

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSHB 278(FIN)
Fiscal Note Number: 13
(H) Publish Date: 4/3/14

Identifier: HB278CS(FIN)-UA-SYSBRA-4-02-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: University of Alaska
Appropriation: University of Alaska
Allocation: Budget Reductions/Additions - Systemwide
OMB Component Number: 1296

Expenditures/Revenues

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

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	8,381.3						
Personal Services	8,381.3		8,381.3	8,381.3	8,381.3	8,381.3	8,381.3
Travel							
Services		5,431.8	5,431.8	5,431.8			
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	8,381.3	5,431.8	13,813.1	13,813.1	8,381.3	8,381.3	8,381.3

Fund Source (Operating Only)

1004 Gen Fund	8,381.3		8,381.3	8,381.3	8,381.3	8,381.3	8,381.3
1151 VoTech Ed		5,431.8	5,431.8	5,431.8			
Total	8,381.3	5,431.8	13,813.1	13,813.1	8,381.3	8,381.3	8,381.3

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
---------------------------	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(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?

If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated/Revised for CS (FIN) with teachers' retirement system rate changes.

Prepared By: <u>Michelle Rizk</u>	Phone: <u>(907)450-8187</u>
Division: <u>University of Alaska</u>	Date: <u>04/01/2014 05:30 PM</u>
Approved By: <u>Michelle Rizk</u>	Date: <u>04/02/14</u>
Agency: <u>University of Alaska</u>	

FISCAL NOTE ANALYSIS #13

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278(FIN)

Analysis

Section 25

Increases the University of Alaska's teachers' retirement system (TRS) employer rate from 12.56 percent to 32.56 percent. The FY13 TRS payroll for UA was \$41,906,504. Therefore the projected impact of the rate increase is the difference between 32.56 percent and 12.56 percent multiplied by the base payroll. Out-year costs estimates are based on the FY13 payroll amounts. In an effort to streamline the transaction, the State could consider administering the fiscal note amount as an on-behalf payment.

Section 28

The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014. This bill extends the current Technical and Vocational Education program (TVEP) through June 30, 2017. Out-year cost estimates are based on TVEP receipts included in UA's FY2015 budget request and will be revised on an annual basis based on the balance of the fund.

TVEP funding has been instrumental in UA's ability to meet Alaska's workforce training and educational needs and continues to be the key source of funds for that purpose. The UA System office of Workforce Programs works with representatives from the UA campuses and the Alaska Workforce Investment Board to identify state priority industry sectors and high-demand jobs, including regional priorities for occupational training programs. The campuses submit proposals based on the identified needs, and funding is distributed to the highest priority programs.