

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version:	HB 106
Fiscal Note Number:	1
(H) Publish Date:	3/8/2023

Identifier: 0073-EED-SSA-3-6-23
Title: TEACHER RECRUITMENT; LUMP SUM
PAYMENT
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Education and Early Development
Appropriation: Education Support and Admin Services
Allocation: Student and School Achievement
OMB Component Number: 2796

Expenditures/Revenues

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

(Thousands of Dollars)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Services	110.0		110.0	110.0	110.0		
Travel							
Services	16.1		10.1	10.1	10.1		
Commodities	5.0						
Capital Outlay							
Grants & Benefits			57,990.9	57,990.9	57,990.9		
Miscellaneous							
Total Operating	131.1	0.0	58,111.0	58,111.0	58,111.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	131.1		58,111.0	58,111.0	58,111.0		
Total	131.1	0.0	58,111.0	58,111.0	58,111.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary	1.0		1.0	1.0	1.0		

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2024) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/24

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Department of Education and Early Development

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Analysis

This bill amends uncodified law that establishes a program within the Department of Education and Early Development (DEED) that would pay certificated full-time teachers with a lump sum payment as a retention and recruitment incentive on, or around, July 1, 2024, July 1, 2025, and July 1, 2026. The payment of the lump sum appropriation is contingent on appropriations made for this purpose in the relevant fiscal years (FY2025, FY2026, and FY2027). The bill limits the payment to certificated full-time teachers assigned to a classroom teaching assignment and specifically excludes temporary, substitute, or assistant teachers.

To be eligible for payment, a teacher must occupy a teaching position for the entire school year immediately preceding the date of payment. In addition, to be eligible for payment, teachers would be required to submit an application and school districts would be responsible for certifying the applications. DEED would develop the application and it would be due no later than the last day of school for the eligible school year. Once the application and certification requirements are met, DEED would grant school districts funding to pay the retention and recruitment incentive as a lump sum payment to eligible teachers.

The bill also considers all lump sum payments compensation for the purposes of the Teachers' Retirement System (TRS).

To accommodate the work associated with this bill, DEED would need one non-perm position starting in FY2024 to implement the program, develop regulations and application, and review applications. One Education Associate 3 at a Range 17, Step B/C, at \$110.0 annually in personal services costs. Ongoing department chargeback costs associated with the positions would be \$10.1 annually. In FY2024, a one-time cost of \$5.0 for the position would be needed to purchase necessary equipment and supplies; as well as, a one-time cost of \$6.0 for legal services costs associated with regulation development.

For the lump sum payments, using the 2022-2023 Teacher Count data and the distribution by district as outlined in the bill, the total grant payments are estimated to be \$51,520.0 annually starting in FY2025 through FY2027.

In addition, since the lump sum payments are considered compensation for the purposes of TRS, the employer contribution estimated to be \$6,470.9 (\$51,520.0 multiplied by 12.56%) is included to provide support to school districts in making these payments directly to TRS. The funding DEED grants to school districts would include the employer contribution to the TRS.

This bill takes effect July 1, 2023 (FY2024).