

**ALASKA STATE LEGISLATURE  
JOINT MEETING  
SENATE EDUCATION STANDING COMMITTEE  
HOUSE EDUCATION STANDING COMMITTEE**

February 19, 2025  
8:02 a.m.

**MEMBERS PRESENT**

SENATE EDUCATION STANDING COMMITTEE

Senator Löki Tobin, Chair  
Senator Jesse Bjorkman  
Senator Jesse Kiehl  
Senator Mike Cronk

HOUSE EDUCATION STANDING COMMITTEE

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

**MEMBERS ABSENT**

SENATE EDUCATION STANDING COMMITTEE

Senator Gary Stevens, Vice Chair

HOUSE EDUCATION STANDING COMMITTEE

Representative Maxine Dibert

**COMMITTEE CALENDAR**

PRESENTATION(S) : ALASKA MUNICIPAL LEAGUE

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

NILS ANDREASSEN, Executive Director  
Alaska Municipal League  
Juneau, Alaska

**POSITION STATEMENT:** Offered the presentation Alaska Municipal League Local Governments and Alaska's System of Public Education.

SCOTT ARNDT, Mayor  
Kodiak Island Borough  
Kodiak, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

MARK JENSEN, Mayor  
Petersburg Borough  
Petersburg, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education

FELIX RIVERA, Assembly Member  
Municipality of Anchorage  
Anchorage, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

BETH WELDON, Mayor  
City & Borough of Juneau  
Juneau, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

CHRIS NOEL, Mayor  
Denali Borough  
Healy, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education

ALVIN OSTERBACK, Mayor  
Aleutians East Borough  
Sand Point, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

CINDY BREMMER, Mayor  
City & Borough of Yakutat

Yakutat, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

GLENDA LEDFORD, Mayor

City of Wasilla

Wasilla, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

MARK SPRINGER, Council Member

City of Bethel

Bethel, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

SAM CHANAR, Mayor

City of Toksook Bay

Toksook Bay, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

MINDY O'NEALL, Assembly Member

Fairbanks North Star Borough

Fairbanks, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

KATIE GRIEBE, Mayor

City of Anderson

Anderson, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

KASEY SMITH, Mayor

City of Craig

Craig, Alaska

**POSITION STATEMENT:** Testified on Local Government and Alaska's System of Public Education.

#### **ACTION NARRATIVE**

[8:02:06 AM](#)

CO-CHAIR HIMSCHOOT called the joint meeting of the House Education Standing Committee and Senate Education Standing Committee to order at 8:02 a.m. Present at the call to order

were Representatives Eischeid, Underwood, Schwanke, Elam, Co-Chair Story, and Co-Chair Himschoot.

CO-CHAIR HIMSCHOOT handed the gavel to Chair Tobin at 8:02:27 a.m.

CHAIR TOBIN stated that present at the call to order were Senators Bjorkman, Kiehl, Cronk, and Chair Tobin.

**PRESENTATION(S) : ALASKA MUNICIPAL LEAGUE**

[8:03:21 AM](#)

CHAIR TOBIN announced the presentation Alaska Municipal League Local Governments and Alaska's System of Public Education.

[8:03:54 AM](#)

NILS ANDREASSEN, Executive Director, Alaska Municipal League, Juneau, Alaska, offered the presentation Alaska Municipal League Local Governments and Alaska's System of Public Education. He stated that the Alaska Municipal League (AML) is a membership-based organization representing 165 cities and boroughs, each with distinct responsibilities in fulfilling obligations to the state, including delivering public education. He emphasized the importance of the collaborative partnership between the state and local governments in maintaining the public education system.

[8:05:19 AM](#)

MR. ANDREASSEN moved to slide 2 and discussed the contributions local governments are making and funds from REAA:

[Original punctuation provided.]

Public Education - Alaskans' Taxes

**Local governments fund more than 25 percent of State obligation to public education**

- \$530 million in local tax contributions - residents, businesses, tourists
- Five local governments that contribute more than the State
- Local contributions of
  - Under 5 percent - 3 MSD, 19 REAAs (14 less than 1 percent)
  - 11 MSDs between 5 percent and 20 percent
  - 10 MSDs between 20 percent and 35 percent

- 6 MSDs between 35 percent and 45 percent
- 4 MSDs from 50 percent to 63 percent
- REAAs \$80M in federal, compared to MSD of \$50M
- FY23 - 28 of 52 districts budgeted for higher ADM expense than revenue

**State Property Tax**

- 2.65 mills on assessed value
- Collected on behalf of State by
  - Boroughs
  - Home rule and First Class cities in the Unorganized Borough
- 90 percent of Alaskans

MR. ANDREASSEN clarified that while it's often said local governments fund over 25 percent of the state's obligation to education, it's Alaskans—through local taxes paid by residents, businesses, and tourists—who fund those contributions. He noted that five local governments contribute more to their school districts than the state does, and many others contribute significantly. He cited Department of Education financials showing that four municipal school districts receive over 50 percent of their funding from local sources, and six districts receive between 35 and 45 percent.

MR. ANDREASSEN stated that Regional Educational Attendance Areas (REAAs) receive approximately \$80 million in federal funds, while municipal school districts receive about \$50 million. He noted that in Fiscal Year 2023, 28 of 52 school districts budgeted for higher expenses than revenues, which he viewed as a clear signal to the Legislature and local governments that the funding gap needs addressing.

MR. ANDREASSEN explained that the primary local funding source for public education in Alaska is the state property tax, set at 2.65 mills on assessed value. This tax is collected by boroughs, as one of their three mandated obligations, and by home rule and first-class cities within the unorganized borough. He emphasized that this state property tax applies to 90 percent of Alaskans.

[8:08:03 AM](#)

MR. ANDREASSEN moved to slide 3, Public Education - Local Contributions, which contains a graph showing the change in state and local contribution for municipal school districts from FY 17 to FY 24. He stated that Alaska Municipal League (AML) members adopted a resolution calling for an increase and

inflation-proofing of the Base Student Allocation (BSA), reflecting their responsibilities and the central role schools play in many communities. He noted that from FY 2017 to FY 24, local contributions to education increased by approximately 13 to 14 percent, while the state's contribution declined due to flat funding and inflation.

8:08:56 AM

MR. ANDREASSEN explained that local governments have been filling the funding gap left by the state, a burden not shared equally across the country. In 40 states, school districts have independent taxing authority, which Alaska districts do not. He emphasized that Alaska's school districts rely entirely on the state to meet its constitutional obligation to maintain a public education system, leaving both districts and local governments with limited options to cover shortfalls.

MR. ANDREASSEN referenced a chart displaying local education contributions as a portion of each local government's budget, noting that in some cases, such as the Kodiak Island Borough, education accounts for 60 percent of the total budget. He emphasized that such a large share limits the ability of local governments to address other responsibilities, and this varies by community. He pointed out that if shown in real dollars, the contributions would represent an even larger percentage of local budgets. He stressed that both total funding and the proportion of local budgets allocated to education are important measures. He concluded by stating that local budgets and tax levels are determined based on the needs expressed by school districts and communities.

8:10:36 AM

MR. ANDREASSEN moved to slide 4, Public Education - Financials, and said the data was from FY 23 audited financials from the Department of Education.

[Original punctuation provided.]

**FY23 Audited Financials - DEED**

- Every local government contributed beyond the RLC in FY24 = \$240 million
- 18 of 33 provided more than 50 percent additional
- Four have RLC/FVD amounts greater than 45 percent Basic Need
- State takes 75 percent of Impact Aid to reduce its own obligation to meet Basic Need; 100 percent in REAAs

- Impact Aid meant to make up for lack of tax base, and correct inequity. Used for Adequacy instead.
- Non-instructional functions = < 25 percent of costs
- 58 percent is operations and maintenance
- The Alaska School District Cost Study hasn't been updated since 2005

MR. ANDREASSEN stated that in Fiscal Year 2023, every local government contributed more than the required local contribution to public education, with 18 of 33 providing over 50 percent above the minimum (slide 4, bottom, right graph). He noted that four districts had required contributions or full value determinations exceeding 45 percent of their basic need. Some communities are contributing well beyond what the state contributes.

MR. ANDREASSEN emphasized that the state withholds 75 percent of federal impact aid to offset its own obligation, and in REAAs, the state withholds 100 percent. He explained that impact aid is designed to address inequity caused by a lack of local tax base—not to define adequacy, which the state controls. He argued that using impact aid to reduce the state's obligation disregards differences between communities and advocated for impact aid to flow directly to affected school districts.

MR. ANDREASSEN discussed the graph at the bottom left of slide 4, and added that in FY 2023, less than 25 percent of education costs were for non-instructional functions, mostly operations and maintenance (O&M), and that O&M costs for municipal school districts have increased since 2014. Although the figures are not inflation-adjusted, he stated it is clear that communities face rising costs that require more dedicated funding.

MR. ANDREASSEN concluded that local contributions account for nearly 50 percent of all revenue for municipal school districts. He clarified that while the 25 percent figure reflects all school districts, when looking specifically at municipal school districts, the local contribution is just under half of their available revenue—demonstrating significant variation in how districts are funded. It also demonstrates the difference that local contribution can make.

[8:13:56 AM](#)

MR. ANDREASSEN MR. ANDREASSEN stated that AML adopted a resolution affirming that "basic need" is the state's definition of adequacy and that the state should fully fund that amount. He explained that local governments are responsible for addressing

inequities within their communities, where local contributions can have the greatest impact. He reiterated that the state could improve how it defines adequacy and pointed to the district cost study, which has not been updated since 2005. He suggested that this study should be conducted more regularly to better evaluate what constitutes an adequate level of funding.

8:14:27 AM

CO-CHAIR HIMSHOOT referred to slide 4 and asked whether the chart on O&M expenses included fixed costs such as energy and insurance.

8:14:46 AM

MR. ANDREASSEN stated his belief that the chart did include fixed costs such as energy and insurance; however, he noted that the data came from the Department of Education and Early Development (DEED), so the answer depends on DEED's chart of accounts and what was included.

8:15:04 AM

CHAIR TOBIN asked what municipalities and boroughs are sacrificing when they fund education beyond the cap or their minimum required contribution.

MR. ANDREASSEN stated that local government funding typically falls into four main service categories: education (though not all local governments have education responsibilities), public safety, public works, and quality of life services such as parks and recreation, pools, libraries, and museums. He explained that if local governments are not increasing taxes, then funding beyond the minimum contribution for education must come at the expense of these other areas. He emphasized that this can result in fewer roads being plowed, fewer police officers on the streets, or the inability to expand public safety efforts or assume additional responsibilities. He noted that local governments operate under limited tax bases, constrained budgets, and local tax caps, so any increased funding for education reduces the capacity to maintain or expand other essential services.

8:16:28 AM

REPRESENTATIVE SCHWANKE asked what the increase in the state's contribution to education had been prior to FY 2017

MR. ANDREASSEN stated that the committee had likely seen a "pencil chart" at some point outlining historical state education funding. He noted he did not have that information

available, as the current discussion focused specifically on the local government perspective. He offered to provide the committee with a longer historical overview of state funding at a later time.

[8:17:12 AM](#)

REPRESENTATIVE SCHWANKE stated that historically, state education funding increases when the state has additional revenues, noting that from 2004 to FY 2017, the state's total contribution to education rose by 80 percent. She referenced a previous question posed during a House Education Committee meeting, asking that if local governments must reduce services in other areas when education contributions increase, the same consideration should apply at the state level. She asked which "buckets" or areas of the state budget should be reduced or adjusted to accommodate increased education funding.

SENATOR TOBIN stated that the dynamics of the state's contribution to education are determined by decisions made by the Legislature. She commented that it was not fair to direct that question to municipal leaders and apologized, unless Mr. Andreassen wished to respond.

[8:18:29 AM](#)

MR. ANDREASSEN acknowledged that he does not know how to perform the Legislature's job but noted that, when looking at the Alaska Constitution, one of the few explicitly stated responsibilities of the state is the establishment and maintenance of a system of public education. He emphasized that the Constitution does not qualify this obligation based on available revenue. He expressed concern that the state only addresses school district needs when revenue allows, which he believes is inconsistent with the Constitution. He added that, from a local government perspective, communities assess school district needs annually and respond either by increasing revenues or cutting other services.

[8:19:31 AM](#)

SENATOR KIEHL stated that from 1994 to 2017, the Consumer Price Index (CPI), Alaska's measure of inflation, increased by 97 percent rather than 80 percent. He noted that this suggests Alaska lagged behind inflation even during that timeframe.

[8:19:52 AM](#)

MR. ANDREASSEN moved to slide 5, Unfunded Mandates and stated that this year marks AML's 75th anniversary, and opposing unfunded mandates has been a core principle of the organization

since before statehood. He emphasized the need to consider unfunded mandates not only at the local government level but also within school districts. He referenced a list he created outlining numerous school district obligations, noting that 27 additional requirements could not be included due to space limitations. He clarified that many of the mandates are reasonable, and he was not disputing their value.

[Original punctuation provided.]

### **Unfunded Mandates**

- School Districts are annually required to:
- Report to AMYA students ages 15-19 no longer enrolled but not graduated or transferred
- Report list of students eligible for Alaska Performance Scholarship
- Annual audit
- Produce disciplinary report on all incidents involving restraint or seclusion
- File a planning report to DEED with goals and measures of success.
- If low performance, must file an improvement plan having involved maximum public input.
- File a safe schools report and safety action plan.
- Develop written procedures for identifying students entitled to surrogate parent.
- Report average daily membership.
- Develop and submit teacher evaluation reports.
- File annual and quarterly transportation reports.
- File qualification statements for all teachers and administrative employees.
- Administer statewide assessments.
- Offer bilingual-bicultural education.
- Develop and adopt policy that prohibits harassment and bullying.
- Develop and publish concussion guidelines, parent information, and have staff knowledgeable.
- Develop and renew a crisis response plan.
- Submit developmental profile for each student entering kindergarten or first grade.
- Implement employee evaluation system, and conduct observation twice a year.

- Develop school disciplinary and safety program.
- Develop and provide services to gifted children.
- Appoint teams to determine necessary accommodations for English learners.
- The list goes on...

[8:20:48 AM](#)

MR. ANDREASSEN said since the State has authority to direct funds to districts it can identify the priorities expected from districts. However, most of the mandates on the list do not come with funding, which means resources are pulled from instruction or non-instructional needs and affects working conditions. He urged consideration of how to relieve districts of some obligations while maintaining necessary reporting, compliance, and accountability to the State.

[8:21:35 AM](#)

MR. ANDREASSEN moved to slide 6, Legislation Impacting Local Funding:

[Original punctuation provided.]

### **Legislation Impacting Local Funding**

#### **2020-2024 legislation introduced:**

1. Curriculum about opioids for grades 9-12
2. Curriculum to incorporate local traditions and customs
3. Have an online checkbook
4. Add mental health curriculum
5. Add sexual health to curriculum
6. Add financial literacy to curriculum
7. Teach about the history of Asian Americans and Pacific Islanders
8. Adopt standards for social-emotional learning
9. Provide opportunities for students to participate in vocational ed, training, and on the job experience over 14.
10. Develop a program relating to victims of communism.
11. Post all course textbooks and syllabus online.
12. Establish program on character development.
13. Create a civics curriculum.
14. Arm teachers and/or guards.

MR. ANDREASSEN noted that the list includes legislation introduced between 2020 and 2024, and stated his belief that none of the bills included a fiscal note addressing school

district impacts. He quoted Beyoncé, saying, "If you like it, then you should have put a ring on it," to illustrate the need for commitment through funding. He described the relationship between the State and school districts as a partnership, not a one-sided directive. He emphasized the need for agreement between school districts and federal, state, local governments regarding the cost shifting caused by unfunded mandates. He opined that districts can do more but mandates without funding create trade-offs.

[8:23:04 AM](#)

CO-CHAIR STORY thanked Mr. Andreassen for the list of unfunded mandates and stated that the committee has frequently been asked to increase accountability as school investment is considered. She observed that the existing mandates already reflect a significant level of accountability within the system. She invited him to comment on whether additional or alternative measures might better address the demand for accountability.

[8:23:53 AM](#)

MR. ANDREASSEN stated that the current list is only a portion of a longer one and suggested the broader issue is not just accountability, but the volume of work involved. He explained that much of it consists of reports, assessments, and planning documents that enable the Department of Education to carry out accountability functions. He likened the situation to giving children worksheets instead of meaningful research, describing the current system as a "check-the-box" approach. He suggested that reducing this workload and focusing on more meaningful accountability measures could be more effective. He opined that if schools are required to submit a capital improvement plan, then the state should have a corresponding expectation to provide funding to support it.

[8:25:16 AM](#)

MR. ANDREASSEN moved to slide 7 School Construction and Major Maintenance and discussed the following points:

[Original punctuation provided.]

#### **School Construction and Major Maintenance**

- **76 percent of schools owned and managed by local governments**
- Provide for major rehabilitation, construction, and major repair of school buildings

- State has partnered as part of its Constitutional obligation through grants and bond reimbursement
- FY23 - 14 districts didn't submit 6-year plans - 3 REAAs, 10 MSD
- FY 23 \$603 million = \$11,374.95 ADM
- Priority List - 13-year average of \$52M construction, and \$13M for maintenance
  - Of 37 construction projects, 12 districts, five municipal
  - 109 maintenance projects, 32 districts, 19 municipal
- State meeting 15 percent as a percentage of need annually
- 27 percent of all projects were REEA
- Industry standards suggest an additional 1 percent of replacement value should be programmed for deferred maintenance. At \$9.7 billion, the annual amount for Alaska would be \$289 million.

[8:27:49 AM](#)

MR. ANDREASSEN moved to slide 8 and discussed Public Education - Facilities:

[Original punctuation provided.]

### **Public Education -Facilities**

#### **State Construction and Maintenance Programs**

- FY 6-year plan = \$1,846,645,049 (\$200M+ AVG)
- 19 districts did not submit 6-year plan / 35 percent
- Plans range from 2 to 6 years
- HB2003 report - Evaluation of combination of grant program, GO Bond, and SBDR
  - 1/3 of all schools benefiting from major maintenance
- FY11-24 - Grants from School Construction and Major Maintenance resulted in an average for school construction of \$52,677,128 (42 percent MSD) and for major maintenance of \$14,017,113 (59 percent MSD).
- 60 percent of school districts have benefited.
- 13 of 24 municipal districts submitted 112 applications for debt reimbursement
  - \$803 million (0 since 2016)
- Due to the decreasing amount of eligible debt reimbursement being paid by the state, the

statutory calculation for the REAA fund capitalization is also declining each year.

[8:29:37 AM](#)

MR. ANDREASSEN moved to slide 9, which displayed AML Resolution 2020-07 and a 2024 DEED Recommended and Funded Capital Renewal chart spanning FY 11 - FY 24:

[Original punctuation provided.]

**Resolution 2020-07 - Fund School Bond Debt Reimbursement**

Supporting full payment of currently obligated school bond debt reimbursement; a reinstatement of the school bond debt reimbursement program; and a careful and deliberate reform of State support of school construction and maintenance.

MR. ANDREASSEN stated that members of the Alaska Municipal League (AML) have firmly supported full State funding for school bond debt reimbursement, calling it a critical tool for local governments. He referenced the Department of Education and Early Development's (DEED) annual report, which estimates that \$3.6 billion should be allocated to address school facility needs, based on a recommended 3 percent capital renewal rate. He noted that only \$1.6 billion has been distributed since FY 11, resulting in a \$2 billion shortfall in State funding.

[8:30:21 AM](#)

MR. ANDREASSEN moved to slide 10 Public Education - Considerations:

[Original punctuation provided.]

**Equity** - 2015 outside consultant report "Finally, as noted in the equity study chapter, it is difficult to determine whether the current state and local funding shares for K-12 education are appropriate and equitable. Currently, the state lacks a comprehensive and consistent measure of local wealth that can be applied across all district types. The state could use a formal definition and measure of local fiscal capacity to provide a better understanding of local districts' ability to contribute to K-12 education and to establish a more equitable and balanced local contribution."

**Adequacy** - 2001 DEED report I. Measurable standards for student achievement have been set by the State of Alaska to meet the higher expectations of the public. "Making the connection between school dollars and student achievement is the principal school finance challenge of the next century."

II. To meet that challenge, we must identify and reflect on the changes that have occurred over the last 10 years.

- A. The basic amount of school funding per student has not changed since 1993.
- B. Inflation has eroded buying power.
- C. New requirements have been added without the dollars to cover their costs.
- D. Societal changes such as concerns for student safety and changing demographics have impacted schools.

MR. ANDREASSEN acknowledged the State's constitutional obligation to ensure both adequacy and equity in education. He noted that the Legislature has previously commissioned reports asking what should be done and how. He referenced a 2015 recommendation to revisit how local government contributions affect equity, pointing out that no action has followed in over a decade. He cited a 2001 report from the Department of Education and Early Development (DEED) that identified the primary school finance challenge of the 21st century as linking funding to student achievement—an unresolved issue that remains central today. He stressed the importance of reexamining what adequacy in local contributions should look like.

[8:31:40 AM](#)

MR. ANDREASSEN moved to slide 11, Public Education - Accountability that contained graphs and charts on achievement, statewide performance, and student participation in spring 2023 and 2024 assessments. He responded to Representative Story's earlier remarks on accountability stating accountability is equally important to local governments as state government, which want to see achievement that matters to families, students, and lawmakers. He emphasized that high-performing schools are just as vital to local governments as state government. He said AML wants to see local funding applied locally and accountability shaped collaboratively among all funders. He highlighted that in municipal school districts, local governments contribute 50 percent of funding and thus have

a stake in defining accountability measures. He also expressed the need for equitable accountability across all forms of public education, including correspondence schools, wherever state or local funds are spent.

[8:32:52 AM](#)

MR. ANDREASSEN moved to slide 12, Public Education - Consideration and discussed alternatives to the status quo.

[Original punctuation provided.]

- Alternatives to Status Quo
- Ensure accountability to State and local governments - based on budgets
- Extend accountability to all students where local and state funding applies
- Ensure equitable application of State property tax
- Fund current and future mandates
- Release Impact Aid directly to districts
- Develop State-led disparity test
- Reform grant and bond program
- Implement a Base Facilities Allocation
- Address recruitment and retention

MR. ANDREASSEN referred to the outcome of a survey given to Alaska's teachers and administrators regarding recruitment and retention. Adequate compensation was identified as the top priority for educators. Despite this, a subsequent strategy report excluded compensation from its scope. He supported using the Village Public Safety Officer (VPSO) program as a model, highlighting how intentional salary increases helped turn that program around and suggested a similar approach for addressing the State's obligation to its teachers.

[8:36:30 AM](#)

CO-CHAIR STORY referred to slide 8, which stated that 19 districts did not submit six-year plans. She asked how much time and effort municipalities invest in creating those plans, especially given that many are not funded. She questioned whether the lack of funding discourages districts from submitting the plans in the first place.

[8:37:03 AM](#)

MR. ANDREASSEN replied that several factors contribute to districts not submitting six-year plans. He explained that creating the plans requires significant work and resources, and

many communities are already underinvested in asset management and maintenance planning. Producing a Capital Improvement Plan (CIP) demands a high level of detail, often requiring project pre-development work such as environmental reviews, design, or engineering—each of which costs money. He estimated the cost per plan can range from \$5,000 to \$30,000 per school, and noted that some local government plans, like hazard mitigation plans, can exceed \$250,000.

MR. ANDREASSEN emphasized that planning must be a sustained investment rather than a one-time effort, and that communities need confidence that submitted needs will be addressed. He pointed out that State programs have been underfunded, with only 8 to 15 percent of submitted projects funded over the past decade. He added that spending \$100,000 on a plan with such low chances of funding is discouraging. Finally, he noted that the suspension of the school bond debt reimbursement program removes a key tool for funding projects in partnership with the State, leaving districts with high planning costs, little return, and limited options to meet their needs.

[8:39:34 AM](#)

SENATOR BJORKMAN said he as observed that the conversation often centers on exchanging policy for funding, whether that funding increases or decreases from previous years. He acknowledged that Alaska has recently enacted significant education policy, including the Alaska Reads Act, which has led districts to shift resources toward early learning—changes that have both costs and benefits. He also noted that recent laws have introduced pay incentives for teachers to pursue additional training, though implementation has been slower than hoped. He asked what specific policies communities and AML are seeking in schools that are not already in place.

[8:41:04 AM](#)

MR. ANDREASSEN stated that while there may not be a specific policy to address uncertainty, what local governments and school districts most want is consistency—particularly in annual funding levels, staffing, and basic infrastructure needs like roof repairs. He said if he could change one thing through policy, it would be to provide that stability.

MR. ANDREASSEN noted that communication between local governments and school districts is improving but could be strengthened. While school districts report extensively to the Department of Education, they often do not share similar information with local governments. He suggested that, whether

through policy or practice, enhancing local dialogue is critical to shaping school districts that reflect community needs.

[8:42:14 AM](#)

MR. ANDREASSEN emphasized that educational reforms take time and cited large infrastructure projects like hydropower development as examples of long-term investment. He warned against expecting immediate results from recent policy changes, such as the Alaska Reads Act, and stressed the importance of patience and intentionality. However, he concluded by noting that school districts face immediate, annual budget decisions—such as potential layoffs or school closures—which cannot wait and must be addressed in real time.

[8:43:16 AM](#)

SENATOR TOBIN noted that with the Alaska Reads Act, there are stipulations in the law that require DEED to help every district publish all of their accountability data on an accessible website that also includes an easy-to-download CSV file. It said it hasn't happened yet, but when it does, it should help provide additional information to districts as they work on accountability measures for their schools.

[8:43:45 AM](#)

SENATOR BJORKMAN stated that people often perceive disconnection between their community and the school system, especially when school practices differ from what they experienced growing up. He emphasized the importance of neighborhood schools reflecting the communities they serve. He shared that he appreciates when his child's teacher sends home worksheets, as it fosters communication and allows him to support his child's learning at home. He added that seemingly small policy issues—such as how schools handle lice—can trigger strong emotional reactions when public expectations do not align with school practices, and he stressed the need for better communication in those areas.

[8:44:59 AM](#)

SENATOR KIEHL asked whether the mention of state property tax in one of the slides referred to the required local contribution.

MR. ANDREASSEN replied yes.

[8:45:41 AM](#)

SENATOR KIEHL SENATOR KIEHL stated his belief that at least three or more municipalities or school districts do not levy a property tax and instead meet their required local contributions through other means. He asked for help in thinking through the

balance between equity-referenced multiple times—and efforts to limit municipalities' ability to contribute local tax dollars to their school districts. He expressed concern about how such limitations could affect local control and the capacity of communities to invest in education.

[8:46:19 AM](#)

MR. ANDREASSEN suggested local contribution could be established as the amount of property tax or the equivalent. He said there are conversations about reducing local control according to the contribution that a school district makes. But right now, local governments often support school districts beyond what qualifies as the required local contribution, and those additional investments may not be fully reflected in statewide data. He emphasized the importance of understanding the reasons behind these contributions. Using Juneau as an example—where his children attend school—he described how local governments aim to address the specific challenges in their communities. He framed these contributions as part of a broader effort by full-service communities to support residents, families, children, and the local economy. He argued that such local investments reflect a commitment to maintaining the integrity of the community and should be viewed differently from the State's constitutional responsibility to provide a system of public education. He concluded that local autonomy to invest in schools should be preserved as a way to address inequities and local challenges. He distinguished this local effort from the State's separate responsibility to ensure both equity and adequacy across the education system.

[8:48:45 AM](#)

SENATOR KIEHL asked whether it would be accurate to summarize the concern as the State not meeting an adequate funding level, creating an equity issue that is not be addressed by diminishing local control. He asked if that was a fair summation.

MR. ANDREASSEN requested time to reflect and comment later.

[8:49:36 AM](#)

REPRESENTATIVE EISCHEID referred to slide 5, Unfunded Mandates, and recalled a list of approximately 25 bullet points outlining various annual requirements the State of Alaska imposes on school districts, most of which involve reporting. He asked who within school districts are responsible for completing this work, particularly the reporting requirements submitted to the State.

[8:50:23 AM](#)

MR. ANDREASSEN MR. ANDREASSEN responded that the question is likely best answered by school administrators or school boards but assumed that a large portion of the reporting workload falls on administrative staff. He noted that some districts may require additional personnel solely to meet these requirements. He stated that he would follow up by providing the full list of obligations and defer to others for details on who specifically handles the work.

[8:50:49 AM](#)

REPRESENTATIVE EISCHEID acknowledged that his question was intentionally pointed, explaining that he often asks noneducators about education issues. He shared his perspective as a teacher of 25 years, highlighting that administrators likely handle most of the reporting requirements because teachers have limited time. He pointed out the contradiction of demanding more instructional time while increasing administrative burdens that pull resources away from direct student interaction. He expressed a desire for a law requiring that each new unfunded mandate be offset by removing an existing one. He concluded by stating that everything is interconnected and slide 5 illustrates how burdens placed on school districts can create additional problems.

[8:52:04 AM](#)

Mr. ANDREASSEN stated that AML members have passed a resolution supporting the State Legislature's implementation of municipal and school district fiscal notes. He explained that the goal is to assess the full impact of obligations by identifying the full-time equivalent (FTE) positions and costs per school, teacher, and administrator associated with each requirement.

[8:52:49 AM](#)

CHAIR TOBIN announced invited testimony on Local Government and Alaska's System of Public Education.

[8:53:06 AM](#)

SCOTT ARNDT, Mayor, Kodiak Island Borough, Kodiak, Alaska, testified on Local Government and Alaska's System of Public Education. He said he is a 61-year resident of Kodiak with children and grandchildren in the local school system, stated that over 80 percent of Kodiak's collected tax revenue goes toward education, including operations, major maintenance, and bond debt. He emphasized the growing burden on local taxpayers, describing rising property taxes as "rent" on homes, even when mortgages are paid off. He noted that this financial pressure is

making it increasingly difficult for residents to live in Kodiak.

[8:54:41 AM](#)

MR. ARNDT stated that Kodiak has not taken on new school construction debt in nearly 10 years, partly due to previous cuts to the school bond debt reimbursement program—though he thanked legislators for restoring some of that funding. However, he explained that Kodiak remains hesitant to take on more debt, despite having tens of millions in deferred maintenance needs. He highlighted that Kodiak managed to complete its six-year plan using a retired maintenance director under contract, while other communities lacked the resources to do so.

[8:56:40 AM](#)

MR. ARNDT criticized the ongoing bond debt reimbursement moratorium, which began as five years, was extended to 10, and may reach 15 years. He recalled that in 1979, Kodiak passed a \$29 million bond for school construction, with the State reimbursing 95 percent—compared to zero percent today. He stated that the core problem is insufficient school funding and warned that the financial strain on local communities is unsustainable.

[8:56:58 AM](#)

MR. ARNDT stated that discussions often focus on where to direct funding. He highlighted an issue within the foundation formula. He explained that three communities—Fairbanks, Anchorage, and Kodiak—receive federal "in lieu of tax" payments due to the presence of military or Coast Guard facilities. When the foundation formula was originally created, school debt was reimbursed, but that is no longer the case. He noted that three years ago, Fairbanks lost approximately \$9.7 million, Anchorage \$8.7 million, and Kodiak \$1 million due to state deduction of federal payments from what it allocates to the districts. He emphasized that while other communities are also affected, the impact on them is minimal. He urged lawmakers to consider changes to this practice, as retaining those funds could have helped address local debt and major maintenance needs.

[8:58:47 AM](#)

MARK JENSEN, Mayor, Petersburg Borough, Petersburg, Alaska, testified on Local Government and Alaska's System of Public Education. He provided an overview of the borough's current education funding, stating that the borough is contributing the maximum required amount, which equals 25 percent of the local budget. He added that the borough now pays half the school's utility costs due to shared use of facilities like the swimming

pool and also covers school transportation expenses, totaling approximately \$200,000 annually. He warned that at this funding level, the borough's general fund will be depleted halfway through the FY26-27 cycle.

MR. JENSEN emphasized that maintaining current school funding may require cuts to other general fund services, including public safety, the library, parks and recreation, and the museum. He expressed concern that without an extension of federal support for school funding, the financial strain will worsen.

MR. JENSEN reported recent discussions with the borough manager regarding possible budget adjustments, including potential staff layoffs, to prioritize school funding. He concluded by urging the State to increase the Base Student Allocation (BSA), while acknowledging the difficulty of the current state budget situation.

[9:01:20 AM](#)

FELIX RIVERA, Assembly Member, Municipality of Anchorage, Anchorage, Alaska, testified on Local Government and Alaska's System of Public Education. He stated that Anchorage has the economic base to provide 100 percent of the allowed local contribution to education and has done so for years. He noted this costs taxpayers approximately \$3,000 per year for a \$450,000 home and said residents are proud to bear that expense because education represents opportunity and hope for the future. He said that every year, the assembly receives a stream of emails from parents and students asking them to help preserve academic and extracurricular programs. He shared that parents question staying in Alaska when opportunities are lost, and students say those programs are often their main reason for attending school.

MR. RIVERA said he related to those students, recalling his own involvement in Future Farmers of America and other academic extracurriculars that motivated him to attend school. He said Anchorage and many other districts are being forced to make painful decisions as they build their FY26 budgets. He emphasized that what is at the heart of the issue is lost opportunity and noted that the committee had likely already heard data and testimony from parents, students, and school board members across the state. He said there is widespread recognition that education needs more funding and referenced a resolution passed by the Anchorage Assembly in January 2024 supporting an increase to the Base Student Allocation (BSA) by

no less than \$1,963 and transportation funding by at least \$324 per student for FY26.

[9:04:02 AM](#)

MR. RIVERA added that the school district—and ultimately Anchorage taxpayers—face a \$1 billion deferred maintenance bill, not including potential increases in energy costs affecting districts statewide. He said he hopes not to return with another resolution containing new numbers and explained that the assembly got involved because underfunding affects the broader community. He noted that without school bond debt reimbursement, property taxes have risen, and reduced school support is contributing to the outmigration of young families.

MR. RIVERA said people are leaving because they see fewer opportunities, which damages the economy, worsens workforce shortages, and harms overall quality of life. He stated that families want opportunities for their children to thrive, but the state's chronic underfunding is limiting educational choice. He questioned what kind of future communities can expect when parents don't see one for their children and asked how local governments can be expected to fill the gap in the state's constitutional responsibility to fund education. He reiterated that Anchorage is proud to contribute, but local taxpayers have limits, and other communities lack Anchorage's tax base. He acknowledged the work of the committee on education funding, said he shares their frustration, and urged lawmakers to find long-term solutions to restore opportunity and hope for families in Anchorage and across the state.

[9:06:46 AM](#)

BETH WELDON, Mayor, City & Borough of Juneau, Juneau, Alaska, testified on Local Government and Alaska's System of Public Education. She stated that the City and Borough of Juneau contributes the maximum allowable local amount to education and has done so consistently, amounting to \$34.5 million in the FY25 adopted budget. She explained this equals 22.5 percent of the general fund, and when adding funding outside the cap—such as for transportation, food service, and pre-K programs—the total reaches 25 percent. She detailed that 5.49 mills of the property tax mill rate goes toward funding up to the cap, and to fund outside the cap is 6.06 mills. Juneau has a total mill rate of 6.06 mills and also a 5 percent sales tax to help fund other priorities.

[9:08:03 AM](#)

MS. WELDON stated that the City and Borough of Juneau contributes the maximum allowable local amount to education and has done so consistently, amounting to \$34.5 million in the FY25 adopted budget. She explained this equals 22.5 percent of the general fund, and when adding funding outside the cap—such as for transportation, food service, and pre-K programs—the total reaches 25 percent. She detailed that 5.49 mills of the property tax mill rate goes toward funding up to the cap, and 6.06 mills including outside-the-cap contributions, out of Juneau’s total 10.06 mill rate. Juneau also has a 5 percent sales tax to help fund other priorities.

MS. WELDON described the significant fiscal challenges Juneau faced in the last school year, including school consolidation, returning sixth grade to elementary schools, and closing two schools—one of which may be torn down due to asbestos. She said the city used capital improvement funds, withdrew \$1 million from its reserve account, and then suffered a flood, compounding fiscal stress. Funding was also taken from public works, and the city plans to ask voters to approve general obligation bonds for sewer, water, and school facility maintenance.

[9:09:10 AM](#)

MS. WELDON reported that the Juneau School District’s (JSD) capital needs for FY25-29 total approximately \$14 million, with an additional \$156 million in future deferred maintenance beyond that period. She noted that poor facility conditions were made clear when the city took over two buildings, including one with a leaking underground fuel tank. She also raised the issue of rising property insurance costs, which have nearly tripled from less than \$500,000 in FY21 to \$1.4 million in FY25.

MS. WELDON stated that FY25 is the last year Juneau expects to receive school bond debt reimbursement, amounting to \$440,000. She emphasized that declining satisfaction with the education system is driving outmigration, citing the recent departure of a top orthopedic doctor. She said the shortage of workforce in Juneau and the state is worsened by the inability to attract young families, creating a harmful cycle. She also highlighted the vital community role of school facilities, which host everything from sports and concerts to elections and fundraisers.

[9:11:10 AM](#)

MS. WELDON concluded by saying that as a policymaker, the hardest question to hear is “can you fund this?” and acknowledged the challenge of balancing limited resources with

high expectations. She did not ask for funding directly but urged the committee to consider broad-based revenue options, stating, "everyone wants to have the cake and eat it too," and encouraged the legislature to "find more cake."

[9:12:01 AM](#)

CHRIS NOEL, Mayor, Denali Borough, Healy, Alaska, provided the following testimony on Local Government and Alaska's System of Public Education:

[Original punctuation provided.]

Thank you for the opportunity to discuss Education and what our schools means in the Denali Borough. And thank you for your work weighing a diverse set of priorities, in a tough fiscal environment. I want to also acknowledge and thank my colleagues from the Denali Borough, in attendance this morning, here to lend support for public education.

Support for our school district was one of the first limited responsibilities the borough assumed, upon formation in 1990, and continues to be a significant portion of our budget. In last year's budget, 48 percent of total general fund expenses was the payment to the school district. The Assembly consistently meets the basic requirement, and funds up to the maximum allowable.

MR. NOEL noted that the statistic of 48 percent differs from what was shared earlier because it excludes items such as solid waste.

[9:13:14 AM](#)

MR. NOEL continued his testimony:

[Original punctuation provided.]

Our schools are more than just a place for students to learn and grow. In our small communities, just like so many others across the state, the buildings serve as community hubs, and provide benefit to the entire community. This is apparent in the Denali Borough: School lunches served at the Tri-Valley school by a rotating cast of volunteers; recreational sports at all three facilities. The schools host our community libraries (including story hours, movie nights, play groups, and more). Importantly, the schools serve as

evacuation shelters and resource centers during an emergency.

In 2016 the Denali Borough and DBSD performed a condition assessment of the three brick and mortar school buildings. Since then, the District and borough have consistently, and working together, chipped away at deferred maintenance and large capital projects. We cannot do this without the state's partnership.

Funding for our district comes at the expense of other important community priorities. New needs include increased funding required to manage our municipal entitlement lands, including the surveying costs required to receive patent. There is recent interest and broad support for public dollars to assist nonprofits in maintaining and improving local public roads. Our limited local government is also growing into a new responsibility for parks and recreation- to support community and recreation infrastructure. These services all play a role in improving the quality of life for existing residents and help to attract new folks to our communities.

I urge you to tackle a statutory increase to the Base Student Allocation. Inflation proofing the BSA would provide an increased level of certainty to school districts, and we strongly support doing so. We also encourage strong support for the Major School Maintenance Grant program, because without a safe and well-maintained school, the community as a whole suffers.

As Association of Alaska School Boards Executive Directive Lon Garrison said so well, "Thriving Communities are engaged with schools."

[9:16:56 AM](#)

ALVIN OSTERBACK, Aleutians East Borough Mayor, Sand Point, Alaska, testified on Local Government and Alaska's System of Public Education. He said the Aleutians East Borough consists of six communities. He stated that the borough primarily relies on a raw fish tax to fund operations, with approximately 35 percent currently allocated to schools, not including maintenance or other related costs. He said the raw fish tax normally generates \$4.6 million, but due to the downturn in fisheries, revenue is expected to drop to \$1.6 million this year. He emphasized the borough's remote location in the Aleutians, where transportation between communities is only possible by boat or airplane.

MR. OSTERBACK reported that during his lifetime, five schools and five communities have closed, and the communities disappeared along with the schools. He said two of the six remaining communities in the borough no longer have schools due to falling below the 10-student threshold, and a third community was only saved this year by the arrival of a new family with school-aged children. He suggested the state reconsider how funding is allocated to help keep schools operating in communities with fewer than 10 students.

[9:18:41 AM](#)

MR. OSTERBACK noted that advancements in technology, including widespread fiber optic and Starlink internet coverage, have changed how the borough functions. He said the assembly now holds face-to-face meetings via large screens in each community, something previously impossible with landlines. He proposed leveraging this technology to support education in small communities, even with only four or five students, by connecting them virtually to other schools.

MR. OSTERBACK said he discussed these ideas with the local school superintendent, including the possibility of remote teaching for specialized subjects such as foreign languages or advanced math. He encouraged the state to think creatively and use technology to sustain both education and communities. He pointed to Cold Bay, which has the third-largest runway in Alaska and serves as a regional hub, but struggles to retain state operators due to the absence of a local school system. He concluded that, in his experience, a community without a school system is ultimately unsustainable and urged the state to explore flexible funding models and remote learning support to preserve rural communities.

[9:22:10 AM](#)

CO-CHAIR HIMSCHOOT shared that as a new teacher, she began her career in Sand Point, where she participated in the community by swimming in the pool, coaching cross country, and learning how to harvest grass from a local paraprofessional. She noted that although she didn't stay long enough to learn weaving, the experience was foundational to her career.

MR. OSTERBACK stated that the borough is investing approximately \$8 million into the school in Sand Point this year through DEED. He added that they plan to install a new pool, as the existing one has been damaged by multiple earthquakes.

[9:23:17 AM](#)

CINDY BREMMER, Mayor, City & Borough of Yakutat, Yakutat, Alaska, testified on Local Government and Alaska's System of Public Education. MS. B stated that she is in her sixth term as mayor and that the school district has always been deeply important to her. She said she has watched it decline over the years to the point where she questions how much longer the school can remain open. She expressed frustration that this situation exists in a state with such vast resources, and said her community has done everything possible—fully funding the local contribution and partnering with government agencies and the local tribe.

MS. BREMMER emphasized that Secure Rural Schools funding is critical to keeping the school open and that, with it at risk and the state not fully funding education, the situation feels like a direct assault on rural Alaska. She echoed a comment made by Senator Tobin regarding the state's failure to explore alternative funding options, such as joining a multi-state lottery. She noted that students in her community have no electives, there is only one high school teacher, and next year there will be just two elementary teachers for the entire school—conditions she called unacceptable.

MS. BREMMER stated that this should be as concerning to state leaders as it is to her. She concluded by suggesting that if the state devoted as much energy to education as it does to oil and gas, the education system could be much stronger, and some tax credits given to large corporations could be redirected to support students.

[9:26:05 AM](#)

GLENDAL LEDFORD, Mayor, City of Wasilla, Wasilla, Alaska, testified on Local Government and Alaska's System of Public Education. She stated that, as a partner in the Matanuska-Susitna Borough School District, she supports sustainable and predictable funding for K-12 public education. She noted that current transportation funding lacks inflation-proofing or cost escalation language, and called the Alaska Reads Act a strong educational expectation but an unfunded mandate. She added that students continue to receive less funding than their peers and that the borough supports a multi-year, sustainable, and comprehensive fiscal plan with measurable educational outcomes.

MS. LEDFORD reported that the overall area-wide mill rate is 8.748, with 5.355 mills going to education operations and an additional 0.518 mills for education debt service. She said a recently passed proposition to build charter schools will likely

add another 0.2 mills, bringing the education share to 67 percent of the total mill rate. She emphasized that the Mat-Su Borough is the fastest-growing borough with the fastest-growing city, and that incoming families often prioritize information about the education system and public resources like libraries.

9:28:00 AM

MS. LEDFORD highlighted the success of Wasilla High School's Career and Technical Education (CTE) program, which includes a fire training class that leads to certification, woodworking, small engine repair in partnership with Kubota, and a new community school initiative. She explained that the after-hours school program allows residents in lower-wage jobs to continue working while attending evening classes to improve their earning potential, thereby raising community expectations and overall wellbeing.

MS. LEDFORD shared that in one borough school, 33 percent of students have one or both parents incarcerated. She urged the state to revisit curriculum development with vulnerable students in mind, stressing the need for targeted support to help them become productive members of society.

9:30:30 AM

MARK SPRINGER, Council Member, City of Bethel, Bethel, Alaska, Testified on Local Government and Alaska's System of Public Education. He gave a brief personal history of his family's involvement in education in Alaska. He stated that while the Municipality of Bethel does not have education powers, it supports school operations in several ways. He explained that the city subsidizes pupil transportation by clearing roads early during snowstorms, provides water and sewer utilities to schools, offers police and school resource officer presence, and supplies fire protection, athletic fields, and a community pool used by students. He suggested that tangible support from second-class cities like Bethel should be considered as in-kind contributions that could be reflected in school district budgets or acknowledged by the legislature when assessing local needs.

9:32:24 AM

MR. SPRINGER spoke about the evolution of technology in rural Alaska, highlighting how many Alaska Native teachers earned their degrees using basic landline phones and fax machines. He praised their dedication and commitment, especially as some now near retirement. He recounted a conversation with Commissioner Bishop about artificial intelligence (AI), stating that he believes the future of education lies more in virtual reality

(VR) than AI. He said VR has the potential to train students in practical skills like heavy equipment operation and healthcare certifications, such as certified nursing assistant (CNA) training.

MR. SPRINGER echoed concerns raised by the mayor of Yakutat, criticizing the perception that education funding is being sacrificed in favor of oil industry tax benefits. He expressed frustration that local governments and municipalities bear increasing financial burdens while schools remain underfunded and in poor condition. He pointed out that some schools in his region are severely climate-impacted, with communities like Newtok and Napakiak being forced to relocate due to erosion and river encroachment.

MR. SPRINGER concluded by emphasizing the importance of retaining quality teachers to maintain community stability. He noted the shortage of Alaska-trained teachers willing to work in rural areas and credited teaching colleges in the Philippines for helping staff rural schools. He expressed appreciation for those teachers and raised concerns about the lack of local teacher development and the difficulty of securing visa extensions for international staff.

[9:35:52 AM](#)

SAM CHANAR, Mayor, City of Toksook Bay, Toksook Bay, Alaska, testified on Local Government and Alaska's System of Public Education. He stated that he is from a remote village with a population of 638 and 170 students, with a student-teacher ratio of 1 to 20. He shared his experience filling workforce gaps, explaining that in the fall of 2020 he was asked to substitute teach math for two weeks, which extended to three months, covering an entire semester until teachers from the Philippines arrived. He added that two years later, he was again called to substitute for another three to four weeks.

MR. CHANAR emphasized the importance of school facilities in rural communities. He noted that during Typhoon Merbok, only one residential home was damaged—and it did not house children—while the high school served as the emergency shelter. He said the school also hosts community events, and during the 2020 Census, federal agents stayed at the school and used it as a meeting space. Contractors also rely on the school for lodging. He concluded that the school is critical to the community and must be properly maintained.

[9:38:32 AM](#)

MINDY O'NEALL, Assembly Member, Fairbanks North Star Borough, Fairbanks, Alaska, testified on Local Government and Alaska's System of Public Education. She stated that her testimony did not represent an official position of the assembly. She explained that the Fairbanks North Star Borough (FNSB), once the second-largest community in Alaska, is home to the University of Alaska Fairbanks, the Arctic Research Institute of the United States, and serves as a gateway to the North. She listed the cities within the borough and noted that the borough is geographically the size of New Jersey. She described the community as one that values independence, small government, and the Constitution.

MS. O'NEALL said the borough faces ongoing challenges with school funding. She argued that each decision to underfund education effectively undermines local government, and because of the legislature's inaction, FNSB leaders have been made to appear as the "bad guys." She reported that in the previous year, the borough held a special election seeking to raise \$10 million for schools, which was overwhelmingly rejected by a 3:1 margin. She emphasized that the vote reflected residents' financial limitations, not a lack of support for education.

[9:40:08 AM](#)

MS. O'NEALL stated that the Fairbanks North Star Borough (FNSB) is being forced to choose between closing community pools or funding schools, and must delay repairs to historical artifacts that attract tourists and historians worldwide. She added that the borough operates an animal shelter where surgeries are performed on the floor, and is regularly forced to choose between investing in senior services, public trails, accessible parks, and transportation instead of education and facility maintenance. She said this situation is tearing the community apart and directly results from the legislature's failure to act.

MS. O'NEALL asserted that FNSB is doing the legislature's "homework" and taking the "beatings" for the legislature's indecision to stand up for education. She urged legislators to reflect on their actions when they leave office and hoped they would be proud to have taken bold steps. She called on them to tell resource development partners that it is time they pay their fair share, because Alaskan communities cannot continue subsidizing these industries at the expense of children's education.

MS. O'NEALL warned that FNSB is projected to lose more than 7 percent of its population by 2050—over 7,000 residents—and said the borough is crippled by high energy costs. She explained that most residents heat their homes with delivered fuel or wood, contributing to some of the worst air quality in the world. She said the borough lacks access to affordable building materials and, even if housing were available, it cannot attract professionals like professors, educators, plumbers, and scientists because the cost of living is too high. She concluded that FNSB is unable to provide the quality of education that residents expect, and that this is the direct outcome of legislative indecision.

[9:42:08 AM](#)

MS. O'NEALL invited committee members to listen to FNSB Assembly public meetings, where residents express their inability to purchase basic necessities such as snow machines, clothing, meals, or hockey gear, despite working hard and paying higher local taxes. She said this frustration stems from the state's continued shift of educational responsibilities onto local governments. She reminded the committee that the state constitution holds meaning and imposes a duty to uphold it. She concluded by asking the committee to take the following actions:

- Fulfill the constitutional obligation to adequately fund public education.
- Increase the Base Student Allocation (BSA) at a level that would prevent further school closures and staff reductions.
- Place emphasis on student growth rather than focusing solely on test scores to provide a more holistic evaluation of educational outcomes.
- Reject additional taxes on Alaskans while ensuring that industries profiting from Alaska's natural resources contribute fairly to the state's future.

[9:43:15 AM](#)

MS. O'NEALL emphasized that education is not merely an expense but an investment. She concluded by stating that, as a locally elected official for the past six years, she stands ready to collaborate with the state on solutions that meet shared obligations now and in the future. She told the committee, "The next step is up to you."

[9:43:48 AM](#)

KATIE GRIEBE, Mayor, City of Anderson, Anderson, Alaska, testified on Local Government and Alaska's System of Public Education. She stated that she came to the meeting expecting to

speak about population decline as a major contributor to education challenges in her area, but had not anticipated hearing how widespread the issue is across rural Alaska. She said Anderson has been significantly impacted by population loss, noting that as the military reduced jobs, the community's population aged and moved away, leaving many abandoned buildings behind.

MS. GRIEBE explained that Anderson has a 44,000-square-foot school that once supported over 100 K-12 students. She described it as a beautiful facility. She added that Anderson is fortunate to be part of the Denali Borough, which has not faced the same difficulties currently affecting other communities and school districts.

[9:45:00 AM](#)

MS. GRIEBE stated that the Denali Borough has consistently met its full local contribution for education and strongly supports its schools, including Anderson. However, she reported that Anderson has experienced a sharp decline in student enrollment, with only six students enrolled for 2025, which will result in the school's closure. She said the announcement has caused significant distress in the community.

MS. GRIEBE explained that while children still live in Anderson, many parents are choosing to homeschool because the school lacks amenities like sports teams and music programs. Some families carpool their children to larger nearby schools. She highlighted the school's facilities, including a gym and a woodworking shop, and proposed that well-maintained buildings like this one be repurposed rather than abandoned. She suggested operating satellite programs in rural areas and advocated for using the school in ways that would benefit the community and foster a renewed sense of hope.

[9:49:07 AM](#)

CHAIR TOBIN asked whether the students who live within the Anderson School boundary but attend schools outside of it are considered part of an open enrollment arrangement.

MS. GRIEBE replied yes, confirming that it is considered open enrollment, and explained that many families choose this option because the school in Nenana offers a Career and Technical Education (CTE) program. She said the issue primarily affects high school students, who are unable to participate in prom, sports, clubs, and other social events at Anderson. As a result, parents move their children to other schools to ensure they have

those opportunities. She added that some parents also opt for homeschooling, further reducing enrollment at the brick-and-mortar school.

[9:49:59 AM](#)

KASEY SMITH, Mayor, City of Craig, Craig, Alaska, testified on Local Government and Alaska's System of Public Education. He stated that education was the reason he ran for mayor a year ago, as Craig's school was in decline. He said that without the school, Craig would lose its sense of community, emphasizing that schools are central to rural identity. He shared that when a rural school closes, a community loses its identity along with it. He said local leaders have done all they can and still the school board tells them to wait another year.

MR. SMITH reported that in his first year in office, he pushed for a sales tax increase dedicated entirely to the school system—a one percent year-round tax, with an additional one percent from April to September. The measure passed by only two votes, and he acknowledged that this is likely his last year in office, as only about 25 percent of the community turned out to vote for mayor. He said that as long as he has the opportunity to speak for the children, he will continue to do so.

[9:51:36 AM](#)

MR. SMITH criticized the ongoing debate over education funding, pointing out that test scores are declining while the state still struggles to commit to adequately funding schools. He questioned what else the state could prioritize if it cannot fund its children and future—whether that be community, healthcare, or public safety. He said Craig has already lost seven teachers and the priority now is retaining the remaining qualified staff. However, he noted that it is often the best teachers who are leaving, and uncertified individuals are now serving in certified roles. He added that more students than ever have Individualized Education Programs (IEPs), yet uncertified staff are responsible for managing them simply because they are the only people available. He stated that the system is failing students. He concluded by saying that local leaders are seeking funding for children and for Alaska's future.

CHAIR TOBIN said she appreciated hearing from local leaders and expressed appreciation for the sports access that she had as a student in Alaska.

[9:55:07 AM](#)

SENATOR BJORKMAN stated that while it's easy for people to make statements and push ideas, the message legislators hear from their colleagues must align with what communities actually want. He said he enjoys joking and building friendships, but when it comes down to policy decisions, alignment between rhetoric and community needs is essential. He expressed his support for higher education standards, believing students are capable of meeting them, and said he was encouraged to hear that sentiment echoed during the meeting. However, he also noted the presence of proposals that lower standards and questioned how those ideas are compatible.

SENATOR BJORKMAN emphasized that the value of each education dollar today is significantly less than it was five years ago. He referenced testimony from Ms. Weldon, adding that not only did Juneau close schools, but students also lost educational opportunities, including reading teachers who were supposed to implement policy reforms passed within the last three years. He posed the question to the state: are we truly serious about improving education? If so, he said, the state must back its intentions with funding—otherwise, it is just talk.

SENATOR BJORKMAN stated that as voters are asked whether to support education funding, local governments are already focused on core responsibilities. He warned that when residents see large investments in projects not viewed as essential—such as an animal shelter—it fuels "what aboutism," where people question spending priorities. He said Alaska has been stuck in decision paralysis for too long and reiterated his dedication to focusing on the state's constitutional mandates, including education.

SENATOR BJORKMAN concluded by saying that educating children is the foundation of Alaska's economy, helping retain families and support growth. He urged local leaders to give their legislators clear numbers on what is needed to avoid cuts and maintain current learning opportunities. He said he often hears conflicting figures from local leaders and legislators and called on communities to get firm commitments from their elected officials.

[9:59:10 AM](#)

CHAIR TOBIN said she would also like to know the cost to fully implement the Alaska Reads Act for each school district.

[9:59:21 AM](#)

There being no further business to come before the committee, Chair Tobin adjourned the joint meeting of the House Education

Standing Committee and Senate Education Standing Committee  
meeting at 9:59 a.m.