

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: SB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB278CS(EDC)-EED-FP-5-15-26
Title: LOCAL CONTRIBUTIONS BY SCHOOL DISTRICTS
Sponsor: EDUCATION
Requester: (S) Education

Department: Department of Education and Early Development
Appropriation: K-12 Aid to School Districts
Allocation: Foundation Program
OMB Component Number: 141

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							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	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? No
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version/comments:

Conforms to change made in version N to amend the cap on mill rate local contribution growth from two percent to five percent.

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Approved By: <u>Dawn Hannasch, Administrative Services Director</u>	Date: <u>05/15/2026</u>
Agency: <u>Department of Education and Early Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSSB278

Analysis

The legislation limits the 2.65 mill required local contribution of a city or borough school district to not exceed 45 percent or the amount of the district's required local contribution based on 2.65 mill rate for the preceding fiscal year by more than five percent. The five percent limit will sunset on July 1, 2028 (FY2029).

The department estimated municipal assessed full and true value for fiscal years 2028 through 2032 by calculating an average change of the past five-years of the assessed full and true values for each district and applying that average to the prior year's calculated assessed value. It then looked at the amounts of 2.65 mills on assessed values, the 45 percent of prior year basic need (unchanging in this estimate), and 105 percent of the prior year's required local contribution, and selects the lesser. The difference between this calculation to the current statutory calculation is the basis of the cost estimates.

The bill is effective July 1, 2026 (FY2027), with fiscal impacts only in FY2027 and FY2028.

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for the FY2027 through FY2032 is reported in the fiscal note for the PEF, as the funding is deposited to the PEF, not into the Foundation Program funding component. The above analysis is presented here for explanation purposes only.