

Fiscal Note

State of Alaska
2026 Legislative Session

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

Identifier: HB261-EED-PEF-2-13-2026
 Title: EDUCATION FUNDING
 Sponsor: STORY
 Requester: (H) EDUCATION

Department: Fund Capitalization
 Appropriation: No Further Appropriation Required
 Allocation: Public Education Fund
 OMB Component Number: 2804

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
OPERATING EXPENDITURES	FY 2027	FY 2027					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	46,107.9		46,107.9	46,107.9	46,107.9	46,107.9	46,107.9
Miscellaneous							
Total Operating	46,107.9	0.0	46,107.9	46,107.9	46,107.9	46,107.9	46,107.9

Fund Source (Operating Only)

1004 Gen Fund (UGF)	46,107.9		46,107.9	46,107.9	46,107.9	46,107.9	46,107.9
Total	46,107.9	0.0	46,107.9	46,107.9	46,107.9	46,107.9	46,107.9

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 If yes, by what date are the regulations to be adopted, amended or repealed?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

Corrects assumptions in local contribution to align with those used for FY2027 projections.

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Division:	Finance & Support Services	Date:	02/13/2026
Approved By:	Dawn Hannasch, Administrative Services Director	Date:	02/13/26
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).

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.

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

See School Finance & Facilities (component 2737) fiscal note for regulation discussion.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB261

Analysis

School District	FY2027 PROJECTED Total State Entitlement	BILL NO. FY2027 PROJ. Total State Entitlement	FY2027 PROJ. Cost to State
Alaska Gateway	\$ 8,749,369	\$ 9,170,348	\$ 420,979
Aleutian Region	1,244,980	1,244,980	-
Aleutians East Borough	3,815,115	3,684,198	(130,917)
Anchorage	327,335,148	339,018,517	11,683,369
Annette Island	5,244,704	5,644,997	400,293
Bering Strait	32,584,914	34,397,180	1,812,266
Bristol Bay Borough	1,098,509	600,479	(498,030)
Chatham	3,998,845	3,809,180	(189,665)
Chugach	5,875,634	5,378,740	(496,894)
Copper River	6,623,852	6,682,735	58,883
Cordova City	5,206,681	4,867,073	(339,608)
Craig City	5,747,634	5,652,101	(95,533)
Delta/Greely	11,854,559	12,491,984	637,425
Denali Borough	8,048,370	8,292,310	243,940
Dillingham City	5,139,822	5,697,200	557,378
Fairbanks N. Star Borough	98,491,611	97,299,361	(1,192,250)
Galena City	51,310,594	52,738,523	1,427,929
Haines Borough	2,729,495	3,307,303	577,808
Hoonah City	2,625,307	2,759,094	133,787
Hydaburg City	1,268,543	1,715,835	447,292
Iditarod Area	5,820,421	6,171,245	350,824
Juneau Borough	33,938,338	34,189,824	251,486
Kake City	2,540,011	2,567,449	27,438
Kashunamiut	4,483,742	4,789,302	305,560
Kenai Peninsula Borough	72,094,570	76,926,259	4,831,689
Ketchikan Gateway Borough	26,397,395	28,714,368	2,316,973
Klawock City	1,760,298	2,090,626	330,328
Kodiak Island Borough	24,992,735	26,613,913	1,621,178
Kuspuk	6,108,200	6,041,040	(67,160)
Lake & Peninsula Borough	8,713,953	8,297,972	(415,981)
Lower Kuskokwim	67,672,666	69,598,291	1,925,625
Lower Yukon	44,759,843	44,222,625	(537,218)
Mat-Su Borough	182,461,323	188,876,492	6,415,169
Nenana City	15,794,911	15,764,869	(30,042)
Nome City	10,457,451	11,144,145	686,694
North Slope Borough	19,692,051	21,280,605	1,588,554
Northwest Arctic Borough	39,460,270	41,795,401	2,335,131
Pelican City	431,152	431,152	-
Petersburg Borough	6,824,968	6,909,620	84,652
Pribilof	1,046,088	1,141,889	95,801
Saint Mary's City	4,513,541	4,627,232	113,691
Sitka Borough	11,438,685	13,048,269	1,609,584
Skagway Borough	1,298,649	1,556,943	258,294
Southeast Island	5,248,204	5,448,818	200,614
Southwest Region	10,976,601	11,186,495	209,894
Unalaska City	3,952,780	3,922,205	(30,575)
Valdez City	4,433,840	5,227,009	793,169
Wrangell Borough	3,267,830	3,399,948	132,118
Yakutat Borough	1,221,781	1,297,621	75,840
Yukon Flats	5,621,618	5,509,728	(111,890)
Yukon/Koyukuk	27,394,358	31,358,046	3,963,688
Yupit	10,823,392	11,025,007	201,615
Mt. Edgecumbe High School	3,526,394	4,643,091	1,116,697
TOTAL	\$ 1,258,161,745	\$ 1,304,269,637	\$ 46,107,892