

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSHB 278(FIN)  
Fiscal Note Number: 15  
(H) Publish Date: 4/3/14

Identifier: HB278CS(FIN)-EED-SSA-4-2-14  
Title: EDUCATION: FUNDING/TAX  
CREDITS/PROGRAMS  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: House Finance Committee

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

## Expenditures/Revenues

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

|                               | FY2015<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2015<br>Request | Out-Year Cost Estimates |              |              |              |              |         |
|-------------------------------|--------------------------------------|--|-------------------------|--------------|--------------|--------------|--------------|---------|
|                               |                                      |  | FY 2015                 | FY 2016      | FY 2017      | FY 2018      | FY 2019      | FY 2020 |
| <b>OPERATING EXPENDITURES</b> |                                      |  |                         |              |              |              |              |         |
| Personal Services             |                                      |  |                         |              |              |              |              |         |
| Travel                        |                                      |  |                         |              |              |              |              |         |
| Services                      | 80.0                                 |  | 10.0                    | 10.0         | 10.0         |              |              |         |
| Commodities                   |                                      |  |                         |              |              |              |              |         |
| Capital Outlay                |                                      |  |                         |              |              |              |              |         |
| Grants & Benefits             | 168.8                                | 434.5  | 603.3                   | 603.3        | 168.8        | 168.8        | 168.8        |         |
| Miscellaneous                 |                                      |  |                         |              |              |              |              |         |
| <b>Total Operating</b>        | <b>248.8</b>                         | <b>434.5</b>                                   | <b>613.3</b>            | <b>613.3</b> | <b>178.8</b> | <b>168.8</b> | <b>168.8</b> |         |

## Fund Source (Operating Only)

|                |              |              |              |              |              |              |              |
|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1004 Gen Fund  | 248.8        |              | 178.8        | 178.8        | 178.8        | 168.8        | 168.8        |
| 1151 VoTech Ed |              | 434.5        | 434.5        | 434.5        |              |              |              |
| <b>Total</b>   | <b>248.8</b> | <b>434.5</b> | <b>613.3</b> | <b>613.3</b> | <b>178.8</b> | <b>168.8</b> | <b>168.8</b> |

## 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? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 09/30/14

## Why this fiscal note differs from previous version:

House Finance amended the CS to add \$168.8 UGF for a Charter School Grant Program.

The CS removes the repeal of the secondary school exit exam, and changes the sunset date provision on TVEP to June 30, 2017. The language also includes a new provision extending teacher tenure from 3 years of service to 5 years.

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House Finance Committee Date: 04/01/2014  
Co-Chair Representative Stoltze  
House Finance Committee

FISCAL NOTE ANALYSIS #15

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278(FIN)

(Analysis)

**Section 3:** Adds additional data requirements regarding military data. Under AS 14.03.120 (d) (10) The Student Report Manager software system, to gather data reliably, is \$35.0 to modify. Handbook modifications and initial year district technical assistance on new reporting requirement is estimated at \$45.0. Technical assistance for districts with military personnel to establishing reliable data gathering methods around these elements for three subsequent years is \$10.0.

FY 15: 80.0 - Military Data gathering and reporting

FY 16 - FY18: 10.0 - Military data technical assistance to school districts

**Section 22:** Amends AS 14.20.150(a) by increasing the time for a teacher to acquire tenure from 3 years of service to 5 years. This section has no fiscal impact on the department.

**Section 28:** AS 23.15.835(d) is amended

The legislation continues the Alaska technical and vocational education program (TVEP) through June 30, 2017. The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the Department of Education & Early Development's (DEED) FY2015 budget request and will be revised on an annually based on the balance of the fund.

This funding is a grant from DEED to the Galena Project Education Vocational Training Center, currently \$434.5.

**Charter School Grant Program** establishes a one-time grant from the department for new charter schools in the amount of \$500 for each student enrolled in the school on October 1 of the first year in which the school applies for the grant.

The fiscal note for this section of the bill uses historical data regarding the number of students enrolled in new charter schools as a basis for projecting funds needed. Since 1996, 27 charter schools have been established and currently enroll 6,093 students. On average, these data reflect adding 1.5 charter schools a year with an average enrollment of 225 students per school.

The proposed legislation addresses converting existing public schools to charter schools. As a result the projected number of new charter schools annually, as well the projected number of students enrolled in new charter schools, could exceed the historical average.

The proposed legislation requires the department to establish by regulation procedures for the application and expenditure of grant funds.