

**ALASKA STATE LEGISLATURE  
HOUSE EDUCATION STANDING COMMITTEE**

April 8, 2024

8:11 a.m.

**MEMBERS PRESENT**

Representative Jamie Allard, Co-Chair  
Representative Justin Ruffridge, Co-Chair  
Representative Mike Prax  
Representative CJ McCormick  
Representative Tom McKay  
Representative Rebecca Himschoot  
Representative Andi Story

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Representative Julie Coulombe  
Representative Will Stapp  
Representative Dan Ortiz

**COMMITTEE CALENDAR**

HOUSE BILL NO. 392

"An Act relating to education; relating to funding for Internet services for school districts; relating to charter schools; relating to transportation of public school students; relating to correspondence study funding; relating to the base student allocation; relating to funding for reading improvement plans; relating to teacher retention and recruitment incentives; and providing for an effective date."

- MOVED CSHB 392(EDC) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 392

SHORT TITLE: EDUCATION FUNDING

SPONSOR(s): RESOURCES

03/18/24	(H)	READ THE FIRST TIME - REFERRALS
03/18/24	(H)	EDC, FIN
03/27/24	(H)	EDC AT 8:00 AM DAVIS 106

03/27/24 (H) Heard & Held  
03/27/24 (H) MINUTE (EDC)  
04/08/24 (H) EDC AT 8:00 AM DAVIS 106

**WITNESS REGISTER**

TREVOR JEPSEN, Staff  
Representative Tom McKay  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 392 on behalf of Representative McKay, prime sponsor.

DEBORAH RIDDLE, Director  
Division of Innovation and Education Excellence  
Department of Education and Early Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on CSHB 392, Version T.

CHARLES VAN KIRK, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 392.

LUANN MCVEY, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 392.

LISA PARADY, Executive Director  
Alaska Council of School Administrators  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 392 on behalf of the Alaska Council of School Administrators.

DAVID NEES, representing self  
Cooper Landing, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 392.

PENNY VADLA, representing self  
Soldotna, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 392.

RACHEL LORD, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of HB 392.

CAROLINE STORM, Executive Director

Coalition for Education Equity  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 392.

WINTER MARSHALL-ALLEN, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 392.

PATRICE LEE, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 392.

WILL MULDOON, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 392.

#### **ACTION NARRATIVE**

[8:11:28 AM](#)

**CO-CHAIR JAMIE ALLARD** called the House Education Standing Committee meeting to order at 8:11 a.m. Representatives Prax, McCormick, McKay, Himschoot, Story, Allard, and Ruffridge were present at the call to order. Also present were Representatives Coulombe, Stapp, and Ortiz.

#### **HB 392-EDUCATION FUNDING**

[8:12:05 AM](#)

CO-CHAIR ALLARD announced that the only order of business would be HOUSE BILL NO. 392, "An Act relating to education; relating to funding for Internet services for school districts; relating to charter schools; relating to transportation of public school students; relating to correspondence study funding; relating to the base student allocation; relating to funding for reading improvement plans; relating to teacher retention and recruitment incentives; and providing for an effective date."

[8:12:53 AM](#)

The committee took an at-ease from 8:12 a.m. to 8:13 a.m.

[8:13:56 AM](#)

CO-CHAIR RUFFRIDGE moved to adopt the proposed committee substitute (CS) for HB 392, Version 33-LS1453\T, Bergerud, 3/28/24, as the work draft.

[8:14:18 AM](#)

REPRESENTATIVE HIMSCHOOT objected. She said she supported the original version and would be able to withdraw a lot of amendments if the committee were working with the original.

[8:14:42 AM](#)

REPRESENTATIVE STORY noted the importance of putting the changes before the committee so the public could be aware.

CO-CHAIR ALLARD confirmed that was forthcoming.

[8:15:17 AM](#)

TREVOR JEPSEN, Staff, Representative Tom McKay, Alaska State Legislature, provided an explanation of the proposed committee substitute (CS) to HB 392, Version T. He briefly summarized the sections that would be amended in the CS.

[8:17:53 AM](#)

The committee took a brief at-ease at 8:17 a.m.

[8:18:04 AM](#)

A roll call vote was taken. Representatives Prax, McKay, Allard, and Ruffridge voted in favor of CSHB 392, Version T. Representatives McCormick, Himschoot, and Story voted against it. Therefore, CSHB 392, Version T, was adopted as the working document by a vote of 4-3.

[8:18:58 AM](#)

REPRESENTATIVE STORY noted that public testimony was referenced on the agenda.

[8:19:17 AM](#)

REPRESENTATIVE HIMSCHOOT moved to adopt Amendment 1 to CSHB 392, Version T, labeled 33-LS1453\T.11, Bergerud, 3/28/24, which read as follows:

Page 6, line 7:  
Delete "\$6,640"  
Insert "\$7,373"

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE HIMSCHOOT explained that the amendment would adjust the base student allocation (BSA) to reflect an amount that would restore districts to an inflation adjustment.

CO-CHAIR ALLARD asked whether Representative Himschoot was taking the increase from the permanent fund dividend (PFD).

REPRESENTATIVE HIMSCHOOT affirmed that must be worked out.

[8:20:34 AM](#)

REPRESENTATIVE STORY offered her belief that the amendment was strategically important for districts to have some certainty, as they have been left scrambling. It would give them a clear increase to help them plan and send a message to the public how much education is valued. She further noted the high cost of inflation, not using COVID-19 dollars, and she opined that [the proposed increase] was affordable.

[8:22:11 AM](#)

REPRESENTATIVE PRAX asked for clarity that the BSA would increase to \$1,413 under Amendment 1.

REPRESENTATIVE HIMSCHOOT responded, "It would increase the BSA by \$1,413."

[8:22:44 AM](#)

A roll call vote was taken. Representatives Himschoot, Story, and McCormick voted in favor of Amendment 1 to HB 392, Version T. Representatives McKay, Prax, Allard, and Ruffridge voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 3-4.

REPRESENTATIVE HIMSCHOOT moved to adopt Amendment 2 to CSHB 392, Version T, labeled 33-LS1453\T.15, Bergerud, 3/29/24, which read as follows:

Page 1, line 6, through page 2, line 1:  
Delete all material.

Page 2, line 2:  
Delete "**Sec. 2**"  
Insert "**Section 1**"

Renumber the following bill sections accordingly.

Page 2, line 26, through page 3, line 31:  
Delete all material.

Renumber the following bill section accordingly.

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE HIMSCHOOT explained that Amendment 2 would delete the section authorizing the state board to authorize charter schools. It is a significant policy change, and it would provide more accurate numbers on waitlists for charter schools, she said. She offered to revisit the section in the future.

[8:24:57 AM](#)

A roll call vote was taken. Representatives McCormick, Himschoot, and Story voted in favor of Amendment 2 to CSHB 392, Version T. Representatives McKay, Prax, Allard, and Ruffridge voted against it. Therefore, Amendment 2 T, failed to be adopted by a vote of 3-4.

[8:25:30 AM](#)

REPRESENTATIVE HIMSCHOOT moved to adopt Amendment 3 to CSHB 392, Version T, labeled 33-LS1453\T.28, Bergerud, 4/1/24, which read as follows:

Page 1, line 6, through page 2, line 12:  
Delete all material.

Page 2, line 13:  
Delete "**Sec. 3**"  
Insert "**Section 1**"

Renumber the following bill sections accordingly.

Page 2, line 26, through page 3, line 31:  
Delete all material.

Renumber the following bill sections accordingly.

Page 6, following line 16:

Insert a new bill section to read:

"\* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REPORT TO LEGISLATURE. The Department of Education and Early Development shall, before February 28, 2025, study or commission a study relating to charter schools in the state, prepare a report on the study, and deliver a copy of the report to the senate secretary and the chief clerk of the house of representatives and notify the legislature that the report is available. The study and report must address the following:

(1) the purpose of charter schools in the state;

(2) the reasons parents choose to enroll children in charter schools;

(3) the effect of charter schools on traditional public schools;

(4) a comparison of the academic performance of students attending charter schools with the academic performance of students attending traditional public schools;

(5) whether more charter schools are needed in the state to meet the demand for charter schools in the state;

(6) the efficacy of the current charter school approval and appeal process; and

(7) recommendations regarding the future of charter schools in the state."

Renumber the following bill section accordingly.

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE HIMSCHOOT explained that Amendment 3 does something similar to Amendment 2 but takes it a step further in that it would add a charter school appeals process and a study. The study is in reference to making sound policies and knowing more about how charter schools work and whether there should be more of them. She noted there is nothing currently specific to Alaska charter schools.

[8:26:46 AM](#)

MR. JEPSEN stated, "We do not support the amendment."

[8:26:56 AM](#)

A roll call vote was taken. Representatives Himschoot, Story, and McCormick voted in favor of Amendment 3 to CSHB 392, Version T. Representatives Prax, McKay, Allard, and Ruffridge voted against it. Therefore, Amendment 3 failed to be adopted by a vote of 3-4.

[8:27:29 AM](#)

REPRESENTATIVE HIMSCHOOT moved to adopt Amendment 4 to CSHB 392, Version T, labeled 33-LS1453\T.10, Bergerud, 3/29/24, which read as follows:

Page 1, following line 11:

Insert a new subsection to read:

"(b) Before the board authorizes a charter school under this section, a local school board shall review the application for the charter school. Within 60 days after receiving the complete application for review, the local school board shall issue a written decision to the board recommending either approval or denial of the application. The written decision must include all relevant findings of fact and conclusions of law."

Reletter the following subsection accordingly.

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE HIMSCHOOT explained that Amendment 4 would add a layer of local input as how to shape the charter school to make it better. The proposed amendment would keep a local control aspect to the process and the local board would not be left out, she said.

[8:28:26 AM](#)

MR. JEPSEN stated that he had not heard the idea, and although there could be potential merit to it, he indicated [the timing of adding this concept] was "too soon" if the bill were to move out of committee today. He suggested the policy could be revisited at a later time.

[8:28:49 AM](#)

REPRESENTATIVE STORY opined that the amendment was reasonable, supported local boards, and would be helpful in the decision-making process.

[8:29:41 AM](#)

REPRESENTATIVE HIMSCHOOT apologized that the amendments are a "first look" for many people and shared her understanding was that public testimony would be today and amendments at a date to follow.

[8:30:10 AM](#)

The committee took an at-ease from 8:30 a.m. to 8:34 a.m.

[8:34:50 AM](#)

REPRESENTATIVE MCKAY removed his objection. There being no further objection, Amendment 4 was adopted.

[8:35:13 AM](#)

REPRESENTATIVE HIMSCHOOT moved to adopt Amendment 5 to CSHB 392, Version T, labeled 33-LS1453\T.18, Bergerud, 3/29/24, which read as follows:

Page 2, following line 1:

Insert a new bill section to read:

**"\* Sec. 2.** AS 14.03.255(b) is amended to read:

(b) A charter school shall

(1) keep financial records of the charter school;

(2) oversee the operation of the charter school to ensure that the terms of the contract required by (c) of this section are being met;

(3) meet regularly with parents and with teachers of the charter school to review, evaluate, and improve operations of the charter school; [AND]

(4) meet with the academic policy committee at least once each year to monitor progress in achieving the committee's policies and goals; and

(5) submit a report to the department by March 31 and October 31 of each year that includes

(A) the current charter school capacity, including how many students may enroll in each grade;

(B) the number of students enrolled in each grade;

(C) the number of students on the charter school's waiting list;

(D) the name and grade of each student on the charter school's waiting list;

(E) the number of teachers employed at the charter school and the grade levels for which each teacher provides instruction; and

(F) the number of vacant teacher positions at the charter school and the corresponding grade levels for each vacancy."

Renumber the following bill sections accordingly.

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE HIMSCHOOT explained that the concept behind Amendment 5 goes back to what she opined was missing data that would help create better policy. Charter schools would submit a report twice a year relating to their capacity and what waitlists look like. The amendment would allow a closer look at this sector of public schools.

[8:36:29 AM](#)

CO-CHAIR ALLARD asked whether the Department of Education and Early Development (DEED) had staff present to answer questions.

[8:36:48 AM](#)

The committee took an at-ease from 8:36 a.m. to 8:37 a.m.

[8:37:30 AM](#)

CO-CHAIR ALLARD asked Mr. Jepsen whether reporting is required of all public schools or is being requested from just charter schools.

MR. JEPSEN deferred to DEED to touch on reporting and tracking procedures.

[8:37:58 AM](#)

DEBORAH RIDDLE, Director, Division of Innovation and Education Excellence, Department of Education and Early Development, confirmed that DEED collects data on student demographics and counts per grade by school, but DEED does not collect information on waiting lists.

[8:38:37 AM](#)

REPRESENTATIVE HIMSCHOOT explained that she was looking for ways to have firm data to guide policy making as to what wait lists consist of, and for families to be accommodated. There are unique things about charter schools that she opined "we are not getting."

MS. RIDDLE related the timelines when DEED collected various data but stated that DEED did not collect the capacity.

[8:40:37 AM](#)

REPRESENTATIVE HIMSCHOOT asked Ms. Riddle whether she had current information on waitlists.

MS. RIDDLE confirmed she did not.

REPRESENTATIVE HIMSCHOOT inquired what the waitlists look like in October and in March and whether charter schools need to be added. She stressed that that Amendment 5 would help to get the specific data.

MS. RIDDLE clarified that DEED could add the data collection about wait lists in the summer.

[8:41:38 AM](#)

MR. JEPSEN said that currently it is up to the individual districts to publish those numbers, and it is up to them to choose if the information will be made public.

CO-CHAIR ALLARD asked whether the numbers could be acquired by local government control.

MR. JEPSEN concurred that was correct.

[8:42:35 AM](#)

REPRESENTATIVE HIMSCHOOT observed that we [the legislature] are now making a state level policy on something that has always been locally handled, and she asked whether state level data would be needed to inform that policy.

MR. JEPSEN replied that that would be a policy call and it could be an option, but it should be left to committee members.

[8:43:18 AM](#)

MS. RIDDLE added that DEED collects only that data which is required through regulation in statute.

[8:43:28 AM](#)

REPRESENTATIVE HIMSCHOOT offered her appreciation for the input into the amendment and maintained that the legislature needed clear data to make big decisions, and since charter schools are high performing, she offered her belief that it is a big decision the legislature must make whether to change a system that already performs well.

[8:44:00 AM](#)

REPRESENTATIVE PRAX asked the amendment maker why the level of data was needed in reference to the name and grade of each student on the charter school waiting list.

REPRESENTATIVE HIMSCHOOT assured Representative Prax that the data would not be made public; it would be an internal data point. The specific data would be needed so a potential family could put their names on multiple lists, she explained.

REPRESENTATIVE PRAX sought clarity as to why the number of teachers and the grades they provide instruction for would be a requirement.

REPRESENTATIVE HIMSCHOOT said the justification is to get a sense of class sizes at charter schools and to have the information for neighborhood schools as well.

[8:45:45 AM](#)

CO-CHAIR ALLARD commented that general information on public schools is already available, and she expressed that the proposed amendment could be a privacy concern.

[8:46:07 AM](#)

REPRESENTATIVE MCKAY questioned why Amendment 5 would gather more information for charter schools than is gathered for public schools.

CO-CHAIR ALLARD reiterated that charter schools are public schools.

REPRESENTATIVE HIMSCHOOT responded that if information is not being gathered for neighborhood schools, then she would welcome an amendment to do that. She said the proposed amendment deals with the change being made to charter school policies and she expressed that it would be nice to have the data with the intent to help make informed decisions.

[8:47:15 AM](#)

A roll call vote was taken. Representatives McCormick, Himschoot, and Story voted in favor of Amendment 5 to CSHB 392, Version T. Representatives Prax, McKay, Allard, and Ruffridge voted against it. Therefore, Amendment 5 failed to be adopted by a vote of 3-4.

[8:47:45 AM](#)

REPRESENTATIVE HIMSCHOOT moved to adopt Amendment 6 to CSHB 392, Version T, labeled 33-LS1453\T.9, Bergerud, 3/28/24, which read as follows:

Page 1, line 2, following "**funding**":  
Insert "**and programs**"

Page 2, following line 25:  
Insert a new bill section to read:

"\* **Sec. 4.** AS 14.03.310 is amended by adding a new subsection to read:

(f) A district that provides for an annual student allotment under this section shall annually provide a copy of the records maintained by the district under (d)(3) of this section to the department. The department shall maintain a database that contains the records maintained by the department and districts under (d)(3) of this section."

Renumber the following bill sections accordingly.

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE HIMSCHOOT explained that the amendment added a new subsection to the bill that would help to track how the student allotment is being used. There would be a report to DEED and the department would keep a record of how families are

using the allotment. With the investment, she said she hoped for a good sense of how the public dollar is being invested.

[8:48:57 AM](#)

MR. JEPSEN clarified that it is reported online how much of the allotments are offered to parents, and he offered his belief that the additional counting of the funds and where they are spent are not tracked.

[8:49:37 AM](#)

The committee took a brief at-ease at 8:49 a.m.

[8:49:57 AM](#)

MS. RIDDLE explained that the allotments to correspondence schools are up to the districts to collect and track.

[8:50:38 AM](#)

REPRESENTATIVE HIMSCHOOT offered final comments and noted that state public dollars are being invested in correspondence schools and the state is about to make an even greater investment; therefore, she said she felt there should be some accounting for the investment at the state level. She clarified that as a policy maker, she was challenging the reporting and wished to know how the allotments would be used.

[8:51:15 AM](#)

A roll call vote was taken. Representatives Story, McCormick, and Himschoot voted in favor of Amendment 6 to CSHB 392, Version T. Representatives Prax, McKay, Allard, and Ruffridge voted against it. Therefore, Amendment 6 failed to be adopted by a vote of 3-4.

[8:51:50 AM](#)

REPRESENTATIVE HIMSCHOOT moved to adopt Amendment 7 to CSHB 392, Version T, labeled 33-LS1453\T.25, Bergerud, 4/1/24, which read as follows:

Page 1, line 3, following **"plans;"**:

Insert **"relating to national board certification for teachers;"**

Page 6, following line 8:

Insert a new bill section to read:

"\* **Sec. 8.** AS 14.20 is amended by adding a new section to read:

**Sec. 14.20.225. Teacher incentive payments and reimbursement of costs relating to national board certification.** (a) In January of each year, a district or the department, as applicable, may pay an incentive payment of \$5,000 to each teacher who is employed by the district or the department and who holds a current and valid national board certification.

(b) A district or the department, as applicable, shall reimburse each teacher who is employed by the district or the department and who is pursuing a national board certification for the costs the teacher incurs in pursuing the national board certification. The district or the department, as applicable, shall reimburse the teacher on an ongoing basis for the costs incurred by the teacher and not later than 60 days after the teacher makes a request for reimbursement.

(c) The department shall provide sufficient funding, subject to appropriation and in addition to the state aid received under AS 14.17, to a district to make national board certification incentive and reimbursement payments as provided in this section.

(d) Nothing in this section prohibits a district or the department from providing additional monetary incentives to a teacher.

(e) In this section,

(1) "district" has the meaning given in AS 14.17.990;

(2) "national board certification" means individual achievement of national professional teaching standards as certified by a nationally recognized board."

Renumber the following bill sections accordingly.

Page 6, following line 16:

Insert a new bill section to read:

"\* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to read:

**APPLICABILITY.** (a) Section 8 of this Act applies to a contract or collective bargaining agreement that becomes legally binding on or after the effective date of sec. 8 of this Act.

(b) AS 14.20.225(b), added by sec. 8 of this Act, applies to costs a teacher incurs on or after the effective date of sec. 8 of this Act."

Renumber the following bill section accordingly.

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE HIMSCHOOT explained that the intention of the amendment would add an important way to improve overall teacher quality to districts and would provide a pay incentive to teachers who have achieved National Board Certification.

[8:52:40 AM](#)

CO-CHAIR ALLARD asked whether the bonuses would include maintenance workers, janitors, and administrative staff.

REPRESENTATIVE HIMSCHOOT explained that there may be a way it could be done for classified staff, as they have certain standards they could work towards; however, there is no formalized program currently set up.

CO-CHAIR ALLARD asked for an idea of where in the budget "this would come from."

REPRESENTATIVE HIMSCHOOT responded that the incentive should be considered on its merits and would be figured out if it is a good idea.

[8:54:22 AM](#)

REPRESENTATIVE MCCORMICK commented that questions [about the budget] are better suited for the next committee of referral, the House Finance Committee. He added that the legislature has a responsibility to look at the policy choices they are making.

[8:54:48 AM](#)

MR. JEPSEN noted that an earlier version of the bill included a teacher incentive program but was taken out. He added that he fully supported a teacher incentive program but for a separate bill. He pointed out the incentive language in the proposed amendment is a "may" clause and there is no requirement that the bonuses would even get paid.

[8:55:25 AM](#)

REPRESENTATIVE PRAX asked the sponsor of the amendment whether school districts would be prohibited from paying the bonus at the current time.

REPRESENTATIVE HIMSCHOOT referred to subsection (c), line 18, and explained that the district would function on a reimbursement basis and choose whether to offer the incentive.

[8:56:41 AM](#)

REPRESENTATIVE MCKAY reiterated that he opposed the amendment and maintained his objection.

[8:57:16 AM](#)

REPRESENTATIVE HIMSCHOOT opined that the amendment offers a way to improve teacher quality in the state and would be an important tool to incentivize teachers. Those who succeed could be reimbursed, she said.

[8:57:59 AM](#)

A roll call vote was taken. Representatives Himschoot, Story, and McCormick voted in favor of Amendment 7 to CSHB 392, Version T. Representatives Prax, McKay, Allard, and Ruffridge voted against it. Therefore, Amendment 7 failed to be adopted by a vote of 3-4.

[8:58:32 AM](#)

REPRESENTATIVE STORY moved to adopt Amendment 8 to CSHB 392, Version T, labeled 33-LS1453\T.8, Bergerud, 3/29/24, which read as follows:

Page 6, lines 4 - 5:

Delete "multiplying the ADM of the correspondence program by **the special needs funding factor as provided in AS 14.17.420(a)(1)** ["

Insert "**using** [MULTIPLYING] the ADM of the correspondence program **reported under AS 14.17.500(a) and 14.17.600(a)** [BY"

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE STORY explained that the amendment would allow correspondence programs to receive the full average daily

membership (ADM) multiplier only in the foundation formula, and it would create a much more reasonable amount, she stated.

[8:59:30 AM](#)

REPRESENTATIVE HIMSCHOOT noted that the formula was requested by superintendents last session and that she strongly supported the amendment.

REPRESENTATIVE PRAX offered his belief that providing the extra funding could provide flexibility and improve student outcomes.

[9:00:24 AM](#)

MR. JEPSEN pointed out that any time the correspondence factor is changed, it results in increased funding for districts, and they must spend it on correspondence programs.

[9:00:55 AM](#)

REPRESENTATIVE MCKAY offered his understanding that the amendment would reduce funding for the education system in Alaska and therefore opposed the amendment and maintained his objection.

REPRESENTATIVE STORY explained that with the underlying bill, the correspondence programs would get an increase to their programs.

[9:01:50 AM](#)

The committee took a brief at-ease at 9:01 a.m.

[9:01:53 AM](#)

A roll call vote was taken. Representatives Himschoot, Story, and McCormick voted in favor of Amendment 8 to CSHB 392, Version T. Representatives McKay, Prax, Allard, and Ruffridge voted against it. Therefore, Amendment 8 failed to be adopted by a vote of 3-4.

[9:03:03 AM](#)

REPRESENTATIVE STORY moved to adopt Amendment 9 to CSHB 392, Version T, labeled 33-LS1453\T.6, Bergerud, 3/28/24, which read as follows:

Page 6, following line 8:

Insert a new bill section to read:

"\* **Sec. 8.** AS 14.17.470 is amended by adding a new subsection to read:

(b) On July 1, 2025, the department shall increase the base student allocation by a percentage equal to the average percentage of increase over the preceding four calendar years in all items of the Consumer Price Index for all urban consumers for urban Alaska prepared by the United States Department of Labor, Bureau of Labor Statistics."

Renumber the following bill sections accordingly.

Page 6, following line 16:

Insert a new bill section to read:

"\* **Sec. 10.** Section 8 of this Act takes effect July 1, 2025."

Renumber the following bill section accordingly.

Page 6, line 17:

Delete "This"

Insert "Except as provided in sec. 10 of this Act, this"

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE STORY said that the amendment would "inflation proof" for the next fiscal year and is based on a four-year average of the consumer price index (CPI) for Anchorage. It would help smooth out what could happen with inflation and provide more stability for districts. It is critically important that the legislature help set good education funding policy, she opined.

[9:06:08 AM](#)

MR. JEPSEN stated, "We do not support the amendment."

REPRESENTATIVE HIMSCHOOT asked Mr. Jepsen to elaborate.

REPRESENTATIVE MCKAY interjected that he would elaborate and stated that he maintained his objection because the amendment would reduce the power of the legislature to appropriate, and the amendment also leaves out the plan for if the CPI went down.

REPRESENTATIVE HIMSCHOOT offered her understanding that it is based on a four-year average so a downturn would be absorbed.

REPRESENTATIVE STORY agreed, and she explained that the amendment was vetted by the Legislative Finance Division, which recommended rather than a one-year inflation setting, to do the four-year to smooth out over four years any downturn that happens.

REPRESENTATIVE HIMSCHOOT asked Representative McKay when the last time was that the CPI dropped.

REPRESENTATIVE MCKAY stated that it could go down and he could not predict the future.

[9:08:22 AM](#)

REPRESENTATIVE PRAX expressed that there were a couple reasons he did not support the amendment, one being that the CPI is not necessarily related to the cost of operating the school. Additionally, he said he thought it unlikely that the CPI could go down, but it could essentially create an automatic increase in education funding and there are other needs to consider in the budget, such as a greater need for emphasis on mental health services.

[9:10:15 AM](#)

REPRESENTATIVE MCCORMICK offered his support for the amendment and questioned how the body is adequately funding education if the body is not funding schools with consideration for inflation. He added that if formulas are not being adjusted for inflation, then the body is not fulfilling its constitutional obligation which is to adequately fund schools.

[9:11:16 AM](#)

REPRESENTATIVE STORY noted that education has been flat funded since 2017 and inflation has been skyrocketing; and Amendment 9 would average out inflation and help districts with their fixed costs.

REPRESENTATIVE MCKAY maintained his objection and pointed out that the \$680 increase to the BSA is the largest BSA increase in state history, and that both federal and local monies school districts get have been increasing the past 10 years.

REPRESENTATIVE STORY stressed that districts are struggling with the results of flat funding over the years, and the amendment would help to "catch up" on that.

[9:13:35 AM](#)

A roll call vote was taken. Representatives McCormick, Himschoot, and Story voted in favor of Amendment 9 to CSHB 392, Version T. Representatives McKay, Prax, Allard, and Ruffridge voted against it. Therefore, Amendment 9 failed to be adopted by a vote of 3-4.

[9:14:08 AM](#)

REPRESENTATIVE STORY [indicated she would not be offering] Amendment 10.

[9:14:30 AM](#)

The committee took an at-ease from 9:14 a.m. to 9:15 a.m.

[9:15:14 AM](#)

REPRESENTATIVE STORY moved to adopt Amendment 11 to CSHB 392, Version T, labeled 33-LS1453\T.26, Bergerud, 4/1/24, which read as follows:

Page 6, line 13:  
Delete "\$180"  
Insert "\$500"

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE STORY explained that the amount in the amendment would be changed to \$500 from \$180 for reading help, and she further noted that learning to read is a foundational skill for children to understand other academic subjects. She offered her belief the change is "targeted help," and the amount would do much to move the supports in place for kids to read at grade level.

[9:16:56 AM](#)

REPRESENTATIVE PRAX asked whether the amendment sponsor got a calculation of how the proposed amount would affect the BSA.

REPRESENTATIVE STORY replied that DEED could provide an answer on the math.

[9:18:00 AM](#)

MR. JEPSEN provided an explanation that the K-3 Alaska Reads Act funding is outside the formula and does not get any of the multipliers.

REPRESENTATIVE PRAX recognized that it is outside the basic formula, and expressed his understanding that improving reading ability in the early grades would reduce the need for extra help in later grades. He stated that he opposed the amendment.

[9:19:44 AM](#)

REPRESENTATIVE HIMSCHOOT added that the amendment would support after school tutoring, individual reading plans, and summer schools, which are all additional expenses districts are bearing currently.

CO-CHAIR ALLARD asked the amendment sponsor whether it had been decided upon where the money would come from within the budget.

REPRESENTATIVE STORY replied that the House Finance Committee could best make that decision. She further reminded the committee about all the extra intervention that DEED has put significant dollars towards, but there is an amount of resources needed to make sure goals can be met.

[9:22:35 AM](#)

A roll call vote was taken. Representatives McCormick, Himschoot, and Story voted in favor of Amendment 11 to CSHB 392, Version T. Representatives Prax, McKay, Allard, and Ruffridge voted against it. Therefore, Amendment 11 failed to be adopted by a vote of 3-4.

[9:23:13 AM](#)

REPRESENTATIVE STORY moved to adopt Amendment 12 to CSHB 392, Version T, labeled 33-LS1453\T.7, Bergerud, 3/28/24, which read as follows:

Page 6, lines 4 - 5:

Delete "multiplying the ADM of the correspondence program by the special needs factor in AS 14.17.420(a)(1) [90 PERCENT]"

Insert "(1) multiplying the ADM of the correspondence program by 90 percent; and (2) multiplying the number obtained under (1) of this section by the special needs factor in AS 14.17.420(a)(1)"

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE STORY said the amendment would keep the .9 ADM for correspondence programs but allow them to still be included in the special needs factor. Neighborhood schools have more responsibilities, and correspondence programs should stay at the .9 level, she opined.

[9:24:55 AM](#)

MR. JEPSEN offered to "quantify some math" with the amendment and expressed his belief that correspondence program funding needed to be increased, and when that factor is increased, it increases school district funding.

REPRESENTATIVE MCKAY reiterated his opposition to the amendment.

REPRESENTATIVE HIMSCHOOT reflected on a previous comment Representative McKay made last session that ".9 made sense to him," because correspondence programs do not operate buildings.

REPRESENTATIVE MCKAY replied that he did not recall the comment.

[9:26:49 AM](#)

REPRESENTATIVE STORY gave final comments and stated that the current bill reflects a \$47 million increase to correspondence schools but leaving it at .9 would leave it at a \$30 million increase which includes the BSA increase.

[9:27:32 AM](#)

A roll call vote was taken. Representatives Story, McCormick, and Himschoot voted in favor of Amendment 12 to CSHB 392, Version T. Representatives Prax, McKay, Allard, and Ruffridge voted against it. Therefore, Amendment 12 failed to be adopted by a vote of 3-4.

[9:28:09 AM](#)

REPRESENTATIVE STORY moved to adopt Amendment 13 to CSHB 392, Version T, labeled 33-LS1453\T.27, Bergerud, 4/1/24, which read as follows:

Page 6, following line 8:

Insert a new bill section to read:

"\* **Sec. 8.** AS 14.17.470, as amended by sec. 7 of this Act, is amended to read:

**Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,760 [\$6,640]."

Renumber the following bill sections accordingly.

Page 6, following line 16:

Insert a new bill section to read:

"\* **Sec. 10.** Section 8 of this Act takes effect July 1, 2025."

Page 6, line 17:

Delete "This"

Insert "Except as provided in sec. 10 of this Act, this"

REPRESENTATIVE MCKAY objected.

REPRESENTATIVE STORY explained that the amendment would increase the BSA by \$205 million in state aid. It would help to keep class sizes down and keep counselors and librarians. It is a significant policy, she said, and would send the message that the state needs to fund districts in advance to help stabilize them, and that the body is keeping up with its constitutional obligations to maintain public schools.

[9:29:48 AM](#)

REPRESENTATIVE MCKAY restated his opposition to the amendment and pointed out again that the underlying bill already contained a \$680 BSA increase which is the largest in state history.

[9:30:44 AM](#)

REPRESENTATIVE HIMSCHOOT drew attention to the bill that was supported last year, and she pointed out that the proposed amendment represents where the body stood at that time.

[9:31:13 AM](#)

REPRESENTATIVE PRAX commented on the body's constitutional obligation and noted that the wording is "to establish and maintain a system of public schools", not meaning whatever the districts ask for is required to be funded. He opined that \$680 for the BSA was generous.

[9:31:57 AM](#)

REPRESENTATIVE MCCORMICK, on the sentiment of adequately funding schools, pointed out the conditions in some of the schools in the state and what has to be endured; therefore, he disagreed that schools are actually being maintained.

[9:32:39 AM](#)

REPRESENTATIVE STORY shared that it was hard for her to hear from parents about how services to their children's education have been disappearing the last few years. She said she firmly believes in the constitutional obligation to keep up with inflation costs, and she indicated the increases and adjustments are not being maintained. She urged a yes vote to the amendment.

[9:33:44 AM](#)

A roll call vote was taken. Representatives Himschoot, Story, and McCormick voted in favor of Amendment 13 to CSHB 392, Version T. Representatives Prax, McKay, Allard, and Ruffridge voted against it. Therefore, Amendment 13 failed to be adopted by a vote of 3-4.

REPRESENTATIVE STORY [indicated she would not offer] Amendment 14.

[9:34:34 AM](#)

CO-CHAIR ALLARD opened public testimony on HB 392, as amended.

[9:34:53 AM](#)

CHARLES VAN KIRK, representing self, testified during the hearing on HB 392. He opined that there are local issues that have increased challenges with regard to proper funding for children in Juneau and the BSA has exacerbated the problem with the Juneau School Board. He further noted that it has created a

division in the community and has become a "terrible situation" in Juneau and affects the mental health of children. He said he supported an increase for the BSA but recommended that the body should look to future funding methods for possible rising inflation.

[9:37:38 AM](#)

LUANN MCVEY, representing self, stated that she is speaking to the body as a retired educator, and that she supported most aspects of the bill, mainly raising the BSA to \$680. She said children's reading ability is especially important and the more children struggle, the more behind they get; therefore, a reading program with additional targeted instruction should be addressed. It costs extra money to bring these students up to speed and make a difference for kids, she opined. She urged the committee to reconsider the amendments that were turned down.

[9:39:46 AM](#)

CO-CHAIR ALLARD noted time constraints and further public testimony.

REPRESENTATIVE HIMSCHOOT interjected that there may be more testifiers in room who have been waiting.

[9:40:05 AM](#)

The committee took a brief at-ease at 9:40 a.m.

[9:41:03 AM](#)

LISA PARADY, Executive Director, Alaska Council of School Administrators (ASCA), testified in support of HB 392. She said ASCA appreciates the \$680 "inside the BSA." The importance of having the "money inside the model" helps provide stability for districts and administrators to have their contracts issued and signed, like any business would, she said. She noted she appreciated the amendments brought forward and that \$680 for the BSA is a great start. In closing, she said ASCA supports charter schools and acknowledges the supports outlined in the bill but does not support the approval of the authorization to the state board.

[9:43:55 AM](#)

DAVID NEES, representing self, shared that he was a member of the 2014 Sustainable Education Task Force and opined that HB 392 is an excellent bill, as written. He said he was happy for some of the omissions but said there are some difficulties posed to charter schools in regard to their processes. He recommended that the committee fix the part of the "charter school clause" as most states do allow multiple authorizers of charter schools.

[9:46:12 AM](#)

PENNY VADLA, representing self, provided her background in education and noted her concern that education does not receive continued support and the last few years [districts] have had to fight for the support to educate children. She added that she is in favor of the \$680 and supported the Alaska Reads Act especially for children who have difficulties. She said she supported local control over charter schools and that districts know what is best for their respective charter schools. She applauded the legislators who support the bill and who recognize the need to continue to support students' education.

[9:48:21 AM](#)

RACHEL LORD, representing self, testified in support of HB 392 and gave a personal background of her experience in public schools. She stressed that she believed it is the state's constitutional obligation to adequately maintain functional public schools. She said she strongly supported the increase to the BSA and maintaining local school board engagement over charter schools. She expressed her frustration that BASIS was not updated with amendments, as it makes it incredibly difficult to follow along.

[9:50:22 AM](#)

CAROLINE STORM, Executive Director, Coalition for Education Equity, testified in support of HB 392 and said she was encouraged to hear the amendments, but disappointed about those that did not pass. She opined that additional money is needed inside the BSA and that the Coalition for Education Equity fully supported the increase; however, it is not enough. She added that the coalition does not support the charter schools being approved at the state level.

[9:51:56 AM](#)

WINTER MARSHALL-ALLEN, representing self, shared that she is a teacher who has experienced the lack of funding and what it does. She stated that the legislature can do better on how money can be better used, and she asked the committee to come together to address much needed funding. She concluded that there should be charter access but also local control.

[9:54:03 AM](#)

PATRICE LEE, representing self, thanked the committee for the \$680 increase to the BSA but that there are many parts of the bill that do not meet the approval with the large number of people she works with on a daily basis. She further expressed her belief that charter schools need to remain in local control. She said classroom sizes affect students' abilities to focus and this is not being discussed adequately. The financing is the responsibility of the [House] Finance Committee, she opined, and she noted her concern that the [House] Education [Standing] Committee may have circumvented some of right of the House Finance Committee to do its job by having all the 3 to 4 votes, which is unsettling for people, because it tends to appear it is a political vote as opposed to ideological. She stressed that committee members should explain their position.

[9:56:22 AM](#)

WILL MULDOON, representing self, stated that he supported the increase to the BSA, and the transportation increase is much needed. He noted that the committee had not met for three weeks but was more dysfunctional when they finally did meet, and he urged committee members to reflect on that.

[9:57:39 AM](#)

CO-CHAIR ALLARD closed public testimony on HB 392, as amended.

[9:58:03 AM](#)

CO-CHAIR RUFFRIDGE moved to report CSHB 392, Version 33-LS1453\T, Bergerud, 3/28/24, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[9:58:22 AM](#)

REPRESENTATIVE MCCORMICK objected.

A roll call vote was taken. Representatives McKay, Story, Prax, Allard, and Ruffridge voted in favor of CSHB 392, Version T, as amended. Representatives McCormick and Himschoot voted against it. Therefore, CSHB 392(EDC) was reported out of the House Education Standing Committee by a vote of 5-2.

[9:59:29 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:59 a.m.