathering again. Not everybody was there, so --

MR. GUTIERREZ: Right.

MS. SCANLON: And we do go around the state and present to conferences, annual meetings -- yeah.

MR. GUTIERREZ: Great. We'll ask you again. It takes a while.

MS. SCANLON: That's okay.

MR. GUTIERREZ: We're starting it up.

MS. SCANLON: But we'd be happy to answer any questions that folks might have about -- one thing that you'll notice, Greta has done -- is working on the updates to this, both in the fuel costs and the -- because fuel costs, we have learned this past year, have greatly impacted school budgets, moneys being taken away from instruction in the classroom to pay for fuel, which is not reflected in these reports, but we're hopeful that CEAAAC and others will show that huge cost for running schools that's being taken way from the classroom and what impacts that's having already on a broken system.

One thing we do know is that there is no silver bullet to fix the problem, but there are a number of things that need to be done that the Native community really needs to drive that agenda,

and again we're happy to hear that AFN has stepped up to that plate to create this commission to begin dealing with the issues of this 30 year problem of the achievement gap. And it's not just Native kids, by the way. It is minority kids in poverty anywhere in our state and across the country.

MR. GUTIERREZ: Well thank you very much. That was great.

MS. SCANLON: Thank you.

MR. GUTIERREZ: Anybody have questions?

MR. WALLERI: Could I ask a quick favor?

MS. SCANLON: Uh-huh (affirmative). Yeah.

MR. WALLERI: Would it be possible for the Institute to do a quick and dirty inquiry just -- and I think all it would take would just be a letter to the various school districts in the rural areas, talking about classroom interruption because of the power costs -- the power issue. We've -- you know, in my experience, we're seeing schools actually -- because of the inability for schools to actually -- there's been a heavy emphasis, particularly to small areas, where we had power systems go down in the rural areas, particularly in the small villages because of the cost of fuel, and one of the things I've not heard about is a summary of how many days of school interruption we have and how that's impacting the deliverables in the rural

areas.

If the school goes down and the kids can't go to school because there's no power, how is that affecting that? I know of three villages where that's happened within the last -- this winter already in the interior, and I was wondering if you guys would mind taking a look at that issue.

MS. GOTO: That would be something that would fit into the energy briefings that we're doing right now. We're looking at -- first of all, was looking at what the costs are, and we're trying to utilize what other organizations are already doing in terms of research. AHFC has just completed a study looking at costs of gasoline and heating fuel, and then, of course, the PCA comes right directly from AIDA and ADA, but I think what you're talking about would be something that we could do within the realm of this briefing, work that we're already doing to help to supplement something that you might need here, as well as AFN and other so --

MR. WALLERI: Well I think it's a, you know -- obviously we're talking about, in many areas in the state, it seems to me that we've got marginal power systems operating, and the current cost issue has pushed some of those marginal systems totally over the edge, and we're just seeing total system failures, and that's aside from the obvious other impacts. You

know, we're also starting to see it has an impact on education, in that if your school system goes down and you have classroom interruption, it has geometric impact, in my mind.

MS. SCANLON: I appreciate you bringing that up, 'cause it's something that we can take a look at as we're doing these updates on how much -- what does fuel cost out there, which is something -- one of the projects that Greta is working on right now.

MR. GUTIERREZ: Great. That would be good. Anybody else have questions? No? Well thank you for coming.

MS. SCANLON: Do you mind if we sit and listen to Joe?

MR. GUTIERREZ: No, please do. That would be great.

Mr. Beckford.

MR. BECKFORD: My name is Joe Beckford. I am the Superintendent for the Aleutian Region School District, and this year I'm also serving as the Chair for the Council for the Educational Advancement of Alaska's Children, CEAAC. In the letter that I received, it addressed several issues. This would be a briefing on school finance parity and other educational issues and educational concerns of the Alaska Native community with regard to school funding inequity, and I think that the quick answer is yes, there are substantive issues related to disparity, equity, adequacy and issues of discrimination that are

related to educational -- Alaska's educational funding.

A brief history. CEAAC has instituted or has worked with groups that have instituted three litigations against the state, the first regarding school facilities, the building of school facilities, the Alaska School Lands Trust Act, and now adequacy of funding and to some extent equity of funding, as well. In all three cases, legislative remedies were sought. Those not forthcoming, then parents and other interested parties have had to file litigation. They've prevailed on school facilities -- on school facilities issue, they've prevailed on School Lands Trust Act, those funds are going to be restored in some form, and now the issue of adequacy of funding.

Senator Wilkins talked about the current foundation formula, and I think there are some problems that are built into the foundation formula. For example, talking about special education. Currently there's a 20 percent add-on for special education funding. That applies to all the school districts. Of course, it gets run through the area cost differentials and things, but that 20 percent add-on, they used to fund special ed, vocational education and bilingual/bicultural education separately under the old formula. They roll them together under the new formula into 20 percent, which really blurs or clouds how much funding you get for any one of those areas.

So when I talk to the Commissioner of Education and say I'm not getting any money for vocational education, he says well it's built in that 20 percent. I said you don't seem to understand. I have a higher percentage of special ed students, and if you want to apply a 20 percent to Anchorage or Fairbanks, perhaps that works, but when you're dealing in a small remote location, that type of formulation no longer works.

With regards to the adequacy litigation, CEAAC has hired state and national experts who have done extensive work researching the issues and identifying substantive points related to disparity in equity, and I should have brought copies for everyone, but I can leave this. If you want additional copies, I can run them for you, but I'll give one copy for the group. There's also a brief report that was done by Leve Klune who is a former -- formerly worked for the Department of Education and is a former superintendent in the state, to outline the current Moore case on the issues of adequacy and inequity, and hopefully those will be good resources for you.

I have another paper that comes from NEA Alaska dealing with the adequacy of funding, and like I say, when you get into adequacy you get into equity as well. So extensive research has been done by experts. They've gone out and visited districts, the people working within the litigations, and I don't know,

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being in the deliberative process, if that information is available to everyone, or I don't know what your abilities are to subpoena information. It seems to me it should be somewhat public information available to anyone, but if you have that capability and you can get it, then I would suggest that you exercise, you know, that power that you may have, that authority, but basically the state's position boils down to this. First of all, good teachers don't count, good schools and good programs don't count. The problem lies with families, and Alaska's children have the lowest educability index of any students in the United States. I've never heard of an educability index before, but this is what the state's experts are saying.

The implication for this, then, is that Alaska's minority children, whether they're living in rural or urban areas, are genetically, socially, and culturally inferior. Now the issue of impact aids was mentioned in regards to the foundation formula, and you understand that impact aid reduces -- it's used to reduce your eligible state aid. So now instead of being an add-on as it was, it's used as a deduct, and the Department of Education goes through a formula to allow the state to deduct these funds. However that formula is just that. It's not programmatic, it's a financial machine -- machination that they go through, so it doesn't look at issues of adequacy and equity in funding.

However I think that a real issue that's been lingering out there for a long time surrounds the PL 874 issue and that is if the state does not prevail in Moore, and I do not think that they will, then I also think that PL 8- -- impact aid has been improperly deducted for all of these number of years, and is there going to be any remediation. Do you understand what I'm saying? In other words, we've -- Judge Reese and his decision on facilities said that the State was outrightly discriminatory. The Legislature still hasn't come up with a remedy for the Reese decision. In looking at the adequacy funding, I think that those issues are there.

Now if the state has been discriminatory, then the federal government then complicates itself in allowing the deduct of PL 874 moneys. I don't care if they're using financial machination, programmatically and functionally they're helping a program that's discriminatory, and I would think that that would be of concern to somebody in the whole process, but -- and that kind of in a nutshell is what I wanted to lay out for you this morning in terms of what's happened and what the views are with regard to the adequacy, and again I think there are substantive issues, and I think that the reports done by our experts will point to those.

MR. GUTIERREZ: Thank you. That's some new information I hadn't had. Did anybody have any questions? Mike?

MR. WALLERI: Yeah, actually I have a bunch of questions. Educa -- educa -- I can't say it because of my speech impediment because I was educable earlier, but -- sorry about that. What is that?

MR. BECKFORD: You know, I don't know, and I haven't seen the depositions, but I do know that that's been mentioned within the depositions, that students have the lowest educability index. So basically if they have the lowest educability index, there's no need to put more money, you know, into education, into programs, because we've already said that the programs don't count and good teaching doesn't count, good schools don't count, and basically it says it's all the parents' fault and so why should the state put more money to it?

MR. WALLERI: That seems to be a reversal of national education policy which has suggested -- educability index would seem to be a, if I can editorialize, a buzz word for disabled in terms of, the only way that I could think -- and I can see certain concerns about it in terms of, for example, adversely impacted in terms of certain students within the spectrum of FAS, for example, or something like that, but as I understand our national federal policy is that we provide specialized and greater assistance to developmentally disabled children, and that's the whole idea behind special education, isn't it? I

mean, isn't it a -- I've never heard this before, and it strikes me as being discriminatory in terms of disabled, and wouldn't that be a problem under the ADA?

MR. BECKFORD: It would certainly seem that. I think it's a good point, and also -- you know, but we have problems with No Child Left Behind in that education under the No Child Left Behind is a function of (indiscernible). Every student, including special ed students, are expected to complete the educational process in 12 years, and we know that pedagogically that's unsound. So your point, you know, I think is very well taken, that it is counter to the American Individuals With Disabilities Education Act.

MR. WALLERI: Well there's a bunch of other. I mean, there's education -- there's a bunch of educational civil -- there's civil rights statutes with regards to disabled students getting rights to access in addition -- that were predecessors to ADA, I mean, but ADA just kind of put a blanket puppy over the whole thing, but do we have -- you don't have access to that information -- to that argument -- to the base of that argument?

MR. BECKFORD: I haven't -- right now, like I say, it's part of the deliberative process, so I have not seen any of the depositions, but I do know what has been -- excuse me, Sarah have you seen any depositions or had access to them?

MS. SCANLON: I haven't seen them, because we don't have access, but we sort of -- but we could get them, I think.

MR. WALLERI: I would sure like to take a look at that, because, for example, if you take a look at -- I am particularly concerned about FAS and, of course, I keep being reminded that I'm old fashioned, and I don't -- I'm using the wrong term, but hey, you know. But in terms of FAS, FAE and what it is now called, we see high levels, in particularly in minority populations in Fairbanks. We're seeing out of Fairbanks Memorial Clinic somewhere in the neighborhood of, as I understood it at one point, 25 percent of all minority children born in the Fairbanks Memorial Hospital are FAS/FAE, and I would be concerned that that would be -- not only have a discriminatory impact based upon disability but would have a discriminatory impact based upon minority status, and I wonder if there is something we can do in terms of staff getting information, because that's pretty -- that's pretty -- I won't use the term, but it reminds me of the 1930's.

MR. GUTIERREZ: Is that a possibility, Tom, to get some of that information? Is there some case cites -- citations or anything like that?

MR. BECKFORD: Apparently there's some kind of research that's being done by the State of Alaska, and depositions are

being taken with regard to the litigation, and this information is part of those depositions. In this case, on the part of witnesses for the state, so that's in the state's side of the depositions. However that information exists, and I don't know how it's accessible. Sarah says she has ways.

MR. WALLERI: Could we ask the staff to communicate with Sarah to explore the possibility of -- we don't have subpoena powers, do we?

MR. PILLA: Only the Commissioners have subpoena powers, not the state advisory committees.

MR. WALLERI: Is it possible to access those subpoena powers?

MR. PILLA: They would have to be in the state of Alaska to exercise their subpoena powers. It's not a blanket -- like they couldn't issue it from Washington, D.C. for something in Alaska. They would have to actually be here. When they were here for the hearings in 2001.....

MR. WALLERI: I see.

MR. PILLA:they could have issued subpoenas here for data.

MR. WALLERI: Well you could -- if I could ask the staff to work with -- because that's -- this is the first time I've ever heard of this, and this is absolutely going in, in my

opinion, in the entire wrong direction.

MS. DOROUGH: Yeah, yeah. It seems to me that -- when I heard your presentation, the first thing that came to my mind is the lack of intersection between western standards of measuring progress and ability of students versus culturally distinct context in terms of educability, and the issues raised about bilingual students in the Anchorage School District, for example -- not just Alaska Natives but Samoan and, you know, all the other minority students represented, so it's -- it seems to me that the issue of quote, unquote disability is becoming synonymous with the fact that we're talking about a completely different cultural context, and so in my mind it's not only an issue about funding, as some of your data suggested, but a completely different cultural mind set in terms of interpreting the information and the data and how the deliverables are being delivered and by whom, and that seems to be what your statement suggests, at least to me, in terms of the discriminatory nature of it.

Whatever equation is utilized in terms of math and coming up with the budgets and so forth, there's a real disconnect that we're seeing in terms of education, and all the data seems to point to that, and how we overcome that I really don't know, because we're measuring the data based upon organized boroughs,

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first class cities versus, you know, what's happening in small villages in the Aleutian School District, for example. I mean, I don't know that we really have all the data that we need to measure whether we're making progress or not or if we need to change the way in which we view these issues in the case of those who are culturally disadvantaged, socially disadvantaged, economically disadvantaged, and it's alarming in terms of what you said because of the Legislators, at least many of them who then take this information and set it up as a rural versus urban issue, when, in fact, it's not a rural versus urban issue. It suggests something a lot more steeped in colonialism, if I can say, you know, than anything else.

MR. BECKFORD: If Carol were here, you know, she's having the same difficulties dealing with minority students in her district as, you know, as we have in our district. We share many of the same problems and same concerns.

MS. MILLER: That cultural aspect was brought up in 2001 when we were looking even at the high school qualifying exams, you know, just with respect to the -- some of the differences in learning styles that students may have, you know, in say Alaska Native communities and how, you know, that could pose a discriminatory point with respect to having to take that qualifying exam and pass it when the fact that different learning

styles are at play is not factored into that. You know, it's a systemic type of discrimination.

MR. BECKFORD: And it's kind of struck home for me because I've just become the father of a six year old who is Russian and speaks very little English. So, as I sit down with him to try to go through the materials that you would normally give to a kindergartner, he has none of the language, and that's one of the problems that many of our students in rural Alaska face, whether English is the primary language or not. If it's English, it's going to be very limited English, and so students in Anchorage are exposed to a lot more language than students from rural Alaska. So when they walk through that door into school, the materials with which they are going to be exposed assumes that they've had a lot more exposure to language than what they've had and may be appropriate or inappropriate. In the case that I've run into, it's inappropriate, because I -- we can't even begin to sit down and read a pre-reader, because the language isn't there yet. So I'm having to go back and talk with some elementary people about how do we get the language up. We've got to be working on vocabulary and words, but this is typically a problem, so our students come in without that preparation. That means that that's got to be built up somewhere in preparation for things like the exiting exam and the Benchmark

Examinations to get a valid -- any kind of valid assessment.

MR. GUTIERREZ: Okay. Well thank you, Mr. Beckford. That was pretty enlightening.

MR. WALLERI: Can I ask another question, if I can? I'm curious about following up on my question to Senator Wilkins about -- he indicated that he was unaware of any studies that had been done or any inquiry into equalization of deliverables, and we had had kind of a comment about that, and I was wondering if you'd share that in terms of -- for the Committee.

MR. BECKFORD: Well, you know, one of the things is I've been around a long time, maybe too long. I was in the state, and I was actually working at Sitka School District when the state did the resource cost out (ph) back in the late 80's, and it was done by the same gentleman that did the report that Scanlon -- that Sarah Scanlon just mentioned in her report, Jay Chambers. The American Institute for Research, is it? At any rate, Jay Chambers did a study -- and actually the meetings took place here in Anchorage at the Egan Center, and they had program and superintendents in one room, and they had business managers in the other, and the whole idea was to cost out delivery and what could Aleutian Region expect to be able to provide to it's students versus Anchorage School District, because obviously there's no practical way to offer all the course offerings that

Anchorage could.

I think now some of that's a lot more feasible than it was in the 80's, but we looked at that, and the price tag at that time came in at about 40 million dollars, and the Legislature set it aside, never looked at it again. So the research has been done, and it still exists, and when I get into any kind of a group, I always point out that there was an approach and an attempt to cost out programmatic delivery (ph).

MR. WALLERI: Could I ask the staff to access that information and see if we could collect it as -- I guess it's a Dr. Jay Chambers' Research Cost Model, because I think that's really what we really talked about in terms of equity between intradistrict issues and that is, you know, trying to achieve an equity in experience -- educational experience and opportunity between districts, and it kind of gets to the whole point that was articulated in that book, what Savage Inequities, where different districts, because of different resources, but here we have a common resource pot, but we have a -- the resource allocation system results in inequitable deliverables in the classroom, in terms of opportunities. So I was wondering if we could take a look at that and get a copy of that report for our inquiry.

MR. BECKFORD: I think what you say is important

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because equity is never going to be defined as a set dollar amount. It's going to have to be defined in terms of programs and educable -- educational experiences for students -- that are provided for students.

MS. DOROUGH: When you use the term equity, the way I look at it is that equity doesn't always mean treating people the same, you know. I mean, in terms of substantive versus formal equality, and I guess that's my point is that looking at these issues where if we deal with it in terms of a mathematical equation based upon an individual student in a particular school district, it sort of does it in a vacuum without looking at not only the cost of fuel and energy to keep that school open and running and not interrupted because of power outage or what have you, but all the other elements and variables that go into teaching that individual student who maybe has Yupik as the first language, who has a different method of producing knowledge and learning that the -- so the idea of diversity and difference and ensuring that equity takes into consideration that difference and respecting that difference, which comes up to the question about deliverables, you know. What is being delivered within our schools, and how do we measure what's being delivered in terms of individual student success? I mean, the indicators have to sort of shift in a dramatic way.

So it's not just equity in terms of the dollars per student and the little formula that the Senator was illustrating earlier, but it has to take into consideration a completely different culture context so that equity means equity within a particular culture context and not just equity same, same.

MR. GUTIERREZ: Thank you.

MR. WALLERI: Can I have one more question.....

MR. GUTIERREZ: Yes.

MR. WALLERI:and I promise to stop. Because I'm curious.....

MR. GUTIERREZ: Okay, because we have another speaker.

MR. WALLERI: One -- this is a very short question and that is you talked about 874 -- the discriminatory impact of 874 funding. As I understand, in rural areas 874 funding is primarily premised upon Native lands which would establish some kind of nexus between funding and Nativeness. Okay which would -- and those 874 funds are deducted. Is there any information that we could access about that that you're aware of?

MR. BECKFORD: Well the State has that information about how much is being deducted to support the foundation program and what percentages. It'll vary from district to district in terms of how much. Again they take in for city borough school districts of the local effort in factoring what

that deduct is going to be. For REAs, again, since none of us are financially independent, we rely strictly on the Legislature.

MR. GUTIERREZ: Okay. Any other questions? Dalee, do you have any? Well thank you, sir. Appreciate your time.

MR. BECKFORD: Thank you. I appreciate the opportunity to speak with you.

MR. GUTIERREZ: We'll look at your statements pretty closely when we get them back from the recorder. Ms. Kerr, Sonja Kerr, Disability Law Center.

MS. KERR: Thank you.

MR. GUTIERREZ: Thank you for coming by.

MS. KERR: Thank you. I am Sonja Kerr, Supervising Attorney at the Disability Law Center, and I appreciate the opportunity to speak to you briefly. First of all, I wanted to let people know that Milly Ryan from the Governor's council intended to be here today but was unable to do so because she was ill, so she wanted me to let you know that she would have otherwise been here. The Disability Law Center is the state mandated protection and advocacy system for people with disabilities in our state, and in that capacity we have been looking at the educational system in Alaska with some interest, particularly with respect to finance. We are aware of the Moore lawsuit. We are supportive of the Moore lawsuit, because we have

noticed a number of things with respect to students with disabilities and students with disabilities who are of minority background.

First of all, roughly there are around 18,000 children with disabilities in the state of Alaska who are specifically identified as students with disabilities under what we call the Individuals With Disabilities Education Act, which is the federal special education law. That does not account for students who may have disabilities who have not identified under the Individuals With Disabilities Education Act, and it is important that people realize that in Alaska there are significant issues with insuring that children, particularly children with FAS/FAE or whatever we want to call it these days, are not being identified under the IDEA because there is not a specific designation for that in the federal law, and it is rather vague within the state laws, so there are often many children who are not identified. So that 18,000 may not encompass many children who have FAE or FAS.

As I think Carol Comeau said, you know, the state is not getting, of course, what was promised under the federal mandate. Roughly statewide, we get about 13 percent of what should be coming from the federal government in terms of the IDEA. So that, of course, is a problem that I think every state has. What

is also happening is, as Joe mentioned, the 20 percent, the intensive needs formula, is to be divvied up among various groups, including students with identified special education needs, so that formula, from what we can see, isn't working really in Anchorage or in villages. It doesn't seem to be that we have a way to meet the needs of students with disabilities on a financial basis, and it doesn't seem to be any particular school district that is, you know, unique from that. Everyone seems to be having the same issue. The one thing that we wanted to point out is that, you know, under the federal law, both the Individuals With Disabilities Education Act and, as well, as was mentioned, under provisions of the Americans With Disabilities Act, the State of Alaska has certain responsibilities to insure nondiscrimination on behalf of people with disabilities and to insure specific services in the case of children who are identified under the Individuals With Disabilities Education Act, and the state formula is not meeting that responsibility.

The State is sort of abdicating, in some ways, its responsibility, particularly for minority children. We have opportunities statewide to see what's happening educationally for children, particularly children with disabilities, of course, and what I can report to this Commission is that essentially for students who have disabilities and who are of minority status, we

see, you know, higher rates of non-identification and higher rates of over identification. So we have both problems. We have students who are of minority status who, because of cultural issues, are not identified correctly, and we have students who, because of cultural differences, aren't identified as having disabilities and who should be. So it's kind of a dual problem. We know that the testing that is utilized to determine if you're eligible for special education is historically discriminatory against people with minority background, and I don't have this with me, but I can certainly get it for you, the information about studies that have been done on that, and there are many of them. The most recent one is the Harvard Civil Rights Project, if you're familiar with that, which put out a report in around 2002 and includes statistics from Alaska and the discriminatory impact in terms of various testing.

The Disability Law Center, in terms of testing, by the way, was and is class council on the first lawsuit about the HSGQB, which resolved some issues for students with disabilities. What I can tell you is we are looking actively at a second lawsuit on some of the same -- on some additional issues with respect to the high school exit exam, because we know that students with disabilities are still struggling with that issue, in particularly students with disabilities who are of minority

status. So there's both cultural issues, as well as disability issues for those students. So the -- I guess the theme I would like to leave with you is that from what I can see, the funding formula is sort of the piece that, you know, is a roadblock or an obstructor on many fronts in terms of students with disabilities, which is the population that we serve, and we have been tracking some portions of the Moore case.

I can tell you that this information from Joe about the expert referencing the educability is rather horrifying to us with the Disability Law Center, and I would encourage the Commission to try and get that information, as well, because it sort of, to me, harkens back to sort of Brown versus Board of Education frankly, and we -- what we see, sort of on a continuous basis, is a kind of a F value from the State to take a fair look at the situations. I don't think there's a superintendent in this state that we haven't run into who hasn't said the same thing which is we don't have the funding to meet the needs, and one of the clearest examples is the intensive needs formula itself, even as it's applied, and you can probably ask Carol Comeau about this as far as more detail, but as I understand it, if a school district wants to access that formula for a particular student, they can only access it for students who come in before the end of December, so for that school year.

So if a student comes in who would ordinarily fall under that formula and they come into that school district after December, the school district cannot access the formula, and that, you know, with the transient population, particularly in the minority students with disabilities, is cutting off a whole group of students, and that has been brought to the State's attention with not a lot of response. So that's all I have. We will be following up with some written comments specifically for you.....

MR. GUTIERREZ: Great.

MS. KERR:and if you have any questions, I'd be happy to answer them if I can.

MR. GUTIERREZ: Any questions?

MS. DOROUGH: Just a footnote on your frontal comment that that then skews the data, as well, and those students entering after December, and it also relates to the earlier comment about the transient nature of the students and not having baseline data, not being able to track it, and some of the information that Greta gave us about, for example, in the Cook Inlet region. The number of students there graduated versus those who didn't graduate. It's the same type of thing. The data is skewed if you can't track what happens to an individual student, because I think those numbers -- those numbers, at least

for areas in rural Alaska which may be more consistent, for more urban areas you have to add a factor percent in plus or minus for the transient nature and also not having accurate data, because you can't track a particular student.

MS. KERR: Right. Yeah. It's kind of a catch 22 for the school districts, and it's certainly not meeting the needs of students, either students with disabilities or students with disabilities who are of minority status, particularly, I think, are at more disadvantage, from what we can see.

MR. GUTIERREZ: Yes, sir?

MR. WALLERI: I'm kind of curious about this, 'cause I hadn't really thought about this, but we -- Alaska's probably the, from a historical standpoint, one of the biggest violators of the freedom of transportation or the freedom to travel under federal -- and, of course, this is a federal commission, and it would seem to me that there would be a major issue here if services were being denied in such a way as to inhibit or to limit the ability of disabled children to freely travel. Do you have any data that would support or that could tell us the level of how significant that problem is?

MS. KERR: Well actually we've been talking to various districts about that, and the issue was actually brought up to us by Carol, so my guess is that the districts have those numbers,

and we could probably get those, you know, by writing some of the districts and saying, you know, how many kids, who would have ordinarily fallen under intensive needs formula, could you not get that formula for because they came after the end of December. I think we could get that.

MR. WALLERI: Well historically probably the freedom of travel has always been a sword to Native rights in Alaska. It strikes me that what we have here is -- that the civil right here is more of a -- would be more of a shield to -- an unusual shield, it's not been looked at in terms of -- particularly within Native culture, you have a highly mobile and transitory population. For example, in Fairbanks we see in a single year close to 80 percent turnover in the villages, in terms of -- in some cases. I'd be very curious -- do you think this impacts other elements of the formula? For example, in terms of non-disability children.

MS. KERR: You know, I was wondering about that when people were talking, and I don't know. I can tell you we just -- I'm personally relatively new to Alaska, and I just learned about this in January, but I wouldn't be surprised. I mean -- but I could be wrong. We'd have to actually find out the specifics of how their applying it, but it seemed to be, you know, that funding pot, not specific when it was presented to us.

(Daniel Alex now present)

MR. GUTIERREZ: Ms. Goto?

MS. GOTO: I just wanted to, in response to your question, Ms. Dorough, that the students are tracked by a number called OASIS, and so a lot of times they can kind of -- they're doing a much better job being able to track down where students are being located, but one of the issues is if a parent of a student doesn't tell the school where they are going or if they've left the school for whatever reason and they don't inform the school of that, then they'd be counted as a dropout, and you wouldn't know what the migration pattern was looking at, but I just wanted to be sure that you're aware of the OASIS system, the student identification numbers that are unique to each student and that they are doing a much better job of being able to track where kids are.

MR. GUTIERREZ: Thank you. Any other questions for Ms. Kerr?

MS. KERR: Thank you.

MR. GUTIERREZ: Thank you. You know, I think that disability issue is a real -- is a very real thing in the practical world in the school system, simply because of lack of identification of disabled students, whether you want to call them FAS or FAE or any other designation that doesn't fit the

federal designation. We've had many, many parents try to understand why their child did not have an individual plan -- education plan for them, because they felt that they were somehow disabled but could not get the doctor's statement, or the doctors said that they were ill or disabled, but it didn't meet the needs -- or the requirements, I guess, of the system. So that's a real frustrating thing for the school boards and for the educators, in my mind, so I think we should look at that really close, as close as we can, if we can get all the information we can around that issue.

MS. KERR: If I could just add to that. I think you're absolutely correct. One of the things that I don't know that Alaska has really been forward looking on is that the federal definition has certain definitions but the -- a child with FAE should be able to qualify and yet the presumption has been the opposite in Alaska. I mean, the federal definition is a floor. It doesn't limit what a state can do, and so that's been the misimpression, I think, all the way along. So -- and other states have simply either added by regulation or advisory that, you know, a particular disability is of high incidence in their area is a disability that should be recognized. So I don't know why we're not doing that.

MR. GUTIERREZ: I'd like to introduce Dan Alex. He's a

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member of our Committee.

MR. ALEX: I apologize for -- actually I'm just learning how to use my calendar of my computer. I had it down for this afternoon. So I'm glad I showed up a little early. I'm late but --

MR. GUTIERREZ: Well I'm glad you're here, Dan. It's good to see you. You know Roy's in the hospital?

MR. ALEX: Excuse me?

MR. GUTIERREZ: You know Roy is in the hospital?

MR. ALEX: Yes, I do.

MR. GUTIERREZ: Okay. Let's see. Now let's see. Those are all our -- any other SAC member issues that we have to deal with, Tom? Do you have any?

MR. PILLA: I'll respond. I did give you a copy in there of the final proposals that the Commission had published in the federal register on the membership requirements of state advisory committees. They're still deliberating on the term limits. I don't know if it's actually been set for a total of 10 years, which was sort of just pulled out of the air. I don't know how they came up with that figure. It has nothing to do with the competence or commitment of advisory committee members, so --

MR. WALLERI: Is there -- is it possible to get a

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status check, just as a matter of personal privilege. I think I'm bucking up against the -- I'm not exactly sure how long I've -- how long I have before I'm.....

MR. PILLA: We can do that.

MR. WALLERI:picked off, so --

MR. PILLA: I had to do that assessment for the region. We have about 125 state advisory committee members in the nine states, and it would impact 78, but I do have an assessment for each of the advisory committees in the region and can do that fairly easily. The New Mexico State Advisory Committee, which is now handled by the Rocky Mountain regional office in Denver recently had a meeting, and the membership was pretty incensed about the term limit -- the position of a term limit, and they planned to do something about it by contacting their congressional delegation.

Now I'm not making that as a advice to you to do that, but I didn't see it as a bad idea. I -- when they first came up with this idea, I wrote a memo to the Staff Director saying that I found that to be not acceptable. These committees are composed of committed and concerned individuals. There's always been natural attrition on these committees. People have always left the state, maybe even died. They're designed for the reason, so we've always had natural attrition on these advisory committees,

and to just impose a term limit of whatever nature was against my grain, and, I guess, the New Mexico Advisory Committee thinks that, as well, and they plan to do something about it. So I'm not officially making that recommendation to you, because this is probably not on the record, but I am not opposed to advisory committee members making their feelings known about term limits for membership.

MR. GUTIERREZ: I don't think there is anything.....

MR. PILLA: I've been tempted to stay in touch with everybody with the various issues that they've raised, so if you've been getting those mailings, then you're up to date on what the Commission itself is doing or not doing. They did not recharter any advisory committees from December of 2004 through the present. They delayed all activity on state advisory committee activity for a full year once they took control, as they like to put it. They have the votes. That's a quote from Commissioner Brasaris on -- they put together a working group on state advisory committees. That's the first action they took. They spent the whole year deliberating what they were going to do with membership, term limits, state advisory committee boards, and did not deal with any state advisory committee chartering packages that were sitting in the headquarters office. Before December of 2004, we were able to recharter four state advisory

committees, including the state of Alaska. That's why we're currently meeting. The Staff Director recently said that we could meet with those states that had current charters.

Well of the 51, including one for each of the 50 states plus the District of Columbia, by December of 2004 they had -- the old Commission had rechartered 13, four in our region, five in the Denver region. So we have nine out of those two regions of the 13 advisory committees that were currently under charters. So we had advisory committee charter packages sitting there when they imposed this moratorium. We had reports sitting back there, and they didn't deal with those either, and they're finally starting to do that. They've recreated the biographical data form that we'll be using to solicit new members, and they're big push is to find statisticians and researchers. Now that's all well and good, but the experience I've had in over 35 years of working for this agency is that you really get more concern from grassroot people who happen to be working for organizations that you've all worked for in the past, that are in touch with the reality of civil rights issues in the state and not hiding behind a computer or adding up research numbers, and so I don't know how all this is going to work out, but we've had tremendous, tremendous loss of staff in the headquarters office and elsewhere.

We're down to about 57 people nationally. We have three

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people in the Western Regional Office, me and two secretaries, for nine states, so I will attempt to keep doing my job, as long as I can, but don't expect anything yesterday. So that's where we're at. It's not been a pretty picture, and yesterday I was told that a few more people, who I believe to be fairly competent, are bailing out of our headquarters office, and that's going to be a tremendous loss, so I don't know where this is all going, but these new commissioners, they're a piece of work, and that's all I can say. They're mainly presidential appointments and commission appointments from the ruling party, so it's been very, very difficult. It was acrimonious when Mary Francis was the Chair, and she had three, for lack of a better word, right winged commissioners to deal with, and now the new Chairperson has the overwhelming votes. There's only two democrats of the Commission at present, and they're both from the west. One's from San Francisco and one is in charge of the Reno-Sparks Indian community. They're both very good, but they're battling against the current, and when you read their minutes -- and sometimes their minutes are on line, and if you ever get a chance to read Commission minutes, I recommend it. They're interesting reading, to say the least. But that's what we've been putting up with.

We had budget concerns which prevented us from travelling, and the last meeting we had here was in 2001. We've been holding

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these teleconference meetings, as you are all aware, and that's really not the way to do civil rights business. It's more important to sit in meetings like this and hear from the folks, not on a phone, where you can read facial expressions and sort of get a better understanding of what's going on. I mean, you can hear it over the phone, but it's just not the same. So with only 13 SACs chartered, the Staff Director recently said he wanted them all to meet, and that's why we had the opportunity to meet, and since we had raised this issue at a prior teleconference, I thought this would be a good way to have some folks address and brief the Advisory Committee on the issue, and I was quite pleased with what we heard today, so --

MR. GUTIERREZ: It's was very substantive and well presented.

MR. PILLA: That's it on the administrative matter. I handed out travel forms to those of you who -- make sure you send those receipts in as quickly as possible with that other form and -- because they've changed travel requisites too now, so they want them in within five days.

MR. WALLERI: Better do it tomorrow.

MR. PILLA: Right. Thank you. I appreciate all of your time here and thank the court reporter for her taking down copious notes and listening too.

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MR. WALLERI: Are we rechartered or are we.....

MR. PILLA: We are rechartered through the fall of this year, so that's when I'm getting forms out again as soon as.....

MR. WALLERI: So what happens if we're not rechartered?

MR. PILLA: They will have to recharter the Advisory Committee. They make the selections -- usually we send in a package that approves nominees, and I guess Staff Director's office is going to be looking at those with greater interest to see that we found people that they've identified they want to put on these advisory committees now. It's not unlike what the Staff Director that Reagan had appointed had done, but she didn't put in a term limit. She just said these are the type of people we like, and they even made nominations. So I don't know why these new people think they can't do that. You know, we were able to accommodate those people on various committees, and usually they got beat up by the other members of the committee, when they were too to the right, so that worked out for everybody, I thought. But these people have a new agenda, and they're implementing with greater skill.

MR. GUTIERREZ: Well do I have a motion to adjourn?

MS. LACARA: Move to adjourn.

MR. GUTIERREZ: Second?

MS. DOROUGH: Second.

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MR. GUTIERREZ: All in favor of adjourning signify by saying aye.

ALL PARTIES: Aye.

MR. GUTIERREZ: We have now officially ended.

(Off record - 12:30 p.m.)

* * * END OF RECORDING * * *

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C E R T I F I C A T E

UNITED STATES OF AMERICA)
) ss.
STATE OF ALASKA)

I, Jerri Young, Notary Public in and for the State of Alaska and Reporter with Metro Court Reporting, do hereby certify:

THAT the foregoing pages numbered 3 through 85 contain a full, true and correct transcript of the Hearing of U.S. Commission on Civil Rights, was taken by Jan Scott and transcribed by Melinda Swihart of this office.

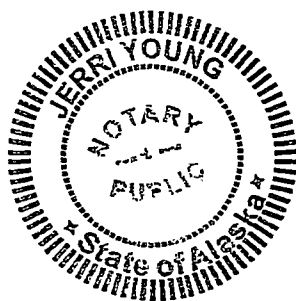
THAT the Transcript has been prepared at the request of U.S. Civil Rights Commission, Western Regional Office, 300 North Los Angeles Street, Suite 2010, Los Angeles, California 90012.

DATED at Anchorage, Alaska this 7th day of March, 2006.

SIGNED AND CERTIFIED BY:

Jerri Young

Jerri Young
Notary Public in and for Alaska
My Commission Expires: 11/03/07



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