

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: SB 96
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB096CS(EDC)-EED-FP-3-25-17
Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING
Sponsor: EDUCATION
Requester: Senate Education Committee

Department: Department of Education and Early Development
Appropriation: K-12 Aid to School Districts
Allocation: Foundation Program
OMB Component Number: 141

Expenditures/Revenues

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

(Thousands of Dollars)

| | FY2018 Appropriation Requested | Included in Governor's FY2018 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|
| OPERATING EXPENDITURES | FY 2018 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
| 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 (FY2017) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version.

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Agency: Department of Education & Early Development

Phone: (907)465-2875
Date: 03/25/2017 01:00 PM
Date: 03/25/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. CSSB 96

Analysis

Sections 10 and 11: amends AS 14.17.450, School size factor, (a) and adds a new subsection (g). If there are two schools in the same district that are under 80% capacity and within 25 road miles of each other, then their school size adjustment is the average daily membership (ADM) submitted for each of those schools rather than going through the school size table.

Alaska has vast regional differences in schools, both in school size (small schools do not benefit from economies of scale) and the cost to operate schools in areas with a high cost of living. One way the state accounts for this is by using a school size table. The school size table within the foundation formula provides additional resources to smaller schools by using higher adjustment factors than larger schools that receive a smaller adjustment. As a school's ADM within a community increases the school will move to the next school size adjustment level, which has a lower adjustment for the additional ADM. Since the school size factors decrease as the ADM's in a school increase, multiple smaller schools would generate a higher basic need amount than fewer larger schools within a community.

These sections have an effective date of June 30, 2017.

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2018 through FY2023 is reported in the fiscal note for the PEF, as the funding is deposited to the PEF not into the Foundation Program funding component. The above analysis is presented here for explanation purposes only.