



Kodiak Island Borough

OFFICE of the MANAGER

710 Mill Bay Road
Kodiak, Alaska 99615
Phone (907) 486-9301

May 14, 2026

The Honorable Senator Tobin, Chair
Senate Education Committee
Alaska State Legislature
Juneau, AK 99801

RE: Support for SB 278 – Required Local Contributions

Senator Tobin,

The Kodiak Island Borough writes in support of SB 278 concerning the regulation of the required local contribution made by local governments for public schools. This change would help lessen the burden on local property taxpayers, restore greater predictability in funding, and ensure more consistent levels of support from the State of Alaska.

Under current law, the required local contribution is based on a 2.65 mill rate tax levy applied to the Full Determined Value (FDV) of property within a municipality. SB 278 does not eliminate the required local contribution; rather, it places reasonable limitations on the rate at which that contribution may increase. The Kodiak Island Borough recognizes the value of this approach and understands the benefits this type of regulation could provide to municipalities throughout the state.

We appreciate the work that has gone into advancing this legislation. While we recognize that SB 278 does not address every challenge related to public school funding, we believe it represents a meaningful step in the right direction. The bill would help reduce the continued shift of education funding responsibility from the State of Alaska to local taxpayers.

As the State continues discussions surrounding school funding, we encourage continued examination of how the Required Local Contribution is calculated. One area of particular concern is the use of Full Determined Value in calculating these contribution amounts. The FDV is not equivalent to the full and true value of taxable property within the borough, and its use establishes a valuation level significantly higher than the amount of property actually certified as taxable.

For example, the 2025 Full Determined Value for the Kodiak Island Borough is \$2,585,231,925, while the Certification of Assessed Values that will be used to levy taxes this year is \$1,975,467,105. This difference of \$609,764,820 creates a substantial burden on local governments and taxpayers and highlights the need for continued evaluation of the formula used to determine required local contributions.

Thank you for your consideration of our views. Please reach out to Aimee Williams at awilliams@kodiakak.us or 907-486-9302 with any additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Aimee Williams".

Aimee Williams
Manager, Kodiak Island Borough