

# Fiscal Note

State of Alaska  
2013 Legislative Session

Bill Version: SCS CSHB 87(EDC)  
Fiscal Note Number: 2  
(S) Publish Date: 4/8/13

Identifier: SCSHB087-EED-K12-4-5-13  
Title: EXTEND SPECIAL EDUCATION SERVICE  
AGENCY  
Sponsor: HIGGINS  
Requester: Senate Education Committee

Department: Department of Education and Early Development  
Appropriation: K-12 Support  
Allocation: Special Schools  
OMB Component Number: 2735

**Expenditures/Revenues**

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

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>OPERATING EXPENDITURES</b>	<b>FY 2014</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	374.8	2,035.5	2,410.3	2,410.3	2,410.3	2,410.3	
Miscellaneous							
<b>Total Operating</b>	<b>374.8</b>	<b>2,035.5</b>	<b>2,410.3</b>	<b>2,410.3</b>	<b>2,410.3</b>	<b>2,410.3</b>	<b>0.0</b>

**Fund Source (Operating Only)**

1004 Gen Fund	374.8	2,035.5	2,410.3	2,410.3	2,410.3	2,410.3	
<b>Total</b>	<b>374.8</b>	<b>2,035.5</b>	<b>2,410.3</b>	<b>2,410.3</b>	<b>2,410.3</b>	<b>2,410.3</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2013) cost:** 373.8

**Estimated CAPITAL (FY2014) cost:** 0.0

**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If yes, by what date are the regulations to be adopted, amended or repealed?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:**

SESA sunset is extended to June 30, 2017. Funding increases from current law of \$15.75 per ADM to \$18.65 per ADM. SESA oversight remains as provided for in current law under the Governors Council on Disabilities and Special Education.

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Division: <u>School Finance and Facilities</u>	Date: <u>04/05/2013 06:00 PM</u>
Approved By: <u>Mike Hanley</u>	Date: <u>04/05/13</u>
<u>Commissioner</u>	

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA  
2013 LEGISLATIVE SESSION

BILL NO. SCS CSHB 87(EDC)

Analysis

This legislation amends AS 14.30.650, the funding for the Special Education Service Agency (SESA), by increasing the funding from \$15.75 times the average daily membership (ADM) to \$18.65 times the ADM.

In addition, this legislation is removing language in AS 14.30.650 which addresses the department to reduce payments to SESA by the amount the department contributes to the Alaska public employee and teacher retirement (PERS/TRS) system on-behalf of SESA.

This legislation extends the sunset date for SESA from June 30, 2013 to June 30, 2017. As per statute AS 44.66.010(b) SESA shall continue in existence until June 30 of the next succeeding year for the purposes of concluding its affairs. As such, the funding reflected in the fiscal note continues through FY18.

Additionally, the uncodified law is amended stating this Act is retroactive to June 30, 2013.

Since the legislation would take effect immediately under AS 01.10.070(c), the formula for SESA would increase for FY2013 and a supplemental would be required. The current FY2013 SESA Entitlement is \$2,029,952 (FY2012 actual ADM of 128,885.84 x \$15.75). Under the CSHB87, the total entitlement would be \$2,403,721 (FY2012 actual ADM of 128,885.84 x \$18.65); an increase of \$373,769.

SESA is governed by the Governor's Council on Disabilities and Special Education. It provides outreach services to school districts that serve low incidence severely disabled students. [AS 14.30.600 - 660]

FY2014 Calculation:

FY2013 Preliminary ADM	129,240.60
FY2014 Projected SESA Entitlement (appropriation in budget at \$15.75)	\$2,035,539
FY2014 Projected SESA Entitlement (CSSB17 at \$18.65)	<u>\$2,410,337</u>
Additional funding necessary for FY2014 based on CSHB87	\$ 374,798