

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	SCS CSHB 212(FIN)
Fiscal Note Number:	2
(S) Publish Date:	5/8/2018

Identifier: HB212SCS(FIN)-EED-SFF-5-7-18
 Title: REAA & SMALL MUNI SCHOOL DISTRICT FUND
 Sponsor: FOSTER
 Requester: Senate Finance

Department: Department of Education and Early Development
 Appropriation: Education Support and Admin Services
 Allocation: School Finance & Facilities
 OMB Component Number: 2737

Expenditures/Revenues

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

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	323.0		24.0	15.0	15.0	15.0	15.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	323.0	0.0	24.0	15.0	15.0	15.0	15.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	323.0		24.0	15.0	15.0	15.0	15.0
Total	323.0	0.0	24.0	15.0	15.0	15.0	15.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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 If yes, by what date are the regulations to be adopted, amended or repealed? **09/30/19**

Why this fiscal note differs from previous version/comments:

This CS includes provisions to have the department encourage, evaluate, and require use of previous school designs and building systems when that results in an operational or capital cost savings; also includes a requirement for the department to develop and periodically update regional model school standards, costs, and design ratios that achieve efficient and cost-effective school construction.

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Division:	Education Support Services / School Finance and Facilities	Date:	05/07/2018 04:00 PM
Approved By:	Dr. Michael Johnson, Commissioner	Date:	05/07/18
Agency:	Department of Education & Early Development		

REPORTED OUT OF
SFC 05/08/2018

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

Under AS 14.11.030, this bill seeks to clarify that the regional educational attendance area and small municipal school district fund (REAA Fund) may be used to pay for the costs of major maintenance in addition to the currently eligible costs of school construction, but establishes the primary purpose of the fund as being school construction. The bill also makes necessary corrections to reporting on the REAA Fund so that the costs of major maintenance will be included.

Sections 1-3: These sections include provisions to have the department encourage, evaluate, and require use of previous school designs and building systems when that results in an operational or capital cost savings. Implementation of tools in this area is proposed through the involvement of industry professionals at a cost of \$15.0. These sections will also require development of regulations at a cost of \$4.0 in department charge backs. Total costs for Sections 1-3 in FY2019 = \$19.0

Section 4: This section includes a requirement for the department to develop and periodically update regional model school standards, costs, and design ratios that achieve efficient and cost-effective school construction. This requirement implements the recommendations found in the December 2017 BR&GR report to the legislature which identifies the following costs:

a.	Energy modeling and data collection	\$ 80.0
b.	Defining geographic costs	\$ 55.0 *
c.	Adding cost detail to the model school estimate	\$ 65.0 *
d.	Consultant assistance to establish cost vetting	\$ 5.0*
e.	Industry specialists for model school cost vetting	\$ 15.0 **
f.	Building system standards research	\$ 25.0
g.	Building system standards definition	\$ 50.0
	TOTAL	\$295.0

* Increased slightly from BR&GR report based on additional data

** This is an annual cost

Sections 1-4: Work of the Bond Reimbursement & Grant Review Committee (BRGR) will be required to meet statutory duties in AS 14.11.014 associated with this bill - 2 one-day meetings of the committee and department staff in FY2019 and FY2020 (9 persons x \$0.5 per day average travel and per diem x 2 meetings = \$9.0 annually).