



HB 261: EDUCATION FUNDING PROCESS

STUDENT ENROLLMENT COUNT

AVERAGE DAILY MEMBERSHIP (ADM)

Representative Andi Story

April 22, 2026

THE CURRENT EDUCATION FUNDING PROCESS IN ALASKA IS BROKEN

Budget Process	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug
Student Counts Collected	█										
Student Counts due to DEED		█									
Governor's Proposed State Budget Released			█								
School Boards and Communities Create Budgets				█	█	█					
School District Provided Budget Request to Local Municipalities					█	█					
Optimal Recruitment Season						█	█				
Alaska Teacher Contract Notification								█			
State Approves Budget								█	█		**
Districts Redo Budget and rehire								█	█		
District Fiscal Year Starts										█	

**FY 26 VETO OVERRIDE AUGUST - DISTRICTS REDO BUDGET AND REHIRE AFTER START OF FISCAL YEAR

THIS UNDERMINES FAMILIES AND COMMUNITIES' CONFIDENCE IN OUR EDUCATIONAL SYSTEM

This leads to:

Stress for families
& communities

Uncertainty for
staff

Increased teacher
and staff turnover

Focus on redoing
budgets instead of
student
achievement

Negatives impacts
on Alaska's
economy

Volatility

THERE IS ANOTHER WAY...

STUDENT COUNT ALTERNATIVES

Types of Counts

- Single Day Attendance
- Single Day Membership
- Multi-Day Attendance
- Multi-Day Membership
- Average Attendance
- Average Membership
 - Important to note that even similarly named counts can be implemented very differently

Examples:

- Average could be over a two-week period, several months, or an entire year
- Student count could be for the current year or prior year figures

Other States Current Counts Methods

Membership vs Attendance

- 45 states use Membership
- 5 states use Attendance

Count method

- 26 states use averaging
- 15 states use a single-day count
- 10 states use multiple day counts

How Average is Implemented (subset of states)

- 19 states calculate using the full year
- 7 states calculate using a time period less than a full year

Year(s) of student count(s) used for funding

- 15 states fund on current year student counts
- 17 states fund on prior year student counts
- 19 states use an approach that either averages, combines, or provides the “better of” multiple years of student counts (10 of which include the current year, 9 of which use only prior years)

*Source: Justin Silverstein, CEO
Augenblick, Palaich and Associates,
Alaska Education Task Force on
Education Funding 11-10-26*

STUDENT COUNT: PRIOR THREE-YEAR AVERAGE OR PREVIOUS YEAR (ADM)

Allows district to know their revenue based on verified student count data starting in July 2026

Appropriately timed budget process

Allows for teacher and staff contracts to be signed earlier, reducing turnover and making the state more competitive in retaining and recruiting teachers

Helps districts absorb large resource shifts in any given year

Smooths loss of student enrollments

Enables school communities to focus more on student achievement than budgets

Increases public confidence in education



Denise Caposey teaches first graders at Skagway School.
(photo Emily Files, KHNS-Haines)

PROPOSED CALCULATION CHANGES

HB 261 calls for the calculation of a district's student count for a fiscal year to be based on the **greater of** the average daily membership (ADM) of a district's prior three-year average ADM or previous year ADM for the budget calculation.

Example for FY 27

Districts have a choice of either:

- The average of student counts from October 2022, 2023, and 2024 (prior three-year average)
- or
- The previous year student count (ADM) October 2025

Section 16: "prior three-year average ADM" means the number resulting from combining the ADM counts from the three student count periods immediately preceding a student count period conducted under AS 14.17.600(a) for a fiscal year and dividing that sum by three.

FACILITIES CONSTITUTING A SCHOOL (AS.14.17.905)

- Smooths out funding cliffs when school membership in small districts falls below 100 or 425 students.
- Recognizes when small changes in school and district level student counts may lead to large changes in funding.



*Boreal Sun Charter School in Fairbanks on April 22, 2024
(Photo by Claire Stremple / Alaska Beacon)*

INTENSIVE NEEDS STUDENT COUNT

Intensive needs students have complex needs and may require additional staffing to meet their Individual Education Plans (IEP). Importantly, HB 261 permits a district to adjust the intensive student count mid-year to accommodate intensive students who are new to the district after the current count date.

Districts may use:

- previous fiscal year intensive needs student enrollment count (ADM)
- the current fiscal year intensive needs student enrollment count (ADM) or
- the current fiscal year intensive needs student ADM count taken by February 15

ALTERNATIVE, ENROLLMENT, & TRANSITION LANGUAGE

Alternative School Counts


Alternative schools with an ADM of fewer than 175 students would be counted as their own school, rather than as part of the biggest school in the district.

Being counted as a part of the school in the district with the highest student count of mainstream kids means that alternative programs, which typically require smaller class sizes and more personalized services, may be deprived of much-needed funds.

Increased Enrollment and Transitions

Districts may use the current fiscal year ADM if the district exceeds the greater of the ADM of the prior three-year or previous fiscal year by five percent or more.

Districts currently in hold harmless or are in hold harmless by July 1, 2026, to be grandfathered in until no longer eligible (one to three years).

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- It is time to fix the flawed education funding process
 - Focus on student achievement
 - HB 261 is one step forward
 - Education funding needs still must be resolved

Thank you