

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version SCS CSHB 278
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB278SCSCS-EED-SSA-4-17-14-DRAFT Dept. Affected Education & Early Development
 Title Education: Funding/Tax Credits/Programs Appropriation Teaching and Learning Support
 Allocation Student and School Achievement
 Sponsor Rules by Request of Governor
 Requester Senate Finance Committee OMB Component Number 2796

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
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services							
Travel							
Services	(2,154.4)	2,759.4	(2,224.4)	(2,224.4)	(2,224.4)	(2,234.4)	(2,234.4)
Commodities							
Capital Outlay							
Grants, Benefits	3,948.9	434.5	4,383.4	4,383.4	918.8	918.8	918.8
Miscellaneous							
TOTAL OPERATING	1,794.5	3,193.9	2,159.0	2,159.0	(1,305.6)	(1,315.6)	(1,315.6)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,764.4	2,759.4	1,694.4	1,694.4	(1,305.6)	(1,315.6)	(1,315.6)
1151 VoTech Ed (DGF)	30.1	434.5	464.6	464.6			
1007 I/A Rcpts (Other)							
1156 Rcpt Svcs (DGF)							
TOTAL	1,794.5	3,193.9	2,159.0	2,159.0	(1,305.6)	(1,315.6)	(1,315.6)

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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

Estimated **CAPITAL (FY15) costs** _____ (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? Yes
 If yes, by what date are the regulations to be adopted, amended, or repealed? 12/31/2014 Discuss details in analysis section.

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

The CS repeals the HSGQE, includes a college and career readiness assessment, creates a personalized learning opportunity grants (1:1), creates an innovative grant program, increases the amount of an employee's contribution to unemployment insurance that is diverted into the TVEP account, provides a new sunset date for the TVEP program and establishes a 3-year pilot program for students in middle school around STEM.

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 Date/Time 4/17/14 7:16 PM
 Date 4/17/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 278

Analysis

Section 3: AS 14.03.075 is repealed and reenacted. This repeals the secondary student competency examination and replaces it with a participation requirement in a college and career readiness assessment. The Department of Education & Early Development (DEED) will pay the fee for a single administration of a college and career readiness assessment for each secondary student within two years prior to a student's graduation date. The fiscal note is the result of the removal of the secondary student competency examination for students in high school at a savings of \$2,759.4, and the addition of the college and career readiness assessment calculated at 10,000 students per grade and the exam at \$52.50 = \$525.0.

Section 5: AS 14.03.120(d) is amended. The Student Report Manager software system, to gather data reliably, is \$35.0 to modify. Handbook modifications and initial year school district technical assistance on the new reporting requirement is \$45.0. Technical assistance for school districts with military personnel to establish reliable data gathering methods around these elements for three subsequent years is \$10.0.

Section 7: AS 14.03.127 adds a new section by including the personalized learning opportunity grant program (1:1) provides funds through the Department of Education to the Association of Alaska School Boards with the intent of providing digital devices for each student in the state. Through AASB the program will provide technical support and training in the use of the devices. Funding to districts will be provided through a sub-grant program in an 80/20 split with districts providing the 20%. The fiscal impact of the section is indeterminate as funding the amount is not address in this bill.

Section 7: AS 14.03.127 adds a new section establishing an "innovative approach to learning grant program" to encourage innovative approaches to learning by school districts. The program would be administered by DEED and would be available to school districts with priority for residential schools, correspondence programs, charter schools, vocational education programs, pre-elementary projects, and other public programs. DEED would be required to submit an annual report to the legislature documenting projects funded, results obtained, and methods for replication. The bill does not indicate an amount of funding for this component, or number of individual grants expected to be awarded.

Section 13: AS 14.03.563 Charter school grant program. Establishes a one-time grant from the department for new charter schools in the amount of \$500 per student enrolled in the school on October 1 of the first year in which the school applies for the grant. The fiscal note is based on historical data regarding the number of new charter schools, and students enrolled in new charter schools, since 1996. On average, these data reflect adding 1.5 charter schools a year with an average enrollment of 225 students per school to = \$168.8

Section 32: AS 23.15.835(d) is amended to increase the amount of an employee's contribution to unemployment insurance that is diverted into the TVEP account from .15 to .16. The legislation continues the Alaska technical and vocational education program (TVEP) through June 30, 2017; which is currently set to sunset on June 30, 2014. Out-year cost estimates in the Grants line are based on TVEP receipts included in DEED's FY2015 budget request and will be revised annually based on the balance of the fund. This funding is a grant from DEED to the Galena Interior Learning Academy, currently \$464.6.

Section 59: Amends uncodified law by adding a pilot project to expand middle school science and related educational services.

The department may award a grant to a nonprofit organization for expanding science, technology, engineering, and mathematics education for underserved and unrepresented public middle school students with limited opportunities.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 278

Analysis Continued

A nonprofit organization with experience in administering similar education programs would qualify for this grant and they would need to submit an application to the department to be considered. A nonprofit awarded a grant under this pilot project shall submit an annual report to the department and legislature that includes data on the educational opportunities provided under the pilot project.

The fiscal impact of this pilot program is \$3,000.0 each year and will terminate on June 30, 2017.

Fiscal impact of Sections 3 and 5 are reflected in the Services line; Sections 7, 13, 32, and 59 are reflected in the Grants line:

	<u>FY 15 Requested</u>	<u>FY 15 Governor</u>	<u>FY 16-17</u>	<u>FY18</u>	<u>FY19-20</u>
HSGQE	(\$2,759.4)	\$2,759.4	(\$2,759.4)	(\$2,759.4)	(\$2,759.4)
College & Career Readiness Assessment	\$525.0		\$525.0	\$525.0	\$525.0
Military Report: Software and District Info	\$80.0				
Military Report: Data and Reporting			\$10.0	\$10.0	
Services Line	<u>(\$2,154.4)</u>	<u>\$2,759.4</u>	<u>(\$2,224.4)</u>	<u>(\$2,224.4)</u>	<u>(\$2,234.4)</u>
Innovative Learning Grant - Grants Line	\$750.0		\$750.0	\$750.0	\$750.0
Charter School Startup-Grants Line	\$168.8		\$168.8	\$168.8	\$168.8
TVEP - Grants Line	\$30.1	\$434.5	\$464.6		
Middle School STEM - Grants Line	<u>\$3,000.0</u>		<u>\$3,000.0</u>		
Grants/Benefits Line	<u>\$3,948.9</u>	<u>\$434.5</u>	<u>\$4,383.4</u>	<u>\$918.8</u>	<u>\$918.8</u>
Total Operating	<u>\$1,794.5</u>	<u>\$3,193.9</u>	<u>\$2,159.0</u>	<u>(\$1,305.6)</u>	<u>(\$1,315.6)</u>