Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	SB 146
Fiscal Note Number:	
() Publish Date:	

Identifier:	SB146-UA-SYSBRA-3-2-22	Department:	University of Alaska
Title:	UNIVERSITY: TEXTBOOKS/MATERIALS COST	Appropriation:	University of Alaska
Sponsor:	MYERS	Allocation:	Budget Reductions/Additions - Systemwide
Requester:	Senate Education	OMB Component Number:	1296

Expenditures/Revenues

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

OPERATING EXPENDITURES	FY2023 Appropriation Requested FY 2023	Included in Governor's FY2023 Request FY 2023	Out-Year Cost Estimates				
			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
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

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY2022) cost: 0.0   *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2023) cost: 397.5   *(separate capital appropriation required)*

Does the bill create or modify a new fund or account?   N

(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?   Y

If yes, by what date are the regulations to be adopted, amended or repealed?   07/01/22

Why this fiscal note differs from previous version/comments:

Reevaluated costs based use of existing resources.

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Division:	UA System Office of Strategy, Planning and Budget	Date:	03/02/2022 12:00 AM
Approved By:	Michelle Rizk	Date:	03/02/22
Agency:	University of Alaska		

STATE OF ALASKA   **BILL NO.** SB146

2022 LEGISLATIVE SESSION

Analysis

Senate Bill 146 is title "An Act relating to costs of and charges for textbooks and other course materials required for University of Alaska courses; and providing for an effective date." The bill looks to solidify efforts for textbook transparency that are already in progress at various universities across the UA system and may require a modification to UA Board of Regents policy and/or regulations (P10.08.020 Selection of Textbooks and Educational Materials).

This legislation would add a new section, AS 14.40.121 Course materials, where the University of Alaska online course schedule must provide: a description of each course that clearly identifies costs, including zero or low-cost resources, associated with required course materials; and for searches identifying courses in which all required course materials are zero-cost. Low-cost resources are defined at a pre-tax sales price that is not more than four times the hourly minimum wage established in AS 23.10.065(a), in 2022 low-cost would be no more than $41.36.

The estimated cost to design, develop, test and implement the capabilities described in the legislation include building new integrations with multiple 3rd part software vendors, refactoring the course catalog to a presentation to support differentiation between materials for the same classes. There will be up front necessary capital costs.

Cost estimates from the UA Office of Information Technology (which manages the information technology for the UA system) are $300,000 for consultant work (1,500 hours @ $200/hour). Staff costs will be approximately $97,500 (1,500 hours @ $65/hour). Ongoing annual maintenance staff (40 hours @$65/hour) will be $2,600; this cost would need to be covered with existing resources.

So, for FY23 $300,000 + $97,500 = $397,500 will be needed for one-time capital costs to modify our existing system.

Although, upon further review, there are amended reduced yearly operating expenditures (because generally, new employees will not have to be hired), there will be a productivity cost that the legislature should be aware of: Requiring professors to focus on administrative tasks takes away from the core education mission. New professors are particularly vulnerable for compliance. "Everything is new."

In addition, the UA is looking at upgrades to its student-facing IT system. After 30 years, the system is out-of-date. Efforts associated with "cost transparency" may be best "rolled into" that upgrade ($20 million dollars requested). The upgrades are anticipated to stabilize and modernize the underlying technology platform making future changes less cumbersome.