

# Fiscal Note

State of Alaska  
2026 Legislative Session

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

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

Department: Department of Education and Early Development  
 Appropriation: Mt. Edgecumbe High School  
 Allocation: Mt. Edgecumbe High School  
 OMB Component Number: 1060

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2027 Request	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>OPERATING EXPENDITURES</b>	<b>FY 2027</b>	<b>FY 2027</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	1,116.7		1,116.7	1,116.7	1,116.7	1,116.7	1,116.7
Miscellaneous							
<b>Total Operating</b>	<b>1,116.7</b>	<b>0.0</b>	<b>1,116.7</b>	<b>1,116.7</b>	<b>1,116.7</b>	<b>1,116.7</b>	<b>1,116.7</b>

**Fund Source (Operating Only)**

1007 I/A Rcpts (Other)	1,116.7		1,116.7	1,116.7	1,116.7	1,116.7	1,116.7
<b>Total</b>	<b>1,116.7</b>	<b>0.0</b>	<b>1,116.7</b>	<b>1,116.7</b>	<b>1,116.7</b>	<b>1,116.7</b>	<b>1,116.7</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>						

**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? No  
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.
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Division: <u>Finance and Support Services</u>	Date: <u>01/29/2026</u>
Approved By: <u>Dawn Hannasch, Administrative Services Director</u>	Date: <u>01/30/2026</u>
Agency: <u>Department of Education and Early Development</u>	

## 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).

The definition of "previous three-year average ADM" uses the data from the three count period prior to the current year count. For this fiscal note the previous three-year average ADM and intensive student counts were based on FY2023-2025 and compared to the current FY2026 preliminary counts to determine estimated funding for FY2027-FY2032. Correspondence ADM was from FY2026 preliminary counts.

As a division of the Department of Education and Early Development, Mt. Edgecumbe High School's (MEHS) state aid is budgeted as interagency receipts. This fiscal note increases the division's budgeted interagency receipt authority (I/A) to match the estimated allocation from the Public Education Fund.

FY2027 Projected: \$3,526,394  
FY2027 Proposed: \$4,643,091  
Increase I/A: \$1,116,697

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