

Fiscal Note

State of Alaska
2026 Legislative Session

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

Identifier: HB261-EED-MEHS-2-21-26
 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 2027	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	(163.0)		(163.0)	(163.0)	(163.0)	(163.0)	(163.0)	(163.0)
Miscellaneous								
Total Operating	(163.0)	0.0	(163.0)	(163.0)	(163.0)	(163.0)	(163.0)	(163.0)

Fund Source (Operating Only)

1007 I/A Rcpts (Other)	(163.0)		(163.0)	(163.0)	(163.0)	(163.0)	(163.0)	(163.0)
Total	(163.0)	0.0	(163.0)	(163.0)	(163.0)	(163.0)	(163.0)	(163.0)

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 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Corrects assumptions in Impact Aid receipts to align with those used for FY2027 projections.

Prepared By: Heather Heineken, Division Director
 Division: Finance and Support Services
 Approved By: Dawn Hannasch, Administrative Services Director
 Agency: Department of Education and Early Development

Phone: (907)269-6889
 Date: 02/20/2026
 Date: 02/21/26

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 reduces the division's budgeted interagency receipt authority (I/A) to match the estimated allocation from the Public Education Fund.

FY2027 Projected at 420.00 ADM: \$3,526,394
FY2027 Proposed at 406.77 ADM: \$3,363,433
I/A Receipt change: (\$162,961)

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