

*Bradners'*

# Alaska Legislative Digest

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PUBLISHER: Tim Bradner FOUNDER: Mike Bradner / Business Office: (907) 440-6068 / 950 Coral Lane Anchorage, AK 99515 / Fax: (907) 345-5683

No. 21/2025 July 21, 2025

## Success in reading, but not for reasons claimed

Alaska's youngest school children are showing dramatic gains in reading and officials are crediting the state's Alaska Reads Act, enacted in 2022, with its requirements for a focus on literacy skills. Alaska students from kindergarten through third grade showed gains from 44% competency at benchmark levels to 60% from the start to the end of the 2024-2025 school year. State education officials credited new reading curriculum, teacher training, and more support for school reading programs. Gov. Mike Dunleavy cites the Reads Act as an example of education progress when funding is focused on goals, in contrast to a general increase in school funding such as through the Base Student Allocation, or BSA, the state formula that distributes money to school districts. *The picture is really more complicated, educators say.* In fact there was relatively little new state funding appropriated to support the Reads Act and many school districts used federal COVID-19 funding to support reading interventions to help children, which typically required extra instruction after school hours. *The real success of the Reads Act is that school districts were able to meet many of its goals without the new state money that was promised in 2022.*

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## Relations between governor, educators chill further

An ongoing and testy exchange between Alaska's education community and Gov. Mike Dunleavy over education funding and reform points to a downward spiral in relations with the governor and between Dunleavy and legislators who voted to overturn the governor's veto of HB 57, a school funding bill passed in the 2025 legislative session. Dunleavy vetoed part of the funding provided in the bill. The governor has since called a special session of the Legislature to begin Aug. 2 to consider unspecified "education reform" legislation. The governor's recent exchanges with the Alaska Association of School Boards, or AASB, which represents most elected school boards in the state, are setting the stage for a frosty reception to the proposals Dunleavy will put forth. *The governor has acknowledged that he timed the special session call knowing that some legislators will not be able to attend, dampening prospects for a vote to override the veto of funds from HB 57.*

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## **. . . Education . . .**

### **Childrens' reading scores sharply up, but not for reasons claimed**

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The upcoming special session of the Legislature on education policy that will begin Aug. 2 will see the debate continue between views by many legislators, strongly felt, that a increase in overall funding through the BSA is needed against the governor's opinion, equally strongly felt, that funding should be keyed to specific programs like the Reads Act and tied to gains in performance. The dispute will play out in an effort to secure 45 votes of the 60 legislators to overturn Dunleavy's veto of funds for the BSA increase authorized in HB 67.

### **Reads Act is supposed to be tied to major pre-K expansion, which hasn't happened**

Another less-noted aspect of the Reads Act, however, is that the focus on intensive new reading instruction in K-3 grade levels is supposed to be coupled with a major expansion of early learning pre-Kindergarten programs so children are better prepared when they enter regular Kindergarten or first grade. This part of the Reads Act has not been a success. There were state grants authorized to help school districts begin pre-K but the effort became bogged down in red tape when districts had difficulty meeting new state standards for qualified pre-K programs. The state Department of Education and Early Development is now working toward streamlining the standards but this is taking time. Meanwhile, only one school districts pre-K application, for Anchorage, was actually approved.

### **There is a tangled political history to the Reads Act**

There is a tangled political history to the Reads Act, and some of the fault lies with Democrats and independent legislators who fiercely opposed the act in 2022. That was because they felt it would require new programs without more support, so that it would become an unfunded mandate. At the time, Democratic and independent House members favored a general BSA increase coming first. The Reads Act passed narrowly, in fact by one vote in the Democrat-controlled House, but with a small increase in the BSA. Meanwhile, the fears of the state backing away from financial support turned out to be true, at least partly. The debate between and a BSA increase and "targeted" funding continues in the special session.

### **The good news is wide support for intensive reading instruction**

The good news is that now almost all legislators, and the governor, support the Reads Act, but the new worry is whether state money can be found in the current fiscal environment to replace expiring federal COVID-19 funds, and whether the state education department can streamline regulations so more districts can secure pre-K grants. If the momentum with the Reads Act can't be sustained with funding the gains in childrens' literacy may not be sustained either.

## . . . Legislature/Governor . . .

### **Governor's relations with educators deteriorate further as special session looms**

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That acknowledgment further irked legislative leaders. In the back-and-forth between Dunleavy and the school board association, what struck us was the undignified tone of the governor's criticism that focused in part on the association's executive director, Lon Garrison. This contrasts with a more dignified response by the association's board, who are elected school board members from around the state. It started with the association's criticism of the governor's veto HB 57 funding on June 13. "This is the first time since the BSA (Base Student Allocation, the state school funding formula) was enacted in 1999 that a governor has refused to honor the statutory funding formula," Garrison said in a press release. Dunleavy bristled at that, responding: "We are dealing with declining oil revenues, rising costs and obligations across the entire spectrum of state services, and not just education," the governor wrote to the association on June 27. "What I find troubling is the consistent pattern of the (school board association) to demand more money while resisting meaningful reform," Dunleavy said, citing opposition to the Alaska Reads Act and expansion of high-performing charter schools. "Instead of solutions, your organization (the AASB) offers only the tired refrain of more money, with no accountability, no innovation and no results," the governor wrote in his letter. The AASB's goal in pushing for an increase in the BSA is about sustaining bureaucracy in the status quo, not about improving students' performance, Dunleavy said.

### **The school board association fires back on July 15**

"We must firmly disagree with the governor's tone, substance and comments . . . and we completely reject the governor's mis-characterization of our (organization's) work and the intent of Alaska's school boards . . . School boards across the state are working to address teacher shortages, improve student outcomes, often with limited and unstable resources," AASB's board responded. The association also supports the Alaska Reads Act and charter schools within a framework of local governance. the AASB said. *This point is important, we point out. School boards need to govern local charter schools because their costs come from a school district's funds.* The governor essentially wants the politically-appointed state school board to control charter schools, leaving the costs still paid by the local school districts. AASB went on to say that school districts have led innovations, including local aviation (student) academies and support for children affected by trauma. AASB's core mission is to support public education and to work for it to be adequately funded, the association said.

### **Core conflict is with initiatives led by national conservative groups**

What's going on here is an ongoing conflict between the national initiatives by conservative groups to undermine public schools, which they say are controlled by teachers' unions, and to expand alternatives like charter schools and home-based learning that are less governed by local school boards. In reality, Alaska today has a robust mix of alternative schooling, including charter schools and support for home-based learning. The Legislature also instituted a series of reforms asked for by governor during its 2025 regular session, but Dunleavy discounts these, saying they do not go far enough.

## ... Big Beautiful: The oil benefits ...

### **NPR-A revenue-sharing may be a bonanza for North Slope communities, less so for state**

President Trump's Big Beautiful will definitely put new energy into North Slope oil exploration (no pun intended) and likely minerals exploration but caution is needed on expectations of big new state revenues. Here's why: The regulatory environment is now friendly for energy but economic conditions for the industry are less so. Crude oil prices are down and companies are focused on cost control. For new projects, the tariff effects on steel prices and other construction materials are worrisome for industry. Companies will also move cautiously on exploration because it will take several years to find, define and develop new North Slope oil finds, and the federal environment may flip again in three and a half years when there will be a new president. Add to this the unknown prospectivity of the Arctic National Wildlife Refuge. No drilling has been done on most of the coastal plain. *Still, the plus is that after decades we'll find out whether there are commercial oil deposits in ANWR. That's a plus.*

The National Petroleum Reserve-Alaska, or NPR-A, is better known because of ConocoPhillips' discoveries at Willow and three smaller deposits now in production. However, under federal law the 50% of royalties from NPR-A going to the state (and 70% after 2034) will actually go to the North Slope Borough and five small villages. Also, the state's net profits-type oil production tax allows for deductions of costs that will reduce net production tax revenue to the state for some years. Still, there is a benefit for the state with more oil flowing through the trans-Alaska pipeline in that the per-barrel pipeline transportation costs will be lower, which will result in increased state revenue on North Slope production.

### **Cost to state for food stamp changes? \$30 million, \$40 million per year estimated**

Costs to the state for the changes to the food stamp program in Big Beautiful are roughly estimated at \$30 million to \$40 million per year, although the state has a temporary two-year exemption. The costs are due to likely penalties imposed after two years if error rates in food stamp administration are not substantially reduced. *That's unlikely given continued staffing shortages in state agencies.*

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