

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSSSB 47(EDC)
Fiscal Note Number: 1
(S) Publish Date: 3/15/13

Identifier: SSSB047-EED-K12-3-5-13 Department: Department of Education and Early Development
Title: STIPEND FOR STATEWIDE BOARDING SCHOOL Appropriation: K-12 Support
Sponsor: COGHILL Allocation: Boarding Home Grants
Requester: Senate Education Committee OMB Component Number: 148

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
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	3,321.3	2,088.8	3,321.3	3,321.3	3,321.3	3,321.3	3,321.3
Miscellaneous							
Total Operating	3,321.3	2,088.8	3,321.3	3,321.3	3,321.3	3,321.3	3,321.3

Fund Source (Operating Only)

1004 Gen Fund	3,321.3	2,088.8	3,321.3	3,321.3	3,321.3	3,321.3	3,321.3
Total	3,321.3	2,088.8	3,321.3	3,321.3	3,321.3	3,321.3	3,321.3

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 1,681.3

Estimated CAPITAL (FY2014) cost: 0.0

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If yes, by what date are the regulations to be adopted, amended or repealed? 03/01/14

Why this fiscal note differs from previous version:

Initial version.

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Division: School Finance & Facilities Date: 03/05/2013 11:30 AM
Approved By: Mike Hanley Date: 03/05/13
Commissioner

FISCAL NOTE ANALYSIS #1

**STATE OF ALASKA
2013 LEGISLATIVE SESSION**

BILL NO. CSSSB 47(EDC)

Analysis

The legislation amends AS 14.16.200, State funding for districts operating statewide residential educational programs and would take effect immediately under AS 01.10.070(c).

--The legislation removes the limit for the number of residential boarding programs that may be approved by the department and receive boarding stipend reimbursement under AS 14.16.200.

--The legislation provides that districtwide residential programs will qualify under AS 14.16.200.

--The legislation allows for residential programs that are variable-length term.

--The legislation changes the per pupil stipend rate from current law to 3X the current law.

--The legislation amends the definition of a residential education program to be:
"statewide or districtwide educational program means a public school for students in grades nine through 12 that provides education, room, and board for a variable-length term or full school year without regard to the student's district of residence."

--The legislation adds a subsection that a district may cooperate with an Alaska Native organization or a nonprofit organization for the provision of room and board services to students enrolled in a residential program.

The calculations and fiscal note cost estimates respond to the three currently approved programs. Future programs that may be approved under the amended law are not included in the fiscal note cost estimate and adding programs, including districtwide and variable-term programs, would cause this annual cost to increase.

The residential program per pupil monthly stipend is paid for nine months, times the rate, times the actual count. Calculating the rate from 1x in law to 3x for the three currently approved statewide residential programs increases the cost by \$3,321.3 annually.

<u>Region</u>	<u>Program</u>	<u>Maximum Capacity</u>	<u>Current Rate (1x)</u>	<u>Current Total</u>	<u>SSSB47 Rate (3x)</u>	<u>SSSB47 Total</u>	<u>Increase in State Cost</u>
Region I	None	0	\$410	\$0	\$1,230	\$0	\$0
Region II	None	0	\$400	\$0	\$1,200	\$0	\$0
Region III	Nenana	88	\$484	\$383,328	\$1,452	\$1,149,984	\$766,656
Region IV	Lower Kuskokwim	35	\$503	\$158,445	\$1,509	\$475,335	\$316,890
Region V	Galena	210	\$592	<u>\$1,118,880</u>	\$1,776	<u>\$3,356,640</u>	<u>\$2,237,760</u>
			Totals:	\$1,660,653		\$4,981,959	\$3,321,306

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	\$4,981,959
Additional cost of round trip tickets for all three programs based on FY2012	\$ 242,247
Add Boarding Home Program (AS 14.07.030)	<u>\$ 185,900</u>
Total program if legislation passes and residential is funded at 3x the boarding stipend:	\$5,410,106
Total appropriation in budget	\$2,088,800
Total funding necessary to fund 3x & Boarding Home if this legislation is passed:	<u>\$5,410,106</u>
Additional funding necessary to fund residential at 3X (fiscal note)	\$3,321,306

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSSSB 47(EDC)

Analysis Continued

Since the law would take effect immediately, the stipend rates would increase for FY2013 and a supplemental would be required. Calculating the rate from 2x in law to 3x for the three currently approved statewide residential programs increases the cost by \$1,681.3 in FY2013.

Total appropriation in budget	\$3,728,800
Total funding necessary to fund 3x & Boarding Home if this legislation is passed:	<u>\$5,410,106</u>
Additional funding necessary to fund residential at 3X (fiscal note)	\$1,681,306