

# Education Overview

## VISION

### Alaska's education system will enable lifelong learning

Lifelong learning is the key to a more fulfilling personal and professional life. This has never been more important than it is today. Education provides the tools to adapt to a world where rapid change seems more the rule than the exception, and where income is strongly tied to education.

Society and businesses, families and individuals all benefit from the collective knowledge and problem-solving skills taught in the sciences, arts and humanities. Invaluable too are the social skills children acquire for the first time as they interact with their peers and education professionals, both in a formal learning environment and in school-sponsored sports and extracurricular activities.

The three objectives for this vision follow the natural timeline of learning, from children entering the formal school system to adults pursuing technical training and higher degrees, whether for personal or professional growth.

The education picture is mixed for Alaska. Of most concern is ensuring that children enter school ready to learn. Another major issue is attracting and retaining quality teachers, particularly in rural areas.

#### Objective: Children will enter school ready to learn

Students who are ready to learn when they enter school are significantly more successful on a wide variety of measures, including academic achievement and social adjustment.

#### Measures

**Ready to Learn (#3)** measures the results of the Alaska Developmental Profile, the tool the state uses to assess student readiness to learn as they enter the school system.

#### Progress

We have Alaska Developmental Profile assessment data only since 2002, so we cannot say with certainty whether Alaska is doing better or worse in preparing children to enter the school system. Other states assess "ready to learn" in different ways so comparisons are difficult.

It is worrisome that preschool attendance has not improved. Pre-kindergarten programs such as Head Start, which serves children from low-income families, are considered by many educators to play a vital role in increasing readiness to learn. Alaska is one of only about ten states that do not have state-funded pre-kindergarten programs.

#### Objective: Students will Graduate Prepared for Post-secondary Opportunities

For this objective to be achieved students must receive quality instruction in relevant topics delivered in a supportive environment.

#### Measures

**Students (#4)** measures student performance on a variety of indicators, including standardized tests, and absenteeism, dropout and graduation rates. **Teachers (#5)** measures teacher quality and retention, perhaps the single most important leading measure for student performance. **Schools (#6)** measures the physical environment including life and safety issues. **Curricula (#7)** measures the availability of relevant courses including special education and vocational and technical training.

#### Progress

Alaska students continue to outperform the national average on standardized tests, but the difference is shrinking. Schools in Alaska appear to be safer than those in the US, although Alaska has only surveyed students about safety twice, in 1995 and 2003. Teacher turnover rates were down in 2004. The percentage of Alaskans students both taking and scoring well on advanced placement exams increased but continues to lag behind the national average.

#### Objective: Postsecondary institutions will enable personal and professional development

Opportunities for adult education are necessary both for personal growth and to enhance workers' skills as they adapt to the changing demands of the economy.

#### Measures

**Postsecondary Institutions (#8)** measures the opportunities for workers in this regard. **Higher Degrees (#9)** measures the general education level of Alaskans to answer the question of whether we are experiencing a "brain drain."

#### Progress

Since 1980 Alaska has slipped from number one in both the percentage of population completing high school and college to numbers 5 and 18 respectively. Alaska also sends four first-time college freshmen outside for every one who comes to Alaska, the second-worst of all states.

Education strongly predicts wages in today's economy. Yet data from the University of Alaska show it is difficult to convince graduates to remain in the state. This "brain drain" must be reversed to retain our best and brightest.

# Economy Overview

## VISION

### Alaska will have a vital, sustainable high-wage economy

Achieving this vision for the Alaska economy requires balancing three sometimes competing perspectives: worker, business and sustainability. Each represents different underlying priorities, and the vision is fully realized only when all three are served.

For example, if the minimum wage were tripled overnight it would impose severe and unfair costs on businesses. The result would be to discourage new business startups while degrading the viability of existing companies, ultimately harming the workers who initially benefited.

Alternately, doing away with regulations that impose costs on business, for example workplace safety rules, unfairly shifts the costs and consequences to workers. This could make Alaska less competitive in the labor market compared to other places and ultimately make it harder for businesses to get the workers they need.

We hope the objectives and measures in this section will facilitate the appropriate debate: how well does the balance we currently have between these perspectives serve the overall public interest?

The economy has remained reasonably healthy in Alaska compared to the rest of the nation. Continued dependence on the oil and gas sector and high levels of federal spending raise concerns about sustainability.

**Objective:** Alaskans will have access to quality jobs at livable wages

Workers are concerned with the availability of jobs and how well they pay.

#### Measures

Income (#10) and Poverty (#11) measure how well or how poorly Alaskans are doing from an income perspective. Employment and Wages (#12) and Unemployment (#13) measure the work opportunities and lack thereof, respectively. Workforce Development (#14) measures attempts to maximize the employment of Alaskans.

#### Progress

Alaska has enjoyed eighteen consecutive years of economic growth. More than half the new jobs in 2003 were in health care, and construction spurred by government

spending is another bright spot. Overall indicators for this objective are encouraging across the board. Concerns include the rural unemployment rate, a reflection of the fact that rural Alaska continues to struggle relative to the rest of the state. Caution should be exercised in comparing rural rates to national averages since an apples-to-apples comparison would mean using national rural averages.

**Objective:** Businesses will be encouraged to innovate and grow

Business owners and managers want to grow profits by increasing revenue and decreasing expenses.

#### Measures

Small Business (#15) measures the creation and termination of this type of business, which describes almost all non-Native corporations started by Alaskans. Costs of Business (#16) measures how Alaska compares to other states and the nation as a whole, and Transportation (#17) measures the infrastructure needed to facilitate commerce and economic development.

#### Progress

Small businesses employ two out of three workers in Alaska. New business starts have been fairly flat the past ten years, but a recent uptick contrary to national trends is encouraging. Although the 121 business bankruptcy filings in 2003 set a 15-year high, the trend has turned into the right direction since then, with only 45 filings in 2006.

Health care features prominently on both sides of the business equation. It is the fastest growing sector in Alaska. At the same time, the high cost of health insurance has been the single largest concern cited by small business owners nationwide since 2002.

**Objective:** Economic growth will be sustainable

Alaska's economy is like an investment portfolio: diversity is important to manage risk.

#### Measures

Diversification (#18) measures our success in reducing dependence on the oil sector and Federal Spending (#19) does the same for that area.

#### Progress

The Alaska economy is not reducing its reliance on the oil and gas sector, and the importance of federal spending has been steadily rising. Both of these sectors can be highly volatile and the potential for shocks due to shifting market and political conditions is significant.

# Environment Overview

## VISION

### Alaska's natural environment will be clean, healthy and well-managed

Alaska's wilderness areas define our great state, both for those who live here and for those who visit. The natural environment provides the resources that fuel our economy and the settings that inspire our spirit. There is no question that as Alaskans we love the outdoors and that we are stewards holding these natural assets in trust for future generations.

The objectives that follow emphasize three aspects of good stewardship: preservation of what we are not using, conservation of what we do use and ensuring the overall quality of the natural environment.

With some notable exceptions, data for many environmental indicators are inadequate, hampering management efforts.

**Objective:** Biological diversity and wilderness areas will be preserved

Alaska's wildlife depend on a food chain that also affects human health. Forests, wetlands and other biological habitats provide the habitat necessary for wildlife to flourish, as well as natural resources for our economy and the beautiful setting that makes Alaska unique.

#### Measures

Where our actions impact these complex systems we must take care not to willfully disrupt the natural balance in a harmful manner. **Biodiversity (#20)** measures the number of at-risk plant and animal species within Alaska. **Wilderness (#21)** measures how well we are preserving wild habitat.

#### Progress

Biodiversity in Alaska is relatively secure. Demands on wilderness areas in the form of recreation and tourism are increasing, and reconciling this trend with existing threats from fire and pests will likely require increased management commitment and capacity.

**Objective:** High air, land and water quality will be maintained

Qualitative measures are important as a balance to quantitative measures of the natural environment. It does no good to preserve the number of freshwater lakes, for example, if pollution levels are so high as to be harmful to humans,

plants and animals.

#### Measures

**Air Quality (#22)** measures air pollution in major populated areas. **Land Quality (#23)** measures our progress on cleaning up Superfund sites, brownfields and other negative legacies of our industrial and defense related activity. Finally, **Water Quality (#24)** measures the health of the freshwater systems in Alaska that supply drinking water and salmon habitat.

#### Progress

Air and water quality are good but not improving in major population areas. Alaska still deals with a legacy of land contamination left over from defense and industrial activity of past decades, including 99 active Superfund sites of which eight are currently on the national priority list. In general air, land and water issues are insufficiently reported on by the state and it is difficult for Alaskans to stay abreast of issues and trends in environmental quality.

**Objective:** Energy and natural resource conservation will be encouraged

Conserving the resources that we use ensures they will be available in the future for us and for future generations of Alaskans.

#### Measures

**Fisheries (#25)** measures how well we manage a resource that provides half of the total fish catch in the US and almost half of the private sector jobs in Alaska. **Energy (#26)** looks at how well we are conserving energy and reaping the benefits of cost savings and reductions in harmful emissions. **Waste (#27)** examines the consequences of the trash we generate and the landfills we store it in.

#### Progress

Fisheries data show generally good news in reductions in bycatch and discards, with a 2005 study ranking Alaska's performance the best in the nation. There are specific species of concern such as rockfish, corals and sponges. Energy efficiency on a per capita basis has been relatively flat the past decade. Concerns include reliance on expensive diesel in villages, declining natural gas supplies in south-central Alaska and slow progress on renewable energy projects.

Alaskans continue to generate significantly more waste per capita than the national average while recycling less. In 2000 only a third of the 271 active landfills in Alaska had a current permit, and virtually no effort is made by the state to make landfill or solid waste generation and disposal data available to the public.

# Communities Overview

## VISION

### Alaska's communities will be safe, healthy and livable

Our communities encompass not just where we live but how we live, and how well. This section is a broad survey of the environment where we spend most of our time, and likely where we find some of our greatest satisfactions.

Our communities vary widely from the cosmopolitan streets of Anchorage to the village boardwalks of rural Alaska. One thing that all communities have in common is that the people who make up a community are by nature interdependent. The choices we make affect others in the community, and vice versa. The ongoing debate is over whether we have an appropriate balance between, as the saying goes, the right to wave your arms versus the right not to be struck in the face.

The objectives in this section are fundamentally about how we care for ourselves and for one another. They progress from the most basic human needs of safety and health to a broader measure of quality of life, livability.

Alaskan communities are generally safe and livable, but face a number of public health challenges that together undoubtedly constitute the greatest obstacle to a higher standard of living statewide.

#### Objective: Communities will be safe

Safety for ourselves and our families must be secured before we can focus on keeping ourselves healthy and improving our general quality of life.

#### Measures

**Crime (#28)** measures the frequency of crime in society using the crime index data collected by state and local law enforcement agencies and reported annually to the Federal Bureau of Investigation. **Courts (#29)** measures the timeliness, accuracy and quality of the judicial system as it deals with civil and criminal caseloads. **Corrections (#30)** measures the efficacy of efforts by the state to reduce recidivism through incarceration and rehabilitation.

#### Progress

Crime rates in Alaska closely track national trends, which is to say crime rates have been declining for the past decade. The one exception is in violent crime, which is higher than the national average. The upward trend is driven primarily by an increase in gang-related aggravated assaults in Anchorage, Alaska's largest city. Efforts by the city do not appear to be reflected in a decline in this indicator in 2005.

The Alaska Court System tracks comprehensive data about its own performance in its annual reports, but does not make these reports easily accessible by the public. Corrections efforts should focus on reducing recidivism, however it is not clear if the department tracks data on this measure.

#### Objective: Communities will be healthy

Healthy people enjoy a higher quality of life and impose fewer costs upon society. Health is affected both by environmental factors, such as toxic chemicals in drinking water, and by behavior, such as choosing to exercise, use tobacco products or wear a seatbelt. The narrative for the health measures is taken from the *Healthy Alaskans 2010* report, which is dated but still captures the important dynamics of these critical measures well.

#### Measures

**Access to Health Care (#31)** measures the ability of people to pay for health care as well as the availability of health care facilities staffed by competent professionals. **Mothers and Infants (#32)** and **Children and Teens (#33)** look at two important stages where good health is critical to future development.

**Physical Health (#34)** and **Mental Health (#35)** measure two key indicators in those categories, obesity and suicide rates respectively. **Substance Abuse (#36)** and **Risky Behavior (#37)** look at the outcomes of factors that are heavily, although not solely, influenced by behavior.

#### Progress

Alaskans continue to lag behind the nation in health insurance even with our large population of federal beneficiaries. Great strides have been made in the past few years in lowering infant mortality and teen death rates. Alaska has the lowest percentage of low-birth weight babies in the nation.

Alaskans of all ages but particularly children and teens continue to be injured and die at rates much higher than the national average, frequently from preventable causes. Alaska has an obesity problem similar to the rest of the nation, but suicide rates are chronically much higher.

Substance abuse is another chronic problem in Alaska communities, and is a leading indicator for a number of other measures of crime and health.

An important opportunity to intervene in this area is with children and teens at school. Nationally the Youth Risk Factor Behavior survey collects important data on trends among high school and middle school publications, but changes to Alaska law in 1999 make it difficult to administer the survey on a recurring basis.

## Objective: Communities will be livable

Livability is a general category of quality of life measures that make communities both viable and vibrant.

### *Measures*

Housing and Utilities (#38) measures achievement of the American dream. Social Services (#39) measures the availability of safety net programs for those struggling in their pursuit of that same dream, and Caring and Culture (#40) measures how engaged people are in their communities through volunteerism, charitable giving and cultural events. Subsistence (#41) measures how mostly rural Alaskans participate in this culturally and economically important activity.

### *Progress*

The homeownership rate in Alaska generally tracks national levels. Social service organizations are alive and well in Alaska. Depending on how statistics are collected and which types of organizations are included, data generally show Alaska ranks high or very high in the number of non-profit organizations per capita. Alaska's rank is at least partly a reflection of high levels of federal spending, particularly on health care organizations, as well as our large geography and dispersed population.

What may be a cause for concern is evidence that Alaskans self-report the eighth highest volunteering rate in the nation, but the data on charitable giving show Alaska ranking quite low. More research could clear up this anomaly.

The subsistence measure does not track progress per se, however it appears to show a mild decrease in reliance on the subsistence fisheries that tend to provide the bulk of subsistence take by weight. This could be a result of Alaska Natives urban migration: by 2020 it is estimated that 50% of Alaska Natives will live in urban areas. Nonetheless subsistence remains demonstrably a vital part of their culture and economy.

# Government Overview

## VISION

### Government in Alaska will be trusted, effective and sustainable

Federal, state, local and tribal governments in Alaska provide services not adequately or appropriately provided by the private sector. They are supported primarily by public funds in the interest of the public good.

The preceding four sections of this report all deal with measures influenced heavily by their policies. This section deals with the implementing authorities themselves, although often it is difficult to accurately assess the effects of any one level of government on any given issue.

We all benefit from the activities of government. Businesses run using public infrastructure such as roads and students learn at public schools. There is wide scope for debate about who benefits and who pays for public services.

Sustainability is an urgent issue for local governments, particularly in rural Alaska, where over the past few years costs have increased and revenues decreased, a condition made acute by the elimination of state revenue sharing in 2004. Of 133 first- and second-class cities in Alaska 13 have ceased day to day operations and perhaps half of those remaining are struggling with significant financial problems.

Although less pressing sustainability is an issue at the state level as well. Alaska's state government is currently enjoying a budget surplus due to high oil prices, but long-term fiscal sustainability and over-dependence on this sector and federal spending are major and chronic concerns.

**Objective: Government will be trusted**

The legitimacy of government begins with the trust of the people who have consented to be governed. Trust is built through accountability for results, transparency of process and fairness in the apportionment of costs and benefits.

#### Measures

The most direct way to measure the degree of trust people have in government is simply to ask them. A regular survey of **Public Opinion (#42)** is advocated to measure public trust of government in Alaska. **Voter Turnout (#43)** is a complementary measure of how engaged people are in exercising their fundamental right in a representative democracy. **Public Management (#44)** rates the stewardship of Alaska's public institutions.

#### Progress

Voters in Alaska turn out at rates consistently higher than the national average. Public opinion polls show that all Alaskans are concerned about the same general issues: jobs, education and substance abuse primarily. Alaska Natives add subsistence to that list of concerns.

**Objective: Government will be effective**

As the saying goes, effective means doing the right thing and efficient means doing the thing right. People expect government to do both, and at a reasonable cost to boot.

#### Measures

**Cost of Government (#45)** measures state government efficiency, with the understanding that costs in Alaska are typically higher than elsewhere in the US, and the acknowledgement that government provides many services where cost is an important but not necessarily the primary consideration. **Missions & Measures (#46)** measures how well state government attains its own goals.

#### Progress

Government in Alaska costs more on a per capita basis than elsewhere, to some degree because it is inherently more expensive for delivery of government services. Although outside organizations rank Alaska's government poorly it is making a significant effort to manage based on results through the Missions and Measures initiative.

**Objective: Government will be sustainable**

Sustainability is necessary to ensure that public services are not being bought at a cost that will break the bank. All three of these measures will be familiar to any family as they are universal measures of financial health.

#### Measures

**Balanced Budget (#47)** measures how well state government matches revenues to expenditures. **Net Assets (#48)** measures how wealthy we are as a state, and **Public Debt (#49)** measures the state's debt and creditworthiness.

#### Progress

Alaska has cut the state budget deeply over the past decade, however until the past year of record high oil prices it was still not enough to balance expenditures and revenues. Even if the gas pipeline and other major projects go through, the major fields and the taxes and royalties they provide to run state government are finite and in decline. The volatile nature of state finances creates economic uncertainty and discourages investment. Planning for sustainable long-term public financing has not been addressed.

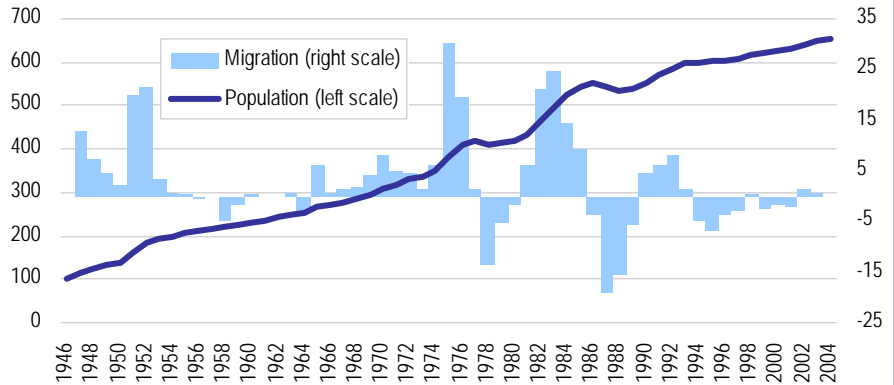
# 1. Demographics

The quantity and quality of the overall population are leading indicators in that they strongly influence other measures.

For example, a growing population will result in more demands for public services of all types.

Alaska's aging population will result in both higher demand for medical services (with more high-paying medical sector jobs) and higher state Medicaid payouts (the fastest growing item in the state budget).

**Alaska's increase in population (shown in thousands) in the last decade was due mostly to new births while young families left the state:**



Source: US Census Bureau

SOURCE: Abridged from "Alaska Population Overview: 2002-2003 Estimates" by the Alaska Department of Labor & Workforce Development, October 2006.

## Population trends

The 2004 residential population of Alaska was estimated to be 655,435, or 0.22% of the population of the U.S. Alaska in 2004 ranked 47th in population. In spite of its low population density of 1.1 persons per square mile, Alaska Population in 2000 was 65.6% urban, versus 79% in the U.S. Most Alaskans live in towns and villages or clustered settlements.

The population of Alaska was quite small before the gold rush in the 1880s. The first census in 1880 counted only 33,426 persons. The gold rush doubled the state's population between 1890 and 1900. Following the turn of the century it remained stable for the next 40 years.

World War II brought the construction of the Alcan Highway. The result was dramatic growth of the state's population. Alaska had approximately 224,000 people at the time of statehood in 1959. The building of the 800-mile trans-Alaska oil pipeline dramatically affected population growth in the 1970s. At the completion of pipeline construction, the boom was followed by a recession during 1977-80.

Between 1980 and 1985 Alaska experienced its largest economic boom. Alaska's population grew by a phenomenal 25% in five years, making it the most rapidly growing state in the nation. From 1985-89 Alaska experienced a recession similar to that of 1977-80 but more severe, as a result

of falling oil prices combined with declining oil production.

## Births, deaths & migration

Between 1990-2000 the state's population continued to increase. Since 1993 it has been natural population increase, or more births than deaths, that has provided the major stimulus for growth. Alaska still has one of the highest rates of natural increase in the nation, but as in the nation as a whole birth rates are currently falling.

Because of the substantial declines in military and dependent population due to base closures and reorganizations during the mid 1990s Alaska experienced a protracted period of net out-migration. The military movements were large enough to offset any civilian immigration during this period. During the late 1990's

the extremely good economic opportunities in the states which have traditionally provided most of Alaska's migrants, combined with Alaska's lack of growth in income and the continued high cost of living, dampened in-migration to the state relative to levels seen in the early 1980s and 1990s.

With the national economic downturn of 1999 most movement nationwide declined. With the decline in opportunities in Alaska's feeder states, in-migration became positive for the first time in 2001-2002 accounting for a modest growth equaling about half of our natural increase in that year. Net migration has since fallen to roughly zero for 2003-2004.

## Alaska 20/20 notes

Possible upgrades include mapping demographic trends to social, economic and environmental measures.

**Alaska's population in 2000 was 65.6% urban, versus 79% in the US.**

## More information

Alaska Bureau of Vital Statistics: [www.hss.state.ak.us/dph/bvs/default.htm](http://www.hss.state.ak.us/dph/bvs/default.htm)  
 Alaska Department of Labor & Workforce Development: [www.almis.labor.state.ak.us](http://www.almis.labor.state.ak.us)  
 US Census Bureau: [www.census.gov](http://www.census.gov)

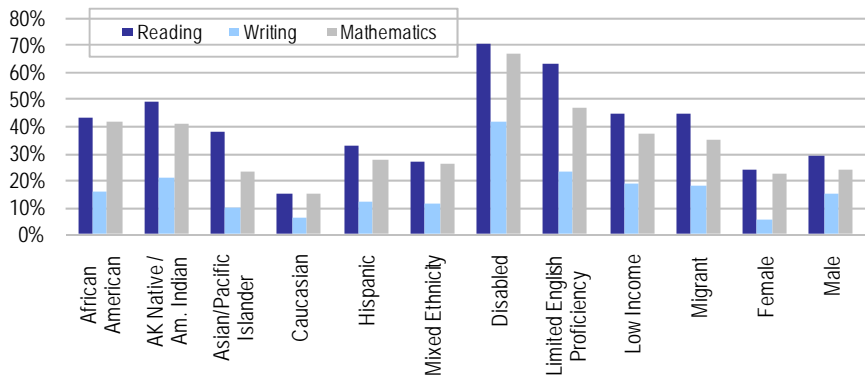
# 2. Disparities

Quality of life is not equal for all Alaskans. This is often normal and no cause for concern, however some disparities are severe, recurring and disproportionately affect specific groups of Alaskans.

These inequalities can challenge our society's core values of justice, fairness, and equity.

The complex nature of the causes of these conditions can defy easy solutions, but the social and economic costs of not addressing them may be much higher.

**Academic performance strongly predicts positive outcomes later in life, yet Alaska's High School Graduation Qualification Exam results vary widely between groups. Percentage of tenth graders who failed in 2006:**



Source: Alaska Department of Education

Abridged from "Status of Alaska Natives," Institute of Social and Economic Research, May 2004.

## Status of Alaska Natives

The story since 1990 for Alaska Natives is a mixed one. They gained thousands of new jobs and improved their incomes, as they have every decade since 1960. Native women in particular continued to move into the work force. But the gains in the 1990s were smaller, and thousands of Natives who wanted jobs couldn't find them. The modest income gains were not in wages but mostly in transfer payments, including the state Permanent Fund dividend.

Native incomes on average remain just over half those of other Alaskans, and Natives are still about a third less likely to have jobs. Native households are three times more likely to be poor; poverty is especially high among households headed by women. These economic problems are all worse for Natives in remote rural villages. Subsistence hunting and fishing continue to be crucial not only for cultural but also for economic reasons.

Basic housing, sanitation, and health care in Native villages also continued to improve in the past decade. With better living conditions and improved access to health care, more Native babies are surviving and Native people are living longer. Hepatitis and other illnesses linked to poor sanitation have dwindled.

But the effects of the modern American diet and way of living are becoming more apparent among Native people, who

now die from heart disease and cancer at higher rates than other Alaskans. Climbing rates of diabetes are a growing worry for doctors and the Native community.

Natives are also more likely to smoke, although rates among Native teenagers are dropping. Natives continue to die by accident, suicide, or homicide much more often than other Alaskans. But rates of accidental death are down significantly.

Widespread alcohol abuse continues to fuel high rates of Fetal Alcohol Spectrum Disorder, child abuse, domestic violence, and other crimes. But Native communities are fighting back, with two thirds imposing some local controls on alcohol. More Natives also entered alcohol-treatment programs

## The story since 1990 for Alaska Natives is a mixed one.

in the 1990s.

More Alaska Natives are graduating from high school and going on to college, especially women. But Native students are also more apt to drop out of school, and many fail standard tests. Native students' knowledge of their own cultures and languages is also an important gauge of education, but we currently have no way to measure such knowledge.

## Alaska 20/20 notes

The urban/rural divide is a real and contentious issue for Alaskans. Possible upgrades include showing data for all measures by geographic and demographic variables.

In 2004 Alaska had the most equally distributed income in the nation as measured by the Gini Coefficient.

## More information

Alaska Department of Education & Early Development: [www.eed.state.ak.us/tls/assessment/results.html](http://www.eed.state.ak.us/tls/assessment/results.html)  
 First Alaskans Institute: [www.firstalaskans.org](http://www.firstalaskans.org)  
 Institute of Social & Economic Research: [www.iser.uaa.alaska.edu](http://www.iser.uaa.alaska.edu)