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Member of the National League of Cities and the National Association of Counties

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The Alaska Municipal League (AML) neither supports nor opposes SB 22 and HB 90 but has consistently argued for the need for fiscal impact statements for legislation that impacts local governments and school districts. Local government revenue – local taxes – make up approximately 50% of the total budgets of municipal school districts, and legislation passed as an unfunded mandate reduces the efficacy of these taxpayer dollars.

Without access to departmental or district analysis tools, we have produced the following using generative AI to estimate the impact this program would have on districts statewide. We encourage the Legislature to develop a more methodologically sound approach in the future.

In the meantime, passage of this bill should come with the necessary resources required to implement effectively and without diminishing the available resources of districts. While we commend the bill sponsor for identifying this important need, it is similarly imperative that it be resourced.

This bill establishes a financial literacy education program for high school students in Alaska, requiring school districts to implement the program and offer courses addressing various aspects of personal finance. The program will be required for graduation and includes topics such as budgeting, credit management, investments, loans, insurance, taxes, and financial implications of membership in Alaska Native corporations.

Cost Analysis to Implement

1. Curriculum Development:

- Requirement: School districts will need to develop or adopt a curriculum covering the comprehensive financial topics listed in the bill. The program should be approved by the Department of Education and include open educational resources (OERs) curated by the department.
- Costs: Developing or adapting a curriculum for financial literacy is generally not as expensive as specialized subjects like STEM or arts education, especially if OERs are used. However, districts may still need to modify or supplement these materials to suit local needs and ensure they cover all required topics.
- Estimated Costs: Assuming the use of open educational resources, the development of a financial literacy curriculum may cost around \$20,000 to \$50,000 per district for initial development and adaptation.

2. Teacher Training and Professional Development:

- Requirement: Teachers will need to be trained on the new financial literacy curriculum. This may involve professional development to familiarize educators with the topics and teaching methodologies.
- Costs for Training: Training costs will depend on the number of teachers needing to be trained and whether the district hires external experts or uses in-house resources.
- Estimated Costs: Professional development programs for teachers typically range from \$1,000 to \$5,000 per teacher. If 100 teachers across a district need training, the cost could be \$100,000 to \$500,000 per district.

3. Instructional Materials:
 - Requirement: The bill requires that instructional materials for the financial literacy program portray the cultural and economic diversity of the topics covered (e.g., including information on Alaska Native corporations).
 - Costs for Materials: Depending on the materials used (e.g., textbooks, multimedia resources, software tools), the cost per student can vary.
 - Estimated Costs: If instructional materials cost around \$10 to \$30 per student, for a district of 1,000 students, this could total between \$10,000 and \$30,000 for materials.
4. Program Administration:
 - Requirement: School districts will need to implement and manage the financial literacy program, including ensuring compliance with the new graduation requirement. This will involve administrative duties such as tracking student progress and coordinating program delivery.
 - Costs: Administrative costs will include staff time for overseeing the program, managing student records, and ensuring the program meets state requirements.
 - Estimated Costs: Administrative costs for program implementation could range from \$10,000 to \$50,000 per district.
5. Statewide Impact:
 - Number of Districts: With 53 districts in Alaska, the total cost of implementing SB 22 across all districts can be estimated by scaling up the individual district costs.
 - Cost Estimates for Districts:
 - Curriculum Development: \$20,000 to \$50,000 per district.
 - Teacher Training Costs: \$100,000 to \$500,000 per district.
 - Instructional Materials: \$10,000 to \$30,000 per district.
 - Administrative Costs: \$10,000 to \$50,000 per district.

Total Estimated Cost to Implement (Statewide):

- Curriculum Development: \$20,000 to \$50,000 per district, totaling \$1.06 million to \$2.65 million statewide.
- Teacher Training Costs: \$100,000 to \$500,000 per district, totaling \$5.3 million to \$26.5 million statewide.
- Instructional Materials Costs: \$10,000 to \$30,000 per district, totaling \$530,000 to \$1.6 million statewide.
- Administrative Costs: \$10,000 to \$50,000 per district, totaling \$530,000 to \$2.65 million statewide.

First-Year Total Estimate (Statewide):

- Low estimate: \$7.4 million.
- High estimate: \$33.4 million.

Ongoing Costs (Statewide):

- The ongoing costs would likely be lower once the curriculum is developed and implemented. The main recurring costs would include updating materials, teacher training for new staff, and administrative oversight.
- Ongoing estimate per district: \$5,000 to \$20,000 annually for updates and additional training, or \$265,000 to \$1 million statewide annually.

The first-year implementation could cost between \$7.4 million and \$33.4 million across all school districts in Alaska. Ongoing costs for maintaining and updating the program would be significantly lower, ranging between \$265,000 and \$1 million annually across the state.