

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSSB 96(EDC)
Fiscal Note Number:	7
(S) Publish Date:	4/5/2017

Identifier: SB096CS(EDC)-EED-PEF-03-25-17
 Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING
 Sponsor: EDUCATION
 Requester: Senate Education Committee

Department: Fund Capitalization
 Appropriation: Fund Capitalization (no approps out)
 Allocation: Public Education Fund (starts FY17)
 OMB Component Number: 2804

Expenditures/Revenues

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	(21,020.2)		(36,871.6)	(52,724.0)	(68,280.1)	(68,280.1)	(68,280.1)
Miscellaneous							
Total Operating	(21,020.2)	0.0	(36,871.6)	(52,724.0)	(68,280.1)	(68,280.1)	(68,280.1)

Fund Source (Operating Only)

1004 Gen Fund (UGF)	(21,020.2)		(36,871.6)	(52,724.0)	(68,280.1)	(68,280.1)	(68,280.1)
Total	(21,020.2)	0.0	(36,871.6)	(52,724.0)	(68,280.1)	(68,280.1)	(68,280.1)

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 (FY2017) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) 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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version.

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 Agency: Department of Education & Early Development

Phone: (907)465-2875
 Date: 03/25/2017 01:00 PM
 Date: 03/25/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

Sections 10 and 11: amends AS 14.17.450, School size factor, (a) and adds a new subsection (g). If there are two schools in the same district that are under 80% capacity and within 25 road miles of each other, then their school size adjustment is the average daily membership (ADM) submitted for each of those schools rather than going through the school size table.

Alaska has vast regional differences in schools, both in school size (small schools do not benefit from economies of scale) and the cost to operate schools in areas with a high cost of living. One way the state accounts for this is by using a school size table. The school size table within the foundation formula provides additional resources to smaller schools by using higher adjustment factors than larger schools that receive a smaller adjustment. As a school's ADM within a community increases the school will move to the next school size adjustment level, which has a lower adjustment for the additional ADM. Since the school size factors decrease as the ADM's in a school increase, multiple smaller schools would generate a higher basic need amount than fewer larger schools within a community.

The reduction to school districts affected by this amendment will be realized over three years as the district goes through the hold harmless provision under AS 14.17.410(b)(1)(E). This provision provides a three year transition period for those districts that experience a loss in total school size adjustment that is 5% or greater. The total cost savings to the state is realized in the fiscal year 2021.

These sections have an effective date of June 30, 2017.

School District	Prof. FY2018			FY2019 TOTAL			FY2020 TOTAL			FY2021 TOTAL		
	TOTAL STATE ENTITLEMENT	STATE ENTITLEMENT	Difference	TOTAL STATE ENTITLEMENT	STATE ENTITLEMENT	Difference	TOTAL STATE ENTITLEMENT	STATE ENTITLEMENT	Difference	TOTAL STATE ENTITLEMENT	STATE ENTITLEMENT	Difference
Alaska Gateway	\$ 7,505,401	\$ 7,153,695	\$ (351,706)	\$ 7,505,401	\$ 6,692,583	\$ (812,818)	\$ 7,505,401	\$ 6,231,293	\$ (1,274,108)	\$ 7,505,401	\$ 5,769,942	\$ (1,735,459)
Alutian Region	1,273,008	1,273,008	-	1,273,008	1,250,235	-	1,273,008	1,227,462	-	1,273,008	1,227,462	-
Alutians East Borough	4,579,995	4,579,995	-	4,579,995	4,579,995	-	4,579,995	4,579,995	-	4,579,995	4,579,995	-
Alutians West Borough	322,887,419	322,887,419	(1,705,194)	317,939,752	317,939,752	(6,652,861)	324,592,613	312,992,027	(11,600,586)	324,592,613	308,044,241	(16,548,372)
Alutians West Borough	3,020,314	3,020,314	-	3,020,314	3,020,314	-	3,020,314	3,020,314	-	3,020,314	3,020,314	-
Arctic Slope Regional Borough	36,704,118	36,704,118	-	36,704,118	36,704,118	-	36,704,118	36,704,118	-	36,704,118	36,704,118	-
Bristol Bay Borough	1,188,286	1,188,286	-	1,188,286	1,152,432	-	1,188,286	1,152,432	-	1,188,286	1,152,432	-
Chukchi	3,563,595	3,563,595	-	3,460,372	3,460,372	-	3,563,595	3,357,090	-	3,563,595	3,357,090	-
Chugach	3,247,611	3,247,611	-	3,247,611	3,247,611	-	3,247,611	3,247,611	-	3,247,611	3,247,611	-
Copper River	6,145,791	6,145,791	-	6,145,791	6,145,791	-	6,145,791	6,145,791	-	6,145,791	6,145,791	-
Cordova	3,960,740	3,653,570	(307,170)	3,288,485	3,288,485	(672,255)	3,960,740	2,923,461	(1,037,279)	3,960,740	2,558,377	(1,402,363)
Craig	4,586,175	4,586,175	-	4,586,175	4,586,175	-	4,586,175	4,586,175	-	4,586,175	4,586,175	-
Delta/Greely	9,691,613	9,362,204	(329,409)	9,066,213	9,066,213	(625,400)	9,691,613	8,770,280	(921,333)	9,691,613	8,770,280	(921,333)
Denali Borough	6,346,588	6,346,588	-	6,346,588	6,346,588	-	6,346,588	6,346,588	-	6,346,588	6,346,588	-
Dillingham	6,324,272	6,324,272	-	6,324,272	6,324,272	-	6,324,272	6,324,272	-	6,324,272	6,324,272	-
Fairbanks N. Star Borough	115,971,672	115,139,589	(832,083)	113,067,883	113,067,883	(2,903,789)	115,971,672	110,996,000	(4,975,672)	115,971,672	108,924,294	(7,047,378)
Galeta	23,736,463	23,554,337	(182,126)	23,245,918	23,245,918	(490,545)	23,736,463	22,937,558	(798,905)	23,736,463	22,629,199	(1,107,264)
Haines Borough	2,276,640	2,109,855	(166,785)	1,821,712	1,821,712	(454,928)	2,276,640	1,533,628	(743,012)	2,276,640	1,245,484	(1,031,156)
Hoonah	2,102,422	2,102,422	-	2,076,083	2,076,083	-	2,102,422	2,049,622	-	2,102,422	2,023,222	-
Hydaburg	1,798,763	1,798,763	-	1,771,054	1,771,054	-	1,798,763	1,743,345	-	1,798,763	1,715,519	-
Iditarod Area	6,411,444	6,411,444	-	6,352,579	6,352,579	-	6,411,444	6,293,653	-	6,411,444	6,293,653	-
Juneau Borough	38,168,531	36,072,566	(2,095,965)	35,331,694	35,331,694	(2,836,837)	38,168,531	34,590,704	(3,577,827)	38,168,531	33,849,774	(4,318,757)
Kake	1,710,521	1,710,521	-	1,615,326	1,615,326	-	1,710,521	1,520,011	-	1,710,521	1,520,011	-
Ketchikan	5,524,840	5,524,840	-	5,524,840	5,524,840	-	5,524,840	5,524,840	-	5,524,840	5,524,840	-
Kodiak Island Borough	27,252,415	26,504,408	(748,007)	25,909,154	25,909,154	(1,343,261)	27,252,415	25,313,840	(1,938,575)	27,252,415	24,718,646	(2,533,769)
Kuskokwim	6,548,454	6,548,454	-	6,548,454	6,548,454	-	6,548,454	6,548,454	-	6,548,454	6,548,454	-
Laik and Peninsula Borough	9,587,732	9,587,732	-	9,487,185	9,487,185	-	9,587,732	9,386,876	-	9,587,732	9,386,876	-
Lower Kuskokwim	65,321,664	63,605,232	(1,716,432)	63,605,232	63,605,232	(1,716,432)	65,321,664	63,605,232	(1,716,432)	65,321,664	63,605,232	(1,716,432)
Lower Yukon	28,461,228	28,461,228	-	28,461,228	28,461,228	-	28,461,228	28,461,228	-	28,461,228	28,461,228	-
Mat-Su Borough	170,183,684	164,487,833	(5,695,851)	164,487,833	164,487,833	(5,695,851)	170,183,684	164,487,833	(5,695,851)	170,183,684	164,487,833	(5,695,851)
Neenah	8,051,273	8,051,273	-	7,937,407	7,937,407	-	8,051,273	7,937,407	-	8,051,273	7,937,407	-
Nome	8,391,092	8,210,215	(180,877)	7,758,379	7,758,379	(632,713)	8,391,092	7,306,363	(1,084,729)	8,391,092	6,854,408	(1,536,684)
North Slope Borough	18,170,027	15,457,818	(2,712,209)	15,457,818	15,457,818	(2,712,209)	18,170,027	15,457,818	(2,712,209)	18,170,027	15,457,818	(2,712,209)
Northwest Arctic Borough	36,904,642	36,916,416	11,774	36,266,993	36,266,993	(637,649)	36,904,642	35,617,511	(1,287,131)	36,904,642	34,968,090	(1,936,552)
Pelican	394,021	394,021	-	288,123	288,123	-	394,021	182,165	-	394,021	76,326	-
Petersburg	6,163,350	5,883,175	(280,175)	5,609,778	5,609,778	(553,572)	6,163,350	5,336,380	(826,970)	6,163,350	5,062,983	(1,100,367)
Pribilof	1,265,201	1,265,201	-	1,192,125	1,192,125	-	1,265,201	1,119,167	-	1,265,201	1,046,151	-
Saint Mary's	3,555,849	3,555,849	-	3,555,849	3,555,849	-	3,555,849	3,555,849	-	3,555,849	3,555,849	-
Sitka Borough	12,854,558	12,616,064	(238,494)	11,864,965	11,864,965	(989,593)	12,854,558	11,113,628	(1,740,930)	12,854,558	10,362,292	(2,492,266)
Skagway	1,034,507	1,034,507	-	1,034,507	1,034,507	-	1,034,507	1,034,507	-	1,034,507	1,034,507	-
Southeast Island	5,807,815	5,807,815	-	5,648,462	5,648,462	-	5,807,815	5,648,462	-	5,807,815	5,648,462	-
Southeast Region	8,961,507	8,961,507	-	8,961,507	8,961,507	-	8,961,507	8,961,507	-	8,961,507	8,961,507	-
Tanana	988,436	988,436	-	964,413	964,413	-	988,436	964,413	-	988,436	964,413	-
Unalaska	4,277,321	4,277,321	-	4,277,321	4,277,321	-	4,277,321	4,277,321	-	4,277,321	4,277,321	-
Unalaska Regional Borough	4,536,848	4,286,224	(250,624)	3,783,965	3,783,965	(752,883)	4,536,848	3,281,826	(1,255,022)	4,536,848	2,779,567	(1,757,281)
Wrangell	3,373,598	3,128,623	(244,975)	2,850,172	2,850,172	(523,426)	3,373,598	2,571,662	(801,936)	3,373,598	2,293,210	(1,080,388)
Yakutat	1,054,300	1,054,300	-	1,023,796	1,023,796	-	1,054,300	993,293	-	1,054,300	962,849	-
Yakutat Borough	6,863,580	6,863,580	-	6,745,017	6,745,017	-	6,863,580	6,626,215	-	6,863,580	6,626,215	-
Yukon-Koyukuk	14,709,665	14,709,665	-	14,709,665	14,709,665	-	14,709,665	14,709,665	-	14,709,665	14,709,665	-
Yupik	7,765,170	7,765,170	-	7,765,170	7,765,170	-	7,765,170	7,765,170	-	7,765,170	7,765,170	-
Yukon-Charley Rivers National Preserve	3,337,343	3,337,343	-	3,337,343	3,337,343	-	3,337,343	3,337,343	-	3,337,343	3,337,343	-
TOTAL	\$ 1,191,230,276	\$ 1,170,210,098	(\$ 21,020,178)	\$ 1,153,261,798	\$ 1,153,261,798	(\$ 36,871,620)	\$ 1,191,230,276	\$ 1,136,646,409	(\$ 52,724,013)	\$ 1,191,230,276	\$ 1,120,826,782	(\$ 68,280,115)

NOTE: the "Difference" only reflects those districts affected by SB96, section 10 & 11.