

HOUSE BILL 261: EDUCATION FUNDING

WHY HB 261:

Alaska's education funding process is broken. School communities routinely do not learn their final funding levels until after critical staffing and program decisions must be made. This backward budgeting forces districts into guesswork, creates annual instability, and undermines trust.

The uncertainty alarms families, damages staff morale, worsens teacher retention, and erodes confidence in public education. This process forces districts to deliver a notice of possible non-retention ("pink slips") causing educators to be left in limbo, unsure whether they will have a contract. Energy is spent on worrying and redoing budgets, rather than student achievement.

WHAT IS HB 261:

HB 261 seeks to stabilize school funding through student count averaging, diminishing uncertainty.

KEY FEATURES OF HB 261

- Calls for the calculation of a district's student count on July 1st of the fiscal year, to be based on the district's previous three-year average ADM, or previous year ADM, whichever is greater.
- Allows the intensive student count by using the district's three-year average intensive student enrollment count, **or** previous year intensive student enrollment count, **or** use of a second intensive student count by February 15 of the current fiscal year should the district choose to conduct an additional student enrollment count; **or** use the current year student intensive count.
- Allows schools with 100 or 425 students to avoid the sudden cliff revenue drop through the student count three-year averaging defined in AS14.17.905 (Facilities constituting a school).
- Allow Alternative schools with an ADM of fewer than 175 students to be counted as their own school, rather than as part of the biggest school in the district.

HOW WILL HB 261 HELP?

- Appropriately timed budget process
- Allow districts to know their revenue based on firm student count data starting on July 1st
- Allows for teacher and staff contracts to be signed earlier, reducing turnover and making the state more competitive in retaining and recruiting teachers
- Help districts absorb large resource shifts in any given year
- Smooths loss of student enrollments
- Enables school communities to focus more on student achievement than on budgets
- Increases public confidence in education

Questions? **Rep. Andi Story (907) 465 – 3744**

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