

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	HB 76
Fiscal Note Number:	6
(H) Publish Date:	1/31/2025

Identifier: 0082-EED-SSA-1-29-25
Title: EDUCATION:SCHOOLS; GRANTS; FUNDING;
DEBT
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Education and Early Development
Appropriation: Education Support and Admin Services
Allocation: Student and School Achievement
OMB Component Number: 2796

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	248.8		248.8	248.8	248.8	131.8	131.8
Travel							
Services	65.2		35.2	35.2	35.2	17.6	17.6
Commodities	10.0						
Capital Outlay							
Grants & Benefits	21,981.2		83,540.3	83,540.3	83,540.3	21,981.2	21,981.2
Miscellaneous							
Total Operating	22,305.2	0.0	83,824.3	83,824.3	83,824.3	22,130.6	22,130.6

Fund Source (Operating Only)

1004 Gen Fund (UGF)	22,305.2		83,824.3	83,824.3	83,824.3	22,130.6	22,130.6
Total	22,305.2	0.0	83,824.3	83,824.3	83,824.3	22,130.6	22,130.6

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary	1.0		1.0	1.0	1.0		

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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/26

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Department of Education and Early Development

Phone: (907)465-2892
Date: 01/28/2025 04:00 PM
Date: 01/29/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

This bill addresses several key considerations for education in Alaska. This includes school attendance, mobile communication devices, charter school authorization, incentive grants for reading proficiency/growth, financial support for teacher recruitment and retention efforts, and reports to document student achievement. Additionally, this bill addresses public school funding as it relates to correspondence and the technical and vocational education factors, pupil transportation, and school bond debt reimbursement.

One element of this legislation directs school districts to create a policy regarding mobile communication devices in schools. The fiscal impact includes a one-time cost of \$6.0 for legal services associated with regulation development. Additionally, this bill implements reading proficiency incentive grants for school districts to increase reading proficiency and promote progress towards reading proficiency. Incentive grants in the amount of \$450 (whole dollar) per student in kindergarten through grade six who, according to the statewide screening tool or the state required summative assessment, have met grade level proficiency measures or are exhibiting growth toward proficiency.

A total of 48,847 students either scored as proficient or experienced growth toward proficiency on the literacy screener in kindergarten through grade three and scored as proficient or experienced growth toward proficiency on the Alaska System for Academic Readiness (AK STAR) English language arts summative assessment.

Grade Span	Proficient	Experienced Growth	Total
K-3	14,527	15,327	29,854
4-6	8,229	10,764	18,993
Total	22,756	26,091	48,847

Reading incentive grants are calculated to be \$21,981.2 for districts. This was calculated by adding the number of students who scored proficient or experienced growth toward proficiency in both grade spans (48,847) and multiplying that number by \$450 (whole dollar). In addition, a one-time cost of \$6.0 for legal services associated with regulation development is included.

This bill also addresses additional avenues for charter schools to become authorized in Alaska. A one-time cost of \$6.0 for legal services associated with regulation development is included.

Alaska Statute 14.17.420 is amended to require districts receiving funding for secondary school vocational and technical instruction under section (a)(3) of this statute to file with the department a program plan and annual expenditure report. To accommodate the work associated with this section of the bill, Department of Education and Early Development (DEED) would need one, full time Education Specialist 2 to develop and implement the district program plan requirements, develop and implement the annual expenditure report requirements, provide technical assistance and support to districts in meeting the requirements, and compile and analyze statewide reporting.

One Education Specialist 2 at a Range 21, Step B/C, at \$131.8 annually. Ongoing department chargeback costs associated with the positions would be \$17.6 annually. A one-time cost of \$5.0 for the position would be needed to purchase necessary equipment and supplies. A one time cost of \$6.0 for legal services associated with regulation development is included.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. LL0082

Analysis

This bill amends uncodified law that establishes a program within the DEED that would pay certificated full-time teachers with a lump sum payment as a retention and recruitment incentive on, or around, July 1, 2026, July 1, 2027, and July 1, 2028. The payment of the lump sum appropriation is contingent on appropriations made for this purpose in the relevant fiscal years (FY2027, FY2028, FY2029). The bill limits the payment to certificated full-time teachers assigned to a classroom teaching assignment and specifically excludes temporary, substitute, or assistant teachers.

To accommodate the work associated with this section of the bill, DEED would need one non-perm position starting in FY2026 to implement the program, develop regulations and application, and review applications. One Education Associate 3 at a Range 17, Step B/C, at \$117.0 annually in personal services costs. Ongoing department chargeback costs associated with the positions would be \$17.6 annually. In FY2026, a one-time cost of \$5.0 for the position would be needed to purchase necessary equipment and supplies; as well as, a one-time cost of \$6.0 for legal services costs associated with regulation development. This position is needed for the duration of the incentive program, ending June 30, 2029.

For the lump sum payments, using the 2023-2024 Teacher Count data and the distribution by district as outlined in the bill, the total grant payments are estimated to be \$54,690.0 annually starting in FY2027 through FY2029. In addition, since the lump sum payments are considered compensation for the purposes of TRS, the employer contribution is estimated to be \$6,869.1 (\$54,690.0 multiplied by 12.56%) is included to provide support to school districts in making these payments directly to TRS. The funding DEED grants to school districts would include the employer contribution to the TRS. For a total grant amount of \$61,559.1 in grants to school districts.

The provisions of these sections take effect July 1, 2025 (FY2026) and July 1, 2026 (FY2027).