

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSSB 113(EDC)  
Fiscal Note Number: 1  
(S) Publish Date: 3/14/14

Identifier: SB113-EED-BHG-2-28-14  
Title: STIPEND FOR BOARDING SCHOOLS  
Sponsor: COGHILL  
Requester: Senate Education 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
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
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							
<b>Total Operating</b>	<b>2,249.5</b>	<b>4,710.8</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>

## 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
<b>Total</b>	<b>2,249.5</b>	<b>4,710.8</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>	<b>2,249.5</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**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If yes, by what date are the regulations to be adopted, amended or repealed?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>02/28/2014 09:45 AM</u>
Approved By: <u>Mike Hanley, Commissioner</u>	Date: <u>02/28/14</u>
Agency: <u>Department of Education and Early Development</u>	

**FISCAL NOTE ANALYSIS #1**

**STATE OF ALASKA  
2014 LEGISLATIVE SESSION**

**BILL NO. CSSB 113(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).

SB113 increases the stipend rate from the current rate to 1.5x the stipend rates beginning in FY2015.

The calculations and fiscal note cost estimates respond to the seven currently approved programs. Three of the programs (Galena, Lower Kuskokwim, and Nenana) are funded for FY2014, and the additional four will be funded beginning in FY2015. Future schools that may be approved under the amended law are not included in the fiscal note cost estimate and adding schools, including district-wide and variable-term schools, 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 the current rate in law to 1.5x for the seven currently approved statewide residential programs increases the cost by \$2,113.1 annually.

*Maximum Capacity x Current Rate x 9 months=Current Total*

<u>Program</u>	<u>Maximum Capacity</u>	<u>Region</u>	<u>Current Rate</u>	<u>Current Total</u>	<u>SB113 Rate (1.5x)</u>	<u>SB113 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	<u>\$426,240</u>	\$1,776	<u>\$639,360</u>	<u>\$213,120</u>
			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)	<u>\$ 185,900</u>
Total program if legislation passes and residential is funded at 1.5x the boarding stipend:	\$6,960,284
Total appropriation in budget	\$4,710,800
Total funding necessary to fund 1.5x & Boarding Home if this legislation is passed:	<u>\$6,960,284</u>
Additional funding necessary to fund residential at 1.5x (fiscal note)	\$2,249,484