

# Fiscal Note

State of Alaska  
2020 Legislative Session

Bill Version:	CSSSSB 6(EDC)
Fiscal Note Number:	5
(S) Publish Date:	2/19/2020

Identifier: SB006SSCS(EDC)-EED-PEF-2-17-20  
 Title: PRE-K/ELEM ED PROGRAMS/FUNDING;  
 READING  
 Sponsor: BEGICH  
 Requester: Senate Finance

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					
			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits						1,724.1	4,305.5	6,887.0
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,724.1</b>	<b>4,305.5</b>	<b>6,887.0</b>

### Fund Source (Operating Only)

1004 Gen Fund (UGF)						1,724.1	4,305.5	6,887.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,724.1</b>	<b>4,305.5</b>	<b>6,887.0</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>	<b>0.0</b>

**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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Updated to reflect the new committee substitute - no changes required to the fiscal note.

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Division:	Finance and Support Services	Date:	02/17/2020 02:00 PM
Approved By:	Lacey Sanders, Administrative Services Director	Date:	02/17/20
Agency:	Office of Management and Budget		

## 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 = 2,205 students x \$4,685 = \$10,330,425  
 FY2028 = 2,940 students x \$4,685 = \$13,773,900  
 FY2029 = 3,675 students x \$4,685 = \$17,217,375

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