

Fiscal Note

SSSB6 #3

State of Alaska
2020 Legislative Session

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

Identifier: SB006SS-EED-PEF-1-23-20
Title: PRE-K/ELEM ED PROGRAMS/FUNDING;
READING
Sponsor: BEGICH
Requester: Senate Education

Department: Fund Capitalization
Appropriation: No Further Appropriation Required
Allocation: Public Education Fund
OMB Component Number: 2804

Expenditures/Revenues

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

| | FY2021 Appropriation Requested | Included in Governor's FY2021 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|------------|----------------|----------------|----------------|
| OPERATING EXPENDITURES | FY 2021 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | 1,724.1 | 4,305.5 | 6,887.0 |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | 0.0 | 0.0 | 1,724.1 | 4,305.5 | 6,887.0 |

Fund Source (Operating Only)

| | | | | | | | |
|---------------------|------------|------------|------------|------------|----------------|----------------|----------------|
| 1004 Gen Fund (UGF) | | | | | 1,724.1 | 4,305.5 | 6,887.0 |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 1,724.1 | 4,305.5 | 6,887.0 |

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 (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

This fiscal note has been updated to reflect the two additional programs added to the bill: a school improvement literacy program and a comprehensive reading intervention program. In addition, the three-year development grant program distribution was amended from a five year program to a six year program, and adjusted the percent of schools that can be added each year. The fiscal impact to the Public Education Fund is related to the adjustments for the additional year and percentage changes.

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Date: 01/22/2020 12:45 PM
Date: 01/23/20

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION

BILL NO. SSSB 6

Analysis

This bill creates three new programs: an early education program, a school improvement literacy program, and a comprehensive reading intervention program. **This fiscal note addresses the early education program.**

The early education program, created under AS 14.03.135, is approved by the Department of Education and Early Development (DEED) and funded by the state through a three-year grant process. Once those districts have completed the three-year grant cycle and DEED has determined the early education program complies with the adopted standards as created by the State Board of Education and 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 Innovation and Education Excellence, 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 FY2021 State Aid Entitlement of \$1,208,042,082 and dividing it by the total ADM projected at 128,923.91 to arrive at \$9,370. The average per student cost was then divided in half to arrive at \$4,685, 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 year grant process. Therefore, the first approved pre-kindergarten program to receive state aid through the ADM would be on the fourth year or FY2024. Since those pre-kindergarten student counts cannot be determined, the following calculation of students are based on the cohort used for projecting the grant.

FY2024 = 368 students x \$4,685 = \$1,724,080
FY2025 = 919 students x \$4,685 = \$4,305,515
FY2026 = 1,470 students x \$4,685 = \$6,886,950
FY2027 = 2,205 students x \$4,685 = \$10,330,425
FY2028 = 2,940 students x \$4,685 = \$13,773,900
FY2029 = 3,675 students x \$4,685 = \$17,217,375

The effective date of this bill is July 1, 2020 (FY2021).