

# Fiscal Note

State of Alaska  
2026 Legislative Session

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

Identifier: HB261-EED-PEF-2-21-26  
 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
<b>OPERATING EXPENDITURES</b>	<b>FY 2027</b>	<b>FY 2027</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	147,682.9		147,682.9	147,682.9	147,682.9	147,682.9	147,682.9
Miscellaneous							
<b>Total Operating</b>	<b>147,682.9</b>	<b>0.0</b>	<b>147,682.9</b>	<b>147,682.9</b>	<b>147,682.9</b>	<b>147,682.9</b>	<b>147,682.9</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	147,682.9		147,682.9	147,682.9	147,682.9	147,682.9	147,682.9
<b>Total</b>	<b>147,682.9</b>	<b>0.0</b>	<b>147,682.9</b>	<b>147,682.9</b>	<b>147,682.9</b>	<b>147,682.9</b>	<b>147,682.9</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? **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 If yes, by what date are the regulations to be adopted, amended or repealed?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 the calculation used for comparison of the "greater of" ADM and SPED Intensive count scenarios.

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Division:	Finance and Support Services	Date:	02/20/2026
Approved By:	Dawn Hannasch, Administrative Services Director	Date:	02/21/2026
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	HB261 FY2027 PROJ. Total State Entitlement	FY2027 PROJ. Cost to State
Alaska Gateway	\$ 8,749,369	\$ 9,387,061	\$ 637,692
Aleutian Region	1,244,980	1,244,980	-
Aleutians East Borough	3,815,115	4,382,575	567,460
Anchorage	327,335,148	372,194,129	44,858,981
Annette Island	5,244,704	5,694,934	450,230
Bering Strait	32,584,914	35,448,384	2,863,470
Bristol Bay Borough	1,098,509	600,479	(498,030)
Chatham	3,998,845	3,693,752	(305,093)
Chugach	5,875,634	5,407,380	(468,254)
Copper River	6,623,852	6,882,281	258,429
Cordova	5,206,681	4,808,925	(397,756)
Craig	5,747,634	5,693,359	(54,275)
Delta/Greely	11,854,559	12,665,560	811,001
Denali Borough	8,048,370	8,320,950	272,580
Dillingham	5,139,822	5,735,722	595,900
Fairbanks N. Star Borough	98,491,611	117,446,444	18,954,833
Galena	51,310,594	52,900,015	1,589,421
Haines Borough	2,729,495	3,374,597	645,102
Hoonah	2,625,307	2,672,306	46,999
Hydaburg	1,268,543	1,715,835	447,292
Iditarod Area	5,820,421	6,166,705	346,284
Juneau Borough	33,938,338	46,960,077	13,021,739
Knife	2,540,011	2,567,449	27,438
Kashumamiut	4,483,742	4,789,302	305,560
Kenai Peninsula Borough	72,094,570	80,903,352	8,808,782
Ketchikan Gateway Borough	26,397,395	30,751,349	4,353,954
Klawock	1,760,298	2,090,626	330,328
Kodiak Island Borough	24,992,735	30,882,969	5,890,234
Kuspuk	6,108,200	7,716,649	1,608,449
Lake & Peninsula Borough	8,713,953	9,843,199	1,129,246
Lower Kuskokwim	67,672,666	73,588,804	5,916,138
Lower Yukon	44,759,843	45,387,387	627,544
Mat-Su Borough	182,461,323	200,802,364	18,341,041
Nenana	15,794,911	15,764,869	(30,042)
Nome	10,457,451	11,161,302	703,851
North Slope Borough	19,692,051	22,224,057	2,532,006
Northwest Arctic Borough	39,460,270	42,863,895	3,403,625
Pelican	431,152	431,152	-
Petersburg	6,824,968	7,058,094	233,126
Pribilof	1,046,088	1,141,889	95,801
Saint Mary's	4,513,541	4,627,232	113,691
Sitka Borough	11,438,685	13,280,660	1,841,975
Skagway	1,298,649	1,556,943	258,294
Southeast Island	5,248,204	5,651,034	402,830
Southwest Region	10,976,601	11,297,449	320,848
Unalaska	3,952,780	4,118,879	166,099
Valdez	4,433,840	5,249,313	815,473
Wrangell	3,267,830	3,582,670	314,840
Yakutat	1,221,781	1,297,621	75,840
Yukon Flats	5,621,618	5,636,172	14,554
Yukon/Koyukuk	27,394,358	31,793,040	4,398,682
Yup'it	10,823,392	11,025,007	201,615
Mt. Edgecumbe High School	3,526,394	3,363,433	(162,961)
<b>TOTAL</b>	<b>\$ 1,258,161,745</b>	<b>\$ 1,405,844,611</b>	<b>\$ 147,682,866</b>