FISCAL NOTE

Title Slate Tribal Education Compact Appropriation K-12 Add to School Districts Allocation Foundation Program Sponsor Rules by Request of the Governor OMB Component Number 141 Expenditures/Revenues (Thousands of Dollars) Note: Amounts do not include inflation unless otherwise noted below. FY2026 Governor's Appropriation FY2026 FY2026 FY2027 FY2028 FY2029 FY2030 FY2031 FY2031 Requested Request FY2026 Requested Request FY2026 Requested Request FY2026 Requested Request FY2028 FY2029 FY2030 FY2031 FY2031 Requested Request FY2028 FY2028 FY2029 FY2030 FY2031 Requested Request FY2028 FY2028 FY2029 FY2030 FY2031 Requested FY2029 FY2030 F	STATE OF ALASKA 2025 LEGISLATIVE SESSION						Bill Version Fiscal Note Number () Publish Date		НВ059		
Sponsor Rules by Request of the Governor OMB Component Number 141	Identifier (file name) 0518-EED-FP-01-20-25 Title State Tribal Education Compact							·			
Commodities	Spons	or	Pulos by Poguos	t of the Coverne	r		Allocation Foundation Program				
Note: Amounts do not include inflation unless otherwise noted below.				st of the Governor			OMB Component Number 141				
Note: Amounts do not include inflation unless otherwise noted below.	Evnor	ndituras/Pay	/eniles			(Tho	usands of Dol	lare)			
Programmer Pro				unless otherwise	e noted below.	(1110	usarius or Doi	iais)			
Personal Services				Appropriation	Governor's FY2026		Out-Ye	ear Cost Esti	mates		
Travel Services			NDITURES	FY2026	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	
TOTAL OPERATING	Travel Service Comm Capita	es odities I Outlay									
FUND SOURCE	Miscell		ED A TINIO								
Fed Ropts (Fed)	FUND		ERATING	0.0	0.0				0.0	0.0	
GF/Match (UGF) GF/Prgm (DGF) GF/Prgm (DG			ed)			(Inc	ousands of Doll	ars)			
POSITIONS Full-time Part-time Part-t	1003 1004 1005 1007 1037	Gen Fund (U GF/Prgm (D I/A Rcpts (O	JGF) GF) ther)								
Full-time Part-time Temporary CHANGE IN REVENUES FY2026 FY2026 FY2027 FY2028 FY2029 FY2030 FY2031 T004 Gen Fund (UGF)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
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Temporary CHANGE IN REVENUES FY2026 FY2026 FY2027 FY2028 FY2029 FY2030 FY2031 1004 Gen Fund (UGF) 1002 Fed Ropts (Fed) TOTAL CHANGE IN REVENUES 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.											
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Total Change In Revenues Double In Revenues D	CHAN	GE IN DEVEN	JULES	EV2026	EV2026	EV2027	EV2029	EV2020	EV2020	EV2024	
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Estimated SUPPLEMENTAL (FY2025) operating costs	1002	Fed Rcpts (F	ed)								
Estimated CAPITAL (FY2026) costs 0.0 (separate capital appropriation required) Does the bill create or modify a fund or account? (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? If yes, by what date are the regulations to be adopted, amended, or repealed? Mysthis fiscal note differs from previous version/comments (if initial version, please note as such) Not applicable, initial version. Prepared by Prepared by Division Heather Heineken, Director Finance & Support Services Approved by Agency Agency Agency Agency Geputy Commissioner No No Separate capital appropriation required) No Separate capital appropriation required) No Prepared capital appropriation required) No Prepared by Separate capital appropriation required) Approved by Agency Date 1/20/2025 Date 1/20/2025	тот	AL CHANGE	IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Does the bill direct, or will the bill result in, regulation changes adopted by your agency? If yes, by what date are the regulations to be adopted, amended, or repealed? Why this fiscal note differs from previous version/comments (if initial version, please note as such) Not applicable, initial version. Prepared by Division Finance & Support Services Approved by Agency Maren Morrison Deputy Commissioner Division regulation changes adopted by your agency? 9/30/2026 Discuss details in analysis section. Discuss details in analysis section. Phone 9/30/2026 Phone 907-269-6889 Date/Time 1/20/2025 12:35pm Date 1/20/2025	Estima Does t	ated CAPITAI	L (FY2026) costs	I or account?	-	0.0 No	(separate cap			ed)	
Not applicable, initial version. Prepared by Heather Heineken, Director Phone 907-269-6889 Division Finance & Support Services Date/Time 1/20/2025 12:35pm Approved by Karen Morrison Deputy Commissioner Date 1/20/2025	Does t	he bill direct,	or will the bill resul		•	,,	· .		ils in analysis se	ection.	
Prepared by Heather Heineken, Director Phone 907-269-6889 Division Finance & Support Services Date/Time 1/20/2025 12:35pm Approved by Karen Morrison Date 1/20/2025 Agency Deputy Commissioner				vious version/c	omments (if in	itial version, p	lease note as s	such)		<u>.</u>	
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Division Finance & Support Services Date/Time 1/20/2025 12:35pm Approved by Agency Deputy Commissioner Date 1/20/2025 Deputy Commissioner	Prepared by Heather Heineken			n Director				Phone 907-269-6889			
Agency Deputy Commissioner	Division										
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FISCAL NOTE ANALYSIS

STATE OF ALASKA

BILL NO. H

BILL NO.	HB059	
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2025 LEGISLATIVE SESSION

Analysis

This bill establishes demonstration state-tribal education compacts and authorizes the commissioner of the Department of Education and Early Development (DEED) to enter into compacts with participating Tribes for a period of five years. The compacts must take effect on or before June 30, 2028.

A demonstration state-tribal education compact school, also referred to as a Tribally Compacted Public Schools (TCPS), must operate in accordance with the terms of its compact. Through this bill, Tribes would have the opportunity to function like a local educational agency, granting them greater flexibility and authority over curriculum design, teacher certification, hiring practices, school calendars, and community engagement.

A TCPS would be funded based on the foundation formula under AS 14.17.410, using the same student count period, formula multipliers, and considerations as a regional educational attendance area school district that does not have a local contribution. Since a TCPS do not have an identified district cost factor, the district cost factor of the associated district for the TCPS' community would be used.

Five tribes are interested in participating in a pilot program. The projected average daily membership (ADM) is based on applications submitted to the DEED during the negotiation process with Tribal partners for the development of a demonstration state-tribal education compact to establish demonstration state-tribal education compact schools as required under SB 34 (Chapter 43, SLA2022).

Central Council of the Tlingit & Haida Indian Tribes of Alaska- Juneau School District - projected 100 ADM Ketchikan Indian Community - Ketchikan Gateway Borough School District - projected 200 ADM King Island Native Community and Village of Solomon - Nome Public Schools - projected 120 ADM Knik Tribe - Mat-Su Borough School District - projected 300 ADM and 300 correspondence ADM Qargi Academy - North Slope Borough School District - projected 100 ADM

In addition to the foundation formula funding, to start the initial pilot of the TCPS, Tribes would need to have start-up funds. A TCPS would receive a one-time start-up grant the first year the school operates in the amount of 45 percent of the base student allocation (BSA) for the initial year of the TCPS' adjusted average daily membership (AADM). The BSA for FY2026 is \$5,960.

Due to the indeterminate effects of potential ADM reductions across the individual school size adjustment factors and hold harmless provision, the fiscal impact to an associated school district cannot be determined and is not reflected in this fiscal note. In addition, the actual foundation formula funding for each TCPS will not be known until after the student count period in October 2026.

This fiscal note includes the one-time (FY2026) start up grants estimated to be \$5,408.9 and the projected foundation formula funding under AS 14.17 estimated to be \$12,051.9, for a total estimated cost in FY2026 of \$17,460.8.

Attached to the Public Education Fund (PEF) fiscal note is a breakdown of the increase in funding by TCPS.

This bill takes effect immediately under AS 01.10.070(c).

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.

(Revised 9/6/24 OMB/LFD) Page 2 of 2