

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: HB 212
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB212-EED-FP-5-02-25
Title: LOCAL CONTRIBUTIONS BY SCHOOL DISTRICTS
Sponsor: STORY
Requester: (H) 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)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates					
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES								
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	0.0

Fund Source (Operating Only)

None								
Total	0.0							

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0							

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version.

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Division: <u>Finance and Support Services</u>	Date: <u>05/02/2025</u>
Approved By: <u>Karen Morrison, Deputy Commissioner</u>	Date: <u>05/02/25</u>
Agency: <u>Department of Education and Early Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB212

Analysis

This bill amends the definition of "local contribution" in AS 14.17.990(6) used by the Public Education Fund (PEF) to exclude appropriations or in-kind services for student transportation, nutrition services, food services, preschools, pre-kindergarten or other early education programs, career and technical education, before-school and after-school programs, and student activities.

The proposed statutory language conflicts with the federal definition of "current expenditures" used in the federal Impact Aid Program (IAP). As a result, these excluded services would be included in the calculation for the IAP disparity test.

Failure to pass the IAP disparity test would result in increased state expenditures equivalent to the amount that would otherwise have been offset by applying Impact Aid to a district's Basic Need calculation. The estimated annual cost impact, based on the FY2026 Basic Need calculation, is \$80,807.5.

The proposed effective date of the bill will affect the FY2027 Foundation Projections.

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2027 through FY2031 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.