



ALASKA STATE LEGISLATURE

REPRESENTATIVE ANDI STORY

District 3 | North Juneau, Haines, Klukwan, Skagway, & Gustavus

Date: April 29, 2026

To: The Honorable Representative Neal Foster
The Honorable Representative Andy Josephson
The Honorable Representative Calvin Schrage

From: Representative Andi Story

Regarding: Responses to questions from members of the House Finance Committee on HB 261.

Listed are the questions and answers requested during the House Finance hearing on HB 261. Please contact Representative Story's office (465-3744 or rm 403) if additional information is requested.

1. Request for modeling of school district costs:

Our office reached out to the Department of Education and Early Development for the fiscal models requested. Here is the response:

Per direction from the Governor's Legislative Office, the Department of Education and Early Development (DEED) reviewed the request and, given our current capacity and timelines, we're only able to respond at a high level using existing, readily available materials. The work requested would require new analysis and significant staff time and completing it would pull resources away from current priorities. Modeling should be done by an economist (which DEED does not have on staff) as was stated by both the bill sponsor, and I believe some of the committee members. When school districts need modelling, they employ an economist.

However, DEED stated that their department provided data sets for Legislative Finance to utilize towards its modeling need.

2. Is it possible for two districts to count the same student if one district uses the prior three-year averaging and the other district uses the previous year's count. Could a student who moves from one district to another be counted twice if two different student enrollment count models are used?

Justin Silverstein, of Augenblick, Palaish and Associates provide this response as author of the study "Review of Alaska's Funding Program" a study completed for the Alaska State Legislature in 2015.

He stated, "No student would be fully counted in two districts in one year but yes, an averaging approach will mean some portion of a student would likely be counted in more than one district.

For example, let's say Justin attended District A in Year 1 and Year 2 but moved to District B in Year 3. If District A uses averaging, then Justin would be .33 of a student in both Year 1 and Year 2. If District B is using previous year count, then Justin would be a 1.0 for that district. The example actual shows the

averaging approach working as needed, as District A loses the student, they have a smooth decrease, allowing them to reset resource levels as they decline. District B is not punished for having the new student in a growing setting.”

3. Representative Story was asked how alternative schools are funded, and what guarantees that the funds budgeted for alternative schools go to these schools in a district?

Katie Parrott, Alaska Association of School Business Officials stated, “Alternative schools are funded the way any other school in the district is funded, which would vary from district to district: budgeted according to the district’s prioritization. There is nothing that requires an alternative school to fund more or less than any other school. Alternative schools may also be eligible for small state grants.”

4. Which school districts are currently in hold harmless, and in what year will their three-year hold harmless provision expire?

School districts that would benefit by the transition language maintaining the hold harmless provision: Alaska Gateway, Bristol Bay Borough, Hydaburg, and Mt. Edgecumbe. After FY2027, starting in FY2028, no district’s hold harmless calculation would be more beneficial than the alternative counts proposed in the bill.

5. Are the projections shown on page 3 of the most recent FN (EED-PEF 4.10.26) completed using the hold harmless provision?

Yes, the most recent fiscal notes reflect the additional funds required for the hold harmless transition in FY2027 and reduced in the out-years.