

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	SB 1002
Fiscal Note Number:	1
(S) Publish Date:	8/2/2025

Identifier: 0378-EED-FP-08-01-25
 Title: STATE-TRIBAL EDUCATION COMPACTS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

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	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026					
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? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed? **09/30/26**

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Office of the Commissioner	Date:	08/01/2025 08:00 AM
Approved By:	Deena Bishop, Commissioner	Date:	08/01/25
Agency:	Department of Education and Early Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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 seven 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 \$6,660.

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.

Based on the potential passage date of this bill, a new TCPS is unlikely to be in operation prior to the October 2025 student count period. Therefore, this fiscal note anticipates fiscal impacts beginning in FY2027. The fiscal note includes the one-time (FY2027) start up grants estimated to be \$6,044.1 and the projected annual foundation formula funding under AS 14.17 estimated to be \$13,463.6, for a total estimated cost in FY2027 of \$19,507.7.

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

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

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2027 through FY2031 is reported in the fiscal note for the PEF, as the funding is deposited to the PEF, not into the Foundation Program