

**Brief Summary of the current state of affairs in Juneau as presented at the Coalition for Education Equity Board meeting – 3/17/16**

The Session has been difficult and a bit grim for education, but there remain some glimmers of hope. Unwillingness of the Majorities in the Senate and House to consider meaningful revenue options argues for an outcome that is likely to depend for the most part on a continued drawdown of savings and additional cuts to the budget that may fall most heavily on our rural members. At present it appears as though the Legislature will either decide to replicate an end-of-Session process like this past year where the House Minority granted use of the Constitutional Budget Reserve (CBR) in exchange for some returning of education dollars to the budget, or will decide to take more drastic budget cutting measures and draw from the earnings reserve account (impacting future dividend checks). It is unclear which process is likely to prevail, though it appears that moves to keep the BSA increase proposed by the Governor, Parents as Teachers and Best Beginnings (in the Senate Operating budget) and the proposed TRS deposit bill (see below) are all designed to put pressure on the House Minority to leverage the CBR vote.

Meanwhile we continue to fight for our issues:

***Operating Budget Priorities***

**Small Schools Minimum** – This issue is dead. Representative Bryce Edgmon (in the House Majority) credits our legal opinion (which he and Representative Bob Herron requested), saying it was sufficient to shut down the discussion of raising the number used to calculate minimum school size that had been proposed by Representative Lynn Gattis. This issue may come up again next year, but we will continue to keep our eye on it.

**Avoiding additional cuts to Education** – After a severe round of budget cutting in both the House and the Senate, it was surprising to see that the \$50 increase to the BSA remained intact – though this may be part of a bargaining tool to try and leverage the House Minority CBR vote (as mentioned above). While Pre K was eliminated in the budget, Early Childhood programs like Parents as Teachers and Best Beginnings were retained and, if the budget goes to “free conference”, where items may be renegotiated, we may well see the Pre K funding returned to the budget as part of a CBR deal. While I’m speculating here, I think it is a least possible that this might happen.

We and all education groups were unable to stop cuts to the Mentoring program through the University of Alaska or substantial cuts to the University itself – all of which are likely to effect the number and quality of teachers that we produce here.

The BSA increase being retained, appears to be a negotiating tool to try and leverage the House Minority’s CBR vote, and the proposed TRS bill seems to be the other tool in that leverage attempt. The TRS bill would essentially saddle local districts with increased payments into the TRS at a cost that would exceed any benefit derived from the increase in the BSA. Rural districts in particular would have to continue to divert

funding from the classroom to meet this mandate, though it would have adverse impacts on all districts. Superintendent Graff has estimated that the bill would cost \$15 million to their district alone – far more than the \$5 million generated through the BSA increase. We are opposing the TRS bill and its design and have begun to work with others on this. **It is highly advised that all districts contact their legislators – especially those in the Majority – about this issue.** If passed the Governor would likely veto. If the Majorities stick together they can override that veto, so it is critical to try and peel two or three off of the final vote.

Finally, we believe any Formula rewrite is off the table for this year – just too many things happening, though we believe it may happen next year as the Legislature hones in on budget reductions in the largest portion of our state budget – Education.

### ***Capital Budget Priorities***

The final *Kasayulie* funding request for Kivalina School is in the Governor's Budget, but Co-Chair Anna MacKinnon of the Senate Finance Committee has indicated that there will be no Capital budget this year. If true, this would spell a violation of *Kasayulie* as there is clearly funding that could be appropriated for this school. Further, issues around the Bethel school fire, lack of use of the REAA Fund and a general disregard for the fact that there is over \$80 million potentially available in the REAA and Small Schools Fund for school construction, also could lead to other violations of this consent decree. Added up, this could mean a return to enforcing the judgment in that case, which would likely be appealed to the State Supreme Court. If upheld the State would have to begin the reconstitution of the Public Schools Land Trust and would have to ensure a non-arbitrary method of funding school construction in Alaska. We do not yet know the impact of this and have authored a number of letters designed to reasonably frame this issues for Legislative consideration.

### ***Upcoming Issues***

We have mentioned the TRS/PERS bill and its implications. This legislation is simply bad for education. The fact that this could lead to further deterioration of student outcomes has implications for the findings in the *Moore* litigation as well. If the state, through a lack of Legislative commitment, is no longer fulfilling its obligations under the State Constitution to provide for public education, then it reinforces the findings of Judge Gleason in *Moore* and could potentially lead to a review of this litigation as well.

The Coalition has hoped to move away from litigation to a more cooperative approach to building a strong and meaningful education system in Alaska that adequately educates its children. This year may be a set back in those efforts, but we continue the good fight knowing that our districts and communities, our educators, our parents, and our students deserve and are constitutionally guaranteed a public education system. They expect no less and that is what we are advocating for.

- *Government Relations Director, Tom Begich*