

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 57
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB057-EED-K12-3-11-13
Title: LITERACY, PUPIL TRANSP, TEACHER NOTICES
Sponsor: STEVENS
Requester: Senate Education Committee

Department: Department of Education and Early Development
Appropriation: K-12 Support
Allocation: Pupil Transportation
OMB Component Number: 144

Expenditures/Revenues

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

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Initial version.

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Division	School Finance & Facilities	Date:	03/11/2013 10:45 AM
Approved By:	Mike Hanley	Date:	03/11/13
	Commissioner		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB57

Analysis

Section 2 of this legislation amends AS 14.09.010, "Transportation of Pupils", by adding a subsection that adjusts the per student amounts annually using the change in the Consumer Price Index (CPI) for all urban consumers for the Anchorage metropolitan area. The index for 1982 through 1984 is the reference base index to be used for this annual adjustment.

The CPI increase of 2.5%, which is reflected in the 10-year plan, was used in the calculations. Using this CPI increase, the estimated state costs of the pupil transportation program for FY2014 through FY2019 are shown below.

Section 4 of this legislation repeals the 1.5% increase that was to be applied to the per student amounts for FY2014 and FY2015 and was put into place during the 2012 Legislature with the passage of House CS for CSSB 182.

The projected amounts under the current law, the projected amounts under SB57 (using the 2.5% CPI increase), and the projected increase in state costs are summarized below:

	<u>Current Law</u>	<u>Total New Costs with 2.5% CPI</u>	<u>Annual Increase in State Costs</u>
FY2014	\$74.7 million	\$75.4 million	\$0.7 million
FY2015	\$75.9 million	\$77.4 million	\$1.5 million
FY2016	\$75.9 million	\$79.3 million	\$3.4 million
FY2017	\$75.9 million	\$81.3 million	\$5.4 million
FY2018	\$75.9 million	\$83.3 million	\$7.4 million
FY2019	\$75.9 million	\$85.4 million	\$9.5 million

This legislation would take effect July 1, 2013.

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2014 through FY2019, as reported above, is reported in a fiscal note for the PEF, as the funding is deposited to the PEF not into the Pupil Transportation Program component. The above analysis and attached calculation is presented here for explanation.