

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
 Fiscal Note Number: 29
 (S) Publish Date: 4/19/14

Identifier: HB278SCSCS(FIN)-EED-BHG-4-19-14
 Title: EDUCATION
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Senate Finance Committee

Department: Department of Education and Early Development
 Appropriation: K-12 Support
 Allocation: Boarding Home Grants
 OMB Component Number: 148

Expenditures/Revenues

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

| | FY2015 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|
| | Appropriation Requested | Governor's FY2015 Request | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| OPERATING EXPENDITURES | FY 2015 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | 2,249.5 | 4,710.8 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 |
| Miscellaneous | | | | | | | |
| Total Operating | 2,249.5 | 4,710.8 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 |

Fund Source (Operating Only)

| | | | | | | | |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund | 2,249.5 | 4,710.8 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 |
| Total | 2,249.5 | 4,710.8 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 |

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? **No**
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

| |
|-----------------|
| Initial Version |
|-----------------|

| | |
|--|----------------------------------|
| Prepared By: <u>Elizabeth Nudelman, Director</u> | Phone: <u>(907)465-8679</u> |
| Division: <u>School Finance and Facilities</u> | Date: <u>04/19/2014 03:00 PM</u> |
| Approved By: <u>Mike Hanley</u> | Date: <u>04/19/14</u> |
| Agency: <u>Commissioner</u> | |

FISCAL NOTE ANALYSIS #29

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 278(FIN)

Analysis

This legislation amends AS 14.16.200, State funding for districts operating residential schools.

It increases the stipend rate to 1.5 times the current law beginning in FY2015.

The calculations and fiscal note cost include the seven currently approved programs.

The residential program per pupil monthly stipend is paid for nine months, times the rate, times the actual student count. The calculation is as follows:

| <u>Program</u> | <u>Maximum Capacity</u> | <u>Region</u> | <u>Current Rate</u> | <u>Current Total</u> | <u>New Rate</u> | <u>New Total</u> | <u>Increase in State Cost</u> |
|-----------------|-------------------------|---------------|---------------------|----------------------|-----------------|------------------|-------------------------------|
| Anchorage | 4 | Region II | \$800 | \$28,800 | \$1,200 | \$43,200 | \$14,400 |
| Chugach | 24 | Region II | \$800 | \$172,800 | \$1,200 | \$259,200 | \$86,400 |
| Nenana | 88 | Region III | \$968 | \$766,656 | \$1,452 | \$1,149,984 | \$383,328 |
| Lower Kuskokwim | 35 | Region IV | \$1,006 | \$316,890 | \$1,509 | \$475,335 | \$158,445 |
| Galena | 210 | Region V | \$1,184 | \$2,237,760 | \$1,776 | \$3,356,640 | \$1,118,880 |
| Bering Strait | 26 | Region V | \$1,184 | \$277,056 | \$1,776 | \$415,584 | \$138,528 |
| NW Arctic | 40 | Region V | \$1,184 | \$426,240 | \$1,776 | \$639,360 | \$213,120 |
| Totals: | | | | \$4,226,202 | | \$6,339,303 | \$2,113,101 |

The program also provides for one round trip ticket per student, at the least expensive means, between the student's community of residence and the school if the district expends money for the trip.

| | |
|---|-------------|
| Total per pupil monthly stipends per legislation | \$6,339,303 |
| Additional cost of round trip tickets for all seven programs based on FY2015 Budget | \$ 435,081 |
| Add Boarding Home Program (AS 14.07.030) | \$ 185,900 |
| Total: | \$6,960,284 |

| | |
|--|-------------|
| Total appropriation in budget | \$4,710,800 |
| Total funding necessary under legislation: | \$6,960,284 |
| Additional funding necessary to fund residential (fiscal note) | \$2,249,484 |

The effective date for this legislation is July 1, 2014.