



February 26, 2025

Chair Tobin, and Co-Chairs Himschoot and Story

Thank you for the opportunity to present last week at a joint meeting of the Senate and House Education Committee. I wanted to follow up on questions and comments from Committee members, which I hope are helpful.

Unfunded Mandates – We have attached a review of State statutes, which identifies what could be considered unfunded mandates. All that means is that these are obligations of school districts that don't have specific funding tied to them. It does not mean that we have a position on these requirements, or that they shouldn't be there, necessarily. Instead, it's worth the Legislature thinking about each of these obligations and the cost to deliver them, and how does that affect resources available to support educational attainment. Here are questions that could be asked:

- Is it needed? How is it paid for?
- Could it be delivered differently?
- Does it happen at each school, or at the district level?
- How many FTE in each district is required?
- Is there a way for DEED to otherwise offset these responsibilities?
- What are the trade-offs? What does it come at the expense of?

Rep. Himschoot – You asked about whether O&M costs within school district budgets included costs like energy and insurance. Activities of keeping buildings open and ready for use, equipment in an effective state of repair and grounds keeping. This includes the director/coordinator/manager of operations, janitors, and custodial staff. Examples of the types of expenditures to include are salaries, employee benefits, utilities, energy, building rental expenses, property and vehicle insurance and custodial and maintenance supplies. I think we said this is more than half of the less than 25% of district budgets that are non-instructional.

Rep. Schwanke – You asked early on about how State spending had occurred on a longer time horizon. I would recommend asking Legislative Finance about this. They produced this Citizen's Guide to K-12 that might be helpful - <https://www.legfin.akleg.gov/InformationalPapers/23-8CitizensGuideToK12.pdf>. I believe it was pointed out that while the total state contribution increased by 80% between FY 04 to FY17, inflation increased by 90% during that same period.

At the same time, thank you for highlighting the need for new revenues to address the funding challenges experienced by school districts. While we're not in a position to be responsible for the State's budget decisions, I will offer that a lot has been done this last decade to identify options. Here are a few resources to draw your attention to:

- Here is a distributional analysis of potential revenue options proposed by the previous administration - <https://itep.org/distributional-analyses-of-revenue-options-for-alaska/>. They examined the impact of PFD reductions, personal income tax, scaling back oil and gas tax credits, increasing motor fuel taxes, increasing taxes on alcoholic beverages, increasing taxes on cigarettes,

increasing taxes on fisheries, increasing the commercial vessel passenger excise tax, and increasing mining license tax.

- The Indirect Expenditures Report - <https://tax.alaska.gov/programs/programs/reports/Annual/Econ/IEReport.aspx?Year=2024#section42> – identifies state law that results in foregone revenue. This 2024 report contains 246 indirect expenditures from 12 state departments and agencies, with total revenue impacts of approximately \$1.56 billion in fiscal year (FY) 2022 and at least \$1.65 billion in FY 2023.
- Of course, Department of Revenue also produces an annual report of Revenue Sources - <https://tax.alaska.gov/programs/programs/reports/AnnualReport.aspx?Year=2024>. This might be a good resource to identify where increases could be contemplated.
- In 2021, the fiscal policy working group also produced a report, which identified components of a plan and argued for a multi-faceted approach. Here is a summary - https://akleg.gov/docs/pdf/2021_Fiscal_Policy_Working_Group-Final_Report.pdf.
- This is dated, at this point, but AML had worked on this a few years back and it might be helpful to understand how we had been thinking about it - <https://akfiscalfutures.com/fiscal-paths-and-priorities/>. It does not necessarily reflect our current position, but is also not so inconsistent with what others have found over the years. Ultimately, we'll need an all-in approach.

Rep. Story and Sen. Bjorkman – I think you both pointed to some kind of accountability measures being needed. There is clearly a lot of reporting that is already required of school districts by State law, which is delivered to DEED, from what I can tell. AML encourages the State to develop a series of Key Performance Indicators, which the Legislature could use to evaluate progress over time. Accountability has to be better defined in order for it to be meaningful. It could include test scores, but also progress, teacher-student ratio, facility maintenance, teacher retention and longevity, available support services, extracurricular activities, afterschool programs, online access, etc. Develop a process that identifies your objectives, the metrics you'll use to measure them, milestones so that you can track them over time, and outcomes that correspond to how you'll make investments in the future. AML has thought about this in terms of a logic model, which accounts for both short- and long-term progress.

Sen. Kiehl – You brought up the potential impact of DEED regulations related to the local contribution, which may affect how hard the cap is. Unfortunately, the Department has not contacted AML about its proposal and so we haven't had a chance to review upcoming proposals. There are a few components to this that I think are worth commenting on. First, if the State's funding had kept up with inflation or better addressed adequacy, what local governments contribute would be less of an issue. The diminishing size of the pie and the natural increases of local contributions plus those that are being used to fill the gap in State funding contribute to an outsized impact experienced within the disparity test. Second, ultimately we believe that local governments should be able to contribute to the extent they are able to meet the needs of their communities. These needs aren't necessarily related to public education, but go beyond to keep communities whole. We would want to assess how these contributions are meant to address inequity and vulnerabilities within the community, an ability that should not be diminished to offset the State's inadequacy in addressing the needs elsewhere.



For the Committee – I mentioned the challenges related to school construction and major maintenance, noting the effects of the moratorium on school bond debt reimbursement. I won't go through those numbers again, but AML has been advocating for two things. A Base Facilities Allocation might go some way to split out non-instructional costs related to maintenance and asset management that would strengthen the ability of districts to meet the expectations of the State. At the same time, combining the basic components of the school construction and major maintenance program and school bond debt reimbursement program is worth exploring. The State has a viable way to evaluate and prioritize projects but needs a more complete inventory of need. The programs have effective match components in place, which leverage state and local contributions. Where there are limitations, they are related to the tools at our disposal. The Legislature could consider utilizing more tools and in combination – grants, match, local debt, and state debt. Developing a pathway to constructing an effective capital stack to support the infrastructure deficit is a new way of thinking about these programs, and not a zero sum approach.

Finally, to augment the record, please find below the requested first verse of Destiny Child's 1999 "Bills, Bills, Bills" -

At first we started out real cool
Taking me places I ain't never been
But now, you're getting comfortable
Ain't doing those things you did no more
You're slowly making me pay for things
Your money should be handling

List of Public School Mandates

General & Day-to-Day Operations

- **Compensation & Control.** The school board must compensate and control all school employees and administrative officers.¹
- **Custodial Services and Routine Maintenance.** The school board is required to provide custodial services and routine maintenance for school buildings.²
- **Rehabilitation, Construction, and Major Repairs.** The Borough Assembly is required to provide for all major rehabilitation, construction, and major repair of school buildings.³
 - The State of Alaska School Construction Debt Program has historically allowed incorporated cities, boroughs, and municipalities to take advantage of AS 14.11.100, *State aid for cost of school construction debt*, and receive a reimbursed percentage of approved bond principal and interest payments. But recent State budget cuts have resulted in significant cuts to bond debt reimbursement, leaving municipalities struggling to find revenue to fill the funding gap for required bond payments.⁴
- **Special Education Services.** School districts are required to provide special education services for students requiring such services that reside within the district.⁵
 - Districts are also required to conduct an educational evaluation on students with disabilities at the time of initial placement in a special education program and at least once every three years thereafter.⁶
 - Districts must ensure that children with disabilities are educated with children without disabilities to the maximum extent appropriate.⁷
 - Districts must create individualized education plans for each child receiving special education services within 30 days of the determination of the child's eligibility for special education services.⁸ A school district must provide extended school year services to children eligible for special education services if it is necessary to provide a free

¹ AS § 14.14.060. Boroughs and school boards, or municipalities and school boards, may divide these duties differently among themselves by agreement.

² AS § 14.14.060. Boroughs and school boards, or municipalities and school boards, may divide these duties differently among themselves by agreement.

³ AS § 14.14.060. Boroughs and school boards, or municipalities and school boards, may divide these duties differently among themselves by agreement.

⁴ For example, see <https://khns.org/governor-vetoes-state-funding-for-school-bond-reimbursements>; <https://www.alaskapublic.org/2019/04/11/an-end-to-school-bond-debt-reimbursement-could-hike-local-property-taxes/>.

⁵ AS § 14.30.186; see also 4 AAC 52.090 (special education program administration is district's responsibility); 4 AAC 52.100 (district's responsibility to identify children with disabilities).

⁶ AS § 14.30.191(b); 4 AAC 52.120 (evaluation requirements); 4 AAC 52.115 (timeliness of evaluations); 4 AAC 52.125 (eligibility process); 4 AAC 52.180 (reevaluation).

⁷ AS § 14.30.276; 4 AAC 52.170.

⁸ AS § 14.30.278; 4 AAC 52.140; 4 AAC 52.145 (transition services must be accounted for in the individual education plan); 4 AAC 52.148 (assistive technology must be provided if necessary for the child to receive a free appropriate public education).

appropriate public education.⁹ If a district is not able to provide special education services to a student such that the student needs to be transferred to receive services in another district, the district in which the student resides in is responsible for paying for all costs associated with the transfer to the new district.¹⁰ The Department of Education may provide financial assistance, although it is not required.¹¹ If a child's bodily, mental, or emotional condition does not permit them to attend a school and the parents do not choose to provide home school services, the district is required to provide the child with special education services at home or the medical treatment facility.¹² Federal and/or State funding is available for students requiring special education services that meet certain criteria.¹³

- **Tenured Employment of Teachers.** School districts are required to give tenured status, meaning continuous employment and preferred status in the event of layoffs, to teachers that meet certain qualifications under State law.¹⁴

Reports to State Agencies

- **Alaska Military Youth Academy.** School districts must compile and send a list of students who are between the ages 15 and 19, was enrolled but is no longer enrolled in a school in the district, has not provided transfer or graduation information to the district, and did not receive a high school diploma or GED from the district to the Director of the Alaska Military Youth Academy.¹⁵
- **Alaska Performance Scholarship Report.** Districts are required to determine and report the list of students eligible for the Alaska Performance Scholarship.¹⁶
- **Annual Audits.** School boards are required to hire a public accountant to perform an annual audit for all school accounts each year.¹⁷
- **Disciplinary Reports.** School districts must determine and report the total number of incidents involving the restraint or seclusion of a student to the Department of Education annually.¹⁸
- **Planning Report.** School districts are required to file a report with the Department of Education annually that establishes the district's goals, plans for achieving those goals, and methods of measuring success.¹⁹
- **Improvement Report.** School districts that receive a low performance designation from the

⁹ 4 AAC 52.144.

¹⁰ AS § 14.30.285(b); 4 AAC 52.150 (transfer priority).

¹¹ AS § 14.30.285(b)(2).

¹² AS § 14.30.340.

¹³ 4 AAC 52.710 (referencing 20 U.S.C. §§ 1411-1413); 4 AAC 52.700.

¹⁴ AS § 14.20.155; AS 14.20.177.

¹⁵ AS § 14.30.745(a).

¹⁶ 4 AAC 43.010.

¹⁷ AS § 14.14.050; see also 4 AAC 06.120 (school district's procedures must comport with accounting and auditing techniques); 4 AAC 06.121 (audit requirements).

¹⁸ AS § 14.33.125(f); 4 AAC 06.175.

¹⁹ AS § 14.03.120; 4 AAC 06.895.

Department of Education are required to prepare and submit an improvement plan that was created with “maximum feasible public participation of the community.”²⁰

- **Safe Schools Report.** All schools are required to provide the Department of Education with a report regarding school safety annually.²¹ School districts that are determined to be at-risk by the Department are required to prepare a report regarding the safety infractions and a plan toward creating a safer school.²²
- **Student Count Estimates.** School districts are required to prepare and submit an estimate of its average daily membership and other student count data.²³
- **Surrogate Parents.** Districts are required to develop written procedures for the identification of children who are entitled to the appointment of a surrogate parent.²⁴
- **Teacher Evaluations Reports.** School districts are required to submit a report to the Department of Education containing the names of teachers, administrators, and providers and their evaluation results.²⁵
- **Transportation Reports.** School districts must submit annual and quarterly reports to the Department of Education.²⁶
- **Qualification Statements.** School districts must file qualification statements for all teachers and administrators employed by the district.²⁷

Programs, Processes, or Regulations

- **Administration of State Standardized Assessments.** School districts are required to administer statewide assessments.²⁸
- **Bilingual-Bicultural Education Program.** School districts in which at least eight pupils reside whose primary language is not English must provide a bilingual-bicultural education program.²⁹ Some funds are available from the Department of Education.³⁰
- **Bullying and Harassment Program.** School districts are required to develop and adopt a policy that prohibits harassment, intimidation, and bullying of students.³¹
- **Concussion Prevention and Reporting System.** School districts are required to create and publish guidelines and other information for coaches, student athletes, and parents

²⁰ AS § 14.03.123; 4 AAC 06.845; 4 AAC 06.850.

²¹ 4 AAC 06.250.

²² 4 AAC 06.210; see also 4 AAC 06.200 (procedures for determining at-risk schools).

²³ AS § 14.17.500.

²⁴ 4 AAC 52.590.

²⁵ 4 AAC 19.055.

²⁶ 4 AAC 27.056.

²⁷ AS § 14.20.120.

²⁸ 4 AAC 06.761; 4 AAC 06.765; 4 AAC 06.775; see also 4 AAC 34.075 (staff training requirements).

²⁹ AS § 14.30.400.

³⁰ AS § 14.30.410; 4AAC 34.055.

³¹ AS § 14.33.200(a).

regarding the nature and risks of concussions.³² School districts must also provide students and parents with written information about concussions.³³ School districts must employ and train a qualified person to evaluate and clear student athletes suspected of having a concussion before the student can return to the sport.³⁴

- **Crisis Response System.** School districts are required to develop a model crisis response plan for use by each school.³⁵ School districts must annually review and update as appropriate each school's crisis response plan.³⁶
- **Developmental Profile Reports.** School districts are required to submit to the Department of Education a developmental profile report for each student entering kindergarten or first grade in the district.³⁷
- **Disciplinary and Safety Program.** Each school district is required to adopt a written school disciplinary and safety program, and the program must be reviewed annually.³⁸
- **Employee Evaluation System.** School districts are required to create and adopt an evaluation system to evaluate and improve the performance of teachers and administrators. School districts are required to perform observations on teachers and administrators at least once a year, and in some cases, twice a year.³⁹ School districts are required to create improvement plans for teachers that do not meet the performance standards.⁴⁰
- **English Learner Assessment Teams.** School districts are required to appoint teams to determine the necessary accommodations for English learners taking standardized statewide assessments.⁴¹
- **Gender Neutral Counseling Training.** School districts are required to establish written procedures for biennial training of all guidance and counseling personnel, and training must include the recognition of gender bias in counseling materials and specific techniques that may be used with students to overcome the effects of gender bias.⁴²
- **Gifted Children Program.** School districts must create and provide a program for identifying and providing services to gifted children.⁴³ State aid is available to districts who provide education services to gifted children.⁴⁴
- **Grievance Procedures for Sex Discrimination.** School districts are required to create and

³² AS § 14.30.142(a).

³³ AS § 14.30.142(b).

³⁴ AS § 14.30.142(d).

³⁵ AS § 14.33.100.

³⁶ AS § 14.33.100.

³⁷ 4 AAC 06.712.

³⁸ AS § 14.33.120(a)(2); 4 AAC 06.172.

³⁹ AS § 14.20.149.

⁴⁰ AS § 14.20.149.

⁴¹ 4 AAC 06.776.

⁴² 4 AAC 06.530.

⁴³ AS § 14.30.352(a); 4 AAC 52.800.

⁴⁴ 4 AAC 52.865.

adopt a public grievance procedure through which violations of anti-sex or anti- gender discrimination regulations can be remedied.⁴⁵

- **Health and Physical Education.** School districts must establish guidelines for schools in the district to ensure that children in grades Kindergarten through 8th grade receive at least 90% of the recommended daily physical activity for children.⁴⁶
- **Healthcare and Retirement Systems.** School districts are required to make mandatory contributions to employee healthcare and retirement funds.⁴⁷
- **Identification of Children with Disabilities.** Districts must create written procedures for locating and identifying all children residing in the district under the age of 22 with disabilities.⁴⁸
- **Mastery of Courses.** School districts must provide high school students with an opportunity to show mastery in a course and receive credit for the course without taking it at least twice annually. This requires the school district to create an assessment tool for determining mastery and a written policy regarding the grading or evaluation of successfully challenged courses.⁴⁹ Districts are permitted to charge a fee to cover the costs of the assessment.⁵⁰
- **Native Language Education Program.** School boards must establish a local Native Language Curriculum Advisory Board for each school within its district if a majority of students in the district are Alaska Native.⁵¹
- **Paraprofessional Evaluations.** School districts are required to evaluate all paraprofessionals annually.⁵²
- **Part-Time Enrollment Policy.** School districts are required to create a policy for part- time enrollment of students.⁵³
- **Physical Examinations of Students.** If the Department of Education so provides, school districts are required to conduct physical examinations of students.⁵⁴ Reimbursement is possible but not required.⁵⁵
- **Recreational and Athletic Activities Survey.** School districts are required to survey students in grades 5 through 11 every three years to determine interest in specific recreational and athletic activities.⁵⁶

⁴⁵ 4 AAC 06.560.

⁴⁶ AS § 14.30.360(c).

⁴⁷ AS § 14.25.070; AS 14.25.220(16) (defining a school district as an employer); AS § 14.25.350; AS § 14.25.590 (defining a school district as an employer).

⁴⁸ AS § 14.30.274.

⁴⁹ AS § 14.03.073; 4 AAC 06.065.

⁵⁰ 4 AAC 06.065.

⁵¹ AS § 14.30.420.

⁵² 4 AAC 04.220.

⁵³ 4 AAC 05.035.

⁵⁴ AS § 14.30.070 (b).

⁵⁵ AS § 14.30.070(b).

⁵⁶ 4 AAC 06.520.

- **School Recognition Rewards.** School districts are required to recognize and provide rewards to schools that the Department of Education determines to be high performing.⁵⁷
- **Sexual Abuse and Sexual Assault Awareness and Prevention.** School boards are required to adopt and implement a policy relating to sexual abuse and sexual assault awareness and prevention.⁵⁸
- **Standardized Testing.** School districts are required to provide commissioner-approved annual assessments to students to determine students' skill levels or achievement in reading and math.⁵⁹
- **Student Rights and Responsibilities Policies.** Districts are required to create and adopt policies regarding student rights and responsibilities, and districts are required to provide mandatory instruction to students on their rights and responsibilities.⁶⁰ This policy must be reviewed at least once every three years.⁶¹
- **Textbook Selection.** School boards are required to establish procedures for the selection and review of all textbooks and instructional materials at least once a decade.⁶²
- **Truancy Program.** School districts are required to create and implement procedures to prevent and reduce truancy.⁶³
- **Nondiscriminatory Textbook Selection and Standards.** School boards are required to review textbooks and instructional materials for evidence of sex bias.⁶⁴ School boards must also establish standards for nondiscriminatory textbooks and educational materials,⁶⁵ and must provide biennial training for recognition of gender bias.⁶⁶
- **Vision and Hearing Examinations.** School districts are required to give vision and hearing screening examinations to all children in the district at regular intervals.⁶⁷ The Department of Health and Social Services assists with this program.⁶⁸

Trainings

- **Child Abuse.** School boards are required to train mandatory reporters to recognize and report child abuse, neglect, and sexual abuse of minors.⁶⁹ School districts are also required to provide continuing education in domestic violence for mandatory reporters of child

⁵⁷ 4 AAC 06.885.

⁵⁸ AS § 14.30.355.

⁵⁹ 4 AAC 05.080.

⁶⁰ 4 AAC 07.010.

⁶¹ 4 AAC 07.050.

⁶² AS § 14.14.090.

⁶³ AS § 14.30.030.

⁶⁴ AS § 14.18.060.

⁶⁵ AS § 14.18.060.

⁶⁶ 4 AAC 06.550.

⁶⁷ AS § 14.30.127(a).

⁶⁸ AS § 14.30.127(b).

⁶⁹ AS § 14.14.090.

abuse.⁷⁰

- **Crisis Response Training.** School districts are required to train each district employee in crisis response, including evacuation and lockdown drills.⁷¹ School boards must create procedures for providing this training.⁷²
- **Drug and Alcohol Related Disabilities Training.** School districts are required to train all teachers, administrators, counselors, and specialists on the needs of individual students who have alcohol or drug related disabilities.⁷³ School boards must create procedures for providing this training.⁷⁴
- **Sexual Abuse and Sexual Assault Awareness, and Prevention.** School districts are required to adopt and implement a training program for students and employees regarding sexual abuse and sexual assault awareness and prevention.⁷⁵ The school board must create procedures for providing this training.⁷⁶
- **Teacher and Administrator Evaluation Standards.** School boards are required to create, and school districts are required to offer, in-service trainings to teachers and administrators on the system that will be used to evaluate their performance.⁷⁷
- **Teen Dating Violence and Abuse Awareness and Prevention.** School boards must create procedures for providing training on teen dating violence and abuse.⁷⁸ The Department of Education is responsible for creating the training program.⁷⁹
- **Sex-Biased Materials.** School boards are required to provide training to certified personnel to identify and recognize sex-biased textbooks and instructional materials.⁸⁰
- **Suicide Awareness and Prevention Training.** School districts must provide youth suicide awareness and prevention training to all teachers, administrators, counselors, and specialists employed by the district and providing services to students.⁸¹ The training program must be periodically reviewed by a qualified person or committee.⁸²

Miscellaneous

- **Early Literacy.** School districts are required to provide information to parents of

⁷⁰ AS § 18.66.310.

⁷¹ AS § 14.33.100; 4 AAC 06.177.

⁷² AS § 14.14.090.

⁷³ AS § 14.20.680.

⁷⁴ AS § 14.14.090.

⁷⁵ AS § 14.30.355.

⁷⁶ AS § 14.14.090.

⁷⁷ AS § 14.20.149; AS § 14.14.090 (school board is required to establish procedures for providing the training); 4 AAC 19.060.

⁷⁸ AS § 14.30.356

⁷⁹ AS § 14.30.356.

⁸⁰ AS § 14.18.060.

⁸¹ AS § 14.30.362.

⁸² AS § 14.30.362.

students in grades Kindergarten through third grade annually on early literacy.⁸³

- **Indemnification.** School districts are required to insure or indemnify and protect the school board, its members, employees, teachers, officers, and members of the supervisory or administrative staff of the school district for legal fees and costs resulting from claims based on said person's actions or omissions while acting in the course or scope of their duties.
- **Property Insurance.** School districts are required to purchase and maintain adequate property insurance for all school facilities and equipment.⁸⁴

Relocation Costs. When a district relocates a teacher within the same district involuntarily, the district must pay the teacher's moving expenses if the teacher's new school is more than twenty miles from the teacher's residential address.⁸⁵

⁸³ AS § 14.03.072.

⁸⁴ AS § 14.03.150; 4 AAC 31.200.

⁸⁵ AS § 14.20.148.