

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	HB 204
Fiscal Note Number:	2
(H) Publish Date:	1/21/2020

Identifier: 3993-EED-PEF-1-17-20
Title: EARLY ED PROGRAMS/FUNDING
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Fund Capitalization
Appropriation: No Further Appropriation Required
Allocation: Public Education Fund
OMB Component Number: 2804

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits					1,724.1	4,305.5	6,887.0
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	1,724.1	4,305.5	6,887.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)					1,724.1	4,305.5	6,887.0
Total	0.0	0.0	0.0	0.0	1,724.1	4,305.5	6,887.0

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 (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

Not applicable; initial version.

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Date: 01/16/20

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION

Analysis

This bill creates three new programs: an early education program, a school improvement literacy program, and a comprehensive reading intervention program. **This fiscal note addresses the early education program.**

The early education program, created under AS 14.03.135, is approved by the Department of Education and Early Development (DEED) and funded by the state through a three-year grant process. Once those districts have completed the three-year grant cycle and DEED has determined the early education program complies with the adopted standards as created by the State Board of Education and Early Development, then those programs may be eligible for 1/2 the full-time equivalent for average daily membership (ADM) funding under AS 14.17.410. Foundation funding would only be provided to those districts that are not already being funded by another state or federal program.

The current pre-kindergarten grant counts, as provided by the Division of Innovation and Education Excellence, were used in calculating anticipated foundation funding. Half of the average cost per student was used as a multiplier for purposes of this fiscal note. This number was derived by using the projected FY2021 State Aid Entitlement of \$1,208,042,082 and dividing it by the total ADM projected at 128,923.91 to arrive at \$9,370. The average per student cost was then divided in half to arrive at \$4,685, so as to be in alignment with the language added in AS 14.17.500(d).

The district's pre-kindergarten students can transition to the foundation formula after completing the three year grant process. Therefore, the first approved pre-kindergarten program to receive state aid through the ADM would be on the fourth year or FY2024. Since those pre-kindergarten student counts cannot be determined, the following calculation of students are based on the cohort used for projecting the grant.

FY2024 = 368 students x \$4,685 = \$1,724,080
 FY2025 = 919 students x \$4,685 = \$4,305,515
 FY2026 = 1,470 students x \$4,685 = \$6,886,950
 FY2027 = 2,021 students x \$4,685 = \$9,468,385
 FY2028 = 2,756 students x \$4,685 = \$12,911,860
 FY2029 = 3,675 students x \$4,685 = \$17,217,375

The effective date of this bill is July 1, 2020 (FY2021).