

Fiscal Note

State of Alaska
2026 Legislative Session

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

Identifier: HB261-EED-PEF-1-30-26
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 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2027						
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	72,349.9		72,349.9	72,349.9	72,349.9	72,349.9	72,349.9
Miscellaneous							
Total Operating	72,349.9	0.0	72,349.9	72,349.9	72,349.9	72,349.9	72,349.9

Fund Source (Operating Only)

1004 Gen Fund (UGF)	72,349.9		72,349.9	72,349.9	72,349.9	72,349.9	72,349.9
Total	72,349.9	0.0	72,349.9	72,349.9	72,349.9	72,349.9	72,349.9

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/27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:

Not applicable, initial version.

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Phone: (907)269-6889
Date: 01/29/2026

Date: 01/30/2026

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	BILL NO. FY2027 PROJ. Total State Entitlement	FY2027 PROJ. Cost to State
Alaska Gateway	\$ 8,749,369	\$ 9,170,348	\$ 420,979
Aleutian Region	1,244,980	1,244,980	-
Aleutians East Borough	3,815,115	3,743,808	(71,307)
Anchorage	327,335,148	350,803,036	23,467,888
Annette Island	5,244,704	5,644,997	400,293
Bering Strait	32,584,914	34,397,180	1,812,266
Bristol Bay Borough	1,098,509	1,057,595	(40,914)
Chatham	3,998,845	3,809,180	(189,665)
Chugach	5,875,634	5,378,740	(496,894)
Copper River	6,623,852	6,682,735	58,883
Cordova City	5,206,681	4,937,666	(269,015)
Craig City	5,747,634	5,705,856	(41,778)
Delta/Greely	11,854,559	12,491,984	637,425
Denali Borough	8,048,370	8,330,813	282,443
Dillingham City	5,139,822	5,649,832	510,010
Fairbanks N. Star Borough	98,491,611	99,439,987	948,376
Galena City	51,310,594	52,743,376	1,432,782
Haines Borough	2,729,495	3,424,615	695,120
Hoonah City	2,625,307	2,770,916	145,609
Hydaburg City	1,268,543	1,718,990	450,447
Iditarod Area	5,820,421	6,171,245	350,824
Juneau Borough	33,938,338	34,644,135	705,797
Kake City	2,540,011	2,582,317	42,306
Kashunamut	4,483,742	4,789,302	305,560
Kenai Peninsula Borough	72,094,570	80,531,367	8,436,797
Ketchikan Gateway Borough	26,397,395	29,033,168	2,635,773
Klawock City	1,760,298	2,129,419	369,121
Kodiak Island Borough	24,992,735	26,785,090	1,792,355
Kuspuk	6,108,200	6,041,040	(67,160)
Lake & Peninsula Borough	8,713,953	8,326,565	(387,388)
Lower Kuskokwim	67,672,666	69,598,291	1,925,625
Lower Yukon	44,759,843	44,222,625	(537,218)
Mat-Su Borough	182,461,323	192,165,773	9,704,450
Nenana City	15,794,911	15,778,699	(16,212)
Nome City	10,457,451	11,262,460	805,009
North Slope Borough	19,692,051	23,613,088	3,921,037
Northwest Arctic Borough	39,460,270	41,898,251	2,437,981
Pelican City	431,152	415,531	(15,621)
Petersburg Borough	6,824,968	7,021,201	196,233
Pribilof	1,046,088	1,141,889	95,801
Saint Mary's City	4,513,541	4,630,648	117,107
Sitka Borough	11,438,685	13,366,653	1,927,968
Skagway Borough	1,298,649	1,574,045	275,396
Southeast Island	5,248,204	5,448,818	200,614
Southwest Region	10,976,601	11,186,495	209,894
Unalaska City	3,952,780	4,021,630	68,850
Valdez City	4,433,840	5,655,798	1,221,958
Wrangell Borough	3,267,830	3,470,796	202,966
Yakutat Borough	1,221,781	1,322,813	101,032
Yukon Flats	5,621,618	5,509,728	(111,890)
Yukon/Koyukuk	27,394,358	31,358,046	3,963,688
Yupiit	10,823,392	11,025,007	201,615
Mt. Edgecumbe High School	3,526,394	4,643,091	1,116,697
TOTAL	\$ 1,258,161,745	\$ 1,330,511,658	\$ 72,349,913