

FISCAL NOTE

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Bill Version SB 97
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) SB097-EED-SSA-3-6-23 Dept. Affected Education & Early Development
 Title Teacher Bonuses Appropriation Education Support and Admin Services
 Allocation Student and School Achievement
 Sponsor Rules by Request of the Governor
 Requester Governor OMB Component Number 2796

Expenditures/Revenues (Thousands of Dollars)

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

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates					
			FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
OPERATING EXPENDITURES								
Personal Services	110.0		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		(Thousands of Dollars)						
		FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	
1002	Fed Rcpts (Fed)							
1003	GF/Match (UGF)							
1004	Gen Fund (UGF)	131.1	58,111.0	58,111.0	58,111.0			
1005	GF/Prgm (DGF)							
1007	I/A Rcpts (Other)							
1037	GF/MH (UGF)							
	TOTAL	131.1	0.0	58,111.0	58,111.0	58,111.0	0.0	0.0

POSITIONS							
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	
Full-time							
Part-time							
Temporary	1	1	1	1			

CHANGE IN REVENUES		FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
1004	Gen Fund (UGF)						
1002	Fed Rcpts (Fed)						
TOTAL CHANGE IN REVENUES		0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) operating costs 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2024) costs 0.0 (separate capital appropriation required)

Does the bill create or modify a 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 If yes, by what date are the regulations to be adopted, amended, or repealed? 6/30/2024 Discuss details in analysis section.

Why this fiscal note differs from previous version/comments (if initial version, please note as such)
 Not applicable, initial version.

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 Division Administrative Services
 Approved by Heidi Teshner, Acting Commissioner
 Agency Department of Education and Early Development

Phone 907-465-5531
 Date/Time 3/6/23 1:45 PM
 Date 3/6/2023

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. SB 97

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).