

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 185
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB185-EED-K12-3-24-14
Title: CHARTER SCHOOLS: FUNDING, FACILITIES
Sponsor: GARDNER
Requester: Senate Education Committee

Department: Department of Education and Early Development
Appropriation: K-12 Support
Allocation: Foundation Program
OMB Component Number: 141

Expenditures/Revenues

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

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
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 (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(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? **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If yes, by what date are the regulations to be adopted, amended or repealed?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.

Prepared By: <u>Elizabeth Nudelman, Director</u>	Phone: <u>(907)465-8679</u>
Division: <u>School Finance and Facilities</u>	Date: <u>03/24/2014 11:00 AM</u>
Approved By: <u>Mike Hanley</u>	Date: <u>03/24/14</u>
Agency: <u>Commissioner</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SB185

Analysis

Section 6 of this legislation amends AS 14.17.470 by adding a new subsection that would provide charter schools with a separate base student allocation (BSA) dollar amount that would be 10% higher than the BSA used in the foundation program. This would increase the charter school BSA from \$5,680 to \$6,248, which is a \$568 BSA increase.

The fiscal impact is calculated by applying the proposed 10% higher charter school BSA to the FY2015 projected charter school adjusted ADM. The state cost would be \$5,037,699.

This charter school BSA, the 10% increase, would become part of the formula and the higher level of funding would become part of the base foundation program cost and be provided each year as part of the ongoing calculation. As the bill is currently written, it is unclear if the 10% charter school BSA increase is on an annual basis, therefore EED calculated it into the formula in the FY2015 budget only.

If a second BSA is assigned to any adjusted ADM (charter schools in this case), the methodology by which the foundation formula maintains weighted per pupil funding may be compromised and the State of Alaska would be at risk of not qualifying for the use of federal impact aid dollars as a portion the foundation formula costs. Currently Alaska passes the annual impact aid program disparity test and the state is allowed to use approximately \$70 million dollars in federal impact aid funds towards the foundation program costs. If the state fails to maintain a weighted average disparity in compliance with the impact aid program, the state would need to supplement with the \$70 million dollars in general funds to maintain current level funding. Based on actual annual foundation and disparity calculations, any impacts on the dollars per weighted average are a significant concern. Without further information, a fiscal impact for failing the disparity test is not included in the cost of this fiscal note.

The appropriation and out year costs for this legislation are reported in a separate fiscal note for the Public Education Fund (PEF).

School District	Increase
Alaska Gateway	\$ -
Aleutian Region	-
Aleutians East Borough	-
Anchorage	1,521,206
Annette Island	-
Bering Strait	-
Bristol Bay Borough	-
Chatham	-
Chugach	-
Copper River	-
Cordova	-
Craig	-
Delta/Greely	-
Denali Borough	-
Dillingham	-
Fairbanks N. Star Borough	727,347
Galena	-
Haines Borough	-
Hoonah	-
Hydaburg	-
Iditarod Area	-
Juneau Borough	100,019
Kake	-
Kashunamiut	-
Kenai Peninsula Borough	816,784
Ketchikan Gateway Borough	391,534
Klawock	-
Kodiak Island Borough	-
Kuspuk	-
Lake & Peninsula Borough	-
Lower Kuskokwim	275,775
Lower Yukon	-
Mat-Su Borough	1,128,093
Nenana	-
Nome	76,941
North Slope Borough	-
Northwest Arctic Borough	-
Pelican	-
Petersburg	-
Pribilof	-
Saint Mary's	-
Sitka Borough	-
Skagway	-
Southeast Island	-
Southwest Region	-
Tanana	-
Unalaska	-
Valdez	-
Wrangell	-
Yakutat	-
Yukon Flats	-
Yukon/Koyukuk	-
Yupiit	-
Mt. Edgecumbe High School	-
Total	\$ 5,037,699