

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	SCS HB 114(FIN) am S
Fiscal Note Number:	7
(H) Publish Date:	8/16/2022

Identifier: HB114SCS(FIN)-EED-ELC-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: Early Learning Coordination
 OMB Component Number: 2912

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	326.8		326.8	326.8	326.8	326.8	326.8	326.8
Travel								
Services	43.8		31.8	31.8	31.8	31.8	31.8	31.8
Commodities	15.0							
Capital Outlay								
Grants & Benefits		474.7	474.7	474.7	474.7	474.7	474.7	474.7
Miscellaneous								
Total Operating	385.6	474.7	833.3	833.3	833.3	833.3	833.3	833.3

Fund Source (Operating Only)

1004 Gen Fund (UGF)	385.6	474.7	833.3	833.3	833.3	833.3	833.3	833.3
Total	385.6	474.7	833.3	833.3	833.3	833.3	833.3	833.3

Positions

Full-time	3.0		3.0	3.0	3.0	3.0	3.0	3.0
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	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 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/23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 early education program.**

The early education program, created under AS 14.03.410, 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 receiving early education funding by another state or federal program. The early education program is repealed on June 30, 2034 (FY2034).

To operate the early education grant program starting in FY2023 through FY2034, it would require 2 Education Specialist II, Range 21, Step B/C, at \$115.6 each (\$231.2 total); and 1 Education Associate II, Range 15, Step B/C, at \$95.6. In addition, department chargebacks of \$10.6 per position would be needed (\$31.8 total), plus a one-time increment of \$5.0 per position for supplies and equipment (\$15.0 total).

These three positions would be needed in FY2023 in order to develop the early education grant program, including creating the standards for high-quality pre-K programs and seeking the State Board of Education and Early Development's approval of those standards, and providing on-going professional development, training, and support to grantees throughout the life of the early education grant program.

In addition, with the requirement for the State Board of Education and Early Development to adopt regulations establishing standards for an early education program, including teacher certification requirements, developmentally appropriate objectives, and accommodations, included in this fiscal note is a one-time increment of \$12.0 for legal services costs associated with these new regulations.

Total cost to DEED in salary and benefits is \$326.8 with department chargebacks of \$31.8, plus one-time increments for supplies and equipment of \$15.0 and regulations of \$12.0, for a total cost of \$385.6 in FY2023 and \$358.6 per year starting in FY2024.

A total of \$474.7 for the Parents as Teachers program is reflected in the FY2023 Governor's Request. This funding is necessary to continue the program. For purposes of estimating fiscal impact, the current appropriation of \$474.7 has been reflected each year. This estimate will be updated in out years as the program is implemented. The Parents as Teachers program is repealed on June 30, 2034 (FY2034).

Costs associated with the early education program grants are reflected in the Pre-Kindergarten Grants fiscal note.

The effective date of this bill is July 1, 2023 (FY2024).