

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version:	CSSB 140(FIN)
Fiscal Note Number:	1
(S) Publish Date:	5/11/2023

Identifier: SB140CS(FIN)-EED-BAG-5-10-23
 Title: INTERNET FOR SCHOOLS
 Sponsor: HOFFMAN
 Requester: Senate Finance

Department: Department of Education and Early Development
 Appropriation: Alaska State Libraries, Archives and Museums
 Allocation: Broadband Assistance Grants
 OMB Component Number: 3004

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2024	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2024 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES	FY 2024	FY 2024					
Personal Services			***	***	***	***	***
Travel							
Services	6.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	6.0	0.0	***	***	***	***	***

Fund Source (Operating Only)

1004 Gen Fund (UGF)	6.0						
Total	6.0	0.0	***	***	***	***	***

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 (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) 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 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/24

Why this fiscal note differs from previous version/comments:

Senate Finance Committee substitute fiscal note maintains FY2024 amount and identifies out-year costs as indeterminate.

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	Senate Finance Committee	Date:	05/10/2023
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REPORTED OUT OF
 SFC 05/10/2023

Analysis

This bill would amend AS 14.03.127 *Funding for internet services* to provide Alaska school districts with funding to assist eligible schools in their district reach up to 100 megabytes per second (Mbps) download speed for internet services.

In FY2023, the Alaska School Broadband Assistance Grants (BAG) Program offered \$6,611.9 in grant funding to 151 eligible Alaska school districts to reach up to 25 Mbps download speeds. The FY2024 Governor's Budget includes \$6,797.9. The FY2024 BAG application period is currently underway and this bill will not be implemented until FY2025.

In FY2025, the Department of Education & Early Development (DEED) estimates \$19,835.7 in grant funding would be needed for the 151 schools to reach up to 100 Mbps download speeds. The total cost is estimated to be \$26,447.6.

In addition, there are 108 schools that have been identified as newly eligible under this bill. These schools equal 72% of the 151 currently eligible schools. DEED estimates \$19,000.8 in grant funding would be needed for these schools to reach up to 100 Mbps download speeds, based on the 151 currently eligible schools.

The total grant funding needed to award BAG grants to school districts at 100Mbps is estimated to be \$38,836.5.

A 1.5% indirect rate adjustment of \$582.5 for FY2025 and out years is also reflected in the fiscal note. Lastly, one-time funding of \$6.0 would be needed for updating associated regulations in FY2024.

This bill takes effect January 1, 2024.