

**To: Members of the State Board of  
Education & Early Development**

**October 9, 2025**

**From: Dr. Deena Bishop, Commissioner**

**Agenda Item: 11A**

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**◆ ISSUE**

The board is being asked to return the proposed regulation amendments to 4 AAC 09, related to the financing of public schools and the required local contribution, to the Department. This will allow the Department to collaborate further with stakeholders and develop a solution that both meets the needs of school districts and aligns with federal regulations and state statute.

**◆ BACKGROUND**

- At the June 2025 State Board of Education meeting, the board approved a motion directing the Department of Education and Early Development to release the proposed regulation change for public comment.
- The Department posted the proposed regulation change for public comment on June 20, 2025, with the comment period closing on July 25, 2025.
- More than 600 responses were received from stakeholders during the public comment period.
- The definition for “local contribution” for the purposes of the public education funding formula in AS 14.17 is proposed to be amended to align with the federal definition of “current expenditures” used by the impact aid program disparity test.
- Written public comments received can be found behind this cover memo.
- If the Board chooses to return the regulation project to the Department, that would end this regulation project, but would allow the Department to seek additional input on this issue and the Department could propose a new regulation amendment in the future.
- Heather Heineken, Director of Finance & Support Services, and Lori Weed, School Finance Manager, will be available to brief the board.

**◆ OPTIONS**

Take no action on this regulation project and direct the Department to seek additional input on this issue.

Seek more information.

Extend the period of public comment.

**◆ SUGGESTED MOTION**

I move that the State Board of Education & Early Development take no action on the proposed regulation amendments to 4 AAC 09, regarding the financing of public schools and the required local contribution, and direct the Department to seek further input and collaboration with stakeholders.