

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	HB 1001
Fiscal Note Number:	4
(H) Publish Date:	8/2/2025

Identifier: 2425-EED-SSA-08-01-25
 Title: EDUCATION: SCHOOLS; GRANTS; TEACHER BONUS
 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				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026					
Personal Services	117.0		250.2	250.2	250.2	250.2	133.2
Travel							
Services	35.6		35.2	35.2	35.2	35.2	17.6
Commodities	5.0		5.0				
Capital Outlay							
Grants & Benefits			55,312.1	55,312.1	55,312.1	10,000.0	10,000.0
Miscellaneous							
Total Operating	157.6	0.0	55,602.5	55,597.5	55,597.5	10,285.4	10,150.8

Fund Source (Operating Only)

1004 Gen Fund (UGF)	157.6		55,602.5	55,597.5	55,597.5	10,285.4	10,150.8
Total	157.6	0.0	55,602.5	55,597.5	55,597.5	10,285.4	10,150.8

Positions

Full-time			1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary	1.0		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 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/26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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Division:	Finance and Support Services	Date:	08/01/2025 08:00 AM
Approved By:	Dawn Hannasch, Administrative Services Director	Date:	08/01/25
Agency:	Department of Education and Early Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

The bill addresses several key considerations for education in Alaska that relate to the Student and School Achievement component. This includes school attendance, charter schools, after-school literacy grants, and financial support for teacher recruitment and retention efforts.

This bill requires the State Board of Education and Early Development to develop a procedure for establishment of a charter school in Alaska. A one-time cost of \$6.0 for legal services associated with regulation development is included.

This bill establishes an After-School Literacy Grant Program designed to support literacy tutoring services for students. Through this program, school districts may apply for grant funding to provide structured, supplemental literacy support outside of regular school hours. Grant awards are not to exceed \$10,000.0 annually. The department will require one new position beginning in FY2027, to implement and manage the grant program, as well as a one-time cost for supplies and equipment of \$5.0 and annual department chargebacks of \$17.6. In addition, a one-time cost of \$6.0 for legal services costs associated with regulation development.

FY2026: \$6.0

Services: \$6.0

FY2027: \$10,155.8

Education Specialist 2 - Range 21 - Step B/C - Juneau

Personal services: \$133.2

Services: \$17.6

Commodities: \$5

Grants: \$10,000.0

FY2028 and forward: \$10,150.8

Education Specialist 2 - Range 21 - Step B/C - Juneau

Personal services: \$133.2

Services: \$17.6

Grants: \$10,000.0

This bill amends uncodified law to establish a pilot incentive program within the department. Under this program, certified full-time classroom teachers will be eligible to receive a lump-sum payment as a recruitment and retention incentive. Payments are scheduled to be distributed on or around July 1, 2027, July 1, 2028, and July 1, 2029. The issuance of these incentive payments is contingent upon appropriations made for this purpose in the relevant fiscal years (FY2027, FY2028, and FY2029). Eligibility for this incentive is limited strictly to certificated full-time teachers assigned to classroom teaching duties. The program specifically excludes temporary, substitute, and assistant teachers.

To accommodate the work associated with this section of the bill, the department will need to add one long-term, non-permanent position starting in FY2026 to implement the program, develop regulations and applications, and review applications; as well as a one-time cost for supplies and equipment of \$5.0 and annual department chargebacks of \$17.6. In addition, 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, which ends on June 30, 2030.

FY2026: \$136.7

Education Associate 3 - Range 17 - Step B/C - Juneau

Personal services: \$117.0

Services: \$23.6

Commodities: \$5.0

Analysis

FY2027 - FY2030: \$120.7

Education Associate 3 - Range 17 - Step B/C - Juneau

Personal services: \$117.0

Services: \$17.6

For the lump sum payments, using the 2024-2025 teacher count data and the distribution by district as outlined in the bill, the total grant payments are estimated to be \$39,744.0 annually starting in FY2027 through FY2029. In addition, since the lump sum payments are considered compensation for the purposes of TRS and payroll taxes, the employer contribution for TRS is estimated to be \$4,991.8 (\$39,744.0 multiplied by 12.56%) and employer expense for Medicare is estimated to be \$576.3 (\$39,744.0 multiplied by 1.45%) is included to provide support to school districts in making these payments directly to TRS and Medicare. For a total amount of \$45,312.1 in grants to school districts.