

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: HB 164
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB164-EED-PEF-4-15-21

Title: EARLY ED PROGRAMS; READING; VIRTUAL ED

Sponsor: TUCK

Requester: House 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)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	5,000.0		10,000.0	15,000.0	16,767.5	19,414.0	22,060.4
Miscellaneous							
Total Operating	5,000.0	0.0	10,000.0	15,000.0	16,767.5	19,414.0	22,060.4

Fund Source (Operating Only)

1004 Gen Fund (UGF)	5,000.0		10,000.0	15,000.0	16,767.5	19,414.0	22,060.4
Total	5,000.0	0.0	10,000.0	15,000.0	16,767.5	19,414.0	22,060.4

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 (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable; initial version.

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Date:

04/15/2021

Date:

04/15/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. HB 164

Analysis

This bill creates four new programs: an early education program, a comprehensive reading intervention program, a school improvement reading program, and a virtual education consortium. **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 receiving early education funding by another state or federal program. The grant program and ADM funding are repealed on July 1, 2032.

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 final FY2021 State Aid Entitlement of \$1,219,913,567 and dividing it by the total ADM projected at 127,015.30 to arrive at \$9,605. The average per student cost was then divided in half to arrive at \$4,803, 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 FY2025. Since those pre-kindergarten student counts cannot be determined, the following calculation of students are based on the cohort used for projecting the grant.

FY2025 = 368 students x \$4,803 = \$1,767,504

FY2026 = 919 students x \$4,803 = \$4,413,957

FY2027 = 1,470 students x \$4,803 = \$7,060,410

FY2028 = 2,205 students x \$4,803 = \$10,590,615

FY2029 = 2,940 students x \$4,803 = \$14,120,820

FY2030 = 3,675 students x \$4,803 = \$17,651,025

This bill also includes transition language that increases the amount available under the foundation formula for distribution by approximately \$5 million each year (\$5 million in the first fiscal year, \$10 million in the second fiscal year, and \$15 million in the third fiscal year) for existing Pre-K programs that get approved by the State Board of Education and Early Development.

The effective date of this bill is July 1, 2021 (FY2022).