

**ALASKA STATE LEGISLATURE
HOUSE RULES STANDING COMMITTEE**

March 5, 2025

8:34 a.m.

MEMBERS PRESENT

Representative Louise Stutes, Chair
Representative Chuck Kopp, Vice Chair
Representative Bryce Edgmon
Representative Calvin Schrage
Representative Mia Costello
Representative Cathy Tilton
Representative Sarah Vance

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Dan Saddler
Representative Andi Story
Representative Jubilee Underwood
Representative Bill Elam
Representative Elexie Moore
Representative Kevin McCabe
Representative Rebecca Schwanke
Representative Jeremy Bynum
Representative Alyse Galvin
Representative Justin Ruffridge
Representative Julie Coulombe

COMMITTEE CALENDAR

HOUSE BILL NO. 69

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

- MOVED CSHB 69(RLS) OUT OF COMMITTEE

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
02/03/25 (H) Heard & Held
02/03/25 (H) MINUTE(EDC)
02/06/25 (H) FIN AT 1:30 PM ADAMS 519
02/06/25 (H) <Pending Referral>
02/12/25 (H) EDC AT 8:00 AM DAVIS 106
02/12/25 (H) Heard & Held
02/12/25 (H) MINUTE(EDC)
02/12/25 (H) FIN AT 1:30 PM ADAMS 519
02/12/25 (H) <Pending Referral>
02/18/25 (H) FIN AT 1:30 PM ADAMS 519
02/18/25 (H) <Pending Referral>
02/19/25 (H) MOTION TO DISCHARGE FROM EDC, RULE
48(D)
02/19/25 (H) DISCHARGE FROM EDC, RULE 48, PASSED Y21
N18 E1
02/19/25 (H) RESCIND ACTION TO DISCHARGE FAILED Y19
N20 E1
02/19/25 (H) FIN AT 1:30 PM ADAMS 519
02/19/25 (H) Scheduled but Not Heard
02/20/25 (H) FIN AT 1:30 PM ADAMS 519
02/20/25 (H) Moved HB 69 Out of Committee
02/20/25 (H) MINUTE(FIN)
02/21/25 (H) FIN RPT 5DP 4DNP 1NR 1AM
02/21/25 (H) DP: HANNAN, GALVIN, FOSTER, JOSEPHSON,
SCHRAGE
02/21/25 (H) DNP: TOMASZEWSKI, STAPP, ALLARD,
JOHNSON
02/21/25 (H) NR: JIMMIE
02/21/25 (H) AM: BYNUM
02/21/25 (H) MOTION TO WITHDRAW FROM RLS TO CAL,
RULE 18
02/21/25 (H) WITHDRAW FROM RLS TO CAL, RULE 18,
FAILED Y18 N20 E2
02/24/25 (H) MOTION TO WITHDRAW FROM RLS TO CAL,
RULE 18

02/24/25 (H) WITHDRAW FROM RLS TO CAL, RULE 18,
FAILED Y19 N19 E2
03/05/25 (H) RLS AT 8:00 AM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE REBECCA HIMSCHOOT
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 69 and introduced the adopted proposed committee substitute, Version 0.

ACTION NARRATIVE

[8:34:24 AM](#)

CHAIR LOUISE STUTES called the House Rules Standing Committee meeting to order at 8:34 a.m. Representatives Vance, Costello, Edgmon, Tilton, Schrage, Kopp, and Stutes were present at the call to order.

HB 69-EDUCATION FUNDING: INCREASE BSA

[8:35:16 AM](#)

CHAIR STUTES 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."

[Because of their length, some amendments discussed or adopted during the meeting are found at the end of the minutes for HB 91. Shorter amendments are included in the main text.]

[8:36:05 AM](#)

REPRESENTATIVE REBECCA HIMSCHOOT, Alaska State Legislature, as prime sponsor, presented HB 69. She relayed a portion of the sponsor statement [included in full in the committee file], specifying the information beginning on the second paragraph, which read as follows [original punctuation provided]:

House Bill 69 addresses Alaska's education funding crisis by instituting inflation proofing for the future and increasing the Base Student Allocation (BSA) by \$1,808 per student to account for rising costs since 2011. During that timeframe, costs rose by around 39 percent while the BSA increased by only 10

percent. The \$1,808 BSA increase in HB 69 will be spread out over three years:

- \$1,000 BSA increase in FY 2026.
- \$404 BSA increase in FY 2027.
- \$404 BSA increase in FY 2028.

REPRESENTATIVE HIMSCHOOT stated, "The goal of the bill was to restore funding that has eroded over the years to maintain all the possible educational opportunities for our students that we can."

[8:37:08 AM](#)

REPRESENTATIVE KOPP moved to adopt the proposed committee substitute (CS) for HB 69, Version 34-LS0309\0, Marx, 3/4/25, as a working document.

REPRESENTATIVE EDGMON objected for the purpose of discussion.

[8:37:37 AM](#)

REPRESENTATIVE HIMSCHOOT gave explanation of changes [included in the committee file], which read as follows [original punctuation provided]:

Title: Section 1 Section 2 Section 3 Section 4 Section 5 Section 6 Section 7 Section 8 Section 9 Added the following title language to reflect new sections in the bill: "relating to open enrollment in public schools; relating to charter schools; relating to an annual report for correspondence study programs; relating to the base student allocation; relating to wireless telecommunications devices in public schools; establishing the Task Force on Education Funding; relating to a report on regulation of school districts;" Added intent language specifying that this Act shall not be interpreted to permit an education voucher system, in accordance with Article VI, Section 1 of the Alaska Constitution. Amends AS 14.03.080 (a) so that a school-age child is entitled to free public education at their assigned school or a parent-selected school within district. Makes conforming changes to sunset the open enrollment provisions after 3 years. Added new subsections to AS 14.03.080 (i), (j), and (k) for open enrollment that establish that parents may apply for intra-district transfers, with

lottery-based enrollment and sibling priority. Districts report data, and denied applications have an appeal process. Amends AS 14.03.253 (b) to specify that the State Board of Education must issue a decision regarding an appeal of the denial of the charter school application within 45 days instead of the existing 90-day requirement. Amends AS 14.03.255 (c) to specify that before a local school board terminates a charter school contract, written notice and a reasonable opportunity to remedy the issue is provided. Adds new subsections to AS 14.03.255 (e) and (f) that specify that a charter school may carry forward up to 10% of its unreserved budget, with annual review of the year-end budget by the local school board. The local school board is directed to make the contract renewal process as simple as possible. Amends AS 14.03.260 (a) to increase the allowable administrative costs that a local school board can deduct when calculating a charter school's budget from 4% to 8%. Clarifies AS 14.03.275 to specify that charter school contracts can be renewed for successive terms.

Section 10 Section 11 Section 12 Section 13 Section 14
Section 15 Section 16 Section 17 Section 18 Section 19
Section 20 Section 21 Amends AS 14.03.300 to add new subsections (c) and (d) that specify that school districts and the department must submit an annual report on correspondence programs, covering enrollment, demographics, fund use, assessment scores, and curriculum reviews, with the department forwarding reports to the State Board of Education. Amends AS 14.07.168 to require that the report in Section 10 (d) of the bill be included in State Board of Education's annual report to the Legislature. Conforming changes to account for the repeal of the Reads Act. Increases the BSA \$1,000 from \$5,960 to \$6,960. Adds new Section of law, AS 14.33.300, to require the department to create a model policy regulating nonschool-issued wireless device use in public schools, with exceptions for medical, translation, emergency, or educational use. School districts must adopt and share a policy, which must also have exceptions for medical, translation, emergency, or educational use. A school district may adopt the model policy established by the department or it may adopt its own policy. Defines "Wireless telecommunications device." Repeals the open enrollment provisions on July 1, 2028. Adds new

section to uncodified law that establishes a legislative Task Force on Education Funding to analyze funding and accountability, make recommendations, and submit a report by the start of the Second Regular Session of the 34th Legislature. The Task Force expires on January 31, 2026. Adds new section to uncodified law that specifies that the Alaska Department of Education must submit a report on recommendations to reduce regulatory and statutory burdens on school districts by the start of the Second Regular Session of the 34th Legislature, notifying legislators once available. Adds applicability provisions to uncodified law that specify that sections 5-9 of this Act apply to contracts that are legally binding on or after the effective date of this Act. Repeals the open enrollment provisions effective on July 1, 2028 Conforming changes to account for the repeal of Reads Act. Provides an effective date of July 1, 2025, with exceptions for repeal provisions outlined above.

[8:43:34 AM](#)

REPRESENTATIVE HIMSCHOOT, in response to a series of questions from Representative Vance, first explained the reason for the proposed 2028 repealer of the Open Enrollment Act is to force the legislature to consider the issue in a few years to make sure it remains the best option. She then explained the concept for the open enrollment, stating that a child has the right to attend the school in which they are zoned in the larger district while also having the right to go to a school outside that zone, if the parent so chooses. She said there would be guardrails on that, such as "a preference for siblings" that would allow siblings to both go to a school. A second consideration would be based on space availability.

REPRESENTATIVE VANCE asked how this would apply to charter schools.

[8:45:12 AM](#)

REPRESENTATIVE EDGMON objected to the line of questioning, noting that the committee currently was considering whether to adopt the proposed CS, Version 0, not debating the bill.

CHAIR STUTES concurred and asked Representative Vance to hold her questions until after the CS had been adopted.

[8:45:48 AM](#)

REPRESENTATIVE EDGMON removed his objection to the motion to adopt the committee substitute, Version 0, to HB 69. There being no further objection, Version 0 was before the committee.

[8:46:32 AM](#)

REPRESENTATIVE VANCE moved to adopt Amendment 1 to HB 69, Version 0, labeled 34-LS0309\0.4, Marx, 3/4/25, which read as follows:

Page 1, line 2, following "**programs**":

Insert "**relating to school district audits and budgets**;"

Page 6, following line 28:

Insert new bill sections to read:

"* **Sec. 13.** AS 14.14 is amended by adding a new section to read:

Sec. 14.14.040. School district budget. Each school district shall, not later than July 15 of each year,

(1) submit the district's budget for the current fiscal year to the department;

(2) publish a certified copy of the budget prominently on the district's publicly available Internet website; the budget must be accessible through a link on the district's Internet website home page; and

(3) post a certified copy of the budget in a conspicuous, publicly accessible place at the principal administrative office of the district.

* **Sec. 14.** AS 14.14.050(a) is amended to read:

(a) The school board in each school district shall, before October 1 of each year, provide for an audit of all school accounts for the school year ending the preceding June 30. To make the audit the school board shall contract with a public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the district. **A** [ONE] certified copy of the audit shall be filed with the commissioner [AND ONE CERTIFIED COPY SHALL BE POSTED IN A PUBLIC PLACE AT THE PRINCIPAL ADMINISTRATIVE OFFICE OF THE DISTRICT].

* **Sec. 15.** AS 14.14.050(b) is amended to read:

(b) The audit shall conform in form to requirements established by the commissioner. The commissioner shall withhold all payments of state funds after November 15 to a school district that fails to satisfy the requirements of this section and AS 14.14.040 [FILE A CERTIFIED COPY OF THE AUDIT WITH THE DEPARTMENT].

* **Sec. 16.** AS 14.14.050 is amended by adding a new subsection to read:

(e) Each school district shall, not later than November 15 of each year,

(1) publish a certified copy of the audit prominently on the district's publicly available Internet website; the audit must be accessible through a link on the district's Internet website home page; and

(2) post a certified copy of the audit in a conspicuous, publicly accessible place at the principal administrative office of the district."

Renumber the following bill sections accordingly.

Page 9, line 14:

Delete "15"

Insert "19"

Page 9, line 17:

Delete "secs. 19 and 20"

Insert "secs. 23 and 24"

[8:46:37 AM](#)

REPRESENTATIVE SCHRAGE and CHAIR STUTES objected.

[8:46:50 AM](#)

REPRESENTATIVE VANCE spoke to Amendment 1. She said it would strengthen public accountability; make financial information easily accessible; ensure responsible use of state funds; encourage better fiscal oversight; and support parents and education advocates. She called it a "simple, common sense reform" that would require school districts to provide their budget and audit on their websites annually so that parents and the public can see the information and have closer engagement.

[8:48:00 AM](#)

REPRESENTATIVE KOPP stated that he appreciated the "spirit" of Amendment 1, but cautioned against creating administrative delays and recommended making sure that the staff and administrative support is [available] to provide something that is already being done, but perhaps in a more stringent manner. Further, he questioned whether Amendment 1 would "introduce a redundant process without significantly enhancing financial transparency or accountability."

[8:49:26 AM](#)

REPRESENTATIVE COSTELLO thanked Representative Vance. She stated that from talking with parents and educators, she believes that "the transparency of our school budgets is very challenging and we don't know where the money's going." She said she thinks Amendment 1 would enhance transparency to stakeholders in the education system, and she stated that she would support Amendment 1.

[8:50:02 AM](#)

CHAIR STUTES maintained her objection to Amendment 1.

[8:50:06 AM](#)

A roll call vote was taken. Representatives Costello, Vance, and Tilton voted in favor of Amendment 1 to HB 69, Version 0. Representatives Edgmon, Schrage, Kopp, and Stutes voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 3-4.

[8:50:52 AM](#)

REPRESENTATIVE TILTON moved to adopt Amendment 2 to HB 69, Version 0, labeled 34-LS0309\0.2, Marx, 3/4/25, which read as follows:

Page 1, line 2:
Delete "**an annual report for**"

Page 6, following line 28:
Insert a new bill section to read:
"*** Sec. 13.** AS 14.17.430 is amended to read:
Sec. 14.17.430. State funding for correspondence study. Except as provided in AS 14.17.400(b), funding for the state centralized correspondence study program or a district correspondence program, including a

district that offers a statewide correspondence study program, includes an allocation from the public education fund in an amount calculated by using [MULTIPLYING] the ADM of the correspondence program reported under AS 14.17.500(a) and 14.17.600(a) [BY 90 PERCENT]."

Renumber the following bill sections accordingly.

Page 9, line 14:

Delete "15"

Insert "16"

Page 9, line 17:

Delete "secs. 19 and 20"

Insert "secs. 20 and 21"

[8:50:54 AM](#)

REPRESENTATIVES SCHRAGE and EDGMON objected.

REPRESENTATIVE TILTON spoke to Amendment 2. She said while she is aware of the economic condition of the State of Alaska, she also believes that every student has the right "to feel like a whole student." She explained that Amendment 2 would waive the multiplier for correspondence students from .9 to 1, to make them "a whole student."

[8:51:30 AM](#)

REPRESENTATIVE EDGMON spoke to his objection. He prefaced his statement by noting that every amendment the committee would see would have some level of merit. He stated that by increasing the base student allocation (BSA), all three components of schools, whether traditional brick and mortar, charter, or homeschools, would all get an increase. He pointed out that Version 0 has a longer-term component for addressing public education, as well as a number of components tied to the varied state of K-12 education. He concluded that while he thinks Amendment 2 is well-intentioned, he would not be able to support it.

[8:52:22 AM](#)

REPRESENTATIVE COSTELLO spoke in support of Amendment 2. She said she has always believed that it is unconscionable that the State of Alaska counts any child in Alaska as "less than one."

[8:52:44 AM](#)

REPRESENTATIVE KOPP stated that he firmly believes in school choice and competition in education; however, neighborhood schools have fixed costs that many correspondence schools do not have. He noted that correspondence education costs less to operate, thus "it has a heavier lift to argue for a complete 1:1 ratio." He mentioned fiscal responsibility and unnecessary spending and said the legislature needs to question the [ultimate] total cost. While "1" may be too much, he continued, perhaps there is a better figure. He allowed that he does not know the numbers or "how many millions of dollars we're talking about here." That said, he stated that school choice does not require equal funding, and it is necessary to consider there is limited funding for education and to provide "maximum choice within the constraint of that." He reiterated that every option does not need to be equal, "especially if it fails to recognize our brick and mortar facilities." He said he would remain fiscally conservative in terms of his choice over Amendment 2 but welcomed further discussion on the issue as more information becomes available.

[8:54:18 AM](#)

REPRESENTATIVE VANCE offered a rebuttal to Representative Kopp, emphasizing that she respectfully "highly" disagrees with his statements. She recollected that correspondence students make up almost a quarter of students in Alaska. She stated, "If we can't even consider them one whole student while we're considering dramatically increasing the base student allocation across the board, I think this is putting them at a great disadvantage." She talked about students having options. She proffered that increasing the number to 1 from .9 shows respect. She touched upon the ways in which correspondence schools relieve obligations of brick and mortar school systems and offer options to students.

[8:56:52 AM](#)

REPRESENTATIVE EDGMON removed his objection.

REPRESENTATIVE SCHRAGE maintained his objection.

[8:57:11 AM](#)

A roll call vote was taken. Representatives Costello, Vance, and Tilton voted in favor of Amendment 2 to HB 69, Version O. Representatives Schrage, Kopp, Edgmon, and Stutes voted against it. Therefore, Amendment 2 failed to be adopted by a vote of 3-4.

[8:57:43 AM](#)

REPRESENTATIVE VANCE moved to adopt Amendment 3 to HB 69, Version O, labeled 34-LS0309\O.5, Marx, 3/4/25. [Amendment 3 is provided at the end of the minutes on HB 69.]

[8:57:47 AM](#)

REPRESENTATIVE SCHRAGE objected.

[8:57:55 AM](#)

REPRESENTATIVE VANCE summarized that Amendment 3 would expand school choice; modify charter school approval; extend suspension of school bond debt reimbursement until 2030; increase teacher bonuses; ban most student phone use in school, with few exceptions; boost reading grants in vocational education funding; and increase the boarding school stipend.

[9:04:49 AM](#)

REPRESENTATIVE EDGMON listed concerns regarding Amendment 3. He offered his understanding that it would "insert the governor's bill back into the bill that's before the committee" and "comes with a price tag of \$183 million" in lieu of providing a BSA. He noted that the legislature has heard from school districts that more money to the BSA is their overarching, number one need. He spoke about a working group in which he was involved and addressing "the need factor" with the commission of the Department of Education and that there is no data outside the local school district which quantitatively or qualitatively can replace that determination. Pointing to the charter school provision, he offered his understanding that the administration had let that issue go in terms of pursuing a larger compromise, and Amendment 3 would bring the focus back to that provision that had been set aside. Regarding grants, he stated that when the Alaska State Legislature passed the READS Act back in fall 2022, it was predicated on having 42 reading specialists; currently there are only 8 in the department. He explained that this matters because there are grants of \$450 per student for students that show proficiency at certain reading levels. He

expressed concern about the issue of bonuses and trying to uphold them with a constrained budget. He expressed the critical nature of schools being able to provide bonuses for both classified and non-classified employees from the BSA. He emphasized the importance of "the accountability factor" and involvement of stakeholders and the public in making policy decisions. He said the legislature cannot sign a three-year promissory note for teachers to move to rural Alaska and then not uphold that funding the next year when the price of oil may drop. He opined that HB 69 takes a hard look at issues regarding the state of public education in Alaska, as well as including the accountability factor. He concluded that for the reasons stated, he opposed Amendment 3.

[9:10:50 AM](#)

REPRESENTATIVE SCHRAGE maintained his objection.

REPRESENTATIVE VANCE clarified that Amendment 3 would increase the BSA at \$300 and reflects the state's current "fiscal reality." She acknowledged the concerns about funding but maintained that Amendment 3 would "make it more realistic with our current funding situation." She noted that the original proposal was "\$1,000 inside the formula," which she said is "\$250 million forever." She characterized the specificity needed to curate the budget as using a scalpel, and she offered her understanding that parents want the legislature to step in with a specificity in funding areas of schools that are most needed. She said she thinks [Amendment 3] is a great response to that and considers fiscal responsibility and that the price of oil will likely continue to decrease. She concurred with the statement made by Representative Edgmon that the legislature needs to keep its promises, and she posited that the legislature needs to be mindful of how it is giving money in response to the needs that have been presented.

[9:13:49 AM](#)

A roll call vote was taken. Representatives Vance, Tilton, and Costello voted in favor of Amendment 3 to HB 69, Version O. Representatives Schrage, Kopp, Edgmon, and Stutes voted against it. Therefore, Amendment 3 failed to be adopted by a vote of 3-4.

[9:14:23 AM](#)

REPRESENTATIVE COSTELLO moved to adopt Amendment 4 to HB 69, Version 0, labeled 34-LS0309\0.3, Marx, 3/4/25, which read as follows:

Page 1, line 3, following "allocation;":

Insert "**relating to reading proficiency incentive grants;**"

Page 6, following line 31:

Insert new bill sections to read:

"* **Sec. 14.** AS 14.30 is amended by adding a new section to read:

Sec. 14.30.773. Reading proficiency incentive grants. (a) Subject to appropriation, a school district is eligible to receive a reading proficiency incentive grant of \$450 for each student in

(1) kindergarten through grade three who performs at grade level or demonstrates improvement on expected grade-level skills on the statewide screening tool adopted by the department under AS 14.30.760; and

(2) grades four through six who performs at grade level or demonstrates a measure of increased proficiency on a standards-based assessment in language arts.

(b) The department shall adopt regulations to implement this section.

* **Sec. 15.** AS 14.30.773(a), enacted by sec. 14 of this Act, is amended to read:

(a) Subject to appropriation, a school district is eligible to receive a reading proficiency incentive grant of \$450 for each student in

[(1)] kindergarten through grade [THREE WHO PERFORMS AT GRADE LEVEL OR DEMONSTRATES IMPROVEMENT ON EXPECTED GRADE-LEVEL SKILLS ON THE STATEWIDE SCREENING TOOL ADOPTED BY THE DEPARTMENT UNDER AS 14.30.760; AND

(2) GRADES FOUR THROUGH] six who performs at grade level or demonstrates a measure of increased proficiency on a standards-based assessment in language arts."

Renumber the following bill sections accordingly.

Page 9, line 14:

Delete "15"

Insert "17"

Page 9, following line 16:

Insert a new bill section to read:

"* **Sec. 23.** Section 15 of this Act takes effect June 30, 2034."

Renumber the following bill section accordingly.

Page 9, line 17:

Delete "secs. 19 and 20"

Insert "secs. 21 - 23"

REPRESENTATIVE SCHRAGE objected.

REPRESENTATIVE COSTELLO spoke to Amendment 4. She said it would address the Alaska READS Act by allowing \$450 per child for grades K-3, as well as extending that to sixth grade. She noted that the Act was a bi-partisan effort and that the governor stated its efficacy.

[9:15:35 AM](#)

REPRESENTATIVE EDGMON stated that while well-intentioned, he could not support Amendment 4 because of the schools that would not be able to qualify for the money. He noted that when the Act was passed in 2022, it came with a \$30 BSA increase, which meant approximately \$7 million, with about 65 percent of that going to the top five schools in the state, and it did not come with the appropriate funding. He noted that last year the legislature approved money for the READS Act, which the governor vetoed. He mentioned House Bill 114, passed during the Thirty-Third Alaska State Legislature, which planned for reading specialists around the state, and he reiterated there is a paucity of reading specialists currently. He said many rural districts are struggling to meet the requirements of the READS Act without the necessary resources to do so, and he opined that Amendment 4 is not the means to providing those resources.

[9:17:55 AM](#)

REPRESENTATIVE KOPP related that he supports "the spirit" of Amendment 4 and the critical aspect of reading by grade three. He talked about equity in schools. He said he is likely to support READS Act funding but would like to talk to [Representative Costello] about getting a commitment in the budget process for reading specialists in schools. He stated that at this time he would not support Amendment 4.

[9:18:50 AM](#)

REPRESENTATIVE TILTON expressed her support for Amendment 4. She said she thinks everyone wants the best education possible for students in Alaska. She offered her understanding that the Matanuska-Susitna ("Mat-Su") Borough has had "success using this program."

[9:19:45 AM](#)

CHAIR STUTES commented that she appreciates that Representative Costello brought forward Amendment 4. She stated that she agrees with Representative Edgmon regarding rural schools and lack of availability therein. She said she has been a supporter of the READS Act since it was passed but thinks it needs some "fine tuning."

[9:20:34 AM](#)

REPRESENTATIVE COSTELLO, in wrap-up, stated that "students that are not able to read are not set up for success in life." They suffer throughout their educational career. She stated, "It is disappointing that we are moving forward without this program."

[9:21:19 AM](#)

REPRESENTATIVE SCHRAGE maintained his objection.

[9:21:24 AM](#)

A roll call vote was initiated and interrupted [subsequently voided].

[9:21:44 AM](#)

The committee took a brief at-ease at 9:21 a.m.

[9:22:23 AM](#)

CHAIR STUTES announced that the previous roll was voided.

[9:22:27 AM](#)

A roll call vote was taken. Representatives Tilton, Kopp, Costello, and Vance voted in favor of the motion to adopt Amendment 4 to HB 69, Version O. Representatives Schrage, Edgmon, and Stutes voted against it. Therefore, Amendment 4 was adopted by a vote of 4-3.

[9:23:13 AM](#)

REPRESENTATIVE COSTELLO noted that Section 13 of Version O, HB 69, as amended, would reduce the BSA to \$1,000. She asked the bill sponsor to explain the rationale behind that as well as the funding source.

[9:23:39 AM](#)

REPRESENTATIVE HIMSCHOOT explained that "in good faith compromise," she brought the number down to \$1,000 from \$1,808. She noted that when districts were at their peak performance, they were also at their peak funding. The \$1,808 would have restored that funding over a period of three years; however, she added that technically it would not have restored that funding without inflation-proofing. She summarized that bringing the number down to \$1,000 in the BSA as opposed to the \$1,000 with "the escalators" was an attempt to compromise. In terms of funding, she said that is something that the legislature will have to figure out. She suggested there are a lot of ways to do so and reminded the committee that school districts cannot raise revenue. While the legislature has a budget that is wide-ranging, school districts have a budget that is made up of 80-85 percent personnel. The significance, she explained, is that when school districts make cuts, they are cutting opportunities for students.

[9:25:41 AM](#)

REPRESENTATIVE TILTON asked what the thought process was behind the makeup of the membership of the aforementioned taskforce.

REPRESENTATIVE HIMSCHOOT answered that the purpose of the taskforce was to explore how the state funds its schools by considering adequacy, district cost factors, inflation proofing, energy costs - things that are beyond the scope of one bill - to then come back to the legislature with recommendations. She mentioned getting expert advise to determine whether a formula is performing and whether the funding is adequate.

REPRESENTATIVE TILTON asked why the task force makeup included just one minority Representative.

[9:28:10 AM](#)

REPRESENTATIVE EDGMON explained that that is the standard format for putting together a task force.

REPRESENTATIVE HIMSCHOOT noted that the requirement is "at least one member of the minority," so the chairs of both bodies can look at "who best can fill those seats."

[9:29:28 AM](#)

REPRESENTATIVE KOPP moved to report CSHB 69, Version 34-LS0309\0, Marx, 3/4/25, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[9:29:52 AM](#)

REPRESENTATIVES VANCE and TILTON objected.

REPRESENTATIVE VANCE stated that while she is excited that [Amendment 4] was adopted to include reading proficiency, she has many concerns. She question the reasoning behind a new education task force when there are education committees in both bodies. She talked about districts retaining up to 8 percent of their budgets instead of 4 percent and the cap of the carry-forward at 10 percent of unreserved year-end funds, and she said she thinks that will have an impact on charter schools. She said she wants to see charter schools succeed. She expressed an issue with the open enrollment under the proposed legislation, stating that she feels it will not make positive changes. She noted that it would be repealed in 2028. She emphasized particular concern with how the state would afford the "\$1,000 inside the formula BSA increase" that is a quarter of a million dollars that automatically would be added to the budget every year with an unknown future revenue stream. She said she wants to increase funding to education with reforms but thinks "we are biting off more than we can chew in this committee substitute."

[9:32:05 AM](#)

REPRESENTATIVE TILTON stated that she aligns herself with many of the comments that were stated by Representative Vance. She emphasized that every student in Alaska should be considered a whole student and get the best education available.

[9:32:52 AM](#)

REPRESENTATIVE COSTELLO commented that she thinks education is one of the most important issues addressed by the legislature

and said she has enjoyed time in the classroom as a teacher. She expressed disappointment that once the negotiations were started, the minority was left out of the process. She said she looks forward to [the minority] voice being heard during the amendment process on the House floor.

[9:33:34 AM](#)

REPRESENTATIVE KOPP rebutted that the negotiation process was hosted by the governor; therefore, if anyone has a complaint about who was invited or not, that would be the person to address. He stated that "progress is real and inspiring," and though it is "fragile and incomplete," the legislature is moving forward. He said it is not an easy feat to get 61 people to agree on one thing. He expressed confidence that "education is going to improve in Alaska."

[9:34:18 AM](#)

REPRESENTATIVE VANCE maintained her objection.

[9:34:27 AM](#)

A roll call vote was taken. Representatives Schrage, Kopp, Edgmon, Costello, and Stutes voted in favor of the motion to report CSHB 69, Version 34-LS0309\0, Marx, 3/4/25, as amended, out of committee with individual recommendations and the accompanying fiscal notes. Representatives Vance and Tilton voted against it. Therefore, CSHB 69(RLS) was reported out of the House Rules Standing Committee by a vote of 5-2.

AMENDMENTS

The following amendment to the proposed committee substitute (CS) for HB 69, Version 34-LS0309\0, Marx, 3/4/25 was moved for adoption during the hearing. [Shorter amendments are provided in the main text only.]

Amendment 3 [34-LS0309\0.5, Marx, 3/4/25] (failed):

Page 1, lines 2 - 4:

Delete **"relating to an annual report for correspondence study programs; relating to the base student allocation; relating to wireless telecommunications devices in public schools; establishing the Task Force on Education Funding;"**

Insert "relating to transportation of students; relating to school bond debt reimbursement; relating to state boarding schools; relating to correspondence study programs; relating to vocational and technical education; relating to the base student allocation; relating to reading proficiency incentive grants; relating to mobile communication devices in schools; relating to teacher retention and recruitment incentives; relating to a report relating to public education;"

Page 1, lines 7 - 11:
Delete all material.

Page 1, line 12:
Delete "**Sec. 2**"
Insert "**Section 1**"

Renumber the following bill sections accordingly.

Page 2, line 7, through page 3, line 10:

Delete all material and insert:

"* **Sec. 2.** AS 14.03.080 is amended by adding new subsections to read:

(i) Each school district shall, upon application by a parent of a child of school age and subject to AS 14.14.110, 14.14.120, and the enrollment capacity limitations of a selected school, allow the child to attend the school in the district selected by the parent instead of the school that is assigned to the child based on the child's residence within another school's or school district's boundary area. The district shall approve enrollment applications throughout the school year and in the order the district receives the applications, except that the district shall prioritize the enrollment of siblings in the same school. Each district shall annually report to the department and publish on the district's publicly available Internet website student enrollment data for each school in the district, including enrollment capacity and vacancies for each grade in the school, the number of enrollment applications the district received, the number of those applications the district approved, the number of those applications the district denied, and an explanation of the reason for each denial.

(j) The department shall establish by regulation

(1) a student transportation plan for children whose enrollment applications are approved under (i) of this section; and

(2) a process for appealing a school district's denial of an enrollment application.

(k) Nothing in (i) of this section applies to a correspondence study program provided under AS 14.03.300.

* **Sec. 3.** AS 14.03.250(d) is amended to read:

(d) If a local school board or a delegated agency denies an application for a charter school, the applicant may appeal the denial to the commissioner. The appeal to the commissioner shall be filed not later than 60 days after the local school board or the delegated agency issues its written decision of denial. The commissioner shall review the local school board's or the delegated agency's decision to determine whether the findings of fact are supported by substantial evidence and whether the decision is contrary to law. A decision of the commissioner upholding the denial by the local school board or the delegated agency may be appealed within 30 days to the state Board of Education and Early Development.

* **Sec. 4.** AS 14.03.253 is amended to read:

Sec. 14.03.253. Charter school application appeal. (a) In an appeal to the commissioner under AS 14.03.250, the commissioner shall review the record before the local school board or the delegated agency. The commissioner may request written supplementation of the record from the applicant, [OR] the local school board, or the delegated agency. The commissioner may

(1) remand the appeal to the local school board or the delegated agency for further review;

(2) approve the charter school application and forward the application to the state Board of Education and Early Development with or without added conditions; or

(3) uphold the decision denying the charter school application; if the commissioner upholds a local school board's or a delegated agency's decision to deny a charter school application and the applicant appeals to the State Board of Education and Early Development, the commissioner shall immediately forward the application and record to the state Board of Education and Early Development.

(b) In an appeal to the state Board of Education and Early Development of a denial of a charter school application under (a)(3) of this section, the state board shall determine, based on the record, whether the commissioner's findings are supported by substantial evidence and whether the decision is contrary to law. The state board shall issue a written decision within 45 [90] days after the state board receives an appeal.

* **Sec. 5.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.254. Board-authorized charter schools.

(a) The state Board of Education and Early Development may authorize the establishment of a charter school in any school district in the state. The state board shall prescribe by regulation an application procedure for the establishment of a charter school under this section.

(b) The state board shall issue a written decision approving or denying an application for a charter school within 90 days after the state board receives the application. If the state board approves the application, the local school board of the school district in which the state board authorized the establishment of the charter school shall operate the charter school as provided in AS 14.03.255 - 14.03.290.

(c) The state Board of Education and Early Development may delegate the state board's authority to approve or deny an application for a charter school to a committee of the state board, a political subdivision of the state, the University of Alaska, or other state agency."

Renumber the following bill sections accordingly.

Page 4, line 8, through page 6, line 28:

Delete all material and insert:

"* **Sec. 7.** AS 14.09.010(a) is repealed and reenacted to read:

(a) A school district that provides student transportation services for the transportation of students who reside a distance from established schools is eligible to receive funding for operating or subcontracting the operation of the transportation system for students to and from the schools within the student's transportation service area. Subject to

appropriation, the amount of funding provided by the state for operating the student transportation system is the amount of a school district's ADM, less the ADM for the district's correspondence programs during the current fiscal year, multiplied by the per student amount for the school district as follows, for the school years beginning July 1, 2025:

STUDENT AMOUNT	DISTRICT	PER
Alaska Gateway		
	\$2,790	
Aleutians East		
	416	
Anchorage		
	584	
Annette Island		
	244	
Bering Strait		
	66	
Bristol Bay		
	3,583	
Chatham		
	376	
Copper River		
	2,127	
Cordova		
	450	
Craig		
	567	
Delta/Greely		
	2,221	
Denali		
	2,423	
Dillingham		
	1,632	
Fairbanks		
	1,095	
Galena		
	341	
Haines		
	839	
Hoonah		
	400	
Iditarod		
	284	
Juneau		
	809	

Kake
364
Kashunamiut
7
Kenai Peninsula
1,227
Ketchikan
975
Klawock
783
Kodiak Island
1,071
Kuspuk
877
Lake and Peninsula
515
Lower Kuskokwim
372
Lower Yukon
1
Matanuska-Susitna
1,220
Nenana
788
Nome
833
North Slope
1,502
Northwest Arctic
33
Pelican
97
Petersburg
503
Saint Mary's
259
Sitka
574
Skagway
48
Southeast Island
1,549
Southwest Region
801
Unalaska
869

Valdez
987
Wrangell
939
Yakutat
998
Yukon Flats
354
Yukon/Koyukuk
419
Yupiit
2.

* **Sec. 8.** AS 14.11.014(d) is amended to read:

(d) Notwithstanding any other provision of law, the committee may not recommend for approval an application for bond debt reimbursement made by a municipality for school construction or major maintenance for indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015, but before July 1, 2030 [2025].

* **Sec. 9.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay

costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal

and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of

school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the

qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district

under the former participating share amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, but before January 1, 2015, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, but before January 1, 2015, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(18) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 50 percent of payments made by a municipality during the fiscal year for the retirement of principal of and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 2030 [2025], to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(19) subject to (h), (i), and (j)(2), (3), and (5) of this section, 40 percent of payments made by a municipality during the fiscal year for the retirement of principal of and interest on outstanding

tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 2030 [2025], to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

* **Sec. 10.** AS 14.11.100(s) is amended to read:

(s) Notwithstanding any other provision of law, the commissioner may not approve an application for bond debt reimbursement made by a municipality for school construction or major maintenance for indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015, but before July 1, 2030 [2025].

* **Sec. 11.** AS 14.11.102(c) is amended to read:

(c) The commissioner may not allocate funds to a municipality under AS 14.11.100 for the retirement of the principal of and interest on outstanding tax-exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015, but before July 1, 2030 [2025].

* **Sec. 12.** AS 14.16.200(b) is amended to read:

(b) Costs that may be claimed by a district for reimbursement under (a) of this section are

(1) one round trip on the least expensive means of transportation between the student's community of residence and the school during the school year if the district expends money for the trip; and

(2) a per-pupil monthly stipend to cover room and board expenses as determined by the department on a regional basis and not to exceed the following amounts:

(A) for the Southeast Region (Region I), \$1,845 [\$1,230];

(B) for the Southcentral Region (Region II), \$1,800 [\$1,200];

(C) for the Interior Region (Region III), \$2,178 [\$1,452];

(D) for the Southwest Region (Region IV), \$2,264 [\$1,509];

(E) for the Northern Remote Region (Region V), \$2,664 [\$1,776].

* **Sec. 13.** AS 14.17.410(b) is amended to read:

(b) Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:

(1) state aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum obtained under (D) of this paragraph, multiplied by the base student allocation set out in AS 14.17.470; district adjusted ADM is calculated as follows:

(A) the ADM of each school in the district is calculated by applying the school size factor to the student count as set out in AS 14.17.450;

(B) the number obtained under (A) of this paragraph is multiplied by the district cost factor described in AS 14.17.460;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added to the number obtained for correspondence study under AS 14.17.430; the sum is then multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the secondary school vocational and technical instruction funding factor set out in AS 14.17.420(a)(3);

(D) the number obtained for intensive services under AS 14.17.420(a)(2) is [AND THE NUMBER OBTAINED FOR CORRESPONDENCE STUDY UNDER AS 14.17.430 ARE] added to the number obtained under (C) of this paragraph or under (H) and (I) of this paragraph;

(E) notwithstanding (A) - (C) of this paragraph, if a school district's ADM adjusted for school size under (A) of this paragraph decreases by five percent or more from one fiscal year to the next fiscal year, the school district may use the last fiscal year before the decrease as a base fiscal year to offset the decrease, according to the following method:

(i) for the first fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 75 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the first fiscal year after the base fiscal year;

(ii) for the second fiscal year after the base fiscal year determined under this subparagraph,

the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 50 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the second fiscal year after the base fiscal year;

(iii) for the third fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 25 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the third fiscal year after the base fiscal year;

(F) the method established in (E) of this paragraph is available to a school district for the three fiscal years following the base fiscal year determined under (E) of this paragraph only if the district's ADM adjusted for school size determined under (A) of this paragraph for each fiscal year is less than the district's ADM adjusted for school size in the base fiscal year;

(G) the method established in (E) of this paragraph does not apply to a decrease in the district's ADM adjusted for school size resulting from a loss of enrollment that occurs as a result of a boundary change under AS 29;

(H) notwithstanding (A) - (C) of this paragraph, if one or more schools close and consolidate with one or more other schools in the same community and district and, as a result of the consolidation, basic need generated by the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph decreases, the district may use the last fiscal year before the consolidation as the base fiscal year to offset that decrease for the first four fiscal years following consolidation according to the following method:

(i) for the first two fiscal years after the base fiscal year, the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph is calculated by dividing the sum of the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph for the base fiscal year by the sum of the district's ADM of the consolidated schools for the base fiscal year without adjustment, and subtracting the quotient

obtained by dividing the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph by the sum of the district's ADM of the consolidated schools for the current fiscal year without adjustment, multiplying that number by the sum of the district's ADM of the consolidated schools for the current fiscal year without adjustment, and adding that number to the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph;

(ii) for the third fiscal year after the base fiscal year, the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph is calculated by dividing the sum of the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph for the base fiscal year by the sum of the district's ADM of the consolidated schools for the base fiscal year without adjustment, and subtracting the quotient obtained by dividing the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph by the sum of the district's ADM of the consolidated schools for the current fiscal year, multiplying that number by the sum of the district's ADM of the consolidated schools for the current fiscal year without adjustment, multiplying that number by 66 percent, and adding that number to the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph;

(iii) for the fourth fiscal year after the base fiscal year, the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph is calculated by dividing the sum of the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph for the base fiscal year by the sum of the district's ADM of the consolidated schools for the base fiscal year without adjustment, and subtracting the quotient obtained by dividing the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph by the sum of the district's ADM of the consolidated schools for the current fiscal year, multiplying that number by the sum of the district's ADM of the consolidated schools for the current fiscal year without

adjustment, multiplying that number by 33 percent, and adding that number to the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph;

(iv) to calculate the district's basic need for each fiscal year, the number obtained through the calculation in (i), (ii), or (iii) of this subparagraph is added to the number obtained under (C) of this paragraph for the remainder of the district;

(I) if the basic need calculated under (H)(i) - (iii) of this paragraph for one of the first four fiscal years after consolidation is less than the basic need calculated under (A) - (C) of this paragraph for that fiscal year, the basic need may not be adjusted under (H) of this paragraph for that fiscal year;

(J) a district may not offset a decrease under (H) of this paragraph if

(i) a new facility is constructed in the district for the consolidation; or

(ii) the district offset a decrease under (E) of this paragraph in the same fiscal year;

(K) a district that offsets a decrease under (H) of this paragraph may not reopen a school that was closed for consolidation in the district until

(i) seven or more years have passed since the school closure; and

(ii) the district provides evidence satisfactory to the department that the schools affected by the consolidation are over capacity;

(L) a district may not reopen and reconsolidate a school that was consolidated in the district more than once every seven years for purposes of the calculations made under (H) of this paragraph;

(M) a district offsetting a decrease under (H) of this paragraph shall provide the department with the list of schools participating in the consolidation and the corresponding ADM;

(2) the required local contribution of a city or borough school district is the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's

basic need for the preceding fiscal year as determined under (1) of this subsection.

*** Sec. 14.** AS 14.17.420(a) is amended to read:

(a) As a component of public school funding, a district is eligible for special needs and secondary school vocational and technical instruction funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of 1.20 shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by 13;

(3) in addition to the special needs and intensive services funding available under (1) and (2) of this subsection, secondary school vocational and technical instruction funding is available to assist districts in providing vocational and technical instruction to students who are enrolled in a secondary school; a secondary school vocational and technical instruction funding factor of 1.04 [1.015] shall be applied as set out in AS 14.17.410(b)(1); in this paragraph, "vocational and technical instruction" excludes costs associated with

(A) administrative expenses; and

(B) instruction in general literacy, mathematics, and job readiness skills.

*** Sec. 15.** AS 14.17.420 is amended by adding a new subsection to read:

(d) To receive funding under (a)(3) of this section, a district offering secondary school vocational and technical instruction must file with the department a program plan that indicates how the district's implementation of the program will improve student achievement. A district that receives funding under (a)(3) of this section shall file with the department an annual expenditures report indicating

how the funds were used by the district in the preceding year.

* **Sec. 16.** AS 14.17.430 is amended to read:

Sec. 14.17.430. State funding for correspondence study. Except as provided in AS 14.17.400(b), funding for the state centralized correspondence study program or a district correspondence program, including a district that offers a statewide correspondence study program, includes an allocation from the public education fund in an amount calculated by using [MULTIPLYING] the ADM of the correspondence program reported under AS 14.17.500(a) and 14.17.600(a) [BY 90 PERCENT]."

Renumber the following bill sections accordingly.

Page 6, line 30:

Delete "\$6,960"

Insert "\$6,260"

Page 7, line 1, through page 9, line 9:

Delete all material and insert:

"* **Sec. 18.** AS 14.30 is amended by adding a new section to read:

Sec. 14.30.773. Reading proficiency incentive grants. (a) Subject to appropriation, a school district is eligible to receive a reading proficiency incentive grant of \$450 for each student in

(1) kindergarten through grade three who performs at grade level or demonstrates improvement on expected grade-level skills on the statewide screening tool adopted by the department under AS 14.30.760; and

(2) grades four through six who performs at grade level or demonstrates a measure of increased proficiency on a standards-based assessment in language arts.

(b) The department shall adopt regulations to implement this section.

* **Sec. 19.** AS 14.30.773(a), enacted by sec. 18 of this Act, is amended to read:

(a) Subject to appropriation, a school district is eligible to receive a reading proficiency incentive grant of \$450 for each student in

[(1)] kindergarten through grade [THREE WHO PERFORMS AT GRADE LEVEL OR DEMONSTRATES IMPROVEMENT ON EXPECTED GRADE-LEVEL SKILLS ON THE STATEWIDE SCREENING TOOL ADOPTED BY THE DEPARTMENT UNDER AS 14.30.760; AND

(2) GRADES FOUR THROUGH] six who performs at grade level or demonstrates a measure of increased proficiency on a standards-based assessment in language arts.

* **Sec. 20.** AS 14.33 is amended by adding a new section to read:

Article 5. Mobile Communication Devices in Schools.

Sec. 14.33.300. Mobile communication devices in schools. (a) The governing body of a school district shall adopt a policy that prohibits a student from using a personal mobile communication device while in school under the supervision of an employee of the school district except

(1) in the event of an emergency or a perceived threat of danger;

(2) when a teacher or administrator of the school grants permission to the student to use the device for educational purposes;

(3) when use of the device is necessary for the health or well-being of the student; or

(4) when use of the device is a required component of the student's individualized education plan.

(b) This section does not authorize the monitoring, collecting, or accessing of information related to a student's use of a personal mobile communication device.

(c) In this section, "mobile communication device" means a cellular telephone, smart phone, personal data assistant, wireless tablet, computer, or similar device used for voice or visual communication.

* **Sec. 21.** Section 6, ch. 3, SLA 2015, as amended by sec. 5, ch. 6, SLA 2020, is amended to read:

Sec. 6. AS 14.11.014(d), 14.11.100(s), and 14.11.102(c) are repealed July 1, 2030 [2025].

* **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LUMP SUM PAYMENT FOR CERTAIN TEACHERS. (a) Subject to appropriation for the fiscal years ending June 30, 2027, June 30, 2028, and June 30, 2029, a certificated full-time teacher is entitled to receive a lump sum payment as a retention and recruitment incentive if the teacher was employed in a full-time classroom teaching position for the entirety of the school term for the school year immediately preceding the date of payment. The department shall pay the retention and recruitment incentive on or within a

reasonable period after July 1, 2026, July 1, 2027, and July 1, 2028. The department shall reduce the retention and recruitment incentive by the amount necessary to pay mandatory employee and employer deductions, including a deduction required under AS 14.25. Subject to the application and certification requirements described in (e) of this section, the department shall pay the retention and recruitment incentives through grants to school districts as described in (b) - (e) of this section.

(b) The department shall pay \$5,000 for each eligible certificated full-time teacher teaching in the following districts:

- (1) Anchorage School District;
- (2) Fairbanks North Star Borough School District;
- (3) Juneau Borough School District;
- (4) Kenai Peninsula Borough School District;
- (5) Matanuska-Susitna Borough School District.

(c) The department shall pay \$10,000 for each eligible certificated full-time teacher teaching in the following districts:

- (1) Alaska Gateway School District;
- (2) Aleutian Region School District;
- (3) Aleutians East Borough School District;
- (4) Annette Island School District;
- (5) Chugach School District;
- (6) Copper River School District;
- (7) Cordova City School District;
- (8) Delta/Greely School District;
- (9) Denali Borough School District;
- (10) Galena City School District;
- (11) Haines Borough School District;
- (12) Ketchikan Gateway Borough School District;
- (13) Kodiak Island Borough School District;
- (14) Mt. Edgecumbe High School;
- (15) Nenana City School District;
- (16) Nome Public Schools;
- (17) Petersburg Borough School District;
- (18) Saint Mary's School District;
- (19) Sitka School District;
- (20) Skagway School District;
- (21) Unalaska City School District;
- (22) Valdez City School District;

- (23) Wrangell Public School District;
- (24) Yakutat School District.

(d) The department shall pay \$15,000 for each eligible certificated full-time teacher teaching in the following districts:

- (1) Bering Strait School District;
- (2) Bristol Bay Borough School District;
- (3) Chatham School District;
- (4) Craig City School District;
- (5) Dillingham City School District;
- (6) Hoonah City School District;
- (7) Hydaburg City School District;
- (8) Iditarod Area School District;
- (9) Kake City School District;
- (10) Kashunamiut School District;
- (11) Klawock City School District;
- (12) Kuspuk School District;
- (13) Lake and Peninsula Borough School District;
- (14) Lower Kuskokwim School District;
- (15) Lower Yukon School District;
- (16) North Slope Borough School District;
- (17) Northwest Arctic Borough School District;
- (18) Pelican City School District;
- (19) Pribilof School District;
- (20) Southeast Island School District;
- (21) Southwest Region School District;
- (22) Tanana City School District;
- (23) Yukon Flats School District;
- (24) Yukon-Koyukuk School District;
- (25) Yupiit School District.

(e) To be eligible for the retention and recruitment incentive described in this section, a certificated full-time teacher must apply during each eligible calendar year to the department on a date not later than the final day in session for the school term established by the governing body of the teacher's school district or regional educational attendance area. Application for payment shall be made on a form designated by the commissioner of education and early development. For each teacher who applies, the school district or regional educational attendance area shall certify the teacher's eligibility for payment under this section to the department.

(f) Payment made under this section is considered compensation for the purposes of AS 14.25.

(g) The department may adopt regulations necessary to carry out the purposes of this section.

(h) In this section,

(1) "certificated full-time teacher"

(A) means an individual occupying a position that requires

(i) a teaching certificate as a condition of employment; and

(ii) teaching on a regular basis during the normal work period for each day or week at a classroom teaching assignment in a public elementary or secondary school;

(B) does not include an individual teaching as an assistant or graduate assistant or teaching on a substitute, temporary, or per diem basis;

(2) "department" means the Department of Education and Early Development.

* **Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REPORTS TO THE LEGISLATURE. (a) The house and senate education committees shall jointly prepare a report to the legislature that provides

(1) recommendations for any change to public school foundation funding;

(2) a survey of each school district's curricula, programs, and services and an explanation of whether any duplication of the curricula, programs, or services are identified within the district;

(3) a definition of "accountability" as that term applies to measuring school and student performance; and

(4) recommended metrics for determining school and student performance other than the standardized testing that is currently used.

(b) The house and senate education committees shall, before the first day of the First Regular Session of the Thirty-Fifth Alaska State Legislature, deliver a copy of the report prepared under (a) of this section to the senate secretary and the chief clerk of the house of representatives and notify the legislature that the report is available.

(c) The Department of Education and Early Development shall prepare a report recommending regulatory and statutory changes to reduce the regulatory burden on school districts. The department shall submit the report to the senate secretary and the chief clerk of the house of representatives not

later than the first day of the Second Regular Session of the Thirty-Fourth Alaska State Legislature and notify the members of the legislature that the report is available."

Renumber the following bill sections accordingly.

Page 9, line 12:

Delete "Sections 5 - 9"

Insert "Sections 3 - 6"

Page 9, line 13:

Delete "secs. 5 - 9"

Insert "secs. 3 - 6"

Page 9, lines 14 - 18:

Delete all material and insert:

*** Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. Section 21 of this Act is retroactive to July 1, 2025.

*** Sec. 26.** Section 19 of this Act takes effect June 30, 2034.

*** Sec. 27.** Sections 8 - 11, 21, and 25 of this Act take effect June 30, 2025.

*** Sec. 28.** Sections 7, 12 - 18, 20, 22, and 23 of this Act take effect July 1, 2025.

*** Sec. 29.** Except as provided in secs. 26 - 28 of this Act, this Act takes effect July 1, 2026."

[End of amendment - CSHB 69(RLS) was reported out of committee.]

[9:35:14 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Rules Standing Committee meeting was adjourned at 9:35 a.m.