

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	HB 69
Fiscal Note Number:	1
(H) Publish Date:	2/21/2025

Identifier: HB069-EED-FP-2-20-25
Title: EDUCATION FUNDING: INCREASE BSA
Sponsor: HIMSCHOOT
Requester: (H) FINANCE

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				
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
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 (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If yes, by what date are the regulations to be adopted, amended or repealed?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:

This updated fiscal note clarifies the total change from the base year, as the previous version reflected only the fiscal year change. This update ensures a complete representation of the fiscal impact.

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Approved By: Karen Morrison, Deputy Commissioner
Agency: Department of Education and Early Development

Phone: (907)269-6889
Date: 02/20/2025 10:00 AM
Date: 02/20/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

This bill increases the base student allocation (BSA) in AS 14.17.470 annually for inflation, with additional fixed increases in FY2026, FY2027, and FY2028.

FY2026: \$5,960 Prior Year BSA x 4.8% Average of 2021, 2022, 2023 CPI + \$1,000 flat rate increase = \$7,246 FY2026 BSA.
Total FY2026 impact \$325,616.8 (thousands)

FY2027: \$7,246 Prior Year BSA x 3.9% Average of 2022, 2023, 2024 CPI + \$404 flat rate increase = \$7,933 FY2027 BSA.
Total FY2027 impact : \$499,566.0 (thousands)

FY2028: \$7,933 Prior Year BSA x 2.1% Average of 2023, 2024, 2025 CPI + \$404 flat rate increase = \$8,504 FY2028 BSA.
Total FY2028 impact: \$644,143.9 (thousands)

FY2029: \$8,504 Prior Year BSA x 2.4% Average of 2024, 2025, 2026 CPI = \$8,708 FY2029 BSA. Total FY2029 impact:
\$695,796.9 (thousands)

FY2030: \$8,708 Prior Year BSA x 2.5% Average of 2025, 2026, 2027 CPI = \$8,926 FY2030 BSA. Total FY2030 impact:
\$750,994.8 (thousands)

FY2031: \$8,926 Prior Year BSA x 2.5% Average of 2026, 2027, 2028 CPI = \$9,149 FY2031 BSA. Total FY2031 impact:
\$807,458.6 (thousands)

Urban Alaska CPI		
Year	Urban Alaska CPI	Avg. Prior 3 CPI
2019	1.4%	--
2020	-1.1%	--
2021	4.9%	1.7%
2022	8.1%	4.0%
2023	1.5%	4.8%
2024	2.2%	3.9%
Proj. 2025	2.5%	2.1%
Proj. 2026	2.5%	2.4%
Proj. 2027	2.5%	2.5%
Proj. 2028	2.5%	2.5%
Proj. 2029	2.5%	2.5%
Proj. 2030	2.5%	2.5%
Proj. 2031	2.5%	2.5%

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2026 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.