

Fiscal Note

State of Alaska
2022 Legislative Session

| | |
|---------------------|---------------|
| Bill Version: | CSSB 111(FIN) |
| Fiscal Note Number: | 8 |
| (S) Publish Date: | 4/12/2022 |

Identifier: SB111CS(FIN)-EED-PK-3-16-22
Title: EARLY EDUCATION; READING INTERVENTION
Sponsor: EDUCATION
Requester: Senate Finance

Department: Department of Education and Early Development
Appropriation: Education Support and Admin Services
Allocation: Pre-Kindergarten Grants
OMB Component Number: 3028

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

| | FY2023 Appropriation Requested | Included in Governor's FY2023 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|----------------|----------------|----------------|----------------|
| OPERATING EXPENDITURES | FY 2023 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | 2,999.9 | 2,999.9 | 2,999.9 | 2,999.9 | 2,999.9 |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | 2,999.9 | 2,999.9 | 2,999.9 | 2,999.9 | 2,999.9 |

Fund Source (Operating Only)

| | | | | | | | |
|---------------------|------------|------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund (UGF) | | | 2,999.9 | 2,999.9 | 2,999.9 | 2,999.9 | 2,999.9 |
| Total | 0.0 | 0.0 | 2,999.9 | 2,999.9 | 2,999.9 | 2,999.9 | 2,999.9 |

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: 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? 06/30/23

Why this fiscal note differs from previous version/comments:

Updated to accurately reflect correct statutory citation for the early education program; updated the effective date from July 1, 2022 to July 1, 2023; removed the fiscal impact in FY2023 due to the revised effective date; and updated chart of page 3 due to the revised effective date.

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Agency: Department of Education & Early Development

Phone: (907)465-2875
Date: 03/16/2022 12:15 PM
Date: 03/16/22

REPORTED OUT OF
SFC 04/11/2022

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

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 early education program.**

The early education program, created under AS 14.03.410, is approved by the Department of Education and Early Development (DEED) and funded by the state through a three-year grant process. Once those districts have completed the three-year grant cycle and DEED has determined the early education program complies with the adopted standards as created by the State Board of Education and Early Development, then those programs may be eligible for 1/2 the full-time equivalent for average daily membership (ADM) funding under AS 14.17.410. Foundation funding would only be provided to those districts that are not already receiving early education funding by another state or federal program. The early education program is repealed on June 30, 2034 (FY2034).

Page 3 of this fiscal note provides the funding breakdown by fiscal year for the three-year grant program.

Costs associated with the operation of the early education program grants are reflected in the Early Learning Coordination fiscal note.

The effective date of this bill is July 1, 2023 (FY2024).

Department of Education & Early Development
Prepared 3/16/2022

Table 1

| | |
|--|-------------|
| Current Number of Districts operating a Pre-Kindergarten program | 17 |
| (17 districts registered in 2020-21) | |
| 4 year old cohort* | 10,000 |
| Current District reported Pre-K Served* | 1,494 |
| Head Start* | 988 |
| Number students served by this legislation | 5,742 |
| | 8,224 |
| Percent of 4 year old students served* | 82.24% |
| * estimated | |
| Foundation Component / Public Education Fund | |
| 1/2 the average per student cost = | \$ 4,702.00 |

Table 2

| 3-Year Early Education Grant cycle - district eligibility | | |
|---|-------------|----------------------|
| District Cohort | Fiscal Year | Number of Students * |
| 1 | 2024 | 638 |
| 2 | 2025 | 638 |
| 3 | 2026 | 638 |
| 4 | 2027 | 638 |
| 5 | 2028 | 638 |
| 6 | 2029 | 638 |
| 7 | 2030 | 638 |
| 8 | 2031 | 638 |
| 9 | 2032 | 638 |
| Total | | 5,742 |

* 638 is the maximum number of students eligible based on 1/2 the average per student cost and the \$3 million annual cap.

Table 3

| <u>Pre-Kindergarten Grant Component</u> | <i>(Table 2)</i> |
|--|---------------------------|
| 3-year Early Education Grant cycle | Number of Students |
| Year 1 - FY2024 (District Cohort 1) | 638 |
| Year 2 - FY2025 (District Cohorts 1, 2) | 638 |
| Year 3 - FY2026 (District Cohorts 1, 2, 3) | 638 |
| Year 4 - FY2027 (District Cohorts 2, 3, 4) | 638 |
| Year 5 - FY2028 (District Cohorts 3, 4, 5) | 638 |
| Year 6 - FY2029 (District Cohorts 4, 5, 6) | 638 |
| Year 7 - FY2030 (District Cohorts 5, 6, 7) | 638 |
| Year 8 - FY2031 (District Cohorts 6, 7, 8) | 638 |
| Year 9 - FY2032 (District Cohorts 7, 8, 9) | 638 |
| Year 10 - FY2033 (District Cohort 8, 9) | 638 |
| Year 11 - FY2034 (District Cohort 9) | 638 |

Table 4

| Foundation Component / Public Education Fund | Fiscal Year | Number of |
|--|--------------|--------------|
| 1/2 the average per student cost = \$4,803 | Moved to ADM | Students |
| Year 1 FY2024 grant program- students served | FY2027 | 638 |
| Year 2 FY2025 grant program- students served | FY2028 | 638 |
| Year 3 FY2026 grant program- students served | FY2029 | 638 |
| Year 4 FY2027 grant program- students served | FY2030 | 638 |
| Year 5 FY2028 grant program- students served | FY2031 | 638 |
| Year 6 FY2029 grant program- students served | FY2032 | 638 |
| Year 7 FY2030 grant program- students served | FY2033 | 638 |
| Year 8 FY2031 grant program- students served | FY2034 | 638 |
| Year 9 FY2032 grant program- students served | FY2035 | 0 |
| Total | | 5,104 |

3-year Early Education Grant cycle (Table 3)

[illegible]