

# FISCAL NOTE

**STATE OF ALASKA**  
**2014 LEGISLATIVE SESSION**

Bill Version HB 278  
 Fiscal Note Number \_\_\_\_\_  
 () Publish Date \_\_\_\_\_

Identifier (file name) HB278-EED-BHG-01-21-14 Dept. Affected Education & Early Development  
 Title Education Initiative Appropriation K-12 Support  
 Allocation Boarding Home Grants  
 Sponsor Rules by Request of Governor  
 Requester Governor OMB Component Number 148

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
<b>OPERATING EXPENDITURES</b>	<b>FY15</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits	2,249.5	4,710.8	2,249.5	2,249.5	2,249.5	2,249.5	2,249.5
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>2,249.5</b>	<b>4,710.8</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>

**FUND SOURCE** (Thousands of Dollars)

	FY15	FY15	FY16	FY17	FY18	FY19	FY20
1002 Federal Receipts							
1003 GF Match							
1004 GF	2,249.5	4,710.8	2,249.5	2,249.5	2,249.5	2,249.5	2,249.5
1005 GF/Prgm (DGF)							
1007 I/A Rcpts (Other)							
1156 Rcpt Svcs (DGF)							
	<b>2,249.5</b>	<b>4,710.8</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>

**POSITIONS**

	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Full-time							
Part-time							
Temporary							

**CHANGE IN REVENUES**

**Estimated SUPPLEMENTAL (FY14) operating costs** 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY15) costs** 0.0 (separate capital appropriation required)  
 (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? No  
 If yes, by what date are the regulations to be adopted, amended, or repealed? \_\_\_\_\_ Discuss details in analysis section.

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Initial version.

Prepared by Elizabeth Nudelman, Director  
 Division School Finance and Facilities  
 Approved by Mike Hanley  
 Division Commissioner

Phone (907) 465-8679  
 Date/Time 1/13/14 9:45 AM  
 Date 1/13/2014

**FISCAL NOTE ANALYSIS**

**STATE OF ALASKA  
2014 LEGISLATIVE SESSION**

**BILL NO.** HB 278

**Analysis**

The legislation adds a new section at AS 14.16.100 that provides for an annual open application period for residential applications. The legislation amends AS 14.16.200 to increase the monthly stipend rates.

The legislation increases the stipend rate from 2x to 3x the stipend rates beginning in FY2015.

The calculations and fiscal note cost estimates respond to the seven currently approved programs. Three of the programs (Galena, Lower Kuskokwim, and Nenana) are funded for FY2014, and the additional four will be funded beginning in FY2015. Future schools that may be approved under the amended law are not included in the fiscal note cost estimate and adding schools, including district-wide and variable-term schools, would cause this annual cost to increase.

The residential program per pupil monthly stipend is paid for nine months, times the rate, times the actual count. Calculating the rate from current to proposed rates for the seven currently approved statewide residential programs increases the cost by \$2,113.1 annually.

<u>Program</u>	<u>Maximum Capacity</u>	<u>Region</u>	<u>Current Rate</u>	<u>Current Total</u>	<u>New Rate</u>	<u>New Total</u>	<u>Increase in State Cost</u>
Anchorage	4	Region II	\$800	\$28,800	\$1,200	\$43,200	\$14,400
Chugach	24	Region II	\$800	\$172,800	\$1,200	\$259,200	\$86,400
Nenana	88	Region III	\$968	\$766,656	\$1,452	\$1,149,984	\$383,328
Lower Kuskokwim	35	Region IV	\$1,006	\$316,890	\$1,509	\$475,335	\$158,445
Galena	210	Region V	\$1,184	\$2,237,760	\$1,776	\$3,356,640	\$1,118,880
Bering Strait	26	Region V	\$1,184	\$277,056	\$1,776	\$415,584	\$138,528
NW Arctic	40	Region V	\$1,184	\$426,240	\$1,776	\$639,360	\$213,120
<b>Totals:</b>				<b>\$4,226,202</b>		<b>\$6,339,303</b>	<b>\$2,113,101</b>

The program also provides for one round trip ticket per student capacity, at the least expensive means, between the student's community of residence and the school if the district expends money for the trip.

Total per pupil monthly stipends per legislation	\$6,339,303
Additional cost of round trip tickets for all seven programs based on FY2015 Budget	\$ 435,081
Add Boarding Home Program (AS 14.07.030)	<u>\$ 185,900</u>
Total program if legislation passes and residential is funded at 3x the boarding stipend:	\$6,960,284
Total appropriation in budget	\$4,710,800
Total funding necessary to fund Residential & Boarding Home :	<u>\$6,960,284</u>
Additional funding necessary to fund residential (fiscal note)	\$2,249,484