



# ALASKA MUNICIPAL LEAGUE

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Member of the National League of Cities and the National Association of Counties

January 19, 2024

The Honorable Craig Johnson, Chair  
The Honorable Cathy Tilton, Vice Chair  
House Rules Committee

RE: SB 140

Dear Chair Johnson and Vice Chair Tilton:

The Alaska Municipal League (AML) is a voluntary statewide membership association comprised of Alaska's 165 cities and boroughs. Our mission is to strengthen local governments, and our members include the 34 municipalities with school districts. For local governments with education powers, education is by far the largest budget item.

AML members have placed a priority on addressing adequate education funding, and commend the Committee and Legislature for early efforts this legislative session to resolve this issue. We have included in this written testimony two Resolutions adopted by AML members, which outline specific interests that are related to and intersect with SB140.

AML members supports statutory increase to the BSA, which will eliminate the yearly budget uncertainty. In fact, AML members passed resolution 2023-12 supporting this action. This resolution also calls on the legislature to inflation-proof the BSA to further reduce the need to take up this issue.

AML expresses some concern about the provisions in the bill that would allow the State Board of Education to authorize new charter schools, taking away control from local school districts. Local control remains a principle and priority for AML. It could be that where there's a municipal school district, a community's taxpayers would be obligated to fund a charter school established under this provision without having had any say in its creation.

We support amendments to the bill that would address the school construction and major maintenance needs faced by our members across the state. The moratorium on school bond debt reimbursement has not eliminated the responsibility of the State to maintain a public education system, rather it has pushed school construction costs into the future. AML resolution 2020-07 calls for careful and deliberate reform of State support of school construction and maintenance.

Sincerely,

Nils Andreassen  
Executive Director

## ALASKA MUNICIPAL LEAGUE ADOPTED RESOLUTIONS

### Resolution #2023-12

#### **A resolution requesting that the State increase and inflation-proof the BSA and implement a more equitable local funding mechanism than the required local contribution.**

WHEREAS, it is the State's constitutional obligation to establish and maintain a system of public schools; and

WHEREAS, the State currently provides only 64% of education funding, while local government contributions and local impact aid make up the remainder; and

WHEREAS, as part of the funding formula designed by the State, a minimum local contribution of 2.65 mils (or equivalent) is required; and

WHEREAS, federal Impact Aid is intended to be distributed directly to school districts impacted by federal lands and activities, and to supplement local budgets; and

WHEREAS, education is by far the largest budget item for those local governments with education powers, and is required of all boroughs, and home rule and first class cities in the Unorganized Borough; and

WHEREAS, increasing local contributions to keep pace with rising costs means trade-offs for each local government, including increasing taxes and decreased spending on other essential programs, such as public safety and infrastructure; and

WHEREAS, the State's fiscal challenges increase the potential for additional costs to fall on boroughs, and home rule or first class cities in the Unorganized Borough; and

WHEREAS, instead of shifting the cost of education – and the State's responsibilities – to local governments, the State should give greater flexibility to local governments to give as they are able, while the State simultaneously ensures adequate levels of funding, and

WHEREAS, the State has not increased the BSA corresponding to higher costs and inflation.

NOW, THEREFORE BE IT RESOLVED that AML requests the State raise and inflation proof the BSA; and

BE IT FURTHER RESOLVED, that AML encourages the State to pursue a more equitable and inclusive means of funding education than is currently raised through the required local contribution.

Adopted by the majority of AML members at the Annual Business Meeting, December 9, 2022.

**STRENGTHENING LOCAL GOVERNMENTS**

## ALASKA MUNICIPAL LEAGUE ADOPTED RESOLUTIONS

### Resolution #2020-07

#### **A resolution supporting full payment of currently obligated school bond debt reimbursement; opposing an extension to the school bond debt reimbursement moratorium; and supporting a careful and deliberate reform of State support of school construction and maintenance.**

WHEREAS, 34 local governments have education powers and corresponding funding responsibilities; and WHEREAS, the majority of these own and maintain school buildings and have participated in the school bond debt reimbursement program over its history; and

WHEREAS, the school bond debt reimbursement program provides a useful way in which municipal school districts can avoid competing with REAA school districts for limited State funding; and

WHEREAS, while in the issuance of the bond by a local government the State maintains the option to reimburse only upon appropriation, the history of the program has provided no indication to local governments that the State would not appropriate its share; and

WHEREAS, the vetoes by 25% of the FY17 reimbursement, 50% of the FY20 reimbursement, and 100% of the FY21 reimbursement directly resulted in higher property taxes, spending down of reserves, and additional cost-cutting at the local level; and

WHEREAS, there remains more than \$722 million in bond debt remaining (2023), with that debt to be retired over between one and nineteen years; and

WHEREAS, it is unacceptable to pass those State debts back to local governments and to additionally burden local residents with the costs of the State's obligation; and

WHEREAS, even as past school bond debt must be reimbursed, a moratorium on the program is increasingly pushing the costs of school construction to future years; and

WHEREAS, local governments have few options but to try and bond for projects where they can, or to apply to the State's school construction grant program, where they may displace the needs of REAAs; and

WHEREAS, the State's six year plan accounts for \$1.4 billion in maintenance needs (2023), does not account for new school construction costs, and local governments will need to be part of the structural changes necessary in how the State fulfills its Constitutional obligation to maintain a system of public education, including how to fund school construction and maintenance.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League supports full payment of currently obligated school bond debt reimbursement; opposes an extension to the school bond debt reimbursement moratorium; and supports a careful and deliberate reform of State support of school construction and maintenance.

Updated December 2023.

Adopted by the majority of AML members at the Annual Business Meeting, November 22, 2019.

**From:** [Christopher Brown](#)  
**To:** [House Rules](#)  
**Subject:** SB 140  
**Date:** Friday, January 19, 2024 9:22:25 AM

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Greetings,

I am writing to weigh in on SB 140. To begin, I am excited to see that education funding is being addressed early in this session. We have gone too long without a meaningful increase in the BSA, and inflation has decimated the present levels of funding that schools receive.

That being said, cutting that increase from \$680 to \$300 is unacceptable. At the same time, taking local control away from local school boards in regards to charter schools is a major overreach.

This new version of SB 140 is simply unacceptable.

Respectfully,

Christopher Brown  
Homer, AK

**From:** [Joan](#)  
**To:** [House Rules](#)  
**Subject:** SB140 testimony for public record  
**Date:** Friday, January 19, 2024 9:52:48 AM

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Legislators: I am very disturbed about the proposed reduction to education funding. If we want to attract and retain excellent Alaskan citizens, few things are more important than being able to show that our public schools are top notch. We read constantly that statistically speaking, quality of education affects property values and is a major consideration as to where people want to live.

To say nothing about our society's duty to educate our children who are our future leaders and citizens.

I also oppose changing the way charter schools are authorized. This should be a *local* process, not controlled state wide. Each community is different. The process is working fine now. Don't change it.

Thank you, Joan Clover

**From:** [Christy Everett](#)  
**To:** [House Rules](#)  
**Subject:** SB 140 testimony for public record  
**Date:** Friday, January 19, 2024 2:36:45 PM

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Members of the House Rules Committee:

I am testifying as a mother, grandmother and Alaskan voter for more than 36 years. SB 140 is a seriously flawed bill as currently written.

- The proposed \$300 increase in the BSA is much too small to provide sufficient funding to educate our state's youth. An increase of at least \$1200 is necessary to bring the BSA back to the buying power it had in 2017. Class sizes are much too large in our urban schools, and all our schools are suffering from lack of maintenance and technology. Investment in education is critical to the future of our state. We cannot develop, keep or attract educated professionals without a fully funded excellent education system.
- The appointed (not elected) State Board of Education should not have the authority to authorize charter schools. Local elected school boards understand the needs of their communities and are responsible to those communities. In addition, funding may not be available to support state-authorized charter schools, creating unfunded mandates.
- Although teacher retention bonuses seem like a good idea, putting these funds toward an increase in the BSA allows local school districts to address local issues like class size, instructional support and other issues that may affect teacher retention more than salary.

I do support the provisions of this bill that increase support for deaf and hard of hearing students, increase funding for transportation, and provide funding to increase internet speeds. However, I strongly believe that the most important thing this Legislature can do to improve public education in Alaska is to permanently increase the BSA by a minimum of \$1200, and inflation-proof it for the future. I urge you to reject SB 140 as currently written.

Sincerely,

Christine Everett  
2308 Robinson Circle, North Pole, AK 99705  
907-460-0941

**From:** [Faithflerchinger](#)  
**To:** [House Rules](#)  
**Subject:** BSA  
**Date:** Friday, January 19, 2024 2:24:26 PM

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Please DO NOT raise the bsa. Why are we giving the schools more money for a job not done well.  
Very little of the actual money would go to the kids. My family teach and we see so much waste and misuse in the administration and central offices. No thanks!  
Sent from my iPhone

**From:** [Gerard Garland](#)  
**To:** [House Rules](#)  
**Subject:** Fund the Schools. please.  
**Date:** Friday, January 19, 2024 8:10:21 AM

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When I came to Alaska in 1963 to teach mathematics at Alaska Methodist University, Alaska had a \$10/year school tax and a state income tax. We funded the schools and were proud to do so.

Please restore the funding vetoed by Governor Dunleavy.

Please do not turn our schools into profit-making enterprises (charter schools).

Please bring back a STATE INCOME TAX.

Please respect our teachers and students by adequately funding our schools.

Respectfully,

Gerard Garland  
Homer

**From:** [Lori Grassgreen](#)  
**To:** [House Rules](#)  
**Subject:** SB140  
**Date:** Thursday, January 18, 2024 9:41:35 AM

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## To House Rules Committee Members

As elected officials, I know you are committed to serving our communities across Alaska. As you know the majority of our students rely on Alaska's public school system. Working across the state of Alaska I have been able to see how our public schools have been neglected and how our students' learning and the workforce development in our communities has been adversely impacted.

We are seeing the slight cracks from underfunding really transform into gaping holes. Our schools are now in crisis and our communities are being harmed by the underinvestment in our people. We see the impact of this in our inability to hire educators, in the opportunities available to student learners, and the way that we have such an underprepared workforce.

Inflation and the increased needs that our communities have had over the past few years we really need to increase the base student allocation. The education, civil rights, and general consensus in the state is that the BSA increase needs to be increased to \$1,400. This increase is merely keeping pace with inflation and allowing students to have a quality education and the opportunities that they deserve per the Alaska constitution.

Talking to students across the state in villages, hub communities and our large centers they have shared their biggest concerns in their school and funding is one of them. They state how they are not able to have teachers stay in their schools for long and how the programs that make them the most interested in attending schools are being cut. They see how burned out the staff in their school are and know that this takes away from relationship building and instruction time.

They ask what will help their schools get better. We know that a competitive retirement program that has defined benefits and defined contributions will make a more robust educator pool.

Please do better by our students and invest in both our students and the workforce of our community.

Lori Grassgreen  
Writing as a private citizen.  
Juneau, Alaska 99801

**From:** [Sandra Hartlieb](#)  
**To:** [House Rules](#)  
**Subject:** Public Testimony  
**Date:** Friday, January 19, 2024 9:55:22 AM

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The governor is attempting to continue his campaign against public school funding in Alaska. He insists he is an "education governor". He is not supporting public schools, rather "charter" schools over which he wants total control. Ridiculous. The agency charged with controlling subject matter, hiring teachers, etc should be the Department of Education and local school boards. Alaska needs educators not politicians setting standards.

The BSA MUST be increased appropriately to prepare our young people to take positions of authority in the future of Alaska.

Sandra Hartlieb

Anchorage

**From:** [Susan Heuer](#)  
**To:** [House Rules](#)  
**Subject:** SB 140 testimony for public record  
**Date:** Friday, January 19, 2024 1:16:18 PM

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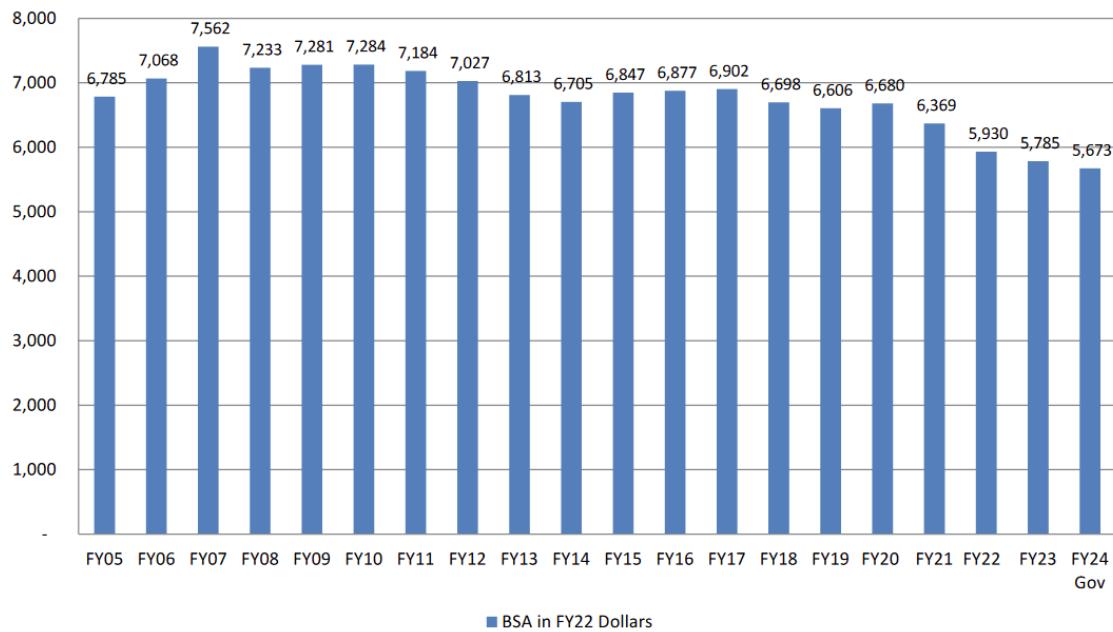
Please support the bill to raise the Base Student Allocation to \$680 or more. Our schools are in a desperate situation and need more funding per student. Please prioritize this request and recognize that the success or failure of our educational system ripples to affect the future and welfare of the entire state. Families are leaving because the school system is so overwhelmed and they don't want their children in classes of 30+ students. A vibrant educational system should be a top priority for our legislative body - Alaska ranks near the bottom nationally. Please approve the funding to start to correct this!

From: [Peter Hoepfner](#)  
To: [House Rules](#)  
Subject: Sb 140, and portion about increasing BSA, supporting increased funding for education  
Date: Friday, January 19, 2024 2:16:52 PM  
Attachments: [image0.png](#)

To the House Rules Committee,  
Thank you for allowing for testimony and support of the portion of SB 140 about funding of education.  
Public education in Alaska has been held at such a low point, it actually hurts. Schools cannot find teachers to come to Alaska... and this is a crisis that has been in the making for some time... and it is upon our doorstep..  
I just do not understand why the state of Alaska wants to terminate, by defunding, public education.

We can all see where the importance of public education lies at the state capitol, just by looking at the funding, and seeing the collapse of public education in Alaska from this graph.  
Schools have cut and cut and cut, no librarians, no schools nurses, no reading specialists... we cannot even hire aides at our schools, as the local grocery stores pay more.  
Thank you for your consideration in funding Alaskans public education system.

## Base Student Allocation History (FY22 dollars)



Legislative Finance Division

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Also, I am concerned that the Alaska State Board Of Education (SBOE) is trying to eliminate "local control" by schools boards and assuming the power to approve of charter schools, whether they want charter schools or not.... And then moving to violate the state constitution by allowing public funding of secular schools... that push a certain religious point of view... really concerning that the state government, and an appointed politically biased group wants to further change state regulations...

Again, thank you for your time in supporting public education for ALASKANS CHILDREN!!  
Alaskans children are something worth investing in, as they are the future of Alaska.

Peter Hoepfner  
Cordova School District  
Long term SB member  
Thumbed in from my iPhone

**From:** [Elspeth Ishaya](#)  
**To:** [House Rules](#)  
**Subject:** SB 140 testimony for public record  
**Date:** Friday, January 19, 2024 4:58:05 PM

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To Alaska's Representatives,

Please raise the BSA by \$1,400 to keep up with inflation and keep our public schools in tact. My husband and I are both lifelong Alaskans. Our parents live here, we are raising our young kids here, and we run a family business building and renovating homes and apartments. We are invested here and would hate to leave Alaska but are seriously considering moving if Alaska doesn't sufficiently fund public education. Our six year old son is special needs, being both very bright and having Tourettes disorder. Kids like him with special needs are some of the first to have trouble coping as class sizes rise, paraprofessionals are let go, and schools are stressed. Kids like him are often not accepted by private schools and can be difficult to homeschool. Please fund education so we can stay in AK and continue to care for our parents, raise our kids, and build Alaska's homes.

Sincerely,  
Ellie Ishaya and Rama Ishaya

**From:** [Ruth McHenry](#)  
**To:** [House Rules](#)  
**Subject:** SB140 testimony for public record  
**Date:** Friday, January 19, 2024 9:09:36 AM

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Dear House Rules Committee members,

I fully support increased BSA funding of at least \$680 for all our public schools. I urge you to move legislation that would do that.

When I went to school in Haines (1951 to 1963), our public school, and Alaska's public schools in general, had a very fine reputation. We noticed how students who came up from other states often struggled to catch up. When I moved to Kenny Lake, in the Copper River Basin, in the late 1980s, the Kenny Lake Public School was in good shape, too. For the past decade or so, it has struggled. Each elementary school teacher teaches multiple grades, and there are only two middle school/high school teachers.

We rely on *well-educated* youth to grow into good citizens, responsible community members, and wise leaders. Your support for education funding is critical for Alaska's future.

Sincerely,  
Ruth McHenry

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Ruth McHenry  
HC60 Box 306T  
Copper Center, AK 99573  
907-822-3644



January 19, 2024

Representative Craig Johnson  
Chair, House Rules Committee  
State Capitol Room 216  
Juneau AK, 99801

Dear Representative Johnson and members of the House Rules Committee:

I am writing today on behalf of NEA-Alaska's 10,000+ members to oppose the changes introduced in House Rules Committee Substitute for Senate Bill 140 version D.

As you have undoubtedly heard from countless parents and educators, our public schools in Alaska are in crisis. Last year, the Alaska School Boards Association (AASB) passed a resolution seeking no less than an \$860 increase in the Base Student Allocation (BSA). This year AASB passed an updated resolution seeking an increase of \$1,413 to the BSA. According to the Legislative Finance Division, in 2023 the BSA is the "lowest it's been in 20 years, when adjusted for inflation," and would need to increase by \$1,348 to match the peak buying power of 2015.

Our members have always considered the \$680 increase to the BSA an inadequate compromise and the absolute minimum that could allow school districts to limp along. Please restore the increase to the BSA to at least \$680 and consider inflation proofing the foundation formula so we can move past the annual political fights that do nothing to help our students succeed.

Next, we urge you to remove the provisions related to the State Board of Education authorizing charter schools. This flies in the face of Alaska's longstanding principles of local control and seems to require local districts to operate any authorized charter school. The administration has been celebrating the success of our charter schools and this is a disruption of the way our charter schools have been approved and operated since the 1990's. Furthermore, this provision has not been vetted by any standing education policy or finance committee.

While we appreciate the Governor's acknowledgment that teachers need increased pay, this hasty approach fails to address the systemic challenges that persist in retaining educators who support our public schools but may not be classroom teachers. From administrators to guidance counselors, to para-professionals, every person who works in

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public education is feeling the pinch. Any educator will tell you that our support staff are critical to the success of our students, and they are experiencing the highest turnover and earn the lowest wages. We urge you to broaden these bonuses to include all the hard-working staff supporting our students. Additionally, if these bonuses are not coupled with an adequate increase in the BSA, of at least \$680, we will continue to see our districts struggle to provide adequate services to our students and families.

SB 140 has morphed from a bipartisan consensus on investing in students into an unrecognizable omnibus bill that creates more problems for our public schools than it solves. The provisions added by the House Rules Committee deserve to be evaluated by education committees, amended, and presented to Alaskans for robust review and public testimony.

Respectfully,

Tom Klaameyer, President, NEA-Alaska

**From:** [Rick Onorato](#)  
**To:** [House Rules](#)  
**Subject:** SB140 testimony for public record  
**Date:** Friday, January 19, 2024 10:07:00 AM

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Legislators: I am very disturbed about the proposed reduction to education funding. Educational funding has been starved over the past years. Teachers I cannot be retained under the current system being developed. When I was a teacher (1979-2005) our district was supported financially and teachers planned on staying in AK. Presently, teachers are leaving in droves due to non-competitive salaries. We desire to have our public schools top notch. Quality of education is good for the state and communities.

I also oppose changing the charter schools authorization process from local control to governor's office selection. Alaska is heading in the wrong direction. Classroom size, stability and retention of teachers and administrators, and parental involvement are key issues; none are being met with the current proposal. Please listen to your constituents and not special interest parties.

Thank you, Richard Onorato

**From:** [Tina Seaton](#)  
**To:** [House Rules](#)  
**Subject:** SB140 Testimony  
**Date:** Friday, January 19, 2024 10:55:53 AM

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Dear Representatives,

I am adamantly opposed to the current amendments in SB140. Cutting the minimum needed BSA to 300 is again cutting our education system off at the knees - too little, too late, and barely enough to survive! We do not want our children to barely survive their education! That will cost us the innovators, makers and entrepreneurs that will build our state in the future. Teachers should know they are being compensated fairly for their work through a dependable BSA, not just hoping for a one time bonus!

Charter school considerations and decisions should be handled at the local level where the parents and students involved can be the decision makers.

Thank you for your consideration,

Tina Seaton

Homer, AK

**From:** [Sherry Stead](#)  
**To:** [House Rules](#)  
**Subject:** Schools  
**Date:** Friday, January 19, 2024 3:40:59 PM

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Please fully fund schools. Our children are our future. Keeping teachers are a good and beneficial way to keep Alaska healthy and moving forward.  
Investing today pays way more in our future than saving money today and short changing our State.  
Sherry Stead  
Homer Ak

**From:** [Anne Stone](#)  
**To:** [House Rules](#)  
**Subject:** SB140 testimony for public record  
**Date:** Friday, January 19, 2024 1:45:18 PM

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I SUPPORT INCREASING THE BSA BY AT LEAST \$680 PER STUDENT.

It is time to SUPPORT PUBLIC SCHOOLS.

Anne Stone, Anchorage  
2024 Shepherdia Dr., 99508