

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN)am-EED-K12-4-8-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Finance Committee

Department: Department of Education and Early Development
Appropriation: K-12 Support
Allocation: Foundation Program
OMB Component Number: 141

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2015 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|
| | Appropriation Requested | Governor's FY2015 Request | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| OPERATING EXPENDITURES | FY 2015 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | 30,000.0 | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 30,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | |
|--------------|-----------------|------------|------------|------------|------------|------------|------------|
| 1005 GF/Prgm | 30,000.0 | | | | | | |
| Total | 30,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
|--|--|--|--|--|--|--|--|

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 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If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This CS removes previously proposed TRS component and associated 40% local effort language; eliminates previously proposed changes to the school size chart; maintains the existing CS language for \$185 BSA and in addition provides for a \$30,000.0 onetime grant to be distributed based on the foundation formula AADM.

| | |
|---|----------------------------------|
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| Division: <u>Director of School Finance</u> | Date: <u>04/08/2014 01:51 PM</u> |
| Approved By: <u>Mike Hanley</u> | Date: <u>04/08/14</u> |
| Agency: <u>Commissioner</u> | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278 (FIN) am

Analysis

Sections 20-22 amend AS 14.17.470 by increasing the current base student allocation (BSA) of \$5,680 for the next three fiscal years.

The BSA annual increases are as follows:

- * FY2015: \$185 to \$5,865 an increase for that year of \$45,832.2.
- * FY2016: \$58 to \$5,923 an increase for that year of \$14,365.8.
- * FY2017: \$58 to \$5,981 an increase for that year of \$14,365.8.

The effective dates are July 1, 2014, July 1, 2015, and July 1, 2016, respectively.

Section 48 provides for a onetime grant of \$30,000.0 to be distributed to districts based on the foundation formula's adjusted average daily membership (AADM) for the fiscal year ending June 30, 2015.

Funds to increase the BSA are deposited in the public education fund (PEF), a second fiscal note posting the BSA expenditures to the PEF is attached. The onetime \$30,000.0 grant funds are a general fund payment and are accounted for on this fiscal note.

Prepared 4/8/2014

FN: BSA Increase for FY15 - FY17

| School District | FY2015 | | | FY2016 | FY2017 |
|---------------------------|---|--|--------------------------------|--|--|
| | BSA \$5,865 Year 1 BSA increase of \$185 | \$30 Million Onetime Grant on AADM | TOTAL Funding for FY2015 | \$5,923 Yr 2 BSA increase \$58 | \$5,981 Yr 3 BSA increase \$58 |
| Alaska Gateway | \$ 253,178 | \$ 165,593 | \$ 418,771 | \$ 79,375 | \$ 79,375 |
| Aleutian Region | 41,818 | 27,351 | 69,169 | 13,110 | 13,110 |
| Aleutians East Borough | 179,173 | 117,189 | 296,362 | 56,173 | 56,173 |
| Anchorage | 13,712,217 | 8,988,266 | 22,700,483 | 4,298,965 | 4,298,965 |
| Annette Island | 141,195 | 92,349 | 233,544 | 44,267 | 44,267 |
| Bering Strait | 1,252,629 | 819,287 | 2,071,916 | 392,716 | 392,716 |
| Bristol Bay Borough | 74,202 | 48,532 | 122,734 | 23,263 | 23,263 |
| Chatham | 102,262 | 66,885 | 169,147 | 32,061 | 32,061 |
| Chugach | 86,377 | 56,495 | 142,872 | 27,080 | 27,080 |
| Copper River | 212,781 | 139,170 | 351,951 | 66,710 | 66,710 |
| Cordova | 138,420 | 90,534 | 228,954 | 43,397 | 43,397 |
| Craig | 166,898 | 109,160 | 276,058 | 52,324 | 52,324 |
| Delta/Greely | 322,947 | 211,225 | 534,172 | 101,248 | 101,248 |
| Denali Borough | 219,293 | 143,429 | 362,722 | 68,752 | 68,752 |
| Dillingham | 233,065 | 152,437 | 385,502 | 73,069 | 73,069 |
| Fairbanks N. Star Borough | 4,894,129 | 3,201,025 | 8,095,154 | 1,534,375 | 1,534,375 |
| Galena | 652,876 | 427,016 | 1,079,892 | 204,685 | 204,685 |
| Haines Borough | 115,512 | 75,551 | 191,063 | 36,215 | 36,215 |
| Hoonah | 77,962 | 50,991 | 128,953 | 24,443 | 24,443 |
| Hydaburg | 49,619 | 32,453 | 82,072 | 15,556 | 15,556 |
| Iditarod Area | 185,028 | 121,018 | 306,046 | 58,008 | 58,008 |
| Juneau Borough | 1,619,625 | 1,059,323 | 2,678,948 | 507,775 | 507,775 |
| Kake | 62,482 | 40,867 | 103,349 | 19,589 | 19,589 |
| Kashunamiut | 174,289 | 113,994 | 288,283 | 54,641 | 54,641 |
| Kenai Peninsula Borough | 3,179,795 | 2,079,758 | 5,259,553 | 996,909 | 996,909 |
| Ketchikan Gateway Borough | 879,686 | 575,362 | 1,455,048 | 275,793 | 275,793 |
| Klawock | 77,332 | 50,579 | 127,911 | 24,244 | 24,244 |
| Kodiak Island Borough | 962,954 | 629,824 | 1,592,778 | 301,900 | 301,900 |
| Kuspuk | 243,495 | 159,259 | 402,754 | 76,339 | 76,339 |
| Lake & Peninsula Borough | 296,188 | 193,723 | 489,911 | 92,859 | 92,859 |
| Lower Kuskokwim | 2,385,905 | 1,560,511 | 3,946,416 | 748,013 | 748,013 |
| Lower Yukon | 1,279,053 | 836,570 | 2,115,623 | 401,000 | 401,000 |
| Mat-Su Borough | 5,511,951 | 3,605,114 | 9,117,065 | 1,728,072 | 1,728,072 |
| Nenana | 209,150 | 136,796 | 345,946 | 65,571 | 65,571 |
| Nome | 314,765 | 205,873 | 520,638 | 98,683 | 98,683 |
| North Slope Borough | 980,337 | 641,193 | 1,621,530 | 307,349 | 307,349 |
| Northwest Arctic Borough | 1,230,548 | 804,845 | 2,035,393 | 385,793 | 385,793 |
| Pelican | 18,124 | 15,388 | 33,512 | 2,479 | 2,479 |
| Petersburg | 210,088 | 137,409 | 347,497 | 65,865 | 65,865 |
| Pribilof | 65,271 | 42,691 | 107,962 | 20,464 | 20,464 |
| Saint Mary's | 111,068 | 72,644 | 183,712 | 34,822 | 34,822 |
| Sitka Borough | 544,583 | 356,187 | 900,770 | 170,734 | 170,734 |
| Skagway | 38,264 | 25,027 | 63,291 | 11,996 | 11,996 |
| Southeast Island | 181,303 | 118,582 | 299,885 | 56,841 | 56,841 |
| Southwest Region | 416,481 | 272,401 | 688,882 | 130,573 | 130,573 |
| Tanana | 37,609 | 24,598 | 62,207 | 11,791 | 11,791 |
| Unalaska | 193,336 | 126,452 | 319,788 | 60,613 | 60,613 |
| Valdez | 249,911 | 163,455 | 413,366 | 78,350 | 78,350 |
| Wrangell | 120,753 | 78,979 | 199,732 | 37,858 | 37,858 |
| Yakutat | 51,868 | 33,924 | 85,792 | 16,262 | 16,262 |
| Yukon Flats | 245,302 | 160,441 | 405,743 | 76,906 | 76,906 |
| Yukon/Koyukuk | 414,964 | 271,409 | 686,373 | 130,097 | 130,097 |
| Yupit | 287,149 | 187,811 | 474,960 | 90,026 | 90,026 |
| Mt. Edgecumbe High School | 126,986 | 83,055 | 210,041 | 39,811 | 39,811 |
| TOTAL | \$ 45,832,196 | \$ 30,000,000 | \$ 75,832,196 | \$ 14,365,810 | \$ 14,365,810 |