



# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

## Pupil Services

Clayton Holland, Director

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Dear House Education Committee Members:

I am writing you to explain my concerns with [House Bill 102](#), “An act providing for funding of education services for students in residential psychiatric treatment centers.” This bill, as written, would potentially have a significant financial impact on school districts, particularly on smaller, rural districts. **Additionally, HB 102 would create increased budget uncertainty for all school districts in the state of Alaska.** HB 102 was brought forward to the legislature by North Star Hospital, which is owned by Universal Health Services, Inc., a Fortune 500, for-profit company, based out of Pennsylvania. These residential facilities already receive a high rate of funding from taxpayers through Denali Kid Care (Medicaid) and through employee insurance. Additionally, these facilities currently operate and provide educational services through cooperative agreements with local school agencies, which has cost the residential facilities nothing.

**The current national standard is that a school district pays for costs of educating a child at a residential facility only if the school district made the residential placement decision.** HB 102 proposes to fund education at residential facilities by removing funds from the local school district where the student resides. This would occur whether the student was placed at the residential facility by the state, by a local mental health agency, by the parent, or by the school. The language in the draft of this bill as it stands today also allows residential facilities from outside the state of Alaska to charge an Alaskan school district for educational compensation. This action potentially allows a residential facility outside the State of Alaska to bill school districts for hundreds of thousands of dollars—for students that may not have even resided in an Alaska school district for years.

When our students go to a residential facility, we are most concerned about their mental wellbeing. Academics are the secondary concern to what is going on with their lives. When they come back to our schools, we align the courses in a way that allow a student to make growth based on where they are and what they have been doing. Concerns about academic alignment rarely come up as an issue. What has historically been an issue is when a student returns to the district with no overall transition plan or preparation for return to the family, to the community, or to the schools. **We do recommend that the state consider enhanced efforts for a planned, thoughtful transition back to the home community—this should be a priority and recommendation for residential facilities.** Alaska already pays an enormous amount of money for services for our children, and this should be a service included with that funding.

**The KPBSD has strong reservations about this bill. While the title of HB 102 bill appears to be a positive, the means of obtaining this funding is not feasible, nor beneficial to Alaska school districts.** Alaska school districts should not be required to pay for student services in which they did not determine a need, or make an educated recommendation. Given the current deficit most districts face and the financial climate in Alaska, it would be severely detrimental to reduce the funding schools receive in order to provide funding for a service that is not truly needed.

Please contact me if you require clarification or additional information about why KPBSD does not support the passage of HB 102.

Respectfully,

A handwritten signature in cursive script that reads "Clayton Holland".

Clayton Holland