

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

March 3, 2025

3:31 p.m.

MEMBERS PRESENT

Senator Löki Tobin, Chair
Senator Gary Stevens, Vice Chair
Senator Jesse Bjorkman
Senator Jesse Kiehl
Senator Mike Cronk

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Rebecca Himschoot

COMMITTEE CALENDAR

SENATE BILL NO. 82

"An Act relating to education; relating to public school attendance; relating to mobile communication devices in schools; relating to reading proficiency incentive grants; relating to authorization of charter schools; relating to transportation of students; relating to school bond debt reimbursement; relating to funding and reporting by Alaska technical and vocational education programs; authorizing lump sum payments for certain teachers as retention and recruitment incentives; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 82

SHORT TITLE: EDUCATION:SCHOOLS; GRANTS; FUNDING; DEBT

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/31/25	(S)	READ THE FIRST TIME - REFERRALS
01/31/25	(S)	EDC, FIN
02/21/25	(S)	EDC AT 3:30 PM BELTZ 105 (TSBldg)
02/21/25	(S)	-- MEETING CANCELED --
02/24/25	(S)	EDC AT 3:30 PM BELTZ 105 (TSBldg)

02/24/25 (S) Heard & Held
02/24/25 (S) MINUTE (EDC)
03/03/25 (S) EDC AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

DEENA BISHOP, Commissioner
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Co-presented SB 82 on behalf of the Administration.

KAREN MORRISON, Deputy Commissioner
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Co-presented SB 82 on behalf of the administration.

HEATHER HEINEKEN, Director
Finance and Support Services
Department of Education and Early Development
Anchorage, Alaska

POSITION STATEMENT: Provided an overview of fiscal notes for SB 82.

LEIGH SLOAN, Director
Alaska School Choice
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation on SB 82.

BARBARA GERARD, Principle
Academy Charter School
Palmer, Alaska

POSITION STATEMENT: Testified by invitation on SB 82.

RANDY TRANI, Superintendent
Matanuska School District
Palmer, Alaska

POSITION STATEMENT: Testified by invitation on SB 82.

BOB GRIFFITH, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 82.

LUCAS SMITH, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 82.

DEAN O'DELL, Director
IDEA Home School Program
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 82.

JUDITH ECKERT, representing self
Homer, Alaska

POSITION STATEMENT: Testified in support of SB 82.

LON GARRISON, Executive Director
Association of Alaska School Boards
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to SB 82.

AMANDA THOMPSON, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 82.

ROXANNE GAGNER, representing self
Sitka, Alaska

POSITION STATEMENT: Testified in opposition to SB 82.

ACTION NARRATIVE

[3:31:17 PM](#)

CHAIR TOBIN called the Senate Education Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Cronk, Bjorkman, Stevens, Kiehl and Chair Tobin.

SB 82-EDUCATION:SCHOOLS; GRANTS; FUNDING; DEBT

[3:32:11 PM](#)

CHAIR TOBIN announced the consideration of SENATE BILL NO. 82 "An Act relating to education; relating to public school attendance; relating to mobile communication devices in schools; relating to reading proficiency incentive grants; relating to authorization of charter schools; relating to transportation of students; relating to school bond debt reimbursement; relating to funding and reporting by Alaska technical and vocational education programs; authorizing lump sum payments for certain teachers as retention and recruitment incentives; and providing for an effective date."

[3:33:41 PM](#)

DEENA BISHOP, Commissioner, Department of Education and Early Development, Juneau, Alaska, co-presented SB 82 on behalf of the Administration. She stated she would finish the introductory presentation of SB 82 that began on Wednesday, February 24, 2025. She reminded the committee that SB 82 includes \$180 million for formula funding and Alaska's public schools. She highlighted that the bill provides state funding for district-operated residential schools, including updated stipends for both long- and short-term programs. She noted these schools serve students from across Alaska, offering career and technical education and post-secondary dual enrollment opportunities.

[3:35:27 PM](#)

KAREN MORRISON, Deputy Commissioner, Department of Education and Early Development, Juneau, Alaska, co-presented SB 82 on behalf of the administration. She moved to slide 13, State Funding for Districts Operating Residential Schools and said SB 88 increases regional per-pupil monthly stipends by 50 percent, which represents a total of \$4 million annually into the program:

[Original punctuation provided.]

State Funding for Districts Operating Residential Schools

The regional per-pupil monthly stipends in Alaska's long-term and short-term residential schools will increase by 50 percent.

- Southeast Region (Region I) increases from \$1,230 to \$1,845
- Southcentral Region (Region II) increases from \$1,200 to \$1,800
- Interior Region (Region III) increases from \$1,452 to \$2,178
- Southwest Region (Region IV) increases from \$1,509 to \$2,264
- Northern Remote Region (Region V) increases from \$1,776 to \$2,664

[3:35:45 PM](#)

COMMISSIONER BISHOP moved to slide 14 and said the next investment under SB 82 is to compensate districts for students enrolled in their correspondence schools. She noted that 32 of Alaska's regular school districts and Mount Edgecumbe operate such programs. SB 82 proposes changing the correspondence

student count from 0.90 to 1.0 full-time equivalent (FTE), treating them as whole students for funding purposes. She added that SB 88 would also provide a 20 percent block grant for student support services, including career and technical education, special education, English language learning, and gifted education, acknowledging the shift of students from brick-and-mortar to correspondence programs. She listed courses correspondence students take in schools and said the change helps cover the cost of in-school learning and sports.

[3:38:26 PM](#)

SENATOR KIEHL asked how the proportion of correspondence students needing special education services compares to those in neighborhood schools.

[3:38:40 PM](#)

COMMISSIONER BISHOP said she would get back to the committee with percentages.

SENATOR KIEHL asked for the same information regarding career and technical education students.

COMMISSIONER BISHOP said the department could review students' Individual Learning Plans (ILPs), noting that career and technical education is generally of interest to most high school students.

[3:39:22 PM](#)

SENATOR KIEHL asked why the department believes it is necessary to increase the per-student factor for correspondence education from 0.9 to 1.0. He said that in a limited budget environment, he wants to ensure needs are met and noted ongoing growth in correspondence programs. He asked what deficiency the department is aiming to fix.

COMMISSIONER BISHOP stated her belief that the overall investment in the omnibus bill is meant to rebuild trust in public schools. She noted that since 2000, and especially after the COVID pandemic, parents have engaged more directly in their children's education and have appreciated the opportunity to lead that process. She emphasized that SB 82 is grounded in the idea that parents know their children well and want to stay involved in their education, and the department supports that involvement.

[3:41:47 PM](#)

COMMISSIONER BISHOP explained that moving the correspondence funding factor from 0.9 to 1.0 reflects a broader review of funding formula elements, including small and large school factors, and school and district location. She said that special needs and career and technical education are student-driven factors, relevant to almost all students. She clarified that although correspondence students may learn outside traditional settings, the funds go to the district to support various pedagogical needs. She concluded by stating that the goal is to show parents their children and educational choices are valued within the public education system.

[3:43:29 PM](#)

SENATOR KIEHL shared that he and his wife have used nearly every public education option available in the state, as well as homeschooling without allotments or assessments, and value parental involvement and choice. He clarified that his question focused on limited funding and the need to prioritize spending. He expressed concern about allocating funds to promote a sense of being valued rather than addressing a specific gap or unmet need in the education system.

[3:44:33 PM](#)

COMMISSIONER BISHOP stated that the shared need comes from Alaska's 53 school districts, 32 of which have created correspondence programs in response to what parents want. She explained that these districts are already serving students in correspondence programs without receiving full funding, as the current formula does not treat correspondence students as whole students. She said the bill aims to ensure those districts receive appropriate funding for the work they are doing to meet student needs. She emphasized that interest in homeschooling and correspondence programs is not likely to decline, and the goal is to direct funds to districts that are adapting to support students with flexible, responsive educational options.

[3:46:13 PM](#)

CHAIR TOBIN asked how many school districts offer correspondence programs.

[3:46:19 PM](#)

COMMISSIONER BISHOP replied 32 out of 52 school districts.

[3:46:24 PM](#)

CHAIR TOBIN stated that in terms of broad-based funding 32 school districts would benefit.

COMMISSIONER BISHOP responded that currently 32 districts would benefit, unless more districts establish correspondence programs.

[3:46:41 PM](#)

CHAIR TOBIN requested information for the committee on how allotments have changed since the correspondence programs began in the 32 school districts. She anticipated an increase in allotments and noted that the legislation does not appear to prohibit correspondence programs from raising allotments with additional resources. She asked for clarification on whether she misunderstood anything.

[3:47:01 PM](#)

COMMISSIONER BISHOP stated that SB 82 could allow for changes or change could occur through regulation. She offered to provide data on how school stipends have changed, noting that many districts have increased stipends when they receive additional funding. She explained that districts often adjust stipends to reflect the higher costs of home-based education. She added that districts have made adjustments to correspondence programs both within and outside the Base Student Allocation (BSA) formula.

[3:47:43 PM](#)

CHAIR TOBIN expressed concern about the rise in correspondence program allotments alongside increased enrollment since the pandemic. She noted a lack of comparable graduation rates between correspondence and brick-and-mortar schools, and pointed out limited standardized testing participation in correspondence programs, citing a 14 percent figure from the Department of Education and Early Development (DEED). She requested an explanation of the accountability measures in place to ensure correspondence students are held to similar standards as those in traditional schools.

[3:48:23 PM](#)

COMMISSIONER BISHOP noted that lower graduation rates in correspondence schools often reflect the challenges of students already at risk, rather than shortcomings of the programs themselves. She pointed out that some students use correspondence schools to recover credits and avoid returning to their brick-and-mortar schools for senior year.

COMMISSIONER BISHOP added that many correspondence students take alternative assessments, such as MAP Growth by the Northwest Evaluation Association (NWEA), which provides individualized learning feedback. Despite low participation in the state

summative assessment (15 to 18 percent), she stated the sample is statistically significant for school performance evaluation. She compared this to the National Assessment of Educational Progress (NAEP), which tests less than 5 percent of students and remains valid.

[3:54:05 PM](#)

COMMISSIONER BISHOP concluded by asserting that correspondence schools are not the highest-need schools in the state. She emphasized that the state's school accountability efforts are more heavily focused on other schools identified as needing greater support.

[3:54:26 PM](#)

CHAIR TOBIN restated that her original question concerned accountability measures for correspondence students and noted that she had not heard a direct answer. She summarized that the response indicated students are not being adequately assessed, are being pushed into correspondence without sufficient support, and that the current opt-out provisions undermine consistent evaluation. She referenced Judge Gleeson's opinion that the state holds responsibility for ensuring students meet standards-based education.

CHAIR TOBIN challenged the assertion that NAEP is statistical significant for 5 percent of the population, pointing out that NAEP explicitly states it is not statistically significant for Black students because the state does not have a large enough sample size. She requested a follow-up response offline that directly addresses what accountability measures exist for correspondence students, what measures should be implemented to improve outcomes such as graduation rates, and how the state can fulfill its constitutional obligation to ensure a quality education for all students.

[3:55:51 PM](#)

SENATOR KIEHL requested a follow-up response addressing the statistical validity of assessment results from correspondence students. He acknowledged that NAEP uses a random sampling method and expressed skepticism about the claim that a 14 percent opt-in/opt-out participation rate is statistically valid. He asked to see the statistical analysis supporting that conclusion, stating concern about potential selection bias in the sample.

[3:56:39 PM](#)

COMMISSIONER BISHOP added that correspondence program requirements are established in statute and apply in the same manner as for all other students in Alaska schools.

CHAIR TOBIN acknowledged the response but emphasized that correspondence students are not actually participating in assessments. She stated that if the legislature relies on assessments to measure student learning and correspondence students are not taking them, then an alternative accountability method is needed to ensure public funds are being effectively used.

[3:57:07 PM](#)

COMMISSIONER BISHOP moved to slide 15 and discussed increased funding for career and technical education in the foundation formula. She stated that SB 82 proposes an increase to the vocational funding factor to support Career and Technical Education (CTE) in schools. She noted that providing CTE is challenging for many districts without sufficient scale, so SB 82 would provide additional funding. She said the state Chart of Accounts has a provision requiring districts to report expenditures specifically for CTE, offering a form of accountability for all schools, including correspondence programs. She added that the increased funding could supplement federal Carl Perkins grants, which are often insufficient for smaller districts, thereby enhancing workforce development opportunities across Alaska:

[Original punctuation provided.]

Increase in Career & Technical Funding

Formula Funding for Career and Technical Education in the vocational factor will increase from 1.015 to 1.04 for all schools.

District career and technical education expenditures will be reported annually on required financial statements.

[3:58:33 PM](#)

MS. MORRISON added that the change in CTE funding will increase from 1.015 to 1.04 for all schools. CTE and correspondence changes in the foundation formula are a \$75.2 million investment annually.

CHAIR TOBIN referenced AS 14.03.123, which requires school and district accountability reporting, including student achievement metrics. She questioned why CTE dollar usage is being addressed in a separate section rather than incorporated into the existing report. She expressed concern about increasing the reporting burden on already overburdened districts.

[3:59:18 PM](#)

COMMISSIONER BISHOP explained that currently, reporting CTE expenditures in the Chart of Accounts is voluntary. SB 82 recommends reporting through the existing Chart of Accounts to ensure that CTE funds are tracked separately.

[3:59:33 PM](#)

COMMISSIONER BISHOP moved to slide 16, Teacher Lump-Sum Payments for Recruitment and Retention. She stated that SB 82 includes teacher lump sum payments as part of a three-year pilot program aimed at improving recruitment and retention. She explained that this initiative comes from the Teacher Recruitment and Retention (TRR) Playbook and reflects teacher-identified priorities such as compensation and retention bonuses. The proposal directs payments of \$5,000, \$10,000, or \$15,000 to individual teachers, with the highest amount targeted toward those in the most remote and challenging districts. She noted that teachers have expressed that this funding could help offset travel costs not covered during the school year and emphasized the goal of evaluating whether such incentives improve retention and recruitment across Alaska:

[Original punctuation provided.]

Teacher Lump-Sum Payments for Recruitment and Retention

A three-year pilot program will be established to provide lump sum payments, per the Teacher Retention and Recruitment Playbook, as a workforce incentive for certificated teachers employed full-time in public schools in the amounts of:

- \$5,000
- \$10,000
- \$15,000

Payments would be included in the teachers' compensation for the Teacher Retirement System

[4:01:20 PM](#)

SENATOR BJORKMAN asked whether the \$180 million mentioned at the beginning of the meeting as included in the funding formula also accounts for the temporary teacher bonus payments.

[4:01:34 PM](#)

COMMISSIONER BISHOP replied yes, the bonus payments are included in FY27.

[4:01:49 PM](#)

CHAIR TOBIN stated for the record that the January 16, 2024 legal memo outlining several potential issues with the teacher bonus program, including concerns related to equal protection and collective bargaining, is available online

[4:02:06 PM](#)

COMMISSIONER BISHOP moved to slide 17, Report to the Legislature, and shared details about the report:

[Original punctuation provided.]

Report to the Legislature

House and Senate Education Committees jointly create a report to be delivered before the first day of the First Regular Session of the 35th Legislature, which will:

- Provide recommendations for any changes to the foundation formula
- Include a survey of each school district's curricula and services
- Provide definition of "accountability" as it applies to student performance
- Recommend metrics for determining school and student performance other than the standardized testing currently used

[4:02:46 PM](#)

CHAIR TOBIN noted for the record that AS 14.03.120 requires an annual education planning report to the legislature by January 15, which includes school goals, objectives, annual plans, and performance measures. She stated that this information is publicly available on the Department of Education and Early Development (DEED) website through the "public report card." She also referenced AS 14.03.123, which mandates school and district accountability reporting and requires the department to rank districts using assessment metrics, with low-performing schools

required to submit improvement plans. She emphasized that these statutes already provide substantial information on student achievement and school performance and suggested that the reporting requirement in SB 82 may be duplicative and unnecessary.

[4:03:51 PM](#)

SENATOR KIEHL remarked that this may be the first time he has seen the executive branch recommend a report required to be prepared by the legislative branch. He assumed the intent was for the executive branch to support whatever recommendations the legislature develops.

CHAIR TOBIN acknowledged Senator Kiehl's comment and asked if there were further questions or comments.

COMMISSIONER BISHOP thanked the committee for hearing the presentation.

[4:04:26 PM](#)

CHAIR TOBIN said the committee would now hear about the fiscal notes for SB 82.

[4:04:44 PM](#)

HEATHER HEINEKEN, Director of Finance and Support Services, Department of Education and Early Development, Anchorage, Alaska, provided an overview of the nine Department of Education and Early Development fiscal notes for SB 82. She said Fiscal Note 1 is the foundation program allocation. She paraphrased the analysis for Fiscal Note 1, OMB Component 141, dated January 28, 2025:

[Original punctuation provided.]

This bill amends the public school funding formula in AS 14.17. In AS 14.17.410, the bill removes the 0.9 funding factor on correspondence average daily membership (ADM) and moves the correspondence ADM into the district adjusted ADM calculation before the special needs and secondary school vocational and technical instruction (CTE) factors are applied. The bill also increases the AS 14.17.420 CTE factor from 1.015 to 1.04. The projected increase to State aid starting in FY2026 is \$75,213.2.

The effective date for these provisions is July 1, 2025 (FY2026).

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2026 through FY2031 is reported in the fiscal note for the PEF, as the funding is deposited to the PEF, not into the Foundation Program funding component. The above analysis is presented here for explanation purposes only.

[4:06:29 PM](#)

MS. HEINEKEN said Fiscal Note 2 is the pupil transportation allocation. She paraphrased the analysis for Fiscal Note 2, OMB Component 144, dated January 28, 2025:

[Original punctuation provided.]

The bill amends the per student amount in AS 14.09.010 for district pupil transportation grants to increase by approximately 20 percent over the current statutory rate as adjusted based on a CPI through FY2016 (ref. SB57 (Chapter 69, SLA 2013)). The new language also removes Tanana from the list, reflecting the dissolution of Tanana as a separate district. The projected increase in pupil transportation costs in FY2026 is \$14,517.2.

The funding mechanism for AS 14.09.010 grants is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2026 through FY2031 is reported in the fiscal note for the PEF, as the funding is deposited to the PEF, not into the Pupil Transportation funding component. The above analysis is presented here for explanation purposes only.

The bill also adds language that the department shall, through regulation, establish a student transportation plan for students that apply are accepted to attend a school or school district outside of the student's local school or district boundary area. The department anticipates the most effective way to implement these transportation plans will be to integrate with and add to district student transportation programs; however, it may be necessary for the department to directly enter into transportation agreements or in-lieu of agreements as these will be added routes and costs on top of the existing to-and-from transportation routes

funded through AS 14.09.010 grants. The exact scope and needs to be met by the student transportation plan cannot currently be known, this fiscal notes projects an estimated cost of \$3,366.3. This amount was determined based on one percent of the total average daily membership (ADM) participating at a daily rate of \$15 (whole dollars) per day for a 180-day school term (see table below). Projected costs would be adjusted in the out years based on actual program usage.

Projected FY2026 Total ADM	124,679.35
1 percent ADM Estimated Participation	1,246.79
Daily Rate (whole dollars)	\$ 15
Total Days (School Term)	180
Projected Cost (whole dollars)	\$3,366,342

The effective date for these provisions is July 1, 2026 (FY2027)

[4:09:00 PM](#)

MS. HEINEKEN said Fiscal Note 3 is for additional foundation funding. She paraphrased Fiscal Note 3, OMB component 3112, dated January 28, 2025:

[Original punctuation provided.]

The bill sets out that the department, through regulation, establish processes for the department to compensate a district that accepts students after the fall count period under AS 14.17.600. Because the department does not collect average daily membership (ADM) data at the end of the school year, the student numbers are based on enrollment. Enrollment numbers are based on student enrollment in a school on a certain date, as such can be slightly higher than the ADM, which is calculated on the number of hours a student is enrolled (full time equivalent (FTE)) and days of membership over a period of time.

In FY2024, 11 districts experienced growth in brick-and-mortar school enrollment from the October count to the count of enrollment on the last day of school, totaling 41 students. This does not include department-approved early education programs under the Alaska Reads Act, and the end of year data excludes

students that graduated prior to the last day of school.

The fiscal note is based on 50 students, this reflects the prior year data and an estimate to account for students that may change school districts mid-year under the bill provisions that allow a child to attend a district in which the child is not a resident. The 50 students is multiplied by an average district cost factor of 1.470 and a base student allocation of \$5,960, for a total projected cost of \$438.1. This fiscal note does not anticipate funding for an increase in a district's correspondence study program count.

The effective date for this provision is July 1, 2026 (FY2027).

[4:10:16 PM](#)

MS. HEINEKEN said Fiscal Note 4, OMB component 148, dated January 28, 2025, is for residential school programs. She paraphrased the analysis:

[Original punctuation provided.]

This bill increases the regional per student monthly stipend amounts for residential school operations under AS 14.16.200(b) by 50 percent as follows (noted in whole dollars):

-Southeast Region (Region I) increases from \$1,230 to \$1,845
-Southcentral Region (Region II) increases from \$1,200 to \$1,800
-Interior Region (Region III) increases from \$1,452 to \$2,178
-Southwest Region (Region IV) increases from \$1,509 to \$2,264
-Northern Remote Region (Region V) increases from \$1,776 to \$2,664

The current projected FY2026 residential school funding is estimated to be \$8,458.1 (noted in thousands). The bill increases this projected funding to \$12,494.0, resulting in a \$4,035.9 projected increase in funding to school districts operating residential programs.

This portion of the bill takes effect July 1, 2025 (FY2026).

MS. HEINEKEN added that for reference the projected FY2026 residential school funding is estimated to be \$8,458,100 prior to the passing of SB 82.

[4:12:07 PM](#)

MS. HEINEKEN said Fiscal Note 5, OMB component 2737, dated January 28, 2025, is the allocation for school finance and facilities. She paraphrased the analysis:

[Original punctuation provided.]

An additional position is needed to administer the existing student transportation program and requirements, as well as the additional duties to oversee the department duty to establish student transportation plans: one School Finance Specialist 2 at a Range 18, Step B/C, at \$122.9. The position would need two trips annually for oversight and training at \$5.0 total. Support costs associated with establishing a new position: department chargebacks of \$17.6 annually, as well as one-time supplies and equipment costs of \$5.0. This position would be filled in FY2026 to assist with the development of the implementing regulations.

In FY2026, a one-time increment of \$18.0 will be needed for legal services costs associated with revising and establishing new regulations. Three regulation packages are anticipated to establish the processes for 1) district reporting of and compensation for end of year student counts, 2) establishing the student transportation plan, and 3) updating the Uniform Chart of Accounts to support district reporting of annual expenditures for secondary school vocational and technical instruction.

[4:13:27 PM](#)

MS. HEINEKEN said Fiscal Note 6, OMB component 2796, dated January 28, 2025, is for student and school achievement funds. It addresses several key considerations for Alaska's education system broken down by section in SB 82:

Section 3 requires school districts to develop policies regarding mobile communication devices. A one-time cost of \$6,000 is anticipated for legal services to draft the necessary regulations.

[4:13:54 PM](#)

MS. HEINEKEN said Section 4 covers reading proficiency incentive grants. These provide \$450 per student in kindergarten through sixth grade who meet grade-level proficiency or demonstrate progress on statewide assessments. Based on current data, 48,847 students meet these criteria, resulting in an estimated total grant cost of \$21,981,200 annually. Additionally, a one-time cost of \$6,000 is required for legal services related to regulation development.

[4:14:34 PM](#)

MS. HEINEKEN said Sections 6 and 7 address charter school authorization. These sections establish new avenues for charter school authorization. A one-time cost of \$6,000 is anticipated for legal services related to regulation development.

MS. HEINEKEN said Section 16 pertains to vocational and technical education reporting. It mandates that districts receiving vocational and technical education funding submit program plans and annual expenditure reports. These requirements will necessitate one full-time Education Specialist 2, at Range 21, to oversee implementation, provide technical assistance, and analyze statewide reporting. Salaries and benefits for this position total \$131,800 annually. Additional costs include a \$17,600 annual department chargeback, a one-time equipment and supplies cost of \$5,000, and one-time legal services of \$6,000 for regulation development.

[4:15:38 PM](#)

MS. HEINEKEN said Section 18 of SB 82 covers teacher retention and recruitment agreements. This section establishes a lump sum retention and recruitment payment for certificated full-time classroom teachers on or around July 1 of fiscal years 2027, 2028, and 2029, contingent on legislative appropriations. To administer this program, the Department of Education and Early Development (DEED) will require one non-permanent Education Associate 3, at Range 17, starting in FY 26 to develop regulations, applications, and review submissions. Salary and benefits for this position are estimated at \$117,000 annually. Additional administrative costs include a \$17,600 annual department chargeback, a one-time equipment and supply cost of \$5,000, and one-time legal services for regulation development of \$6,000.

The estimated lump sum payments to teachers total \$54,690,000 annually from FY 27 through FY 29. Additionally, because these payments are considered compensation under the Teacher

Retirement System, employer contributions are estimated at \$6,859,100, or 12.56 percent of the lump sum payment. The total grant amount to school districts, including Public Employees' Retirement System (PERS) contributions, is projected at \$61,559,100 annually.

[4:17:21 PM](#)

MS. HEINEKEN said Fiscal Note 7, OMB component 1060, dated January 28, 2025 is for Mt. Edgecumbe High School, a division of DEED. She said Mt. Edgecumbe gave a budgeted interagency receipt and Fiscal Note 7 increases its receipt authority to align with the estimated allocation from the public education fund. She paraphrased the analysis:

[Original punctuation provided.]

This bill amends the public school funding formula in AS 14.17, by increasing the secondary school vocational and technical instruction (CTE) factor from 1.015 to 1.04. The increase to the CTE factor results in a projected increase in State aid funding for Mt. Edgecumbe High School (MEHS) of \$104.0 in FY2026.

As a division of the Department of Education and Early Development, MEHS' State aid is budgeted as interagency receipts. This fiscal note increases their budgeted interagency receipt authority by the \$104.0 projected increase. The correspondence factor change under AS 14.17.410 and pupil transportation program per student amount changes under AS 14.09.010(a) do not impact MEHS.

The effective date for these provisions is July 1, 2025 (FY2026).

[4:18:17 PM](#)

MS. HEINEKEN said Fiscal Note 8, OMB component 153, dated January 28, 2025, allocates funds to school debt reimbursement. She paraphrased the analysis:

[Original punctuation provided.]

This bill extends the closure of the school construction debt reimbursement program (AS 14.11.10) to any new voter approved authorizations until July 1, 2030. The current closure became effective January 1,

2015, and the moratorium is scheduled to sunset July 1, 2025.

This legislation reestablishes the program with the reimbursement rates set at 50 percent and 40 percent for indebtedness authorized by voters on or after July 1, 2030.

It is difficult to accurately predict the fiscal impact this bill would have. It can be anticipated that the department's school construction debt reimbursement allocation will experience scheduled reductions as currently reimbursed bonds are paid off during the five-year extension and new debt service is not being added. The amount of indebtedness that may be incurred on projects approved for debt reimbursement at the 50 percent and 40 percent levels following July 1, 2030 (FY2031) is unknown.

This portion of the bill takes effect on June 30, 2025.

[4:18:58 PM](#)

MS. HEINEKEN said Fiscal Note 9, OMB component 2804, dated January 28, 2025, corresponds to Section 14 of SB 82, which modifies AS 14.17.410 by moving the correspondence Average Daily Membership (ADM) into the Adjusted Average Daily Membership (AADM) calculation as a factor of 1.0 She said Fiscal Note 9 places the correspondence ADM before adjustments for special needs and career and technical education. It also increases the Career and Technical Education (CTE) factor in AS 14.17.420 from 1.015 to 1.04. These changes result in an increased FY 26 state allocation of \$75,213,200.

MS.HEINEKEN said Fiscal Note 9 also includes Section 8 of SB 82 which reenacts AS 14.09.010(a) to increase student transportation funding by approximately 20 percent over the current statutory rate. The projected cost for this change is \$14,517,200 in FY 26, with the same amount projected annually for FY 27 through FY 2031.

[4:20:26 PM](#)

SENATOR KIEHL asked for the parameters used to develop the student transportation cost estimates related to the open enrollment provision.

[4:20:56 PM](#)

MS. HEINEKEN replied that she used the rules and payments currently in place for when parents transport students in areas where service is not available.

SENATOR KIEHL said he wanted to understand what experiences or data informed the \$15 per day rate, the number of students used in the estimate, and similar factors.

[4:21:30 PM](#)

MS. HEINEKEN said she came from a district with 10 remote schools, only three of which had bus service, requiring the remaining schools to arrange their own student transportation. She explained that due to the inability to hire bus drivers or provide regular service, the district used in-lieu-of transportation agreements and adopted a board policy paying \$15 per day per family, regardless of the number of students. She said there was no solid statewide basis for the estimate, so the department used 1 percent of the average daily membership and applied a 184-day school year to calculate the projected cost.

[4:22:57 PM](#)

SENATOR KIEHL asked why the estimate for kindergarten through sixth grade assessments did not include any assumption of growth in the number of students reaching proficiency or making progress. He questioned whether this reflected a policy judgment about the program's effectiveness or another basis for assuming no increase in student outcomes.

[4:23:33 PM](#)

COMMISSIONER BISHOP said the department needed a starting point and used an approximate number that already includes a small amount of growth. She stated they hope to eventually see 100 percent proficiency. She added that if student performance improved, the department would return with a supplemental request and celebrate that success.

[4:24:01 PM](#)

SENATOR KIEHL said success is always celebrated, but supplementals are not. He requested the department provide its best and most informed estimate of the actual progress expected because of the funding. He said this information would help assess how to allocate limited resources effectively.

[4:24:25 PM](#)

COMMISSIONER BISHOP said the second year of assessment data will be available in the spring, and the department will review it once complete. She acknowledged that two years of data does not

establish a trend but said it will help indicate the direction of student performance. She stated the department will report whether the results show similar outcomes or improvement.

[4:24:47 PM](#)

CHAIR TOBIN asked a question about Fiscal Note 6. She said the employer contribution is estimated at \$6,869,000 and asked for clarification on where the funding for that contribution would come from.

[4:25:05 PM](#)

MS. HEINEKEN said the funding is considered wages under the Teacher Retirement System (TRS), which requires an employer contribution. She stated it is the state's obligation to pay that portion.

CHAIR TOBIN asked if the employer contributions come from the State of Alaska.

MS. HEINEKEN replied correct.

CHAIR TOBIN asked for confirmation that the employer obligation would not come from school districts budgets.

MS. HEINEKEN confirmed it comes from the state as an additional payment.

CHAIR TOBIN said Fiscal Note 9 shows a projected \$75 million increase in state aid for correspondence. She asked what the total Base Student Allocation (BSA) increase would be for all schools under SB 82.

[4:26:42 PM](#)

COMMISSIONER BISHOP asked for clarification on the question.

[4:26:33 PM](#)

CHAIR TOBIN asked whether there is an increase to the BSA in SB 82.

[4:26:52 PM](#)

COMMISSIONER BISHOP replied that the \$180 million investment in SB 82 was designed purposefully and strategically without including a Base Student Allocation (BSA) amount.

CHAIR TOBIN responded that SB 82 includes a \$75 million investment in correspondence programs but does not provide

funding for schools like Sleepmute, which is currently condemned and where students are learning in unsafe conditions.

[4:27:19 PM](#)

CHAIR TOBIN opened invited testimony on SB 82.

[4:27:49 PM](#)

LEIGH SLOAN, Director, Alaska School Choice, Anchorage, Alaska, testified by invitation on SB 82. She stated she is also a mother of three and a former public-school teacher. She urged support for SB 82, emphasizing that open enrollment fosters accountability through parent choice and drives improved student outcomes. She referenced national trends and research from EdChoice.org showing school choice increases achievement across all school types. She supported SB 82's provisions on open enrollment, incentive grants, limitations on cell phone use, and expanded career and technical education, calling the bill a common-sense step toward aligning Alaska with national education reforms.

[4:32:48 PM](#)

BARBARA GERARD, Principle, Academy Charter School, Palmer, Alaska, testified by invitation on SB 82. She said education should build ownership among families by fostering collaboration between parents, teachers, and students. She supported SB 82 for expanding school choice through open enrollment, charter schools, and correspondence programs, and highlighted the bill's incentives for student achievement, teacher recruitment, and career and technical education. She expressed concern about the financial instability facing all types of public schools in Alaska and the vulnerability of successful charter schools that lack a second authorizer. She urged support for expanding charter opportunities statewide and shared her positive experience as a charter school principal in Mat-Su, where local support enabled new facilities and student success.

[4:36:20 PM](#)

SENATOR BJORKMAN said that when a school faces the threat of closure, it creates significant stress for the community, and he knows that experience personally, as his school has appeared on a closure list twice. He shared that more than 80 parents in Moose Pass have expressed fear about their school potentially closing. Referring to Academy Charter School, he acknowledged its popularity and noted he knows members of its Parent Advisory Committee. He asked how the open enrollment language in the Governor's bill, specifically the elimination of the lottery

system, would impact the school if enrollment shifted to a first-come, first-served model.

[4:37:17 PM](#)

MS. GERARD said the question was difficult because her school has always used a lottery system, which is conducted publicly by the City of Palmer's chief of police to ensure transparency and fairness. She said her understanding of open enrollment was that it would allow families in the Mat-Su Borough to fill unoccupied seats but did not realize it might eliminate the lottery entirely. She said that possibility gives her concern and would require further consideration. She shared an example of past applicants misrepresenting their address to avoid tuition and said while that occurred years ago, it highlighted potential complications. She concluded by stating the current lottery system is fair, resets annually, and provides equal opportunity for families to apply.

[4:39:00 PM](#)

SENATOR BJORKMAN said that during a hearing on SB 82 the previous week, the chair asked a question about first-come, first-served enrollment, and the response made the meaning clear. He then asked, under SB 82, who would be responsible for paying transportation costs if a student from [Mat-Su] Valley wanted to attend Academy Charter School.

MS. GERARD said she was not certain how transportation would be handled under the proposed legislation but described the current practice. She explained that families from distant areas of the borough, such as Big Lake and Chickaloon, drive to a central pickup location, such as Target, where students board one of two buses serving Academy Charter School. She said this arrangement helps reduce, though not eliminate, the cost burden on families for transporting their children.

[4:40:30 PM](#)

SENATOR BJORKMAN thanked Ms. Gerard for her responses and commented that he enjoys seeing her students when they visit the Capitol on an annual field trip.

[4:40:58 PM](#)

RANDY TRANI, Superintendent, Matanuska School District, Palmer, Alaska, testified by invitation SB 82. He said open enrollment and the funding increase for correspondence programs from 0.9 to 1.0 are the two main areas of SB 82 he would discuss. He said his district supports open enrollment in principle and already implements it locally. He noted that families often make school

choices based on work and life circumstances and frequently find creative ways to establish residency, particularly when commuting to Anchorage. He emphasized a preference for students to attend brick-and-mortar schools rather than being placed in settings they do not want.

[4:42:17 PM](#)

MR. TRANI said SB 82 should carefully address transportation requirements and preserve local control over program capacity and preferences. He gave the example of a limited-seat aviation program in Mat-Su, stating it would be problematic if students from outside the district displaced local students. He also raised concerns about losing local authority over lottery systems, particularly in charter schools, under a first-come, first-served enrollment model. Drawing from his experience in Oregon, he suggested the inclusion of a revocation clause for non-attendance in open enrollment situations. He expressed that he did not see anything wrong with the true-up as written in SB 82.

MR. TRANI expressed broad support regarding the funding increase for correspondence programs and explained that the nature of correspondence education has changed significantly. He said nearly one-fifth of Mat-Su students now participate in correspondence programs, and many engage in district services like special education, extracurriculars, and career and technical education. He explained that despite offering these services, the district receives limited funds, with only a few hundred dollars remaining after subtracting parent allotments. He concluded that as correspondence enrollment grows, the district cannibalizes itself maintain costly services and there is less money for the entire system.

[4:45:58 PM](#)

SENATOR KIEHL said he wanted to ask more about the cost of Mr. Trani's correspondence program compared to what was generated in the current formula. He recalled Mr. Trani stating that when calculating the cost of running his district's correspondence program and the allotments received, the district did not face a deficit. There was a little bit of money left over, but the program essentially broke even and did not require subsidizing either the education or the allotments.

[4:46:46 PM](#)

MR. TRANI said the district was operating at or slightly below the break-even point. He explained that the several hundred dollars retained above the revenue did not account for any

districtwide expenses. He estimated that, while they were about 2.5 percent to the positive on paper, they were probably operating at a slight deficit overall. He added that some schools operated at a small positive margin while others operated at a slight negative.

[4:47:57 PM](#)

CHAIR TOBIN opened public testimony on SB 82.

[4:48:14 PM](#)

BOB GRIFFITH, representing self, Anchorage, Alaska, testified in support of SB 82. He stated that he had served a five-year term on the State Board of Education and supported adopting all elements of SB 82. He suggested renaming the bill "Education Proposals Based on Proven Results in Other States." He spoke in favor of proficiency grants, citing Florida's success in offering grants to students who pass AP exams. He said the program increased AP success among low-income students by more than 1,000 percent and helped Florida rank third nationwide in AP achievement despite low overall education funding. He noted that Alaska is one of only five states that give local districts exclusive authority to approve charter schools. Alaska's restrictions limits applications from innovative charter school models. He said Alaska's laws are the third most restrictive in the nation, discouraging new models and creating an unequal power dynamic between districts and parents. He added that no schools are more locally controlled than Alaska's charter schools, which are led by local teachers and parents. He concluded that Alaska spends about \$600,000 per group of 25 students each year, but little of that reaches classroom teachers, and the bill offers a sensible way to direct funds more effectively.

[4:50:54 PM](#)

LUCAS SMITH, representing self, Anchorage, Alaska, testified in support of SB 82. He emphasized the importance of local control over school choice options in Anchorage. He said this was the reason he supported SB 82, as he sought to move away from Anchorage School District policies, particularly those focused on diversity, equity, and inclusion (DEI) and transgender issues, which the district had refused to change. He said it is important for SB 82 to maintain its avenues for establishing charter schools and school choice options outside district control. He stated his desire for the legislature to make SB 82 its preferred education bill this session.

[4:52:58 PM](#)

DEAN O'DELL, Director, Idea Home School Program, Anchorage, Alaska, testified in support of SB 82 said he wanted to address the intent of SB 82 to include special needs factor funding as a necessity for all public schools, including correspondence programs. He explained that misconceptions persist that correspondence programs do not serve students with special needs or provide special services. He stated that IDEA serves more than 500 special needs students, which is more than the total enrollment, both general and special education, of 31 of Alaska's 53 school districts. He described the services provided to special needs students, including certified special education teachers offering consultation, interventions, and support, as well as school psychologists, occupational and physical therapists, speech and language pathologists, mental health providers, and classified staff supporting special education records. He said these services operate alongside the certified and classified general education supports offered to all families.

MR. O'DELL stated that, like all public schools, correspondence programs share the same legal obligation and moral commitment to serve students with special needs but receive no state funding for it. He said the special needs factor in SB 82 would create equity in supporting all public-school students. He added that, while not part of the bill, an increase to the BSA was also urgently needed. He concluded that IDEA stood in support of good policy for all public schools, including the special needs factor funding in SB 82.

[4:55:22 PM](#)

SENATOR KIEHL asked for the difference between the formula funds generated by IDEA students and the amount the Galena City School District spent on the program.

[4:55:46 PM](#)

MR. O'DELL said he could not provide exact numbers but stated that the district had made significant investments in IDEA, its families, and the supports offered through the program. He said the district had expanded its services and facilities in response to growing family needs. He noted that inflation had reduced families' ability to afford preferred curriculum options and necessary resources, leading the district to increase allotment funding. He emphasized that the district's investment in IDEA was substantial but said he could not provide exact figures.

[4:56:39 PM](#)

SENATOR KIEHL asked whether, in general terms, the Galena City School District contributed general fund dollars to IDEA or if the program operated solely on the funds generated by the IDEA student account.

MR. O'DELL replied that IDEA is self-funded. It pays for itself.

4:57:27 PM

JUDITH ECKERT, representing self, Homer, Alaska, testified in support of SB 82. She stated that she was a special and regular education teacher from Palmer, Alaska, and had taught in the district for about 20 years. She said she had participated in several studies and now operated an organization called PixelPandemic.org, which empowers families in the digital age. She stated that SB 82's focus on digital wellness and brain health addressed a serious issue, noting that many students struggle with attention span and academic performance due to screen exposure and the dopamine loop created by digital content. She said even educational technology programs can negatively affect attention, learning, and mental health.

MS. ECKERT described the situation as a statewide crisis, citing data showing that children ages four to seventeen who spend extensive time on screens are twice as likely to be diagnosed with depression or anxiety. She called SB 82 a game changer for education and digital wellness, emphasizing that families should have more educational choices, including public homeschooling and charter options, to reduce screen time and promote real-life learning. She concluded that increased job training and hands-on learning opportunities over digital dependence were crucial and voiced her support for SB 82 and for career and technical education funding that offers students real-world skills.

5:00:20 PM

LON GARRISON, Executive Director, Association of Alaska School Boards, Juneau, Alaska, testified in opposition to SB 82. He stated that SB 82 combines policy and funding measures portrayed as opportunities for school districts and students. He said the Association of Alaska School Boards (AASB) recognized areas in the bill that could support public education choice and incentivize positive outcomes such as teacher retention. However, he said AASB had serious concerns about policy provisions that might undermine local governance or create inequitable situations where students must compete for space in their neighborhood schools.

MR. GARRISON outlined several provisions AASB supports within the bill:

- Reading proficiency grants, if the program first targets districts needing assistance and then rewards progress.
- Use of standards-based assessments and growth metrics for reading proficiency.
- Significant increases to pupil transportation funding.
- Increases to residential school monthly stipends.
- Increases to the vocational technical instruction and special needs factors, including application to correspondence students.

MR. GARRISON said AASB opposed several other elements of the bill. AASB remains opposed to charter school authorizers outside local school districts and boards, emphasizing that Alaska's charter school success stems from the strong partnerships between districts and charter schools. He also opposed extending bond debt reimbursement to 2030, describing it as "kicking the can down the road."

MR. GARRISON said authorizers outside the K-12 system lack the knowledge and systems needed to manage and oversee public charter schools and that the bill provides no clarity on accountability for such entities. He added that AASB is also concerned with the proposed statewide mandatory open enrollment policy. He said Alaska already operates effectively under a voluntary open enrollment model and that the proposed approach lacks clear protection to ensure local students can attend their neighborhood schools. He noted that most states with open enrollment have defined enrollment periods before each school year to support proper planning and ADM accounting. He concluded that, as written, AASB opposed SB 82.

[5:03:58 PM](#)

AMANDA THOMPSON, representing self, Anchorage, Alaska, testified in support of SB 82. She stated that she was a teacher, a charter school board member, and the parent of two charter school students. She said that when she first read SB 82, she was very excited to see so many initiatives that had succeeded in other states but had not yet reached Alaska. She explained that, although she is a third-generation Alaskan, she spent four years in Miami, where her children began school. She said that experience, though unexpected, greatly benefited her children's education because of how Florida incentivized reading and supported charter schools through multiple authorizers. She said many of the provisions in SB 82 reflect successful practices in

other states and stated her belief that these could also benefit Alaska's students, as she had seen positive results for her own children. She shared proud moments of her children's success and their growing love of learning at their charter school. She said charter schools face many challenges, including a lack of transportation and limited funding, yet parents remain deeply committed to their success. She disagreed with the AASB's position that the strength of charter schools comes from their relationship with school districts, stating instead that it comes from the dedication of parents and students. She concluded by urging legislators to recognize the many positive aspects of SB 82, noting that as both a teacher and a mother, she saw great promise in the bill.

[5:06:32 PM](#)

ROXANNE GAGNER, representing self, Sitka, Alaska, testified in opposition to SB 82. She stated that she had been teaching for more than 25 years and spoke in opposition to SB 82 for several reasons. She said the teacher retention incentive was short-sighted, explaining that what truly needed reform was the benefits and retirement system. She said no teacher wants to work in a building without a curriculum and that offering a \$10,000 incentive would be less effective than increasing the Base Student Allocation (BSA), which would benefit all students rather than individuals. She also opposed the bill's provisions related to charter schools, describing them as government overreach that undermines local control and the ability of communities to decide what works best for them. She said rural communities operate differently than those on the road system and require flexibility, not centralized mandates. She spoke against the proposed cell phone-free school requirement, calling it another example of government overreach. She said local schools can and already do adopt such policies, noting that Sitka has implemented one successfully. She added that cell phone access can sometimes be beneficial, such as when internet service was recently disrupted in Southeast Alaska. Finally, she said the student achievement grant was also short-sighted because it could lead to a "teach to the test" mentality. She emphasized that public education serves the whole child and must account for every aspect of a student's development throughout their academic career.

[5:09:04 PM](#)

CHAIR TOBIN closed public testimony on SB 82.

[5:09:09 PM](#)

CHAIR TOBIN held SB 82 in committee.

5:09:43 PM

There being no further business to come before the committee, Chair Tobin adjourned the Senate Education Standing Committee meeting at 5:09 p.m.