

Fiscal Note

State of Alaska
2026 Legislative Session

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

Identifier: HB261CS(EDC)-EED-SFF-4-14-26
 Title: EDUCATION FUNDING
 Sponsor: STORY
 Requester: (H) FINANCE

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	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	12.0						
Commodities							
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	0.0	0.0	0.0	0.0	0.0	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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Updated to reflect changes made in version I. Reflects the addition of a second provision requiring a regulation.

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Division:	Finance and Support Services	Date:	04/08/2026
Approved By:	Dawn Hannasch, Administrative Services Director	Date:	04/14/26
Agency:	Department of Education and Early Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSHB261

Analysis

This bill proposes allocating funds to districts based on the previous year's average daily membership (ADM) count for the current 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); however, districts that are eligible on July 1, 2026 can choose to continue until the calculation is completed over a maximum three year period.
- Provides three options for the intensive services funding factor (AS 14.17.420): previous year October count, current year October count, or current year February count.
- Provides that ADM is based on greater of the previous year ADM or prior three-year average ADM, or the current year count if five percent greater than either other option (AS 14.17.450).
- Requires payment of additional funds in current year if intensive student count increases or if current year ADM increased greater than 5 percent (AS 14.17.610).
- 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 date. (2 x \$6.0 = \$12.0 Services)