

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version:	SB 102
Fiscal Note Number:	2
(S) Publish Date:	4/14/2017

Identifier: SB102-EED-LO-04-12-17  
 Title: INTERNET FOR SCHOOLS; FUNDING  
 Sponsor: FINANCE  
 Requester: Senate Finance Committee

Department: Department of Education and Early Development  
 Appropriation: Alaska State Libraries, Archives and Museums  
 Allocation: Library Operations  
 OMB Component Number: 208

## 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
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Personal Services							
Travel							
Services	34.0		30.0	30.0	30.0	30.0	30.0
Commodities							
Capital Outlay							
Grants & Benefits	16,000.0	2,717.3	16,000.0	16,000.0	16,000.0	16,000.0	16,000.0
Miscellaneous							
<b>Total Operating</b>	<b>16,034.0</b>	<b>2,717.3</b>	<b>16,030.0</b>	<b>16,030.0</b>	<b>16,030.0</b>	<b>16,030.0</b>	<b>16,030.0</b>

## Fund Source (Operating Only)

1226 High Ed (DGF)	16,034.0	2,717.3	16,030.0	16,030.0	16,030.0	16,030.0	16,030.0
<b>Total</b>	<b>16,034.0</b>	<b>2,717.3</b>	<b>16,030.0</b>	<b>16,030.0</b>	<b>16,030.0</b>	<b>16,030.0</b>	<b>16,030.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**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? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 03/01/18

## Why this fiscal note differs from previous version:

Correcting the fund source.
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 Approved By: Dr. Michael Johnson, Commissioner  
 Agency: Department of Education & Early Development

Phone: (907)465-2911  
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REPORTED OUT OF  
SFC 04/14/2017

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

## Analysis

**Section 1:** Amends AS 14.03.127, Funding for Internet services, (a) by increasing the megabits threshold for this program from 10 megabits to 25 megabits per second (mbps). A district in which one or more schools qualify for a discounted rate for Internet services is eligible to receive an amount for each school that is equal to the amount needed to bring the applicant's share to 25 megabits of download a second of the Internet services. This has been implemented through the School Broadband Assistance Grant (School BAG) program as managed by the Department of Education & Early Development's (DEED) Alaska State Library.

In the absence of more current and accurate information, DEED used a Federal Communications Commission-generated list from 2016 which shows that 197 schools are under 25 mbps. The estimated cost to bring the 197 schools up to 25 mbps would be \$16,000.0. This amount could be smaller or larger based on more current information.

Additional contract hours and a technical review of grant applications will be necessary to administer the expanded grant program; \$30.0. In addition, regulations will need to be updated to reflect the increase from 10 mbps to 25 mbps, requiring an additional \$4.0 for legal services costs associated with the regulation changes.