

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	SCS HB 114(FIN) am S
Fiscal Note Number:	6
(H) Publish Date:	8/16/2022

Identifier: HB114SCS(FIN)-EED-SSA-5-17-22
 Title: EDUCATION: SCHOOLS; FUNDING; PROGRAMS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Conference Committee

Department: Department of Education and Early Development
 Appropriation: Education Support and Admin 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)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates					
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
OPERATING EXPENDITURES								
Personal Services	594.0	372.8	1,316.8	1,316.8	1,316.8	1,316.8	1,316.8	1,316.8
Travel	6.0		41.0	41.0	41.0	41.0	41.0	41.0
Services	176.8	1,660.6	2,477.2	2,477.2	2,477.2	2,477.2	2,477.2	2,477.2
Commodities	25.0		327.5	327.5	327.5	327.5	327.5	327.5
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	801.8	2,033.4	4,162.5	4,162.5	4,162.5	4,162.5	4,162.5	4,162.5

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)		600.0						
1004 Gen Fund (UGF)	801.8		4,162.5	4,162.5	4,162.5	4,162.5	4,162.5	4,162.5
1265 COVID Fed (Fed)		1,433.4						
Total	801.8	2,033.4	4,162.5	4,162.5	4,162.5	4,162.5	4,162.5	4,162.5

Positions

Full-time	8.0		11.0	11.0	11.0	11.0	11.0
Part-time							
Temporary		3.0					

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) 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 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/23

Why this fiscal note differs from previous version/comments:

Updated to incorporate SB111 into HB114 as amended on the Senate Floor.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

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

Comprehensive Reading Intervention Program

The comprehensive reading intervention program is created under AS 14.30.765. To manage and operate this program, provide coursework, training, and testing opportunities related to evidence-based reading instruction, annually solicit and convene stakeholders to receive feedback on program implementation, establish a recognition program, and provide direct support and training for all K-3 teachers on the use of the statewide screening tool results and on evidence-based reading, the Department of Education and Early Development (DEED) would need 1 Education Administrator II Range 22, Step C/D at \$135.2, and 2 Education Specialist II positions at a Range 21, Step C/D, at \$118.8 each (\$372.8 total). In addition, department chargebacks of \$10.6 per position would be needed (\$31.8 total). The program is repealed on June 30, 2034 (FY2034).

DEED has established three temporary reading support positions to start the work associated with this program. These positions are funded with federal COVID-19 relief funds in FY2022 and FY2023 and will convert to full-time positions starting in FY2024 and will need to be funded with state funds.

The Education Administrator II will be required to participate and present at statewide professional development conferences. DEED expects virtual participation at conferences and has therefore budgeted for in-person travel to only one conference per year. At \$1.0 per trip X 1 trips X 1 position, total travel each year is \$1.0.

In addition, the comprehensive reading intervention program requires the adoption and administration of a statewide screening tool to identify students in K-3 with reading deficiencies, and establishment of a waiver process for districts. DEED expects virtual participation by districts to attend the statewide screening tool training. DEED is currently in the process of procuring a literacy screener, which is estimated to result in an annual cost of \$600.0. This amount is based on there being approximately 40,000 students in K-3 in Alaska schools and a statewide screener costing approximately fifteen dollars per student. DEED will use federal receipts to fund the literacy screener in FY2023. Starting in FY2024, state funds are needed to support this screener. In addition, \$500.0 would be needed in order to develop a screening instrument to use for immersion and bilingual programs as an alternate to meet culturally relevant needs starting in FY2024. In FY2023, a one-time increment of \$18.0 is included for legal services costs associated with producing new regulations to implement this program.

School Improvement Reading Program

The school improvement reading program, created under AS 14.30.770, is established in DEED to provide direct support and intervention in district and school reading programs serving students in grades K-3 and to provide reading support to districts throughout Alaska. The program is repealed on June 30, 2034 (FY2034).

Each year, DEED shall determine how many schools may be adequately served by the Reading Specialists and select the schools from the lowest performing 25 percent of schools to participate in the reading program. One Reading Specialist would be assigned to each school. DEED anticipates employing from 1 to 5 Reading Specialists in year one and 5 Reading Specialists in the subsequent years. For purposes of estimating fiscal impact, the maximum number of positions has been reflected in the first year. 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, \$118.8 each (\$594.0 total). In addition, department chargebacks of \$10.6 per position would be needed annually (\$53.0 total).

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

BILL NO. CSHB 114

Analysis

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. DEED expects virtual participation at conferences and has therefore budgeted for in-person travel to only one conference per year. At \$1.0 per trip X 1 trips X 5 positions, total travel for year one is \$5.0.

Under the school improvement reading 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 two hundred and fifty dollars (\$.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. $40,000 \text{ students} / 391 \text{ schools} = 102 \text{ K-3 students per school on average}$. Beginning in FY2024, for each year of the reading program, $5 \text{ schools} \times 102 \text{ K-3 students/school} \times \$.25/\text{student} = \$127.5$.

An annual contract fee of \$50.0 is included beginning in FY2023 for an independent contractor to establish and collect the baseline data needed in order to conduct the data analysis of the program's effectiveness for the final report due by the 30th day of the First Regular Session of the 38th Legislature to the legislative committees having jurisdiction over education.

In FY2023, a one-time increment of \$12.0 is included for legal services costs associated with producing new regulations.

Virtual Education Consortium

The virtual education consortium, created under AS 14.30.800, is established in DEED in cooperation with school districts, for the purpose of making virtual education and professional development resources available to students and teachers in the state. To manage and operate this statewide virtual education learning management system (LMS), review all courses and professional development, and provide virtual instruction training, DEED would need 2 Education Specialist II positions at a Range 21, Step B/C, at \$115.6 each (\$231.2 total). In addition, department chargebacks of \$10.6 per position would be needed (\$21.2 total). The program is repealed on June 30, 2034 (FY2034).

A Reading Specialist position is established to provide intensive reading intervention services to districts participating in the virtual education consortium. This position is budgeted as an Education Specialist II position at a Range 21, Step C/D, \$118.8. In addition, department chargebacks of \$10.6 for the position would be needed.

DEED established a statewide virtual education LMS license for districts, teachers, and students in FY2021 in response to the COVID-19 pandemic and plans to continue the license through FY2023 using federal COVID-19 relief funds at a cost of \$1,060.6 annually. The 2 PFT positions needed to manage the LMS, review coursework and professional development, and provide virtual instruction training as outlined in this bill, and the 1 FTE Reading Specialist position, could also be funded through FY2023 with federal COVID-19 relief funding. Starting in FY2024, state funds are needed to support the LMS license (\$1,060.6) and associated positions (\$350.0).

In FY2023, a one-time increment of \$12.0 is included for legal services costs associated with producing new regulations.

An additional \$200.0 would be needed in FY2032 for an independent contractor to assist DEED program staff in compiling and evaluating the required multi-year data analysis, including assessment, survey, and interview data, of the effectiveness of the early education program, Parents as Teachers program, comprehensive reading intervention program, and virtual education consortium.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

BILL NO. CSHB 114

Analysis

The multi-year analysis will be used by DEED to complete the final program recommendations report due not later than the thirtieth day of the First Regular Session of the 38th Legislature (February 2023).

In addition, DEED will need to annually convene a panel to review and comment on the effectiveness of the four new programs: an early education program, a comprehensive reading intervention program, a school improvement reading program, and a virtual education consortium, as well as on the Parents as Teachers program. The panel will also provide recommendations and guidance on how this bill may integrate with tribal compacting or other programs focused on cultural education, as well as discuss support for reading in Alaska Native languages and other non-English languages. To ensure effective dialog, an in-person convening of up to 35 panelists is preferred. This fiscal note contains an estimate of \$35.0 for panelists to travel to the convening, \$150.0 for an external evaluator to help guide the convening and compile the panel's comments, as well as \$200.0 for supplies, materials, and other costs related to the convening. Total annual estimate for the convening is \$385.0.

The effective date of this bill is July 1, 2023 (FY2024). As an additional note, neither the FY2023 Governor's Budget or this fiscal note contain any funding related to the one-time cooperative arrangement grants under AS 14.14.115.

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Comprehensive Reading Intervention Program						
Personal Services	-	372.8	372.8	372.8	372.8	372.8
Travel	1.0	1.0	1.0	1.0	1.0	1.0
Services	49.8	1,131.8	1,131.8	1,131.8	1,131.8	1,131.8
Commodities	-	-	-	-	-	-
Subtotal	50.8	1,505.6	1,505.6	1,505.6	1,505.6	1,505.6
School Improvement Reading Program						
Personal Services	594.0	594.0	594.0	594.0	594.0	594.0
Travel	5.0	5.0	5.0	5.0	5.0	5.0
Services	115.0	103.0	103.0	103.0	103.0	103.0
Commodities	25.0	127.5	127.5	127.5	127.5	127.5
Subtotal	739.0	829.5	829.5	829.5	829.5	829.5
Virtual Education Consortium						
Personal Services	-	350.0	350.0	350.0	350.0	350.0
Services	12.0	1,092.4	1,092.4	1,092.4	1,092.4	1,092.4
Commodities	-	-	-	-	-	-
Subtotal	12.0	1,442.4	1,442.4	1,442.4	1,442.4	1,442.4
Additional Costs						
Travel	-	35.0	35.0	35.0	35.0	35.0
Services	-	150.0	150.0	150.0	150.0	150.0
Commodities	-	200.0	200.0	200.0	200.0	200.0
Subtotal	-	385.0	385.0	385.0	385.0	385.0
Combined						
Personal Services	594.0	1,316.8	1,316.8	1,316.8	1,316.8	1,316.8
Travel	6.0	41.0	41.0	41.0	41.0	41.0
Services	176.8	2,477.2	2,477.2	2,477.2	2,477.2	2,477.2
Commodities	25.0	327.5	327.5	327.5	327.5	327.5
Total Operating	801.8	4,162.5	4,162.5	4,162.5	4,162.5	4,162.5
Comprehensive Reading Intervention Program						
Full-Time Positions	0	3	3	3	3	3
School Improvement Reading Program						
Full-Time Positions	5	5	5	5	5	5
Virtual Education Consortium						
Full-Time Positions	3	3	3	3	3	3
Combined Total FT	8	11	11	11	11	11