

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 261
Fiscal Note Number:
() Publish Date:

Identifier: HB261-EED-SFF-1-30-26
Title: EDUCATION FUNDING
Sponsor: STORY
Requester: (H) EDUCATION

Department: Department of Education and Early Development
Appropriation: Education Support and Admin Services
Allocation: School Finance & Facilities
OMB Component Number: 2737

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2027						
Personal Services							
Travel							
Services							
Commodities	12.0						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	12.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	12.0						
Total	12.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0						

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?

Yes

If yes, by what date are the regulations to be adopted, amended or repealed?

07/01/27

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:

Finance and Support Services

Date: 01/29/2026

Approved By:

Dawn Hannasch, Administrative Services Director

Date: 01/30/26

Agency:

Department of Education and Early Development

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB261

Analysis

This bill proposes allocating funds to districts based on the current year's average daily membership (ADM) count for the upcoming fiscal year, with exceptions beneficial to district funding. Provisions that affect the public education (Foundation) funding formula:

- Removes the current hold harmless provision for districts experiencing a five percent or greater drop in ADM at the school size factor (AS 14.17.410).
- Provides four options for the intensive services funding factor (AS 14.17.420). Note: timelines identified in the bill for payment to districts in the month following the count date are not likely to be met, due to conflicts with other laws regarding submittal, verification, and appeal processes.
- Provides that ADM is based on greater of current year ADM or previous three-year average ADM (AS 14.17.450)
- Requires payment of additional funds in current year if intensive student count increases (AS 14.17.610)
- Provides option for using a previous three-year average ADM for determining whether a facility qualifies as a school (AS 14.17.905).
- Removes minimum ADM for funding alternative programs as a separate school for the purposes of a school size factor adjustment (AS 14.17.905).

This bill takes effect July 1, 2026 (FY2027).

Regulations packages will be developed regarding 1) approval of alternative programs to prevent inappropriate use of the school size funding mechanism following the removal of the minimum ADM requirement and 2) establishing reporting timelines and requirements for the alternate intensive student count dates. (2 x \$6.0 = \$12.0 Services)