

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	HB 204
Fiscal Note Number:	5
(H) Publish Date:	1/21/2020

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

Department: Department of Education and Early Development
Appropriation: Education Support and Administrative Services
Allocation: Student and School Achievement
OMB Component Number: 2796

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	3,192.3		3,862.3	4,532.3	5,202.3	5,872.3	5,872.3
Travel	45.0		55.0	65.0	75.0	85.0	85.0
Services	236.4		278.4	326.4	374.4	422.4	422.4
Commodities	695.0		600.0	600.0	600.0	600.0	575.0
Capital Outlay							
Grants & Benefits	53.0		53.0	53.0	53.0	53.0	53.0
Miscellaneous							
Total Operating	4,221.7	0.0	4,848.7	5,576.7	6,304.7	7,032.7	7,007.7

Fund Source (Operating Only)

1004 Gen Fund (UGF)	4,221.7		4,848.7	5,576.7	6,304.7	7,032.7	7,007.7
Total	4,221.7	0.0	4,848.7	5,576.7	6,304.7	7,032.7	7,007.7

Positions

Full-time	24.0		29.0	34.0	39.0	44.0	44.0
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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 03/31/21

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Date: 01/16/2020 01:45 PM
Date: 01/16/20

FISCAL NOTE ANALYSIS

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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 school improvement literacy program and the comprehensive reading intervention program.**

School Improvement Literacy Program

The school improvement literacy program, created under AS 14.07.065, is established in the Department of Education & Early Development (DEED) to provide direct support and intervention in district and school literacy programs. During the first year, up to 10 low-performing schools would each be served directly by Reading Specialists employed by DEED and up to 20 schools would be served in the second year and beyond. Depending on school size and need, either one or two Reading Specialists would be assigned to each school. DEED anticipates employing from 10 to 20 Reading Specialists in year one and 20 to 40 Reading Specialists in the subsequent years. For purposes of estimating fiscal impact, the maximum number of positions has been reflected in the first year with five additional positions phased in annually over the following four years. These estimates will be updated in out years as the program is implemented.

Reading Specialists are budgeted as Education Specialist II positions at a Range 21, Step C/D, \$134.0 each. In addition, department chargebacks of \$9.6 per position would be needed annually. A one-time increment of \$5.0 per position for supplies and equipment would be needed in the first year the position is budgeted. Reading Specialists would be located in communities across the state and would need to be provided a geographic cost differential, which is not included in this estimate.

Each Reading Specialist would be required to participate and present at statewide professional development conferences. At \$1.0 per trip X 2 trips X 20 positions, total travel for year one is \$40.0. Travel costs for subsequent years would increase with the number of Reading Specialists employed. For purposes of estimation, 5 Reading Specialists are added each year through FY2025 resulting in \$10.0 in additional travel costs annually (2 trips per position X 5 positions).

A one-time increment of \$6.0 is included for legal services costs associated with producing new regulations.

Under the school improvement literacy program, DEED would purchase supplemental reading textbooks and materials for school districts in connection with reading intervention services. The cost per student when adopting a new reading curriculum is \$.25. With approximately 10,000 students per grade level in Alaska schools, there are a total of 40,000 student in kindergarten to third grade (K-3). During the 2019-2020 school year, 391 schools served K-3 students. 40,000 students / 391 schools = 102 K-3 students per school on average. For each year of the literacy program, 10 schools X 102 K-3 students/school X \$.25/student = \$255.0.

Comprehensive Reading Intervention Program

The comprehensive reading intervention program is created under AS 14.30.760. To manage and operate this program and provide direct support and training for all K-3 teachers on the use of the statewide screening or assessment tool results and on the science of reading, DEED would need 1 Education Administrator II Range 22, Step C/D at \$149.0, 2 Education Specialist II positions at a Range 21, Step C/D, at \$134.0 each = \$268.0; and 1 Education Associate II position at a Range 15, Step C/D, at \$95.3.

The Education Administrator II will be required to participate and present at statewide professional development conferences. At \$1.0 per trip X 2 trips X 1 position, total travel each year is \$2.0. In addition, the Education Specialists and Education Associate will provide direct support to district staff concerning the statewide screening or assessment tool. For this support, a travel budget of \$3.0 is needed annually (\$1.0 per trip X 1 trip X 3 positions).

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BILL NO. 3993

Analysis

In addition, department chargebacks of \$9.6 per position would be needed (\$38.4 total).

In addition, the comprehensive reading intervention program requires the adoption and administration of a statewide screening or assessment tool to identify students in K-3 with reading deficiencies. There are approximately 40,000 students in K-3 in Alaska schools. A statewide screener would cost approximately eight dollars per student. This would result in an annual cost of \$320.0.

Finally, grants for one staff member per district to attend the statewide screening or assessment tool training; 53 districts X one staff member per district X \$1.0 for a total of \$53.0.

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

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
School Improvement Literacy Program						
Personal Services	2,680.0	3,350.0	4,020.0	4,690.0	5,360.0	5,360.0
Travel	40.0	50.0	60.0	70.0	80.0	80.0
Services	198.0	240.0	288.0	336.0	384.0	384.0
Commodities	355.0	280.0	280.0	280.0	280.0	255.0
Subtotal	3,273.0	3,920.0	4,648.0	5,376.0	6,104.0	6,079.0
Comprehensive Reading Intervention Program						
Personal Services	512.3	512.3	512.3	512.3	512.3	512.3
Travel	5.0	5.0	5.0	5.0	5.0	5.0
Services	38.4	38.4	38.4	38.4	38.4	38.4
Commodities	340.0	320.0	320.0	320.0	320.0	320.0
Grants	53.0	53.0	53.0	53.0	53.0	53.0
Subtotal	948.7	928.7	928.7	928.7	928.7	928.7
Combined						
Personal Services	3,192.3	3,862.3	4,532.3	5,202.3	5,872.3	5,872.3
Travel	45.0	55.0	65.0	75.0	85.0	85.0
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Grants	53.0	53.0	53.0	53.0	53.0	53.0
Total Operating	4,221.7	4,848.7	5,576.7	6,304.7	7,032.7	7,007.7