



March 26, 2026

Written Testimony on CSHB 261 (Version I)
Submitted by Lon Garrison,

Executive Director, Association of Alaska School Boards (AASB)

Co-Chairs Himschoot and Story, and members of the House Education Committee,

My name is Lon Garrison and I serve as the Executive Director of the Association of Alaska School Boards (AASB). Thank you for the opportunity to provide testimony on CSHB 261. On behalf of the Association of Alaska School Boards, I offer support for this legislation as an important step toward improving the structure, predictability, and responsiveness of Alaska's public school funding formula.

CSHB 261 focuses on a fundamental issue that school boards and superintendents across Alaska experience every year: **volatility in student counts** and the resulting uncertainty in school district budgets. While enrollment changes are a reality, the current system can produce sudden and sometimes dramatic shifts in funding that are difficult for districts to absorb, particularly in small and rural communities.

The committee substitute makes **meaningful structural improvements that move the foundation formula toward greater stability**. By allowing districts to use the greater of prior-year ADM or a prior three-year average, **the bill moderates the impact of short-term enrollment declines**. This approach recognizes that districts cannot immediately scale down staffing, programming, or operations in response to a single year of declining enrollment. Schools are long-term institutions, and their cost structures reflect that reality.

At the same time, the bill thoughtfully avoids locking districts into outdated enrollment figures. The addition of a provision allowing districts to use current-year ADM when enrollment exceeds prior-year levels by 5% or more ensures that districts experiencing growth are not underfunded. This is particularly important in communities where enrollment can increase rapidly due to economic activity, housing changes, or population shifts. The ability to recognize that growth in the same fiscal year is a critical improvement in the formula.

CSHB 261 also **improves the treatment of intensive services funding** by allowing districts to use current-year or additional count options. This is a practical and necessary change. Students requiring intensive services represent some of the most significant and immediate cost pressures on districts. Providing **multiple count options** allows funding to better align with actual student needs, rather than relying solely on a single point-in-time count that may not reflect current conditions.

Another important feature of the committee substitute is the transition provision related to hold harmless. While **the bill appropriately moves away from long-term reliance on declining enrollment protections**, it does so in a measured way. Allowing districts currently in hold harmless to



phase out of that status avoids abrupt fiscal shocks and provides time for local boards to adjust operations responsibly.

Taken together, these changes create a more balanced funding model—one that improves predictability for districts facing enrollment decline, while also maintaining the flexibility to respond to growth and changing student needs.

From AASB's perspective, **CSHB 261 aligns with several of our 2026 Legislative Priorities and long-standing policy positions.** Our priorities call for a public education funding system that is timely, predictable, equitable, and sustainable. The structural changes in this bill directly support those principles by stabilizing the way student counts are used in the formula and improving the alignment between funding and actual enrollment.

This bill is also supported by AASB's *Where We Stand 2026* resolutions. In particular, it aligns with our call for sustainable and equitable funding for public education, as reflected in Resolution B.7, and our emphasis on timely and predictable funding under Resolution 2.1. By improving how the formula responds to both declining and increasing enrollment, the bill advances the goal of equitable treatment for districts across the state.

Additionally, the bill's provisions related to early education and intensive student counts are consistent with AASB's support for early learning opportunities and the need to ensure that districts are adequately supported in serving students with the greatest needs.

At the same time, I would note that CSHB 261 is **primarily a structural improvement to the funding formula. It does not, by itself, address the broader issue of funding adequacy that remains a central concern for school districts across Alaska.** AASB continues to advocate for increased investment in public education, including adjustments to the Base Student Allocation, to ensure that all students have access to a high-quality education.

In closing, AASB supports CSHB 261 because it represents a thoughtful and pragmatic step toward a more stable and responsive funding system. It improves the mechanics of the formula in ways that will help school boards better plan, manage resources, and serve students.

Thank you for your consideration.

Respectfully submitted,

Lon Garrison
Executive Director
Association of Alaska School Boards



February 2, 2026

Representative Andi Story
Alaska State Capitol, Room 405
120 4th Street
Juneau, AK 99801

RE: NEA-Alaska Support for House Bill 261 – Education Funding Process

Dear Representative Story,

On behalf of NEA-Alaska, I am writing to express our strong support for HB 261. Thank you for your leadership in addressing the structural budgeting rollercoaster that has disempowered our school districts and destabilized educators, students, and families for far too long.

Currently, Alaska's education funding process is backwards, necessitating guesswork budgeting and tentative program staffing that is damaging and demoralizing. The current process particularly impacts our educators who may be "pink-slipped" or laid off only to be re-hired following the approval of the state budget. This annual exercise makes it nearly impossible for districts to retain high-quality talent, and causes deep insecurity in school communities for parents and students. Educators frequently leave their school district or the state in search of more stable, secure jobs.

HB 261 will improve educator retention. Alaska faces an ongoing educator shortage and among the worst turnover in the country. We cannot expect to retain experienced educators when they are left in limbo every year anticipating whether or not they will have a contract until right before school starts. This bill allows districts to responsibly hire and retain staff with confidence during the spring recruitment window. District investments in teacher experience, professional development, and educator continuity will be protected, paying dividends in high quality learning environments.

HB 261 protects students and student learning. When districts are forced to redo budgets late in the school year due to unpredictable enrollment-driven budget fluctuations, the focus shifts from planned high quality instruction to getting by in the short term without thinking of long-term student need. By using a three-year student count average, this bill ensures that classrooms remain funded and programs remain wholly intact, regardless of shifts in the October student count.

NEA-Alaska also appreciates the policies in HB 261 intended to support intensive needs students. By allowing mid-year adjustments for this student cohort, HB 261 ensures that our most vulnerable learners receive the specialized resources they deserve the moment they enter a classroom, rather than months or years later.



Finally, recognizing alternative schools as unique entities ensures that students who require smaller, personalized environments are no longer deprived of the specific funding necessary for their success due to district-wide budget adjustments.

NEA-Alaska urges the legislature to pass HB 261 to provide our schools with the stability they need to thrive. Thank you for your commitment to Alaska's students and the professionals who serve them.

Sincerely,

Laura Capelle
President, NEA-Alaska

[REDACTED]

From: Yvonne Drozdowicz-Somfleth [REDACTED]
Sent: Thursday, February 5, 2026 2:09 PM
To: House Education
Subject: HB 261

Greetings,

My name is Yvonne Drozdowicz-Somfleth, and I am from Coffman Cove, AK. I am a part of the Southeast Island School District, as a parent of a 1st grader and paraprofessional.

I am writing this email, **in support of HB 261**. When we moved to Prince of Wales Island, we were a semi-retired couple, with grown children living their lives in Oregon. We didn't have to think about raising children, and all the things that come with it. (education, sports, teenager issues etc) Alas, this was short-lived, as my son had a son, and due to extreme circumstances, we brought the baby here, and we are now his legal guardians.

A few years ago, he began his school life at the Howard Valentine School, Coffman Cove, and I was told about "counts" of students in schools, that determined if a school was to shutter its doors or not. It bothered me, as now we have an elementary student, a few jobs as well, **AND** this could be in peril if we dipped below 10 students!

My first question was where do kids go to school then...we are literally either 45 min away or hour and fifteen minutes away from any school. In the winter, without a proper vehicle, getting a young child to school is almost impossible. I was told that the district would "bus" the kids to the nearest facility. So, technically I would expect my elementary child to spend up to 3 hours a day, **EXTRA**, just to go to school! I realize we chose to live remotely, yet to subject a youngster to not only a full day of learning, but to add travel time like this is borderline cruel, and a hardship! Especially because we have a beautiful school right in our small town!

There are many other ways to save money within our schools. One must just be creative, and receptive to different ideas. Parents, teachers, administrators and the community can work on ideas that could bring results.

Please, please, support HB 261! The fate of educating children in the great state of Alaska could be drastically affected if this goes the other way!

Thank you for your time in reading my letter.

Sincerely,

Yvonne Drozdowicz-Somfleth
[REDACTED]

Prince of Wales Island