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Member of the National League of Cities and the National Association of Counties

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Chair Tobin and members of the Senate Education Committee, thank you for the opportunity to provide testimony today. It feels like an auspicious moment in time.

We want to acknowledge all the hard work that this body and its counterpart in the House have applied to the question of not just increasing State funding for public education, but seeking other improvements that would increase efficacy thereof.

Passage last week of an increase to the BSA of \$1,000 is a critical step forward, and back. If the Governor does veto HB 69 as indicated, we are left with school districts that remain underfunded. Maybe there is a veto override, and maybe there isn't, but the potential of the latter increases significantly the risks involved for Alaska's schools, and ultimately communities.

At the same time, there are clearly areas of compromise that were engendered by negotiations on HB 69. We hope that where agreement was fostered, it can be the foundation for next steps as part of this or future legislation.

SB 82, and its companion in the House, are starting points perhaps, which offer building blocks for legislation that may navigate a path for compromise as we move forward. This remains a priority for AML, since local governments fund about 50% of the State's public education obligation in municipal school districts, where the majority of students attend, and own and maintain 75% of schools in Alaska.

We have said before that we appreciate that the Governor, alongside House and Senate leadership, have prioritized addressing the challenges experienced by Alaska's public education system. We fully understand that both bodies need the votes to advance legislation that increases and inflation proofs the BSA, without threat of a gubernatorial veto. Clearly, the multiple sides involved must reach a compromise. We recognize that this involves careful negotiations between the Governor, and both majorities and minorities in the Legislature.

Please, for the sake of our students, families, communities, and businesses, let's continue to work toward negotiated solutions.

As we think about SB 82, note that AML members have voted to support a higher and inflation-proof BSA, and we agree that this is a different than and as important a discussion as accountability measures. Clearly, a starved system doesn't produce results that attract and retain Alaskans.

How do we know this is important? As an example, if Community Assistance were set back to its 1995 formula and inflation-proofed, the value would be around \$365 million, about 10 times

what it is today. Local governments know what doing less with less looks like, but unlike schools, they have the ability to increase revenues independent of the State.

SB 82 includes the need to address the moratorium on the school bond debt reimbursement program, but instead of extending that moratorium, we would argue that we should work together to develop a new way to address the maintenance deficit that the State's fiscal condition has resulted in. Extending the current school bond debt reimbursement program moratorium to 2030 hobbles local governments from partnering with the State to address school construction and major maintenance by removing a mutually beneficial tool, and increases competition between districts vying to access the grant program. We need a new way of developing a capital stack that effectively addresses the increasingly long list of needs.

With respect to the legislation's references to charter schools, we would only note that our position remains that where these include local contributions, approvals should happen locally. The contributions of local governments – taxpayers – should follow local decision-making. State decisions that mandate charter schools could require a vote by residents, for how they want their taxes applied. Also, following our perspectives on unfunded mandates, districts should be able to capture at least their actual accrued administrative costs.

AML supports funding that leads to reading proficiency and opposes unfunded mandates. This should be similarly true for all legislation that adds duties, curriculum, or activities for school districts. State-directed activities should come with state-provided resources. We think about the amazing effort that went into the Alaska Reads Act, and the compromise and negotiation required there – ensuring that funding flows to meet the additional requirements is part of the State's obligation.

We also want to highlight provisions from HB 69 that, perhaps, are worth pursuing:

- Ensuring that funding is sufficient to ensure appropriate maximum classroom sizes.
- Standards for some should apply to all, where public funding flows, as part of determining the accountability relative to State and local funding.
- Increasing the flexibility of the local contribution as it relates to meeting the needs of individual communities.

Finally, we want to highlight our interest in a Task Force on Education Funding, where local governments are prepared to contribute substantively to discussions of adequacy and equity.

AML is prepared to engage diligently in offering solutions or contributing perspectives that may not otherwise arise. Our goal is to encourage and continue the dialogue, and to move away from a fixed position to collaborative problem solving. Ultimately, AML's members have prioritized a State-funded system of public education that meets the needs of students, which contributes to improved conditions of our communities and economy.