

ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE

February 3, 2025
8:03 a.m.

MEMBERS PRESENT

Representative Rebecca Himschoot, Co-Chair
Representative Andi Story, Co-Chair
Representative Ted Eischeid
Representative Jubilee Underwood
Representative Rebecca Schwanke
Representative Bill Elam

MEMBERS ABSENT

Representative Maxine Dibert

COMMITTEE CALENDAR

HOUSE BILL NO. 69

"An Act relating to education funding; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 69

SHORT TITLE: EDUCATION FUNDING: INCREASE BSA

SPONSOR(S): REPRESENTATIVE(S) HIMSCHOOT

01/24/25	(H)	READ THE FIRST TIME - REFERRALS
01/24/25	(H)	EDC, FIN
01/27/25	(H)	EDC AT 8:00 AM DAVIS 106
01/27/25	(H)	Heard & Held
01/27/25	(H)	MINUTE(EDC)
01/29/25	(H)	EDC AT 8:00 AM DAVIS 106
01/29/25	(H)	Heard & Held
01/29/25	(H)	MINUTE(EDC)
01/29/25	(H)	EDC AT 5:00 PM DAVIS 106
01/29/25	(H)	-- Public Testimony --
02/03/25	(H)	EDC AT 8:00 AM DAVIS 106

WITNESS REGISTER

REPRESENTATIVE REBECCAA HIMSCHOOT
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 69.

MARIE MARX, Legislative Counsel
Legislative Legal Services
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Answered committee questions during the hearing on HB 69.

CONOR BELL, Fiscal Analyst
Legislative Finance Division
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Answered committee questions during the hearing on HB 69.

- HEARD AND HELD

ACTION NARRATIVE

[8:03:47 AM](#)

CO-CHAIR STORY called the House Education Standing Committee meeting to order at 8:03 a.m. Representatives Elam, Eischeid, Underwood, Schwanke, Himschoot, and Story were present at the call to order.

HB 69-EDUCATION FUNDING: INCREASE BSA

[8:04:54 AM](#)

CO-CHAIR STORY announced that the only order of business would be HOUSE BILL NO. 69, "An Act relating to education funding; and providing for an effective date."

[8:05:48 AM](#)

REPRESENTATIVE REBECCAA HIMSCHOOT, Alaska State Legislature, as prime sponsor, presented HB 69. She said that HB 69 is a response to funding crisis and reminded the committee that the funding present in HB 69 is not an increase in funding, rather it is a funding amount that would bring the BSA to an even playing field. She explained that HB 69 would inflation-proof the base student allocation (BSA) for the coming five years and said that it would allow districts to have more predictable funding.

[8:08:28 AM](#)

CO-CHAIR STORY commented that the fiscal note associated with HB 69 is before the committee and posted online in the Bill Action & Status Inquiry System (BASIS).

[8:09:05 AM](#)

REPRESENTATIVE ELAM asked how the Alaska State Legislature would pay for HB 69.

REPRESENTATIVE HIMSCHOOT directed her answer to the Legislative Finance Division and said that further financial questions would be answered by the House Finance Committee.

[8:10:10 AM](#)

REPRESENTATIVE UNDERWOOD asked if the BSA had ever been cut in previous years.

REPRESENTATIVE HIMSCHOOT said that the BSA has never been cut but is negatively affected by subsequent failures to increase its funding.

[8:11:23 AM](#)

REPRESENTATIVE ELAM shared his understanding that the proposed legislation is of a fiscal concern rather than a policy concern and said that he is unsure of the possible benefits of an increased BSA based off of current declining enrollment levels. He asked if the Alaska State Legislature is being confronted with a financial crisis or an enrollment crisis within Alaska's public schools.

REPRESENTATIVE HIMSCHOOT, in response to representative Elam, explained that the House Education Standing Committee is to debate the policies of HB 69, while the House Finance Committee is to debate the fiscal policies related to the proposed legislation. She said that she doesn't see the enrollment crisis improving before anything is done to alleviate the financial crisis that Alaska's public schools are facing.

[8:14:40 AM](#)

CO-CHAIR STORY commented that Alaska's public education funding has been "failing" for a number of years and emphasized that the

proposed legislation would make its proposed increase to the BSA permanent and inflation proofed.

[8:17:38 AM](#)

REPRESENTATIVE UNDERWOOD asked Representative Himschoot if Alaska's declining performance and declining enrollment in its public schools could be correlated to the underfunding of the BSA.

REPRESENTATIVE HIMSCHOOT answered that she has both anecdotal and statistical data to prove the impacts that an underfunded BSA has on the declining enrollment of students and explained that when schools are given the resources they need, they experience "incredible growth."

[8:21:27 AM](#)

CO-CHAIR STORY added that Alaska had a defined benefits system in place in the year 2008, which also contributed to the state's "attractiveness" as a place to work. She said that the quality of a teacher directly correlates to how well the state chooses to fund its schools.

[8:23:07 AM](#)

REPRESENTATIVE ELAM asked how the Alaska State Legislature could predictably prepare for inflation as it might affect the BSA.

REPRESENTATIVE HIMSCHOOT echoed that school districts are asking the same question with regards to inflation-proofing.

[8:24:31 AM](#)

REPRESENTATIVE SCHWANKE asked how many other executive agencies in Alaska have inflation-proofing built into their budgets. She explained that the public testimony in the previous committee meeting was "extremely biased" and said that Alaska is in "detox" with regard to education funding. She commented that the Copper River School District was the lowest paying in the state and said that the key to retaining staff was strong administrative leadership. She said that the Alaska State Legislature must ask itself why parents are pulling their children from Alaska's public school system. She said that the Alaska State Legislature must "demand that school boards do the hard work" with regard to cutting and managing their existing budgets. She said that school districts in Alaska are using the

threat of firing their staff to manipulate the Alaska State Legislature to fund the BSA more strongly.

REPRESENTATIVE HIMSCHOOT retorted that school districts ask the question, "How can we possibly afford this in the face of inflation?" year after year and noted that there were no one-time funding increases during the years of the Education Sciences Reform Act (ESRA) funding. She emphasized that the ESRA funding was used as an opportunity by the Alaska State Legislature to "avoid" increasing the BSA or altering its own statutes, which has put public education funding in a difficult position.

[8:37:01 AM](#)

CO-CHAIR STORY commented that it is important for members of the House Education Standing Committee to contact the school districts within their legislative districts with regard to funding needs. She said that school districts cannot raise money on their own, they must lobby the Alaska State Legislature to fund them. She directed attention to the multitude of written public testimony that the committee received [included in the committee file].

[8:40:09 AM](#)

REPRESENTATIVE ELAM shared that he was unsure of how the concept of "inflation proofing" as proposed under HB 69 would be implemented. He asked how the legislature could forecast future inflation rates and asked why it does this every year.

[8:42:37 AM](#)

REPRESENTATIVE HIMSCHOOT explained that HB 69 would take the average inflation rate of the previous three years to calculate the inflation-adjusted BSA for each coming year.

CO-CHAIR STORY reminded the committee that Karen Morrison and Heather Heineken of the Department of Education and Early Development (DEED) would be available later for further questioning.

[8:44:05 AM](#)

REPRESENTATIVE EISCHEID commented that the BSA has been essentially flat-funded for the last 15 years, aside from specific one-time, unpredictable funding increases. He shared a

question from the Fairbanks North Star Borough which asked, "What would the state of public education in Alaska be in ten years if the Alaska State Legislature continues to flat-fund the BSA?"

REPRESENTATIVE HIMSCHOOT said that it is "sort of emotional" to answer Representative Eischeid's question and explained a series of programs and services that would have to be cut if the BSA were to be continued to be flat-funded in the coming decade. She pointed out that there would be no reason for a parent to stay in a public school if the state were actively giving out allotments for parents to homeschool programs while public schools were declining in funding. She added that a teacher's retention is tied to their ability to retire and set aside funds, all of which would require an adequately funded education system in Alaska.

[8:52:43 AM](#)

REPRESENTATIVE EISCHEID asked Representative Himschoot for her understanding of the words "establish and maintain" as they are written in Article 7 of the Alaska State Constitution. He said that he was able to succeed because of his quality public education and emphasized that the biggest issue in his electoral district was education.

REPRESENTATIVE HIMSCHOOT shared her understanding that the word "maintain" referred to a minimum of an inflation-proofed BSA.

[8:55:15 AM](#)

REPRESENTATIVE UNDERWOOD asked Representative Himschoot if she could guarantee that Alaska's outmigration crisis would end if the BSA were to be properly funded.

REPRESENTATIVE HIMSCHOOT answered that there are no guarantees but said that an increased BSA would be a great help in reducing outmigration from Alaska.

[8:58:12 AM](#)

REPRESENTATIVE UNDERWOOD asked if the structure of HB 69 is typical of other inflation-proofed funding bills and asked, "Is a bill truly inflation proofed if it only allows for the increase, and not the decreases?" She asked if the current structure of HB 69 could be considered "entrenching language" put under scrutiny by the judiciary branch.

[8:58:49 AM](#)

MARIE MARX, Legislative Counsel, Legislative Legal Division, Legislative Affairs Agency, answered that there are many statutes in Alaska law that are already inflation-proofed and explained that inflation-proofing can be done in many different ways, all of which are policy decisions to be made by the Alaska State Legislature. She said that the proposed bill language simply would require the DEED, not the Alaska State Legislature, to adjust the BSA funding amount.

[9:02:20 AM](#)

REPRESENTATIVE ELAM asked Ms. Marx if the fiscal note takes into account the \$1,000 amount added on top of the HB 69 BSA inflation-proofing clauses.

[9:04:34 AM](#)

CONOR BELL, Fiscal Analyst, Legislative Finance Division, Legislative Affairs Agency, gave his interpretation of HB 69, as follows:

For FY 26, you start with the base student allocation of \$5,960 of the prior year; you apply the inflation proofing to that figure and then add \$1,000 afterwards; the \$1,000 is not inflation-proofed in FY 26; however, the final ... FY 26 BSA, after the inflation-proofing adding the \$1,000 - that ... full amount is inflation-proofed in FY 27.

[9:05:31 AM](#)

REPRESENTATIVE ELAM asked what the total BSA amount would be at the end of the proposed legislation's three-year projections.

MR. BELL answered that the BSA at the end of fiscal year 2028 (FY 28) would be about \$8,500 and said that the total cost of HB 69 would be a total of \$326 million dollars by FY 28.

REPRESENTATIVE HIMSCHOOT added that her office calculated the proposed inflation-proofing figure by using a previous three-year inflation average.

[9:09:15 AM](#)

REPRESENTATIVE ELAM commented that his school district is facing the closure of nine schools and said he did not want to see any of them closed, but remarked that this is a consideration of a substantial amount of money and how spending will impact the economy and the future of Alaska.

REPRESENTATIVE HIMSCHOOT emphasized that school districts around Alaska are currently having the conversations of closing schools and firing teachers.

[9:11:24 AM](#)

REPRESENTATIVE SCHWANKE said that the Alaska State Legislature needs to think "long and hard" about why some parents are advocating for parental choice in schools. She emphasized that the first year of her son's homeschooling costs amounted to \$700 dollars and said that the newer school curriculum is often "buried" within a computer where a parent might never be able to "flip through the book and talk about it with their kids anymore." She opined, "The way we are doing education right now is not working for a lot of families." She shared that her son "hates school; he hates getting up and going into a classroom where the pace of education is nothing like what he can get on a device. If he wants to answer a question about V8 motors, he's got the answer in five seconds." She opined that computer-based curriculum is what is driving families away from traditional brick-and-mortar public schools in Alaska.

[9:18:57 AM](#)

CO-CHAIR STORY reminded the committee that there would be plenty of time for policy discussions at a later time.

[9:19:52 AM](#)

REPRESENTATIVE HIMSCHOOT encouraged Representative Schwanke to be cognizant of the fact that much of the computer-driven curriculum of today was driven by the No Child Left Behind Act of 2001 and said that online education is often a solution to the larger class sizes that result from a flat-funded BSA.

[9:24:08 AM](#)

REPRESENTATIVE UNDERWOOD commented that constituents from her district are telling her overwhelmingly not to support HB 69. She said that she is "ever-so full of hope" that the Alaska

State Legislature might be able to spark change and increase the outcomes of Alaska's public school system.

[9:26:54 AM](#)

REPRESENTATIVE HIMSCHOOT emphasized certain aspects of schooling and teaching that are known to have positive outcomes on public education in Alaska. She said that tutoring, smaller class sizes, paid non-contact time, collective teacher efficacy, and a high quality curriculum are the most important parts of a quality public education system.

[9:29:33 AM](#)

REPRESENTATIVE UNDERWOOD said that she has seen some studies that claim that test scores go up in school districts when there are more schools for parents and children to choose from.

REPRESENTATIVE HIMSCHOOT replied that all schools must include things that are known to have positive outcomes like smaller schools.

[9:31:52 AM](#)

CO-CHAIR STORY added that a public school is funded based on its enrollment levels.

[9:32:50 AM](#)

REPRESENTATIVE SCHWANKE asked Representative Himschoot about her understanding as to why the Alaska Reads Act was successful.

REPRESENTATIVE HIMSCHOOT replied that the previously mentioned study done by Mark Foster found that effective teachers, small class sizes, home and community support, students who are ready to learn, and early literacy were the five drivers of successful student outcomes. She said that the Alaska Reads Act directly addressed the need for early literacy programs in Alaska and explained how an increase to the BSA would positively impact the other four drivers of successful student outcomes.

[9:40:20 AM](#)

REPRESENTATIVE SCHWANKE asked if growth metrics could be seen as more important than improvement metrics.

REPRESENTATIVE HIMSCHOOT explained the difference between summative and affirmative assessments and said that it is nearly impossible to measure intelligence and learning.

[9:44:03 AM](#)

CO-CHAIR STORY pointed out that school districts are required to fill out school improvement plans and target their funds toward student needs, both of which are forms of accountability with public school funding.

[9:45:20 AM](#)

REPRESENTATIVE ELAM asked if there are any opportunities from the Alaska Reads Act to redirect funds to places that are more needed and asked if there are any examples where the state has been found in violation of the Alaska State Constitution's obligation to a public education.

REPRESENTATIVE HIMSCHOOT explained that the funding being addressed by HB 69 is not related to the funding in the Alaska Reads Act, because the BSA is a part of the constitutional obligation to create and maintain a public education system in Alaska. She cited the Kasayulie v. State of Alaska and the State of Alaska v. Moore cases as evidence of historic challenges to the constitutionality of Alaska's public school system.

[9:49:32 AM](#)

CO-CHAIR STORY announced that HB 69 would be held over.

[9:51:28 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:51 a.m.