

**ALASKA STATE LEGISLATURE
HOUSE RULES STANDING COMMITTEE**

January 17, 2024

4:02 p.m.

MEMBERS PRESENT

Representative Craig Johnson, Chair
Representative Cathy Tilton, Vice Chair
Representative Jamie Allard
Representative Jesse Sumner
Representative Laddie Shaw
Representative Zack Fields
Representative Calvin Schrage

MEMBERS ABSENT

All members present

OTHER MEMBERS PRESENT

Representative Dan Ortiz
Representative Rebecca Himschoot
Representative David Eastman
Representative Dan Saddler
Representative Louise Stutes
Representative Julie Coulombe
Representative Andy Josephson
Representative Maxine Dibert
Representative CJ McCormick
Representative Frank Tomaszewski
Representative Mike Prax
Senator Scott Kawasaki

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 140 (FIN)

"An Act relating to funding for Internet services for school districts; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 140

SHORT TITLE: INTERNET FOR SCHOOLS

SPONSOR(S): SENATOR(S) HOFFMAN

04/28/23 (S) READ THE FIRST TIME - REFERRALS
 04/28/23 (S) FIN
 05/08/23 (S) FIN AT 9:00 AM SENATE FINANCE 532
 05/08/23 (S) Heard & Held
 05/08/23 (S) MINUTE(FIN)
 05/10/23 (S) FIN AT 9:00 AM SENATE FINANCE 532
 05/10/23 (S) Moved CSSB 140(FIN) Out of Committee
 05/10/23 (S) MINUTE(FIN)
 05/11/23 (S) FIN RPT CS 4DP 2NR SAME TITLE
 05/11/23 (S) DP: HOFFMAN, OLSON, KIEHL, BISHOP
 05/11/23 (S) NR: WILSON, MERRICK
 05/12/23 (S) TRANSMITTED TO (H)
 05/12/23 (S) VERSION: CSSB 140(FIN)
 05/13/23 (H) READ THE FIRST TIME - REFERRALS
 05/13/23 (H) FIN
 05/15/23 (H) FIN AT 1:30 PM ADAMS 519
 05/15/23 (H) Heard & Held
 05/15/23 (H) MINUTE(FIN)
 05/16/23 (H) FIN AT 10:30 AM ADAMS 519
 05/16/23 (H) Moved HCS CSSB 140(FIN) Out of
 Committee
 05/16/23 (H) MINUTE(FIN)
 01/16/24 (H) FIN RPT HCS(FIN) NEW TITLE 6DP 4NR 1AM
 01/16/24 (H) DP: ORTIZ, JOSEPHSON, GALVIN, HANNAN,
 EDGMON, FOSTER
 01/16/24 (H) NR: TOMASZEWSKI, CRONK, COULOMBE,
 D.JOHNSON
 01/16/24 (H) AM: STAPP
 01/17/24 (H) RLS AT 4:00 PM GRUENBERG 120

WITNESS REGISTER

MARIDON BOARIO, Staff
 Senator Lyman Hoffman
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Reviewed the original version of SB 140 on behalf of Senator Hoffman, prime sponsor.

BRODIE ANDERSON, Staff
 Representative Neil Foster
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Explained changes that were incorporated in HCS CSSB 140(FIN).

TOM WRIGHT, Staff
Representative Craig Johnson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained the changes that would be made under the proposed (HCS) for CSSB 140(FIN), Version 33-LS0687\D, Bergerud, 1/15/24.

REPRESENTATIVE JUSTIN RUFFRIDGE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As co-chair of the House Education Standing Committee, discussed HB 139 and HB 144, as they relate to SB 140.

ALEXEI PAINTER, Legislative Fiscal Analyst
Legislative Finance Division
Legislative Agencies and Offices
Juneau, Alaska

POSITION STATEMENT: Presented cost-estimates for the proposed HCS for CSSB 140(FIN), Version D.

ACTION NARRATIVE

[4:02:20 PM](#)

CHAIR CRAIG JOHNSON called the House Rules Standing Committee meeting to order at [4:02] p.m. Representatives Tilton, Shaw, Allard, Sumner, Schrage, Fields, and C. Johnson were present at the call to order. Also present were Representatives Ortiz, Himschoot, Eastman, Saddler, Stutes, Coulombe, Josephson, Dibert, McCormick, Tomaszewski, and Prax and Senator Kawasaki.

SB 140-INTERNET FOR SCHOOLS

[Contains discussion of SB 52, HB 139, HB 144, HB 111, and HB 106.]

[4:03:39 PM](#)

CHAIR C. JOHNSON announced that the only order of business would be CS FOR SENATE BILL NO. 140(FIN), "An Act relating to funding for Internet services for school districts; and providing for an effective date." [Before the committee was HCS CSSB 140(FIN).]

CHAIR C. JOHNSON outlined his plans to hear the bill today and recess to continue on Saturday, 1/20/24, to hear public

testimony, consider amendments, and decide the will of the committee on the legislation.

[4:05:32 PM](#)

MARIDON BOARIO, Staff, Senator Lyman Hoffman, Alaska State Legislature, reviewed the original version of SB 140 on behalf of Senator Hoffman, prime sponsor. She said SB 140 would provide additional funding to eligible schools through school broadband assistance grants (BAG) to help schools reach 100 megabits (mb) per second of Internet download speed, an increase from the 25 mb per second currently in statute.

[4:06:42 PM](#)

BRODIE ANDERSON, Staff, Representative Neil Foster, Alaska State Legislature, explained the two changes that were made to CSSB 140(FIN) by the House Finance Committee on 5/15/23. The first change added a section to include an increase to the pupil transportation formula funding to "about half of the cost of inflation." He added, "At that point in time the fiscal note was going to reflect roughly \$7.5 million." The second change was to include language from the Senate Education [Standing Committee's] CSSB 52(FIN), "Version D," with the exception of the pupil transportation formula funding since that had already been incorporated by way of the previous amendment. This change resulted in what Mr. Anderson called "Version U," [HCS CSSB 140(FIN)] before the House Rules Standing Committee today.

[4:08:51 PM](#)

REPRESENTATIVE TILTON moved to adopt the proposed House committee substitute (HCS) for CSSB 140(FIN), Version 33-LS0687\D, Bergerud, 1/15/24, as a working document.

[4:09:01 PM](#)

CHAIR C. JOHNSON objected for the purpose of discussion.

[4:09:22 PM](#)

TOM WRIGHT, Staff, Representative Craig Johnson, Alaska State Legislature, explained the changes that would be made under the proposed (HCS) for CSSB 140(FIN), Version 33-LS0687\D, Bergerud, 1/15/24, presented through a summary of changes document included in the committee packet, which read as follows [original punctuation provided]:

This summary explains the changes between this draft, LS-330687\D, and the version that was passed out of House Finance, HCS for CSSB (FIN), draft 33-LS0687\U.

Section 1: No change.

Section 2: No change.

Section 3: Adds a new section to AS 14.03, Public Schools Generally. This new section gives the board of Education the authority to authorize a charter school in a district under regulations adopted by the board. The regulations must include an application procedure and provisions for the establishment of an academic policy committee. The local school boards shall operate a charter school under this section as provided in AS 14.03.255-14.03.290.

Section 4: Same as found in section 3 of the Finance CS.

Section 5: Same as found in section 4 of the Finance CS.

Section 6: Amends AS 14.07.165(a), Duties. Adds a new subsection stating regulations regarding establishment of charter schools be made by the board of education.

Section 7: Same as found in section 5 of the Finance CS.

Section 8: Same as found in section 6 of the Finance CS.

Section 9: Amends AS 14.17.430, State funding for correspondence study. Adds subsection 2 that adds the special needs factor to the ADM of the correspondence program.

Section 10: Amends AS 14.17.470, Base student allocation. Adds a \$300 increase to the BSA.

Section 11: Adds new subsections to AS 14.30.272, Procedural Safeguards. Adds provisions for deaf and hearing impaired that must be adopted by school

districts. Basically, it is a deaf and hard of hearing children's bill of rights that establishes consistency in the information provided to parents by the school district, allows parents to choose the best method of communication for their child and requires the school district to provide services using the parent's chosen method of communication.

Section 12: Adds a new subsection to AS 14.30.276, Least restrictive environment. Requires the department to establish and operate a centralized program for students whose primary language is American Sign Language, provide residential services as part of the program, establishes that a school district may operate the program under specific requirements, and provide funding for the students who attend the program operated by a school district.

Section 13: Same as found in section 8 of the CS.

Section 14: Repeals Sections 1, 2 and 21, chapter 61, SLA 2014, and sec. 38(b), ch.101, SLA 2018. This language proposes to keep the same structure of tax deductions and tax credits that began in 2021, while removing the sunset provision.

Section 15: Uncodified law. Provides subject to appropriation, a lump sum payment to eligible teachers as a retention and recruitment incentive. The criteria for eligibility is contained within this provision.

Section 16: Uncodified law. Allows the State Board of Education to adopt regulations to implement the changes made in sections 3 and 6 of this bill.

Section 17: Repeals the education tax credit statutes as noted in Section 14.

Section 18: Section 5 is affected by the adoption of Sections 4, 6, 8, 11, 12, 16, 20, 23, 28, 30, 33, and 47 of ch. 40, SLA 2022, and takes effect on June 30, 2034.

Section 19: Section 16 takes effect immediately.

Section 20: All sections with the exception of Sections 18 and 19 take effect on July 1, 2024.

[4:15:34 PM](#)

REPRESENTATIVE JUSTIN RUFFRIDGE, Alaska State Legislature, as co-chair of the House Education Standing Committee, discussed HB 139 and HB 144, as they relate to SB 140. He said he is the sponsor of both the House bills, which address correspondence study programs and "a slight change to the way that is funded." He explained that currently those programs are funded at 90 percent of average daily membership, with no special needs factors included. He indicated that [HB 139] would increase that to be "just the average daily membership multiplied by the special needs factor found in AS 14.17.420(a)(1)." He said that was amended in [the House Education Standing Committee] "to be slightly different - back down to the current rate of 90 percent," and he remarked that he would welcome discussion by the House Rules Standing Committee regarding "that component of this bill."

REPRESENTATIVE RUFFRIDGE said HB 144 was a repeal of the sunset of the education tax credit "due to sunset at the end of this calendar year." He said the program was established in 1987 to encourage private businesses to make charitable contributions to Alaska's schools, and it has been "quite successful" and "consistently extended." He offered his understanding that "the components of this is to make this be a program that can be established for quite some time, to repeal the current sunset provision thus making the program that exists currently available without a sunset."

[4:18:27 PM](#)

REPRESENTATIVE ALLARD, who is co-chair of the House Education Standing Committee, discussed Sections 11 and 12 of the proposed House committee substitute, Version D, which she said are based on HB 111, a bill addressing the deaf and hard of hearing, sponsored by Representative Allard. She said Sections 11 and 12 "aim to establish consistency in the information provided to parents by school districts, allow parents to choose the best method of communication for their children, and require school districts to provide services in the parents' chosen method of communication." She said services currently offered by school districts vary. She reported that seventeen states have already passed the Deaf and Hard of Hearing Children's Bill of Rights.

She noted that while there is a school for the deaf in administrative code, it is not established in statute.

REPRESENTATIVE ALLARD stated that deaf and hard of hearing children possess the same inherent ability to acquire language as other children and have the right to graduate and pursue further education and embark on careers. Further, she stated that they have the right "to have their ability to communicate and acquire language treated as a priority." She talked about the detrimental effects of a lack of access in the classroom. She spoke about the unique nature of rural Alaska and how some children who are deaf or hard of hearing may require residential services as part of their educational program. She said Sections 11 and 12 would establish that children be provided instruction, services, and assessment in their primary language. Further, these sections would mandate that that the Department of Education and Early Development (DEED) establish and operate a centralized program for students whose primary language is American Sign Language (ASL) and provide residential services. Representative Allard concluded by emphasizing that it is time to end the segregation of deaf and hard of hearing children.

[4:21:45 PM](#)

CHAIR C. JOHNSON noted those available online for questions.

[4:22:23 PM](#)

CHAIR C. JOHNSON removed his objection to the motion to adopt (HCS) for CSSB 140(FIN), Version 33-LS0687\D, Bergerud, 1/15/24, as a working document.

[4:22:31 PM](#)

REPRESENTATIVE FIELDS objected. He spoke about the importance and impact of public schools and how they are fundamental and patriotic. He said he would like to retain, if not grow, the population of "working age families." He said he supports the inclusion of "the governor teacher bonuses" since it makes sense "to marry a priority of the executive with our priority of raising the BSA."

REPRESENTATIVE FIELDS opined that the language in Version D relating to charter schools is problematic. He explained there is a prohibition on using state funds for religious schools, and "the charter language is effectively a voucher program" where charter schools with "nearly no oversight" are using public

funds for potentially religious material. He suggested considering the possibility of narrowing that language so that "what we're supporting is true public charters." That leads to the question of what the best uses of the state's resources are. Using his district as an example, Representative Fields pointed out that there is a charter school in Chugach, and student population comprises approximately half the number of minority students as "the closest neighborhood school." It is mostly an upper income bracket, which he said is true of most charter schools. He stated that he is happy to support charter schools but not at the expense of [public] schools.

REPRESENTATIVE FIELDS addressed the BSA, which he said is data-driven. He said he is optimistic that it eventually would be raised to "not less than 680." He said he thinks the \$300 in Version D "would leave us a long way from meeting our bare minimum constitutional mandate to maintain a system of public education.

[4:28:07 PM](#)

CHAIR C. JOHNSON announced an amendment deadline of 4:00 p.m. Friday, 1/19/24.

[4:28:21 PM](#)

A roll call vote was taken. Representatives Tilton, Allard, Sumner, Shaw, and C. Johnson voted in favor of the motion to adopt (HCS) for CSSB 140(FIN), Version 33-LS0687\D, Bergerud, 1/15/24, as a working document. Representatives Fields and Schrage voted against it. Therefore, Version D was adopted as a working document by a vote of 5-2.

[4:29:25 PM](#)

ALEXEI PAINTER, Legislative Fiscal Analyst, Legislative Finance Division, Legislative Agencies and Offices, presented cost-estimates for the proposed HCS for CSSB 140(FIN), Version D. He said Sections 1, 4, 5, and 13 have to do with data on school outcomes; the sections were originally in SB 52; DEED originally had a fiscal note for this that was \$1,029,800; and \$900,000 of that was included in the governor's budget and was not actually approved. Section 2 addresses BAG changing from 25 mb to 100 mb; the Senate Finance Committee zeroed out this fiscal note and made it indeterminate because of concerns that the number was "not sufficiently refined"; the number in the original fiscal note was \$19,835,800; this still may be the best estimate or the

department may have an updated number; it was not to be effective until 1/1/24, so it would have been possible to fund it later on; and the way this bill is structured, it would be effective 7/1/24 and would need to be funded, so it cannot be left indeterminate if the goal is to fund it.

MR. PAINTER said Section 6 is a new section that relates to charter school applications, with a placeholder of \$6,000. Section 7, regarding pupil transportation, had an original fiscal note of \$7.5 million, which was recalculated to \$7.3 million based on the student count projected for fiscal year 2025 (FY 25). Section 8, boarding school increase, was at \$4,036,300 based on the department's fiscal note of last year. Section 9, relating to correspondence schools and HB 139, had no fiscal note updated for Version D; [HB 139] "passed out of committee with a multiplier of .9 still, but then multiplying by 1.2, so still a 20 percent increase"; and Legislative Finance Division's estimate, based on the number of correspondence students in the FY 25 projected student count, is \$23,452,900, with the existing statutory BSA. Section 10 would increase the BSA by \$300 to \$6,260 based on the FY 25 student count; it would increase state costs by \$77,044,200. The cost of Sections 9 and 10, with the higher BSA and correspondence multiplier, would be an additional \$1,180,500. Sections 11 and 12 relate to DEED's fiscal note for HB 111, for \$6,000; Section 12 may have a longer-term impact when a school is established, and that consideration is not included by DEED because potentially there would be a process to establish the school.

MR. PAINTER stated that Section 14, the education tax credit, would have no fiscal impact on the budget; the Department of Revenue (DOR) said that it would have a negative effect on revenue compared to the baseline of allowing the credit to expire; it would be \$1.6 million in the first half year and then \$3.2 million a year in the full years in which that credit would have otherwise expired; and although it would have no fiscal impact, it would impact the state's fiscal position. Section 15, regarding lump sum payment to teachers, comes from HB 106; DEED's fiscal note for that last year was \$58,111,000; and that number may shift if the number of teachers changes this year.

[4:34:49 PM](#)

CHAIR C. JOHNSON noted that he had spoken with the administration, which issued a request for proposals (RFP) related to the increase in Internet speed, and he expressed his

hope that that number would be available to the committee by Saturday.

[SB 140 was held over.]

[4:35:26 PM](#)

ADJOURNMENT

The House Rules Standing Committee recessed at 4:35 p.m. to Saturday, 1/20/24 at 10:00 a.m.