

FISCAL NOTE

STATE OF ALASKA 2011 LEGISLATIVE SESSION

Fiscal Note Number _____
 Bill Version _____
 () Publish Date _____
 SB 97

Identifier (file name): SB097-EED-ESS-3-20-11
 Title "An Act authorizing additional appropriation for public
 education and for community revenue sharing based on the price of..."
 Sponsor Senate Finance Committee
 Requester Senate Finance Committee
 Dept. Affected EED
 Appropriation K-12 Support
 Allocation Foundation Program
 OMB Component Number 141

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES	FY 2012						
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants	22,000.0						
Miscellaneous							
TOTAL OPERATING	22,000.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)							
1002 Federal Receipts							
1003 GF Match							
1004 GF	22,000.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	22,000.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____ 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This is the initial version.

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 Date/Time 3/20/11 4:36 PM
 Date 3/20/2011

Analysis

Senate Bill 97 would provide additional funding for public education, allocated on the adjusted average daily membership and to communities through the Community Revenue Sharing program based on the price of oil that exceeds \$89 a barrel on July 1 of the fiscal year multiplied by \$2,000,000.

The fiscal note assumes a July 1 oil price of \$100 per barrel and the cost is calculated as follows:

$$\$100 - \$89 = 11 * \$2,000,000 = \$22 \text{ million.}$$

Under this estimate, the cost of SB97 is \$22 million for public education. The Department of Education & Early Development does not expect any additional costs to administer the program.

Under this estimate, the total cost of SB97 with an oil price of \$100 on July 1 is \$44 million - \$22 million for public education and \$22 million for communities.

If the program were implemented as of March 17, 2011, with the closing price of oil at \$114 per barrel, the total cost would be \$100 million - \$50 million for education and \$50 million for communities.

$$\$114 - \$89 = 25 * \$2,000,000 = \$50 \text{ million.}$$

Listed below are the calculations for what the appropriation to public education would be at various oil price levels.

<u>Price of Oil on July 1</u>	<u>Amount Over \$89</u>	<u>Multiplier</u>	<u>Total Amount For Education</u>
95	6	2,000,000	12,000,000
100	11	2,000,000	22,000,000
105	16	2,000,000	32,000,000
110	21	2,000,000	42,000,000
115	26	2,000,000	52,000,000
120	31	2,000,000	62,000,000
125	36	2,000,000	72,000,000