

# Fiscal Note

State of Alaska  
2019 Legislative Session

Bill Version: SB 6  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB006-EED-PEF-3-15-19  
Title: PRE-K/ELEM ED PROGRAMS/FUNDING;  
READING  
Sponsor: BEGICH  
Requester: Senate Education Committee

Department: Fund Capitalization  
Appropriation: Fund Capitalization (no approps out)  
Allocation: Public Education Fund (starts FY17)  
OMB Component Number: 2804

## Expenditures/Revenues

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

(Thousands of Dollars)

	FY2020 Appropriation Requested	Included in Governor's FY2020 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits					3,403.1	6,806.1	10,209.2
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3,403.1</b>	<b>6,806.1</b>	<b>10,209.2</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)					3,403.1	6,806.1	10,209.2
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3,403.1</b>	<b>6,806.1</b>	<b>10,209.2</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2019) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2020) 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? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

Initial version based on Governor's 2.13.19 FY20 Budget Request.

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Agency: Office of Management and Budget

Phone: (907)465-2875  
Date: 03/15/2019 11:30 AM  
Date: 03/15/19

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2019 LEGISLATIVE SESSION

BILL NO. SB 6

### Analysis

SB6 creates an early education program, under AS 14.03.135, that is approved by the Department of Education & Early Development and funded by the state through a three-year grant process. Once those districts have completed the three-year grant cycle and the department has determined the early education program complies with adopted standards as created by the State Board of Education & 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 being funded by another state or federal program.

The current pre-kindergarten grant counts, as provided by the Division of Student Learning, were used in calculating anticipated foundation funding. Half of the average cost per student was used as a multiplier for purposes of this fiscal note. This number was derived by using the projected FY2020 State Aid Entitlement of \$1,185,859,931 and dividing it by the total ADM projected at 128,052.91 to arrive at \$9,260. The average per student cost was then divided in half to arrive at \$4,630, so as to be in alignment with the language added in AS 14.17.500(d).

The district's pre-kindergarten students can transition to the foundation formula after completing the three years grant process. Therefore, the first approved pre-kindergarten program to receive state aid through ADM would be on the fourth year or FY2023. Since those pre-kindergarten student counts cannot be determined, the following calculation of students are based on the cohort used for projecting the grant.

FY2023 = 735 students x \$4,630 = \$3,403,050  
FY2024 = 1,470 students x \$4,630 = \$6,806,100  
FY2025 = 2,205 students x \$4,630 = \$10,209,150  
FY2026 = 2,940 students x \$4,630 = \$13,612,200  
FY2027 = 3,675 students x \$4,630 = \$17,015,250

No effective date has been provided.