

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON TRIBAL AFFAIRS

March 13, 2025

8:03 a.m.

MEMBERS PRESENT

Representative Maxine Dibert, Chair
Representative Ashley Carrick
Representative Robyn Niayuq Burke
Representative Andi Story
Representative Rebecca Schwanke
Representative Jubilee Underwood
Representative Elexie Moore

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 59

"An Act relating to demonstration state-tribal education compacts; relating to demonstration state-tribal education compact schools; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 59

SHORT TITLE: STATE-TRIBAL EDUCATION COMPACTS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	TRB, EDC
02/11/25	(H)	TRB AT 8:00 AM DAVIS 106
02/11/25	(H)	-- MEETING CANCELED --
02/13/25	(H)	TRB AT 8:00 AM DAVIS 106
02/13/25	(H)	-- MEETING CANCELED --
02/18/25	(H)	TRB AT 8:00 AM DAVIS 106
02/18/25	(H)	-- MEETING CANCELED --
03/13/25	(H)	TRB AT 8:00 AM DAVIS 106

WITNESS REGISTER

JOEL ISAAK, PhD, Compacting Consultant

Department of Education and Early Development
Soldotna, Alaska

POSITION STATEMENT: Co-presented the PowerPoint on HB 59, on behalf of the sponsor, House Rules by request of the governor, gave the sectional analysis, and answered questions.

DEENA BISHOP, EdD, Commissioner
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Introduced the PowerPoint on HB 59, on behalf of the sponsor, House Rules by request of the governor and answered questions.

HEATHER HEINEKEN, Director
Finance and Support Services
Department of Education and Early Development
Fairbanks, Alaska

POSITION STATEMENT: Presented the fiscal notes on HB 59.

ACTION NARRATIVE

[8:03:42 AM](#)

CHAIR MAXINE DIBERT called the House Special Committee on Tribal Affairs meeting to order at 8:03 a.m. Representatives Carrick, Burke, Underwood, Moore, and Dibert were present at the call to order. Representatives Story and Schwanke arrived as the meeting was in progress.

HB 59-STATE-TRIBAL EDUCATION COMPACTS

[8:05:47 AM](#)

CHAIR DIBERT announced that the only order of business would be HOUSE BILL NO. 59, "An Act relating to demonstration state-tribal education compacts; relating to demonstration state-tribal education compact schools; and providing for an effective date."

[8:06:38 AM](#)

JOEL ISAAK, PhD, Compacting Consultant, Department of Education and Early Development (DEED), on behalf of the sponsor, House Rules by request of the governor, co-presented the PowerPoint on HB 59 [hard copy included in the committee packet].

[8:07:13 AM](#)

DEENA BISHOP, EdD, Commissioner, Department of Education and Early Development, on behalf of the sponsor, the House Rules by request of the governor, introduced the PowerPoint on HB 59. She explained that the proposed legislation would provide community and tribal ownership of education in the state. She pointed out that compacting would focus on Alaska Native culture and knowledge, as it would provide an innovative approach towards students' needs. She thanked the tribes and Dr. Isaak. She moved to slide 2, and discussed the mission, vision, and purpose of DEED. She moved to slide 3 and addressed Alaska's Education Challenge, which has five shared priorities. Specific to HB 59, she directed attention to the second priority, which is to increase career, technical, and culturally relevant education to meet student and workforce needs.

[8:09:35 AM](#)

DR. ISAAK moved to slide 4, which laid out the agenda for the presentation. He noted that the presentation would be referring to Senate Bill 34 [passed during the Thirty-Second Alaska State Legislature]. He pointed out the resources at the end of the presentation, as past committee questions have been answered there.

DR. ISAAK moved to slide 5 and gave an overview of compacting in education. He stated that within the concept of education, compacting would not rely on a selective service; rather, it is a whole-system approach. He explained that it is a government-to-government agreement, noting the state-tribal compact for child welfare services and the federal compact for Indian Health Services (IHS). He indicated that IHS has become a model for meeting the healthcare needs of people who live in large geographic areas, but with small, spread-out populations. He stated that, per IHS services, the federal government provides a funding amount, and an agreement is made on the percentage to be spent on each service; however, education is not funded in this way, as it is funded through a formula. He explained that compacting would not entail the tribe teaching only one subject at a time; instead, it would consist of teaching grade bands. He stated that the key pieces of compacting involve governance, training, and reporting.

[8:13:03 AM](#)

DR. ISAAK stated that during the first tribal and state meetings concerning HB 59, it had taken participants time to understand

the definition of "report." He directed attention to the roles the state and the tribes would play in compacting for education, as seen on slide 6. The state role has to do with funding, accountability to the legislature, due process, and taking direction from the State Board of Education and Early Development (SBOE), as the head of DEED. He next addressed the role of tribes, which includes the operation of Tribal Compacted Public Schools (TCPS), employing staff, training teachers, creating curriculum, having local governance, and reporting through SBOE to the legislature. He pointed out that TCPS would not be under a special program; rather it would represent tribally operated public schools, like other public schools.

[8:14:40 AM](#)

DR. ISAAK moved to slide 7 and reiterated that compacting is a government-to-government agreement. He added that tribes are referred to as political subdivisions, and, under the Indian Self Determination and Education Assistance Act, tribes have self-determination. He noted the denseness and complexity of federal law in reference to tribes, and he pointed out that much of the information presented has come from the passage of Senate Bill 34 and House Bill 123 [passed during the Thirty-Second Alaska State Legislature]. He stated that this information has been condensed into a supplemental document, titled "Compacts: Tribal, State, Federal Partnerships" [copy included in the committee packet]. He pointed out the explanation of the difference between compacts and contracts on page 5 of the supplemental document. He noted that this difference has been firmly established in Indian law and policy. He clarified that tribal compacting is not a race-based agreement, as tribes are not considered a special-interest group. He explained that this is because compacting is a government-to-government relationship.

DR. ISAAK shared a personal anecdote about his childhood experience of creating Native regalia during a rendition of Thanksgiving. He stated that this had become a positive Native experience for him at school. He noted that had happened during the 1990s, when healthcare compacting was first being tested. He pointed out that compacting has existed for 35 years, emphasizing that compacting has "weathered as a consistent need" and is a "firmly established, positive mechanism to provide shared services."

[8:19:37 AM](#)

DR. ISAAK moved to slide 8 and explained the progression from Senate Bill 34 to HB 59. He stated that Senate Bill 34 had called for the following: negotiations between tribes, SBOE consultation, district consultation, teachers' union consultation, the creation of a report to the legislature, drafted bill language, and an introduction of the legislation to the legislature. He explained that HB 59 has also met these same requirements. He added that it is linked with Senate Bill 34, as both pieces of legislation deal with the same complexity of state and federal law.

DR. ISAAK moved to slide 9 and slide 10 and explained the compacting application process. He said that for HB 59, DEED "sprinted through this process," and he expressed the opinion that the work went well. In looking for tribes to represent, he stated that DEED had put out a request for applications, with the following criteria: centering tribal voice; tribal community and tribal administrative support; transformational design; the capacity to carry out the work; strong expertise and understanding in educational services in all grades; and diverse representation.

[8:23:05 AM](#)

DR. ISAAK moved to slide 11 and pointed out the selected five tribal partners, listed as following: Central Council of the Tlingit & Haida Indian Tribes of Alaska, Ketchikan Indian Community, King Island Native Community and Village of Solomon, Knik Tribe, and Qargi Academy. He clarified that the King Island Native Community and the Village of Solomon applied together, so technically there are six tribes. He added that this list represents a consortium of tribes that can work together.

DR. ISAAK moved to slide 12 and slide 13, which showed the timeline, reemphasizing that DEED's process has been quick and detailed. On slide 13, he explained the timeline concerning DEED's scheduled meetings with districts and the teachers' union. He emphasized the importance of providing clear information to districts and the union. He noted that because of public funding for education, there were also meetings with business managers. He pointed out that all these meetings had helped produce the final State Tribal Education Compact Schools Demonstration Legislative Report [copy included in the committee packet].

[8:26:52 AM](#)

DR. ISAAK moved to slide 13, which showed an explanation of the proposed legislation, which read as follows [original punctuation provided]:

Premise: Public schools that are open to all students and funded through public dollars.

Mechanism: Government-to-Government agreement (State-Tribe) to establish Tribally Compacted Public Schools for the purposes of Tribal self-governance and a funding mechanism that integrates with the Department of Education and Early Development with the Tribe functioning as a school district.

Operation: Teachers that are certified through a Tribal training process that the Department of Education and Early Development verifies and issues state licenses for Tribally Compacted Public School Teachers.

Accountability: Background checks, audits, and assessments are required. Under the State Board of Education for the purposes of state-wide regulation and maintaining one system of education in Alaska.

Evaluation: Tribes provide annual progress reports, and DEED provides a summary alongside the Tribal progress report to the legislature.

[8:29:10 AM](#)

DR. ISAAK paraphrased the sectional analysis of HB 59 {copy included in the committee packet}, which read as follows [original punctuation provided]:

Section 1: Amends uncodified law by adding a new section outlining legislative intent. The section indicates that the intent is to have the legislature re-evaluate the establishment of demonstration state-tribal education compacts (STEC) outlined in this act in seven years.

DR. ISAAK pointed out that HB 59 would be uncodified law. To explain the use of uncodified law, he used a metaphor equating education with a multi-engine airplane. He explained that compacting would be like adding a new engine to the existing system, so the interface could be understood without "tinkering with all the other engines" while the plane is flying. He added that in this section the compact is the actual agreement, while State-Tribal Education Compact (STEC) references the actual

schools. He noted that the proposed legislation would create seven years for the program, giving the first two years as a "runway to start," and then five years of operation.

8:30:20 AM

DR. ISAAC continued paraphrasing the sectional analysis, which read as follows [original punctuation provided]:

Section 2: Amends uncodified law by adding a new section outlining the authorization of STEC compacts. Subsection (a) grants the Commissioner authority to negotiate and execute compacts with the federally recognized Tribes in Alaska that participated in negotiation under the authority of ch. 43, SLA2022.

Subsection (b) outlines the required components of a demonstration state-tribal education compact. Each participating tribe must follow a template that contains similar or equivalent terms outlined in the required 11 provisions.

Subsection (c) states a demonstration state-tribal education compact must be in effect by June 30, 2028.

Subsection (d) defines "participating tribe" as a federal recognized tribe and tribal organization that participated in negotiations under sec.1, ch. 43, SLA 2022.

Section 3: Amends uncodified law by adding a new section outlining the operation of STEC schools. Subsection (a) requires that a STEC school must operate in accordance with the terms of the compact executed in sec. 2.

Subsection (b) states that a STEC school is exempt from all state statutes and regulations applicable to school boards except for statutes and regulation made applicable in sec. 2 of this Act, or in legislation enacted or regulations adopted after the effective date.

Subsection (c) outlines provisions to the operation and management of a STEC school as if the school were a district. This subsection outlines the requirements relating to school operations (1) 2 that include

parental rights, compulsory attendance, the school term, day in session and school holidays; literacy and early reading information; miscellaneous provisions applicable to school district operations; transportation of students; requirements for annual fiscal audit; authorizing cooperation with other school districts; prohibiting discrimination based on sex in public education; school safety and discipline; regulations adopted by the state board of education and early development to implement this paragraph that are applicable to school districts and their schools. Additional requirements (2) include state aid to public schools including special needs, vocational and technical instruction, and intensive services; and procedures for payment of public-school funding an imposing general requirements and limits on money paid. Requirements relating to teacher employment and retirement (3) include sick leave; teacher certification; employment and retention of teachers; the teachers' retirement system; and authorizing collective bargaining by certified employees. Finally, it outlines requirement for students and education programs (4) that include educational services for children with disabilities; sexual abuse and sexual assault awareness and prevention; establishing health education program standards, and bilingual-bicultural education.

DR. ISAAK stated that subsection (c) outlines the operation and management of STEC schools as if they were school districts. He explained that this is uncodified law modeled after Mount Edgecumbe High School, which is considered a school district, but it is not listed as this under Title 14 in the Alaska Statutes. He noted that Mount Edgecumbe High School interfaces with Title 14 for reporting and funding.

[8:34:19 AM](#)

DR. ISAAK moved to the next subsection, which addressed the subject of teacher certification. He stated that the tribes would be directed to train teachers using Title 14 requirements. He remarked that for tribal knowledge to be taught in compact schools, the expertise of the tribal members would be needed. He continued paraphrasing the sectional analysis, which read as follows [original punctuation provided]:

Subsection (d) allows the state board of education and early development to, upon request of the STEC school (1) waive requirements of AS 14.20.020(b) or 14.20.022(b) allowing an individual with specialized knowledge the tribe feels relevant in order to obtain a teacher certificate or subject matter expert limited teacher-certification; and (2) the department may issue a teacher certificate to a person qualified under AS 14.20.020(b) or 14.20.022(b) Certificates issued in the section do not require a request from the school board of the district or regional educational attendance area in which the STEC school is located.

Subsection (e) outlines that a STEC school may not engage in secular activities, charge tuition, or restrict enrollment.

Subsection (f) requires STEC schools have a physical location only in school districts where the board of the department has consulted with under sec. 1(c), ch. 43, SLA 2022 unless the STEC school is a correspondence school.

Subsection (g) requires that the STEC act as the "employer" for teachers in the school for the purposes of participation in the teachers' retirement system and that a teacher employed by the STEC school is a member of the plan.

Subsection (h) designates the federally recognized tribe or tribal organization under this act as a "school district" and the STEC as a "public school" for the purpose of providing an appropriate public education for each child with a disability. As such, a "governing board" or "school board" is established by the tribe or tribal organization.

Section 4: Amends uncodified law by adding a new section for facilities. Facilities of a STEC must conform to applicable laws concerning public access, health, safety, and fire code.

[8:38:15 AM](#)

DR. ISAAK moved to Section 5, which addressed federal and state funding. He pointed out that designating STEC schools as school

districts would ensure federal funding. He continued paraphrasing the sectional analysis, which read as follows [original punctuation provided]:

Section 5: Amends uncodified law by adding a new section regarding funding. The legislature may appropriate funds to a STEC in the same manner as a regional educational attendance area. This includes state aid and grant funding. For the purposes of federal aid, a STEC school is known as a local education agency.

Section 6: Amends uncodified law by adding a new section regarding reporting. Each STEC school shall report to the commissioner data required for all federal and state funding sources including attendance, assessment data, and all data reported in the state and federal report cards to the public as well as the Annual Report to the Legislature.

Section 7: Authorizes the department and the board of education to adopt implementing regulations.

Section 8: Sunsets the authorization of the demonstration STEC program on July 1, 2036.

Section 9: Provides for an immediate effective date.

DR. ISAAK explained that HB 59 would create a pilot program, but a new piece of legislation would have to be passed for the program to continue after 2036. He stated that the mechanism in the proposed legislation would be a continuation of Senate Bill 34, which has already identified the five tribes, [as previously listed], but a new bill would be needed to make STEC schools permanent. He expressed the opinion that keeping the process small would help ensure that it works, thus the reasoning for using only five tribes for the pilot program.

[8:41:13 AM](#)

REPRESENTATIVE CARRICK directed attention to Section 3, subsection (c), and questioned whether it would conflict with subsection (h). She asked whether, under STECs, the tribe would function as the district and the school would function as a school in the district, or if the school would function as the district. She conjectured whether it could be either.

DR. ISAAK responded that the tribe would function as the school district and operate like any other school district regarding schools. He stated that the use of the term "district" in the presentation and corresponding documents would refer to "tribally compacted school district."

REPRESENTATIVE CARRICK clarified that for a capital budget request for a new facility, the line-item request would come from the tribe, not the STEC school.

DR. ISAAK responded that the tribe functioning as a school district would be putting in the capital budget request. He added that the tribe would not have to go through DEED because it is not an extension of the state; rather, it would be functioning as a standalone.

[8:44:59 AM](#)

REPRESENTATIVE SCHWANKE thanked Dr. Isaak. She noted the difficulty and complexity when basing new legislation on preexisting statutes. She directed attention to Section 3 and questioned DEED's process with teacher certification.

DR. ISAAK responded that all teachers would be under the Professional Teaching Practices Commission (PTPC), including compact schoolteachers. He noted the suggestion that the number of seats on the board be amended to include tribal representation. Because HB 59 would be uncodified, he said PTPC operation would remain unchanged. He noted that changing this has been discussed, but it is not within the proposed legislation. He reiterated the concept of keeping the program small, as this would help understand efficacies in reporting and funding for teacher training, adding that the actual training would need to be clarified so teachers could be evaluated.

REPRESENTATIVE SCHWANKE noted that many different tribes could be involved in compacting. She questioned whether there would be a singular type of teacher certification criteria for TCPS. Concerning the five tribes, she questioned this process.

DR. ISAAK responded that this process would follow the regulations, and skillsets would be outlined. He continued that this would allow flexibility for tribes to tailor to its individual needs, as different people groups would have different ways to approach a topic. However, he explained that the topics would need to be regulated. He reiterated that this

would still be flexible, as topics would not need to be "opened up," but evidence would need to show requirements are being met.

8:50:16 AM

REPRESENTATIVE SCHWANKE asked whether STEC schools would settle conflicts in a uniform way, such as school boards using the policies written in handbooks. She reasoned that this would create clarity.

DR. ISAAK replied that there would be policies recognized by the state. He said that the Inupiat Community of the Arctic Slope (ICAS) and the Knik Tribe already have this in place. He added that going through the compact negotiations would ensure these pieces are identified preemptively.

8:52:42 AM

REPRESENTATIVE BURKE shared that she is a member of the ICAS Tribe and has been the school board president for the North Slope Borough School District. She directed attention to the defined relationships between STEC schools and school districts in Senate Bill 34; however, she noted that HB 59 does not have this. She questioned how things like transportation and special education would be addressed, and she questioned whether there would still be a connection between the local school district and the tribe.

DR. ISAAK stated that with tribes functioning as school districts, this collaboration would continue to exist under Title 14. He pointed out that districts could contract with each other for services and shared facilities. He pointed out that this is already happening all over the state, and he expressed the expectation that STEC schools functioning as school districts would be partners as well.

8:55:20 AM

COMMISSIONER BISHOP provided additional information on school district's shared services and resources. Per the previous conversation on certifications, she clarified that DEED already operates with approved alternative teacher certifications, and she gave details on the types of teacher certifications. She noted that Type I and Type M certifications are for specialty programs, which are mostly located in rural Alaska for indigenous language immersion schools. While most other types of certifications would be applied for by the teacher, she said

Type I and Type M would need to be applied for by the district, or by the STEC school or the tribe operating as a school district.

COMMISSIONER BISHOP added that currently there are regulations and policies addressing this, and there would need to be an expansion of these types of certifications in the statutes, per the proposed legislation. For the record, she stated that all safety training and responsibilities are absolutes within these certificates.

[8:58:14 AM](#)

DR. ISAAK returned to the presentation and related that the next slides would cover the 78-page legislative report on HB 59. He explained how to navigate the report, as seen on slide 16. He moved to slide 17 and stated that while making the report there were two recurring questions: "Is this transformational?" and "Is this best for kids?" He noted the hard work it took to come to a consensus, as compacting is based on partnerships, with the goal being transformation.

DR. ISAAK moved to slides 18 through 21, which addressed the legislative report findings. He indicated that the report relates an unabridged account of the discussions between the tribes and DEED. He discussed governance, which would allow tribes the local control and self-determination needed to operate TCPS while interfacing with the parameters of Title 14. He directed attention to the report finding that TCPS would be funded per the foundation formula, under Title 14. This would use the same student count cycle, formula multipliers, and considerations as other school districts that do not have a local contribution. He moved to the report finding on teachers and school personnel, and he stated that, before the teachers are certified and the schools open, the tribes must communicate how they are meeting the regulations and statutes concerning teacher certification. He stated that before STEC schools are funded, an agreement would be completed to eliminate the unknowns, and he pointed out that this is a strength of compacting. On slide 22, he stated that Section 4 of the legislative report describes the statutory framework of HB 59 in "layman" terms. He reiterated that the proposed legislation was kept "tight," focusing on testing the pilot program to meet the desired outcomes.

[9:02:25 AM](#)

DR. ISAAK directed attention to the supplemental guide to the legislative report, titled "Cross Reference HB 59 and Senate Bill 34 State Tribal Compacting Legislative Report" [copy included in the committee packet]. He referenced the formatting key at the top of this document. He directed attention to the terms of the STEC agreement, as seen on page 1. He stated that in the negotiations, it was asked what the conflict resolution would be if a STEC school or DEED was out of compliance. He pointed to Section 7 and Section 8 of the legislative report, which addressed compliance, nonrenewal, and termination. He stated that the compact would address noncompliance and how to "get people back to the table." He briefly discussed examples of this. In conclusion, he pointed out that the draft contract agreement will have to be renegotiated if the proposed legislation passes, as it is not binding at this point.

[9:06:02 AM](#)

DR. ISAAK moved to page 2 and directed attention to line 11 through line 14 of the supplemental guide, and he discussed the details of insurance and liability that were communicated in the draft compact agreement. At the bottom of page 2, he pointed out that this is the "functioning as a school district" language. He expressed the opinion that building the report language was "like building a fighter jet or aircraft carrier." He reiterated that writing the proposed legislation as uncodified law has allowed for simplification and clarity without having to understand the bulk of the supporting law. He noted that in the report, the language "tribally compacted public school district," is the same as the proposed legislation's language, "functioning as a school district". He reiterated that these are interchangeable clauses between the two documents.

DR. ISAAK moved to page 4 and page 5 of the supplemental guide, which covers teacher preparation and the recognition of out-of-state teacher certification. He noted that these mechanisms are already in place, and HB 59 would link into some of these. He noted the teacher pieces concerning employee contracts and evaluations. He expressed the importance of teacher training, as this would be where the transformation of students in the classroom would be initiated. He moved to page 6 and directed attention to the conversations about the geographic areas of TCPS and correspondence school programs.

[9:10:53 AM](#)

DR. ISAAK moved to page 8 of the supplemental guide and discussed the powers of the governing body, regarding TCPS. He stated that this was modeled after Title 14, Section 8, which addresses the powers of a school district. He stated that the duties of the governing body would include the assurance that TCPS is following the law regarding federal programs and requirements on bilingual and bicultural education.

DR. ISAAK explained the mechanisms for funding the pilot TPCS program, as seen on the bottom of page 11 of the supplemental guide. He stated that during conversations with the tribes on start-up funding, it was decided that the proposed legislation would follow the average daily membership (ADM) calculation in the foundation formula. He noted that this option for funding was chosen because of the variations in the cost of living across the state.

[9:15:00 AM](#)

REPRESENTATIVE STORY questioned how local funding contributions would work in the funding model.

DR. ISAAK replied that since tribes do not have taxing authority, the calculation would be similar to regional attendance areas (REAs), as they do not have taxing authority. He deferred to Commissioner Bishop.

COMMISSIONER BISHOP concurred with the response, stating this would be exactly like REAs.

[9:16:29 AM](#)

REPRESENTATIVE SCHWANKE pointed out that REA districts are in unorganized areas, but some include specialized districts that are separate entities. She clarified that, if a STEC school is in a borough, for example, it would be separate and not receive any local funding.

COMMISSIONER BISHOP expressed agreement, as there would be no obligation for incorporated areas to provide the STEC districts with local funding.

[9:17:14 AM](#)

REPRESENTATIVE BURKE questioned whether the boroughs would be making a contribution to STEC schools.

COMMISSIONER BISHOP responded that the local borough would not make any contribution to the STEC districts, as they would be operating as their own local education agency or district; however, she added that STEC districts may receive federal grants.

REPRESENTATIVE BURKE questioned whether local boroughs could make a contribution, even though it is not required.

COMMISSIONER BISHOP responded that boroughs would be able to provide grants to STEC districts, just like any grant to other school districts, but would not be a requirement.

[9:20:28 AM](#)

DR. ISAAK added that currently there are no TCPS, but some tribal schools operating now do receive local funding. He observed that these current relationships between boroughs and existing tribal schools would not go away.

[9:21:40 AM](#)

REPRESENTATIVE CARRICK clarified that TCPS would not receive a required local contribution. She questioned the source of the funding for the program. She noted the state funding and asked whether tribal entities would be providing funding as well.

DR. ISAAK responded that there are ways that tribes as governments are able to support school districts, but they are not required to do so. He stated that the bulk of funding would be through the existing formula for state school funding.

REPRESENTATIVE CARRICK expressed concerned that there could be funding shortfalls for these schools, since there would not be an automatic contribution from the local government or tribe. She questioned whether there have been conversations concerning funding shortfalls.

DR. ISAAK clarified that the TCPS program [administrators] would be aware that the funding is tied to the base student allotment (BSA) and of the associated risks. Concerning existing programs, he pointed out IHS. He added that as government, tribes already provide services to their communities. He advised the committee that this is where the partnerships can help, as previously stated, tribes are already doing this for their school districts, and he gave examples.

[9:26:57 AM](#)

REPRESENTATIVE STORY, concerning funding, questioned whether the disparity test would be calculated, like with other school districts. She questioned whether schools would be guaranteed help from the tribes.

DR. ISAAK responded that the disparity test would still apply to TCPS. He noted that this test would determine [whether a state has equitable distribution of education funds across its district to qualify for federal funding]. He responded that, per the responsibility of the tribe, the compact agreement would create transparency for the school, the state, and the community. In response to a follow-up question on the process, he stated that for compacting to go forward, a bill would have to be passed, and then the negotiation would occur. He said that the negotiation would update and outline the compact agreement. Once the terms of the agreement are met, the school would open.

[9:30:05 AM](#)

REPRESENTATIVE UNDERWOOD expressed appreciation for the work being done on the proposed legislation. She commented on the strategic thoughtfulness in creating the bill, as it would be both structured and flexible. She pointed out that HB 59 has been tailored to the communities it would serve.

[9:31:18 AM](#)

DR. ISAAK highlighted that the goal is to be thoughtful partners in the work. He referred to [page 11] and page 12 of the supplemental reference, stating that this summarizes the items that were in the legislative report, but not in HB 59. He referenced the definition of "Alaska Native" in the legislative report, acknowledging that using the concept of "blood quantum" is problematic. He stated that inclusion language was adopted from other sources, as it is a "sensitive topic." He deferred to a review of the fiscal notes.

[9:34:07 AM](#)

HEATHER HEINEKEN, Director, Finance and Support Services, Department of Education and Early Development, presented the fiscal notes associated with HB 59. She directed attention to the [four] fiscal notes [copies included in the committee packet]. She stated that Fiscal Note 1 was prepared by the

Department of Administration, and it relates to the retirement and benefits allocation. She pointed out that this is a zero fiscal note, as the proposed legislation has no anticipated cost for this. She added that teachers who are hired under the proposed legislation must be certified to receive an allocation. She stated that Fiscal Note 2 is a foundation formula allocation, as the five state-tribal education compacts would follow this formula. Concerning the student count of each of the five tribes, she paraphrased from the fiscal note, which read as follows [original punctuation provided]:

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

MS. HEINEKEN stated that participating compact schools would receive a one-time grant for their first operational year, starting at 45 percent of BSA. She continued that, for fiscal year 2026 (FY26), BSA would be \$5,960, and the total estimated cost of the one-time start-up grant would be \$5.4 million, with the foundation formula totaling \$12.1 million. Combining these amounts, the total projected cost would be \$17.5 million. She stated that Fiscal Note 2 is a zero fiscal note because the funding mechanism would be a general fund transfer to the public education fund. She stated that the financial impact from FY 26 to FY 31 can be seen in Fiscal Note 4. She noted that the impact on associated school districts is indeterminate because enrollment [numbers are unknown].

[9:37:46 AM](#)

REPRESENTATIVE BURKE questioned the projected ADMs listed in Fiscal Note 2.

DR. ISAAK responded that these numbers reflect the tribes' applications concerning capacity or existing enrollment. He deferred to Ms. Heineken for the calculations.

MS. HEINEKEN responded that the projected numbers on the applications were used in the fiscal notes.

[9:38:59 AM](#)

REPRESENTATIVE STORY suggested that the actual number of students in these schools could be lower than the projections. She questioned whether a school with less enrollment than projected would be in a hold-harmless status. She questioned how this would be handled.

DR. ISAAK responded that TCPS would function like any other school district and would receive money only based on student numbers. In response to a follow-up question, he stated that the start-up grant would be based on enrollment, and this is separate from the hold-harmless provision. He deferred to Commissioner Bishop.

COMMISSIONER BISHOP stated that in order for the hold-harmless provision to be triggered, enrollment would have to be already established. If the total number of students did not come through, the school would receive only the funds that its ADM supports.

[9:41:48 AM](#)

REPRESENTATIVE SCHWANKE clarified that the startup was referred to as a one-time grant; however, it would really be 45 percent additional above ADM. She questioned whether the 45 percent "bump" in ADM would go through the full-funding formula.

DR. ISAAK responded that the calculation for the dollar amount of the grant would run through the formula, and the amount that "kicks out" of the formula would be the amount eligible for the grant. He stated that a grant mechanism would be used to determine the funds going from DEED to the school districts.

REPRESENTATIVE SCHWANKE suggested that funding cuts from lower ADM numbers could be a "catastrophic" loss to some existing school districts. She expressed the hope that there have been conversations with these school districts.

DR. ISAAK responded that this conversation has been happening, as keeping the compact process small has given existing school districts "a heads up." He pointed out that smaller communities do not have extra school buildings, so facilities would be shared, no matter what entity is operating the facility. He

explained that partners need to work together to share the costs in the available spaces, as the pilot program is short, and construction takes time. He expressed the goal of not creating a division within school facilities and keeping the lines of communication open.

[9:46:02 AM](#)

MS. HEINEKEN addressed Fiscal Note 3, concerning DEED's pupil transportation allocation. She explained that the funding impact is expected to be neutral, as any funding to TCPS would reflect a decrease in funding to the associated district. She stated that this is a zero-dollar fiscal note because the funding mechanism is a general fund transfer to the public education fund.

MS. HEINEKEN addressed Fiscal Note 4, which outlines the fiscal impacts for the public education fund. She stated that this is the funding mechanism for the foundation fund and the pupil transportation allocation. She stated that each of the five tribes listed for the compacting program would receive funding from the foundation formula, along with the one-time start-up grant. She repeated the amounts of the estimated cost of the program and ADN for each of the five tribes, [as stated in the discussion of Fiscal Note 2].

MS. HEINEKEN continued, giving a breakdown of the projected funding for each of the five tribes, as follows: Central Council of Tlingit and Haida Indian Tribes of Alaska would receive the total funding of \$1.866 million; Ketchikan Indian Community would receive the total funding of \$3.357 million; King Island Native Community and Village of Solomon would receive the total funding of \$2.752 million; Knik Tribe would receive the total funding of \$6.564 million; and Qargi Academy would receive the total funding of \$2.919 million. The totals reflect the foundation fund and one-time start-up grant amounts for each. She stated that the FY 27 to FY 31 projected cost is \$12.1 million annually. She pointed out that impacts on existing districts would be indeterminate because of potential enrollment shifts. She stated that the actual foundation formula funding for each TCPS would be determined after the student count in October 2025, and the pupil transportation grants would be allocated per pupil with no fiscal impact. She indicated that there would be a one-time cost of \$6,000 for legal fees to implement the regulations. As students transfer, she noted that existing school districts could be eligible for the hold-harmless provision.

[9:51:48 AM](#)

REPRESENTATIVE STORY questioned whether existing schools would be provided information for planning purposes concerning the potential shift of student populations, which could result in the loss of funding.

DR. ISAAK responded that, in concept, this would be the idea. He noted that students who are not currently calculated would create an indeterminate factor. He expressed the opinion that projecting student movement is complex; however, the premise is that impacted school districts would be informed within a year of the projected enrollment.

REPRESENTATIVE STORY agreed that there would be collaboration in sharing the enrollment.

[9:54:11 AM](#)

REPRESENTATIVE CARRICK questioned the ongoing cost of TCPS, after startup cost in FY 26.

DR. ISAAK replied that the foundation formula funding would be fluctuating per year, based on the adjusted ADM. He noted that the \$12.1 million would fluctuate as with any school district, but it would be part of the annual calculation for the foundation fund. He expressed the understanding that new, reoccurring costs would not be added. He deferred to Commissioner Bishop.

COMMISSIONER BISHOP expressed agreement with Dr. Isaak. She reiterated that students who do not currently participate in public education might enroll in TCPS.

[9:56:30 AM](#)

REPRESENTATIVE SCHWANKE asked whether the public education fund had been used previously for the startup cost of charter schools.

DR. ISAAK responded that in statute there is a calculation for charter schools for their first year of enrollment.

[9:57:25 AM](#)

DR. ISAAK, concluding the presentation on slide 27 through slide 31, noted the appendix to the legislative report. He pointed out that DEED has partnered with the Alaska Federation of Natives to create an informational website, as seen on slide 27. He stated that this was created during the passing of Senate Bill 34, and the website captures much of the legal precedent. He noted the links on slide 28 to the pilot evaluation, which had been done with the Cook Inlet Tribal Council. He noted the compacting information on DEED's website and the newsletter. He ended the presentation, reinforcing the idea of partnership and working together.

[9:59:18 AM](#)

REPRESENTATIVE DIBERT made closing comments and thanked the presenters.

[HB 59 was held over.]

[9:59:52 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Tribal Affairs meeting was adjourned at 9:59 a.m.