

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: HB 164
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB164-EED-SSA-4-15-21
Title: EARLY ED PROGRAMS; READING; VIRTUAL ED
Sponsor: TUCK
Requester: House Education

Department: Department of Education and Early Development
Appropriation: Education Support and Administrative Services
Allocation: Student and School Achievement
OMB Component Number: 2796

Expenditures/Revenues

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

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services	2,739.4		3,333.4	4,277.4	4,871.4	5,465.4	5,465.4
Travel	21.0		26.0	31.0	36.0	41.0	41.0
Services	340.4		352.4	1,499.4	1,553.4	1,607.4	1,607.4
Commodities	690.0		600.0	600.0	600.0	600.0	575.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	3,790.8	0.0	4,311.8	6,407.8	7,060.8	7,713.8	7,688.8

Fund Source (Operating Only)

1004 Gen Fund (UGF)	3,790.8		4,311.8	6,407.8	7,060.8	7,713.8	7,688.8
Total	3,790.8	0.0	4,311.8	6,407.8	7,060.8	7,713.8	7,688.8

Positions

Full-time	26.0		31.0	36.0	41.0	46.0	46.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/22

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Division: Finance and Support Services	Date: 04/15/2021
Approved By: Lacey Sanders, Administrative Services Director	Date: 04/15/21
Agency: Office of Management and Budget	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

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Analysis

This bill creates four new programs: an early education program, a comprehensive reading intervention program, a school improvement reading program, and a virtual education consortium. **This fiscal note addresses the comprehensive reading intervention program, the school improvement reading program, and the virtual education consortium.**

Comprehensive Reading Intervention Program

The comprehensive reading intervention program is created under AS 14.30.765. To manage and operate this program, provide coursework, training, and testing opportunities related to evidence-based reading instruction, annually solicit and convene stakeholders to receive feedback on program implementation, establish a recognition program, and provide direct support and training for all K-3 teachers on the use of the statewide screening or assessment tool results and on evidence-based reading, DEED would need 1 Education Administrator II Range 22, Step C/D at \$125.8, and 2 Education Specialist II positions at a Range 21, Step C/D, at \$118.8 each (\$363.4 total). In addition, department chargebacks of \$10.8 per position would be needed (\$32.4 total), plus a one-time increment of \$5.0 per position for supplies and equipment (\$15.0 total).

The Education Administrator II will be required to participate and present at statewide professional development conferences. DEED expects virtual participation at conferences and has therefore budgeted for in-person travel to only one conference per year. At \$1.0 per trip X 1 trips X 1 position, total travel each year is \$1.0.

In addition, the comprehensive reading intervention program requires the adoption and administration of a statewide screening or assessment tool to identify students in K-3 with reading deficiencies, and establishment of a waiver process for districts. DEED expects virtual participation by districts to attend the statewide screening or assessment tool training. There are approximately 40,000 students in K-3 in Alaska schools. A statewide screener would cost approximately eight dollars per student. This would result in an annual cost of \$320.0.

In FY2022, a one-time increment of \$18.0 is included for legal services costs associated with producing new regulations to implement this program.

School Improvement Reading Program

The school improvement reading program, created under AS 14.30.770, is established in DEED to provide direct support and intervention in district and school reading programs serving students in grades K-3 and to provide reading support to districts throughout Alaska. During the first year, up to 10 schools identified from the lowest performing 10 percent of schools, would each be served directly by Reading Specialists employed by DEED and up to 20 schools would be served in the second year and beyond. Depending on school size and need, either one or two Reading Specialists would be assigned to each school. DEED anticipates employing from 10 to 20 Reading Specialists in year one and 20 to 40 Reading Specialists in the subsequent years. For purposes of estimating fiscal impact, the maximum number of positions has been reflected in the first year with five additional positions phased in annually over the following four years. These estimates will be updated in out years as the program is implemented.

Reading Specialists are budgeted as Education Specialist II positions at a Range 21, Step C/D, \$118.8 each. In addition, department chargebacks of \$10.8 per position would be needed annually. A one-time increment of \$5.0 per position for supplies and equipment would be needed in the first year the position is budgeted. Reading Specialists would be located in communities across the state and would need to be provided a geographic cost differential, which is not included in this estimate. Each Reading Specialist would be required to participate and present at statewide professional development conferences. DEED expects virtual participation at conferences and has therefore budgeted for in-person travel to only one conference per year. At \$1.0 per trip X 1 trips X 20 positions, total travel for year one is \$20.0. Travel costs for subsequent years would increase with the number of Reading Specialists employed. For purposes of estimation, 5 Reading Specialists are added each year through FY2026 resulting in \$5.0 in additional travel costs annually (1 trips per position X 5 positions).

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Under the school improvement reading program, DEED would purchase supplemental reading textbooks and materials for school districts in connection with reading intervention services. The cost per student when adopting a new reading curriculum is two hundred and fifty dollars (\$.25). With approximately 10,000 students per grade level in Alaska schools, there are a total of 40,000 student in kindergarten to third grade (K-3). During the 2019-2020 school year, 391 schools served K-3 students. $40,000 \text{ students} / 391 \text{ schools} = 102 \text{ K-3 students per school on average}$. For each year of the reading program, $10 \text{ schools} \times 102 \text{ K-3 students/school} \times \$.25/\text{student} = \255.0 .

An annual contract fee of \$50.0 is included for the required independent contractor to conduct the data analysis of the program's effectiveness under AS 14.30.770.

In FY2022, a one-time increment of \$12.0 is included for legal services costs associated with producing new regulations.

Virtual Education Consortium

The virtual education consortium, created under AS 14.30.800, is established in DEED in cooperation with school districts, for the purpose of making virtual education and professional development resources available to students and teachers in the state. To manage and operate this statewide virtual education learning management system (LMS), review all courses and professional development, and provide virtual instruction training, DEED would need 2 Education Specialist II positions at a Range 21, Step B/C, at \$115.6 each (\$231.2 total). In addition, department chargebacks of \$10.8 per position would be needed (\$21.6 total).

A Reading Specialist position is established to provide intensive reading intervention services to districts participating in the virtual education consortium. This position is budgeted as an Education Specialist II position at a Range 21, Step C/D, \$118.8. In addition, department chargebacks of \$10.8 for the position would be needed.

DEED established a statewide virtual education LMS license for districts, teachers, and students in FY2021 in response to the COVID-19 pandemic and plans to continue the license through FY2023 using federal COVID-19 relief funds at a cost of \$1,060.6 annually. The 2 FTE positions needed to manage the LMS, review coursework and professional development, and provide virtual instruction training as outlined in this bill, and the 1 FTE Reading Specialist position, could also be funded through FY2023 with federal COVID-19 relief funding. Starting in FY2024, state funds are needed to support the LMS license (\$1,060.6) and associated positions (\$382.4).

In FY2022, a one-time increment of \$12.0 is included for legal services costs associated with producing new regulations.

The effective date of this bill is July 1, 2021 (FY2022).

As an additional note, neither the FY2022 Governor's Budget or this fiscal note contain any funding related to the one-time cooperative arrangement grants under AS 14.14.115. Further, this fiscal note does not reflect the fiscal impact of the increase in the unreserved portion of a school district's year-end operating fund balance under AS 14.17.505(a).

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Analysis

	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>
Comprehensive Reading Intervention Program						
Personal Services	363.4	363.4	363.4	363.4	363.4	363.4
Travel	1.0	1.0	1.0	1.0	1.0	1.0
Services	50.4	32.4	32.4	32.4	32.4	32.4
Commodities	335.0	320.0	320.0	320.0	320.0	320.0
Subtotal	<u>749.8</u>	<u>716.8</u>	<u>716.8</u>	<u>716.8</u>	<u>716.8</u>	<u>716.8</u>
School Improvement Reading Program						
Personal Services	2,376.0	2,970.0	3,564.0	4,158.0	4,752.0	4,752.0
Travel	20.0	25.0	30.0	35.0	40.0	40.0
Services	278.0	320.0	374.0	428.0	482.0	482.0
Commodities	355.0	280.0	280.0	280.0	280.0	255.0
Subtotal	<u>3,029.0</u>	<u>3,595.0</u>	<u>4,248.0</u>	<u>4,901.0</u>	<u>5,554.0</u>	<u>5,529.0</u>
Virtual Education Consortium						
Personal Services	-	-	350.0	350.0	350.0	350.0
Services	12.0	-	1,093.0	1,093.0	1,093.0	1,093.0
Commodities	-	-	-	-	-	-
Subtotal	<u>12.0</u>	<u>-</u>	<u>1,443.0</u>	<u>1,443.0</u>	<u>1,443.0</u>	<u>1,443.0</u>
Combined						
Personal Services	2,739.4	3,333.4	4,277.4	4,871.4	5,465.4	5,465.4
Travel	21.0	26.0	31.0	36.0	41.0	41.0
Services	340.4	352.4	1,499.4	1,553.4	1,607.4	1,607.4
Commodities	690.0	600.0	600.0	600.0	600.0	575.0
Total Operating	<u>3,790.8</u>	<u>4,311.8</u>	<u>6,407.8</u>	<u>7,060.8</u>	<u>7,713.8</u>	<u>7,688.8</u>
Comprehensive Reading Intervention Program						
Full-Time Positions	3	3	3	3	3	3
School Improvement Reading Program						
Full-Time Positions	20	25	30	35	40	40
Virtual Education Consortium						
Full-Time Positions	3	3	3	3	3	3
Combined Total FT	<u>26</u>	<u>31</u>	<u>36</u>	<u>41</u>	<u>46</u>	<u>46</u>