

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(EDC)-EED-K12-4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance 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 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	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	0.0

Fund Source (Operating Only)

None								
Total	0.0	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If yes, by what date are the regulations to be adopted, amended or repealed?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:

The analysis for this note has changed and is part of the Public Education Fund/Fund Transfer fiscal note. Funding for the Foundation Program comes from the Public Education Fund and this note remains zero.

The CS changes the school size chart; adds BSA increases; removes prior version charter school size chart change for 75 ADM; adds a TRS on behalf factor to basic need; at 14.17.410(b)(2) changes 45% local effort to 40%.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/02/2014
Co-Chair Representative Stoltze
House Finance Committee

Department of Education & Early Development

Prepared 4/1/2014

FN: School Size/BSA Increase for FY15 - FY17

School District	FY2015		FY2015		FY2016	FY2017
	Amends School Size table AS14.17.450 Changes highest school count adj. to 250 or over	Year 1 BSA increase of \$185	Total FY2015 School Size change and BSA change		Yr 2 BSA increase \$58	Yr 3 BSA increase \$58
BSA		\$5,865			\$5,923	\$5,981
Alaska Gateway	-	\$ 253,178	\$ 253,178		\$ 79,375	\$ 79,375
Alcutian Region	-	41,818	41,818		13,110	13,110
Alcutians East Borough	-	179,173	179,173		56,173	56,173
Anchorage	9,037,786	14,005,755	23,043,541		4,390,993	4,390,993
Annette Island	-	141,195	141,195		44,267	44,267
Bering Strait	-	1,252,629	1,252,629		392,716	392,717
Bristol Bay Borough	-	74,202	74,202		23,263	23,263
Chatham	-	102,262	102,262		32,061	32,060
Chugach	-	86,377	86,377		27,080	27,080
Copper River	-	212,781	212,781		66,710	66,710
Cordova	-	138,420	138,420		43,397	43,397
Craig	-	166,898	166,898		52,324	52,325
Delta/Greely	-	322,947	322,947		101,248	101,248
Denali Borough	-	219,293	219,293		68,752	68,751
Dillingham	-	233,065	233,065		73,069	73,069
Fairbanks N. Star Borough	1,501,181	4,942,886	6,444,067		1,549,661	1,549,661
Galena	-	652,876	652,876		204,685	204,686
Haines Borough	-	115,512	115,512		36,215	36,215
Hoonah	-	77,962	77,962		24,443	24,442
Hydaburg	-	49,619	49,619		15,556	15,556
Iditarod Area	-	185,028	185,028		58,008	58,009
Juneau Borough	403,903	1,632,744	2,036,647		511,887	511,887
Kake	-	62,482	62,482		19,589	19,589
Kashunamiut	-	174,289	174,289		54,641	54,642
Kenai Peninsula Borough	232,967	3,187,362	3,420,329		999,281	999,280
Ketchikan Gateway Borough	31,726	880,717	912,443		276,116	276,117
Klawock	-	77,332	77,332		24,244	24,245
Kodiak Island Borough	216,903	970,000	1,186,903		304,108	304,107
Kuspuk	-	243,495	243,495		76,339	76,339
Lake & Peninsula Borough	-	296,188	296,188		92,859	92,860
Lower Kuskokwim	110,218	2,389,484	2,499,702		749,136	749,136
Lower Yukon	27,568	1,279,949	1,307,517		401,281	401,281
Mat-Su Borough	1,914,711	5,574,139	7,488,850		1,747,568	1,747,568
Nenana	-	209,150	209,150		65,571	65,572
Nome	-	314,765	314,765		98,683	98,683
North Slope Borough	100,648	983,606	1,084,254		308,374	308,374
Northwest Arctic Borough	-	1,230,548	1,230,548		385,793	385,793
Pelican	-	18,124	18,124		2,479	2,479
Petersburg	-	210,088	210,088		65,865	65,865
Pribilof	-	65,271	65,271		20,464	20,463
Saint Mary's	-	111,068	111,068		34,822	34,821
Sitka Borough	4,899	544,742	549,641		170,784	170,784
Skagway	-	38,264	38,264		11,996	11,996
Southeast Island	-	181,303	181,303		56,841	56,842
Southwest Region	-	416,481	416,481		130,573	130,572
Tanana	-	37,609	37,609		11,791	11,790
Unalaska	-	193,336	193,336		60,613	60,614
Valdez	-	249,911	249,911		78,350	78,350
Wrangell	-	120,753	120,753		37,858	37,857
Yakutat	-	51,868	51,868		16,262	16,261
Yukon Flats	-	245,302	245,302		76,906	76,906
Yukon/Koyukuk	-	414,964	414,964		130,097	130,097
Yupit	-	287,149	287,149		90,026	90,025
Mt. Edgecumbe High School	-	126,986	126,986		39,811	39,812
TOTAL	13,582,510	\$ 46,273,345	\$ 59,855,855		\$ 14,504,114	\$ 14,504,114

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB278CS(FIN) - Public Education Fund 4-1-14 Dept. Affected Fund Transfers
Title Education: Funding/Tax Credits/Programs Appropriation Designated Reserves/Endowment
Allocation Public Education Fund (AS 14.17.300)
Sponsor RLS By Request of the Governor
Requester House Finance OMB Component Number 2929

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits	281,044.7		240,188.0	245,059.0	250,170.0	255,539.0	261,027.0
Miscellaneous							
TOTAL OPERATING	281,044.7	0.0	240,188.0	245,059.0	250,170.0	255,539.0	261,027.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF	281,044.7	240,188.0	245,059.0	250,170.0	255,539.0	261,027.0
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		281,044.7	0.0	240,188.0	245,059.0	250,170.0	261,027.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

Estimated **SUPPLEMENTAL (FY14) operating costs** _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY15) costs** _____ (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? _____
If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)
Initial fiscal note - Reflects a deposit of \$146.8 million UGF into the Public Education Fund for FY15 to cover school district's TRS cost increases resulting from an increase in the employer contribution rate from 12.56% to 32.56%. The deposit to cover the increased BSA and change to the size table is \$59.9 million, and forward funding the formula changes for FY16 adds \$74.4 million.

Prepared by Co-Chair Representative Austerman Phone (907) 465-6258
Division House Finance Committee Date/Time 4/1/2014 7:00:00PM
Approved by Co-Chair Representative Stoltz Date 4/1/2014
Agency House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

This fiscal note capitalizes the Public Education Fund (PEF) as set out in CSHB(FIN) 278. There is a separate fiscal note for the Foundation Program that provides supporting schedules for the increases.

The PEF note includes formula changes :

Year one formula increases: $\$13,582.5 + \$46,273.3 = \$59,855.8$.

Year two formula increases: sustain year one formula changes ($\$59,855.8$) and add $\$14,504.1 = \$74,359.9$.

Year three formula increases sustain year one and two formula increases ($\$74,359.9$) and add $\$14,504.1 = \$88,864.0$.

Future year foundation sustains formula changes at year three.

Increases for the TRS factor:

The department used the schedule provided by Legislative Finance in order to reflect the costs of the TRS factor corresponding to section 15:

FY2015 \$146.829 million

FY2016 \$151.324 million

FY2017 \$156.195 million

FY2018 \$161.306 million

FY2019 \$166.675 million

FY2020 \$172.163 million

The factor continues increasing each year reaching a high of \$627.9 million in FY2051 (for all employers) and then turning to zero at FY2053 and years after. For fiscal note presentation the department is using the prior Legislative Finance data and has not performed a separate calculation.

The FY2015 appropriation request includes:

$\$59,855.8$ plus forward funding $\$74,359.9$

The FY2016 cost estimate includes:

forward funding $\$88,864.0$

The FY2017 cost estimate includes:

forward funding $\$88,864.0$

The FY2018 cost estimate includes :

forward funding $\$88,864.0$

The FY2019 cost estimate includes:

forward funding $\$88,864.0$

The FY2020 cost estimate includes:

forward funding $\$88,864.0$

The effective dates for the BSA increases are July 1, 2014, July 1, 2015, and July 1, 2016, respectively.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB278CS(FIN)-EED-SSA-4-1-14-DRAFT Dept. Affected Education & Early Development
Title Education: Funding/Tax Credits/Programs Appropriation Teaching and Learning Support
Allocation Student and School Achievement
Sponsor Rules by Request of Governor
Requester House Finance Committee OMB Component Number 2796

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15					
Personal Services							
Travel							
Services	80.0		10.0	10.0	10.0		
Commodities							
Capital Outlay							
Grants, Benefits		434.5	434.5	434.5			
Miscellaneous							
TOTAL OPERATING	80.0	434.5	444.5	444.5	10.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	80.0		10.0	10.0	10.0		
1151	VoTech Ed (DGF)		434.5	434.5	434.5			
1007	I/A Rcpts (Other)							
1156	Rcpt Svcs (DGF)							
		80.0	434.5	444.5	444.5	10.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY14) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (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? Yes
If yes, by what date are the regulations to be adopted, amended, or repealed? 9/30/2014 Discuss details in analysis section.

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

The CS removes the repeal of the secondary school exit exam, and changes the sunset date provision on TVEP to June 30, 2017. The language also includes a new provision extending teacher tenure from 3 years of service to 5 years.

Prepared by Paul R .Prussing
Division Deputy Director, Teaching and Learning Support
Approved by Mike Hanley
Division Commissioner

Phone 465-8721
Date/Time 4/1/2014 10:00:00AM
Date 4/1/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

Section 3: Adds additional data requirements regarding military data. Under AS 14.03.120 (d) (10) The Student Report Manager software system, to gather data reliably, is \$35.0 to modify. Handbook modifications and initial year district technical assistance on new reporting requirement is estimated at \$45.0. Technical assistance for districts with military personnel to establishing reliable data gathering methods around these elements for three subsequent years is \$10.0.

FY 15: 80.0 - Military Data gathering and reporting

FY 16 - FY18: 10.0 - Military data technical assistance to school districts

Section 22: Amends AS 14.20.150(a) by increasing the time for a teacher to acquire tenure from 3 years of service to 5 years. This section has no fiscal impact on the department.

Section 28: AS 23.15.835(d) is amended

The legislation continues the Alaska technical and vocational education program (TVEP) through June 30, 2017. The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the Department of Education & Early Development's (DEED) FY2015 budget request and will be revised on an annually based on the balance of the fund.

This funding is a grant from DEED to the Galena Project Education Vocational Training Center, currently \$434.5.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version CSHB 278
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB278CS(FIN)-DOLWD-CO-03-31-14 Dept. Affected Labor and Workforce Development
 Title Education: Funding/Tax Credits/Programs Appropriation Commissioner and Administrative Services
 Allocation Commissioner's Office
 Sponsor Rules by Request of the Governor
 Requester House Finance OMB Component Number 340

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services		509.1	509.1	509.1			
Travel							
Services		26.8	26.8	26.8			
Commodities							
Capital Outlay							
Grants, Benefits		4,997.2	4,997.2	4,997.2			
Miscellaneous							
TOTAL OPERATING	0.0	5,533.1	5,533.1	5,533.1	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1151	VoTech Ed (DGF)		5,533.1	5,533.1	5,533.1		
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		0.0	5,533.1	5,533.1	5,533.1	0.0	0.0

POSITIONS							
Full-time		5	5	5			
Part-time							
Temporary							

CHANGE IN REVENUES

Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 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? Yes
 If yes, by what date are the regulations to be adopted, amended, or repealed? 7/1/2015 Discuss details in analysis section.

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

Changed to reflect the House Finance committee substitute's change to the TVEP allocation sunset of June 30, 2017. The House Finance CS also changed the recipients from those in the House Education CS back to those in the original bill.

Prepared by Paloma Harbour, Director
 Division Administrative Services
 Approved by Dianne Blumer, Commissioner
 Division Office of the Commissioner

Phone 465-5984
 Date/Time 3/31/14 10:30 AM
 Date 3/31/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

Analysis

This proposed legislation extends the current Technical and Vocational Education Program (TVEP) allocation through June 30, 2017. Currently, the allocation expires June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the department's FY2015 budget request and will be revised on an annual basis based on the balance of the fund.

The grants line authorization represents the legislation's direct allocations that pass through the department to Kotzebue Technical Center; Alaska Vocational Technical Center; Northwestern Alaska Career and Technical Center; Southwest Alaska Vocational and Education Center; Yuut Elitnaurviat, Inc. People's Learning Center; Delta Career Advancement Center; and New Frontier Vocational Technical Center.

Personal services and services expenses are related to TVEP grant administration and revenue collection through the unemployment insurance tax system. Expenses related to these activities must be charged to a state fund source as they are related to a state program and are not an allowable federal expense.

Position counts are based on an average personal services cost of approximately \$100.0 per full-time position and rounded to the nearest whole number.

The proposed legislation would also require the department to collect information from Technical and Vocational Education Program (TVEP) recipients to ensure they are meeting statutory requirements and to amend grants accordingly if requirements are not met.

The department already gathers information from TVEP recipients for annual reporting purposes and currently administers the grants to the TVEP recipients so no additional fiscal impact is anticipated.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version CSHB 278
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) CSHB278-UA-SYSBRA-4-02-14 Dept. Affected University of Alaska
 Title Education: Funding/Tax Credits/Programs Appropriation University of Alaska
 Allocation Budget Reductions/Additions-Systemwide
 Sponsor Rules by request of the Governor
 Requester House Finance OMB Component Number 1296

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services	8,381.3		8,381.3	8,381.3	8,381.3	8,381.3	8,381.3
Travel							
Services		5,431.8	5,431.8	5,431.8			
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	8,381.3	5,431.8	13,813.1	13,813.1	8,381.3	8,381.3	8,381.3

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	8,381.3		8,381.3	8,381.3	8,381.3	8,381.3	8,381.3
1151	VoTech Ed (DGF)		5,431.8	5,431.8	5,431.8			
1007	I/A Rcpts (Other)							
1156	Rcpt Svcs (DGF)							
		8,381.3	5,431.8	13,813.1	13,813.1	8,381.3	8,381.3	8,381.3

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY14) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY15) costs** _____ (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? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

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

Updated/Revised for CS (FIN) with teachers' retirement system rate changes.

Prepared by Michelle Rizk
 Division University of Alaska
 Approved by Michelle Rizk
 Division University of Alaska

Phone 907-450-8187
 Date/Time 4/1/2014 5:30pm
 Date 4/2/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

Analysis

Section 25

Increases the University of Alaska's teachers' retirement system (TRS) employer rate from 12.56 percent to 32.56 percent. The FY13 TRS payroll for UA was \$41,906,504. Therefore the projected impact of the rate increase is the difference between 32.56 percent and 12.56 percent multiplied by the base payroll. Out-year costs estimates are based on the FY13 payroll amounts. In an effort to streamline the transaction, the State could consider administering the fiscal note amount as an on-behalf payment.

Section 28

The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014. This bill extends the current Technical and Vocational Education program (TVEP) through June 30, 2017. Out-year cost estimates are based on TVEP receipts included in UA's FY2015 budget request and will be revised on an annual basis based on the balance of the fund.

TVEP funding has been instrumental in UA's ability to meet Alaska's workforce training and educational needs and continues to be the key source of funds for that purpose. The UA System office of Workforce Programs works with representatives from the UA campuses and the Alaska Workforce Investment Board to identify state priority industry sectors and high-demand jobs, including regional priorities for occupational training programs. The campuses submit proposals based on the identified needs, and funding is distributed to the highest priority programs.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version CSHB 278 (FIN)
 Fiscal Note Number 2
 () Publish Date _____

Identifier (file name) HB278CS(FIN)-DOR-TAX-04-01-14 Dept. Affected Revenue
 Title Education Package Appropriation Taxation and Treasury
 Allocation Tax Division
 Sponsor Governor
 Requester (H) FIN OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
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		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		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 (FY14) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY15) costs** _____ (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? _____ Discuss details in analysis section.

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

Updated to reflect changes made in version G by H FIN.

Prepared by Matt Fonder, Director
 Division Tax
 Approved by Angela M. Rodell, Commissioner
 Division Department of Revenue

Phone (907) 269-6628
 Date/Time 4/01/2014 1:10 p.m.
 Date 4/1/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278 (FIN)

Analysis

Bill Language:

This bill expands the education credit allowed against corporate income tax, mining license tax, fisheries business tax, and fishery resource landing tax to include contributions made for:

---direct instruction, research, and educational support purposes by a public or private nonprofit elementary or secondary school in the state;

---a facility or an annual intercollegiate sports tournament by a public or private nonprofit elementary or secondary school in the state;

---funding scholarships awarded to dual-credit students for tuition and textbooks; registration, course and program fees; on campus room and board; transportation costs; and other related education and program expenses;

---contributions made for the construction, operation, or maintenance of a residential housing facility by a residential school approved by the Department of Education and Early Development;

---contributions made for childhood early learning and development programs provided by a nonprofit corporation, a tribal entity, a school district, the Department of Education and Early Development, or through a state grant; and

---science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state.

Revenues:

This bill does not increase or decrease the aggregate amount of total education tax credits allowed against the tax types identified above. It merely identifies additional types of contributions that can qualify for the credit. It is possible that taxpayers who have not made qualifying contributions and not claimed an education tax credit in the past, may contribute to one or more of these types of entities and claim a credit. However, it is difficult to determine the affect this bill will have on taxpayer behavior and, therefore, it is difficult to determine if this bill will affect revenue from the tax types identified above. It is important to note that the total education tax credit allowed for each entity each year is currently capped at \$5 million across all tax types. This bill does not increase the maximum contribution amount.

Expenditures:

Department of Revenue can implement and administer the provisions of this bill with existing resources.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HBCS 278 (FIN)
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB278CS(FIN)-DOR-TRS-03-31-14 Dept. Affected Revenue
Title Education Package Appropriation Treasury
Allocation Treasury Division
Sponsor Governor
Requester (H) FIN OMB Component Number 121

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates					
			FY15	FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES								
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	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1007	I/A Rcpts (Other)							
1156	Rcpt Svcs (DGF)							
		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY14) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (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? _____ Discuss details in analysis section.

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

Initial note for CS in H FIN.

Prepared by Pamela Leary, Director
Division Treasury
Approved by Angela M. Rodell, Commissioner
Division Department of Revenue

Phone (907) 465-3751
Date/Time 3/31/2014 4:00 p.m.
Date 3/31/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HBCS 278 (FIN)

Analysis

Bill Language:

The CS for this bill establishes the Teachers' Pension Reserve Fund to be managed by the Alaska Retirement Management Board. The Alaska Retirement Management Board shall manage the teachers' pension reserve fund in accordance with AS 37.10.210(a) and 37.10.220(a).

Depending upon the asset allocation, additional management fees may be incurred by the fund that would not result in a budget increment.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS DEED Unallocated 4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Education and Early Development
Appropriation: Agencywide Unallocated
Allocation: Agencywide Unallocated
OMB Component Number:

Expenditures/Revenues

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

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services	1,174.0		1,174.0	1,174.0	1,174.0	1,174.0	1,174.0	1,174.0
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits	127.0		127.0	127.0	127.0	127.0	127.0	127.0
Miscellaneous								
Total Operating	1,301.0	0.0	1,301.0	1,301.0	1,301.0	1,301.0	1,301.0	1,301.0

Fund Source (Operating Only)

1004 Gen Fund	1,301.0		1,301.0	1,301.0	1,301.0	1,301.0	1,301.0	1,301.0
Total	1,301.0	0.0	1,301.0	1,301.0	1,301.0	1,301.0	1,301.0	1,301.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								

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 - This fiscal note reflects funding for TRS employers who are not school districts and, therefore, would not receive additional funding through the foundation formula. Personal services funding in this note is for DEED and the grants line will be distributed to the Southeast Regional Resource Center (SERRC).

Prepared By: Co-Chair Representative Austerman
House Finance Committee
Co-Chair Representative Stoltze
House Finance Committee

Phone: (907)465-6258
Date: 04/02/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

The following TRS employers are not school districts and will not receive additional funding through the foundation formula. Funding is provided through this fiscal note as follows:

Department of Education and Early Development (Agencywide Unallocated)	\$1,174,000
Southeast Regional Resource Center	\$127,000
<i>(will be included in the DEED/Agencywide Unallocated fiscal note)</i>	
Special Education Services Agency (DEED/K-12 Support/Special Schools)	\$177,000
<u>Alaska Vocational Technical Center (Labor & Workforce Development/AVTEC)</u>	<u>\$156,000</u>
TOTAL	\$1,634,000

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS DEED Special Schools 4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Education and Early Development
Appropriation: K-12 Support
Allocation: Special Schools
OMB Component Number: 2735

Expenditures/Revenues

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

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits	177.0		177.0	177.0	177.0	177.0	177.0	177.0
Miscellaneous								
Total Operating	177.0	0.0	177.0	177.0	177.0	177.0	177.0	177.0

Fund Source (Operating Only)

1004 Gen Fund	177.0		177.0	177.0	177.0	177.0	177.0	177.0
Total	177.0	0.0	177.0	177.0	177.0	177.0	177.0	177.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								

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 - This fiscal note reflects funding for the Special Education Servicing Agency (SESA), a TRS employer who is not a school district and, therefore, would not receive additional funding through the foundation formula.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/02/2014
Co-Chair Representative Stoltze
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

The following TRS employers are not school districts and will not receive additional funding through the foundation formula. Funding is provided through this fiscal note as follows:

Department of Education and Early Development (Agencywide Unallocated)	\$1,174,000
Southeast Regional Resource Center	\$127,000
<i>(will be included in the DEED/Agencywide Unallocated fiscal note)</i>	
Special Education Services Agency (DEED/K-12 Support/Special Schools)	\$177,000
<u>Alaska Vocational Technical Center (Labor & Workforce Development/AVTEC)</u>	<u>\$156,000</u>
TOTAL	\$1,634,000

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS LWD AVTEC 4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Labor and Workforce Development
Appropriation: Alaska Vocational Technical Center
Allocation: Alaska Vocational Technical Center
OMB Component Number: 2686

Expenditures/Revenues

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

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015					
Personal Services	156.0		156.0	156.0	156.0	156.0	156.0
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	156.0	0.0	156.0	156.0	156.0	156.0	156.0

Fund Source (Operating Only)

1004 Gen Fund	156.0		156.0	156.0	156.0	156.0	156.0
Total	156.0	0.0	156.0	156.0	156.0	156.0	156.0

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 - This fiscal note reflects funding for the Alaska Vocational Technical Center (AVTEC), a TRS employer who is not a school district and, therefore, would not receive additional funding through the foundation formula.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/02/2014
Co-Chair Representative Stoltze
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

The following TRS employers are not school districts and will not receive additional funding through the foundation formula. Funding is provided through this fiscal note as follows:

Department of Education and Early Development (Agencywide Unallocated)	\$1,174,000
Southeast Regional Resource Center <i>(will be included in the DEED/Agencywide Unallocated fiscal note)</i>	\$127,000
Special Education Services Agency (DEED/K-12 Support/Special Schools)	\$177,000
<u>Alaska Vocational Technical Center (Labor & Workforce Development/AVTEC)</u>	<u>\$156,000</u>
TOTAL	\$1,634,000

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB278CS(FIN) - Teachers' Pension Reserve Fund 4-1-14 Dept. Affected _____ Fund Transfers _____
Title Education: Funding/Tax Credits/Programs Appropriation Designated Reserves/Endowment
Allocation Teachers' Pension Reserve Fund
Sponsor RLS By Request of the Governor
Requester House Finance OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous	100,000.0						
TOTAL OPERATING	100,000.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF	100,000.0					
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		100,000.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY14) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (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? _____
If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

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

Initial fiscal note - Reflects a deposit of \$100 million UGF into the Teachers' Pension Reserve Fund (AS 37.14.900) in FY15.

Prepared by Co-Chair Representative Austerman
Division House Finance Committee
Approved by Co-Chair Representative Stoltze
Agency House Finance Committee

Phone (907) 465-6258
Date/Time 4/1/2014 7:00:00PM
Date 4/1/2014

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB278CS(FIN) - Teachers' Retirement Trust Fund 4-1-14 Dept. Affected State Assistance to Retirement
 Title Education: Funding/Tax Credits/Programs Appropriation TRS State Assistance
 Allocation School District TRS
 Sponsor RLS By Request of the Governor
 Requester House Finance OMB Component Number 2863

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous	1,400,000.0						
TOTAL OPERATING	1,400,000.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,400,000.0						
1005 GF/Prgm (DGF)							
1007 I/A Rcpts (Other)							
1156 Rcpt Svcs (DGF)							
	1,400,000.0	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 (FY14) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (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? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

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

Initial fiscal note - Reflects a deposit of \$1,400,000,000 UGF into the Teachers' Retirement Trust Fund.

Prepared by Co-Chair Representative Austerman
 Division House Finance Committee
 Approved by Co-Chair Representative Stoltze
 Agency House Finance Committee

Phone (907) 465-6258
 Date/Time 4/1/2014 7:00:00PM
 Date 4/1/2014

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version CSHB 278
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB278CS(FIN)-DOA-DOP-04-02-14 Dept. Affected Administration
 Title Education: Funding/Tax Credits/Programs Appropriation Centralized Administrative Services
 Allocation Personnel
 Sponsor Rules By Request of the Governor
 Requester House Finance OMB Component Number 56

Expenditures/Revenues (Thousands of Dollars)

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

	FY15	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY15 Request	FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services	108.3		92.2				
Travel	2.3		2.3				
Services	500.0						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	610.6	0.0	94.5	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF	610.6	94.5				
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
	TOTAL	610.6	0.0	94.5	0.0	0.0	0.0

POSITIONS

Full-time						
Part-time						
Temporary	1		1			

CHANGE IN REVENUES

--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY14) operating costs** 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY15) costs** 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? _____ Discuss details in analysis section.

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

Initial submission for version P of the committee substitute

Prepared by Nicki Neal, Director
 Division Personnel & Labor Relations
 Approved by Curtis Thayer, Commissioner
 Division Department of Administration

Phone 465-4429
 Date/Time 4/1/14 3:13 PM
 Date 4/1/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

Analysis

Section 53 of this legislation requires the Department of Administration to prepare and present to the legislature a written proposal to implement a salary and benefits schedule for school districts as defined under AS 14.30.350.

This fiscal note includes costs associated with 1 fulltime nonpermanent position at salary range 20 step F and travel to meet with school districts to gain an understanding of current pay structures. This position will be responsible for researching current salary and benefit structures and identifying supplemental pay provisions for all 53 school districts in addition to identifying impediments to implementation and suggested resolutions. Also included is the cost of utilizing a contractor to assist with the development of the salary and benefits schedule.