

FISCAL NOTE

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Bill Version HB059
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) 0518-EED-PEF-01-20-25 Dept. Affected _____ Fund Capitalization _____
Title State Tribal Education Compact Appropriation _____ Fund Capitalization _____
Allocation _____ Public Education Fund _____
Sponsor Rules by Request of the Governor
Requester Governor OMB Component Number 2804

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY2026	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Personal Services							
Travel							
Services	6.0						
Commodities							
Capital Outlay							
Grants, Benefits	17,460.8		12,051.9	12,051.9	12,051.9	12,051.9	12,051.9
Miscellaneous							
TOTAL OPERATING	17,466.8	0.0	12,051.9	12,051.9	12,051.9	12,051.9	12,051.9

FUND SOURCE (Thousands of Dollars)							
1002	Fed Rcpts (Fed)						
1003	GF/Match (UGF)						
1004	Gen Fund (UGF)	17,466.8	12,051.9	12,051.9	12,051.9	12,051.9	12,051.9
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1037	GF/MH (UGF)						
		17,466.8	0.0	12,051.9	12,051.9	12,051.9	12,051.9

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	FY2026	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
1004 Gen Fund (UGF)							
1002 Fed Rcpts (Fed)							
TOTAL CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) operating costs 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2026) costs 0.0 (separate capital appropriation required)

Does the bill create or modify a 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If yes, by what date are the regulations to be adopted, amended, or repealed? 9/30/2026 Discuss details in analysis section.

Why this fiscal note differs from previous version/comments (if initial version, please note as such)

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 Date 1/20/2025
Agency Deputy Commissioner

(Revised 9/6/24 OMB/LFD)

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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BILL NO. HB059

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.

Pupil transportation grants under AS 14.09 would be based on a per-pupil amount by district. There is no projected change based on this bill, as any grant to a TCPS is anticipated to be offset directly by a decrease in grant funds to the associated district due to a potential transfer of students.

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. In addition, a one-time cost of \$6.0 is needed for legal fees to implement the necessary regulation changes.

Attached to this fiscal note is a breakdown of the increase in funding by TCPS.

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

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STATE OF ALASKA
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BILL NO. HB059

Analysis

Department of Education and Early Development		Prepared by School Finance	
Prepared 12/26/2024			
FY2026 Projection			
AADM = Adjusted Average Daily Membership			
(\$ in thousands)			
Tribally Compacted Public School	One-time Start-up Grant on Projected FY2026 AADM	Projected FY2026 Foundation	Total Projected FY2026 Funding
Central Council of the Tlingit & Haida Indian Tribes of Alaska	\$ 578.3	\$ 1,288.5	\$ 1,866.8
Ketchikan Indian Community	1,040.0	2,317.3	3,357.3
King Island Native Community and Village of Solomon	852.6	1,899.8	2,752.4
Knik Tribe	2,033.5	4,530.9	6,564.4
Qargi Academy	904.5	2,015.4	2,919.9
Total	\$ 5,408.9	\$ 12,051.9	\$ 17,460.8