



AMENDMENT #1

offered by:  
Rep. Ciara  
Rep. Drummond ✓  
Rep. Josephson  
Rep. Tarr  
Rep. Kerttula  
Tuck  
SG Krumholz  
D Euttenberg

OFFERED IN THE HOUSE  
TO: CSHB 65(FIN)

1 Page 60, line 5, following "DEVELOPMENT.":

2 Insert "(a)"

3

4 Page 60, line 9:

5 Insert new subsections to read:

6 "(b) The sum of \$60,000,000 is appropriated from the general fund to the Department  
7 of Education and Early Development to be distributed as state aid to districts according to the  
8 average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the  
9 fiscal years ending June 30, 2014, June 30, 2015, and June 30, 2016.

10 (c) It is the intent of the legislature that the Alaska State Legislature appropriate  
11 \$40,000,000, in addition to the appropriation set out in (b) of this section, from the general  
12 fund to the Department of Education and Early Development to be distributed as state aid to  
13 districts according to the average daily membership for each district adjusted under  
14 AS 14.17.410(b)(1)(A) - (D) for the fiscal years ending June 30, 2015, and June 30, 2016, so  
15 districts can plan their budgets."

J. Kreiss-Tankins

### Teacher and Staffing Numbers

*From Leg Research Report:*

Teacher & Staff positions	2010 – 2011	2011 – 2012	2012 – 2013	2014 – 2015
Anchorage SD	6,236	6,225	6,017	200 more cuts proposed
Fairbanks North Star Borough	1,764	1,763	1,751	36 more cuts proposed
Juneau Borough	778	741	690	more cuts proposed
Kenai Peninsula	1,236	1,255	1,207	more cuts proposed
Lower Kuskokwim	888	873	846	more cuts proposed
Mat-Su Borough	1,786	1,711	1,720	more cuts proposed

*From meetings with superintendents:*

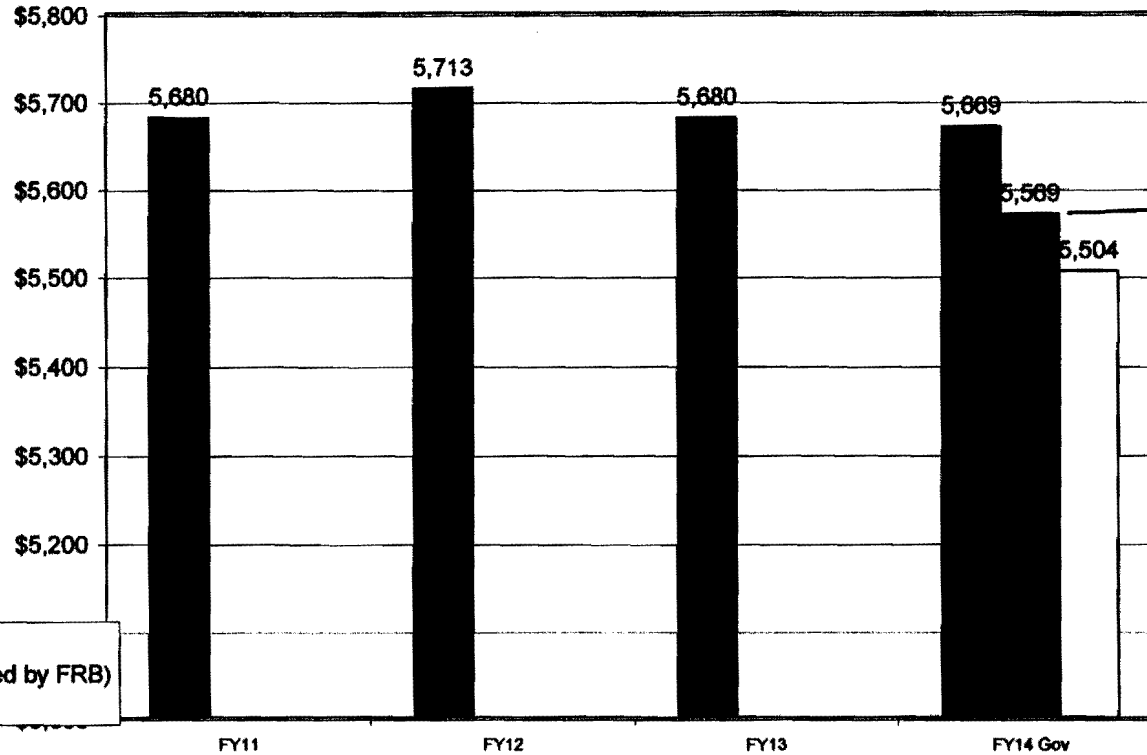
Kodiak Island Borough SD	410 total staff in 2013	379 total staff under governor's proposal
Northwest Arctic Borough SD	1,850 K-12 students in 2013	170 teachers currently; would lose 25 under governor's proposal
Chugach School District	District would lose 1.5 teachers under governor's proposal	
Nome Public Schools	District would have 15% gap and lose 4-6 teachers under governor's proposal	
Ketchikan School District	District is cutting stuff (technology and infrastructure) rather than any staff	

**K-12 Base Student Allocation (BSA)—Adjusted for Year-to-Year Equivalency  
(In FY11 Dollars—With FY14 Inflation as shown in Legend)**

**Conclusion:** The inflation-adjusted BSA Equivalent (excluding pupil transportation) indicates that K-12 funding available in the classroom lost ground to inflation in FY13.

If there is no inflation for 2014, the BSA Equivalent for FY14 will be approximately \$11 below the FY11 level.

Each 1% of inflation assumed for FY14 will reduce the inflation-adjusted FY14 BSA Equivalent by about \$56.



*FY 14 Assuming Fed. Reserve Board Inflation Estimate*

- No Inflation for 2014
- 1.8% Inflation for 2014 (as projected by FRB)
- 3% Inflation for 2014

	FY11	FY12	FY13	FY14 Gov
Number of students	129,047	128,886	129,021	129,323
Inflation Rate (Prior Calendar Year)	1.8%	3.2%	2.2%	

	FY11	FY12	FY13	FY14 Gov	Inflation Rate for FY14	BSA Increase/(reduction) to Make Funding Equivalent to FY11 BSA	Approximate cost of increasing the FY14 BSA to keep pace with inflation (\$millions)
Statutory BSA	5,680	5,680	5,680	5,680			
BSA Adjusted for Changes in Formula Factors	5,680	5,815	5,859	5,881			
Adjustments for Funding Outside the Formula	-	82	135	101			
Adjustments for TRS paid by School Districts	-	-	-	-			
Pupil Transportation Formula (BSA Equivalent) (omitted)	268	257	300	303			
Total BSA Equivalent	5,680	5,897	5,993	5,982			
BSA Equivalent in FY11 Dollars	5,680	5,713	5,680	5,669	0.0%	11	2.6
BSA Equivalent in FY11 Dollars				5,569	1.8%	111	27.5
BSA Equivalent in FY11 Dollars				5,504	3.0%	176	43.5

*Distributed by Rep. Les Gara*  
Legislative Finance Division

**Comparing Education Funding from FY04 to FY14 Gov Request**

Comparing K-12 funding over several years is a complicated process. Simply comparing state formula payments to school districts ignores the impact of changes in

- 1) student counts and in
- 2) the mix of funding from state and local governments.

Some appear to believe that the Base Student Allocation (BSA) alone is a valid comparison. But the simple BSA ignores three important factors:

- 1) The funding formula changes over time.
- 2) The state contributes to K-12 education outside the formula.
- 3) There is a "disconnect" between the amount the state pays for K-12 education and the amount that is available to school districts.

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Gov
<b>1 K-12 Formula Funding--Basic Information</b>											
a Statutory Base Student Allocation (BSA)	4,189	4,576	4,919	5,380	5,380	5,480	5,580	5,680	5,680	5,680	5,680
b Foundation Program Funding	675,502.8	756,061.3	811,553.7	912,608.0	931,151.4	959,078.2	1,012,509.3	1,063,183.0	1,107,190.1	1,142,971.0	1,151,248.0
c increase in BSA since FY04		487.6	750.0	1,211.6	1,211.0	1,311.0	1,411.0	1,511.0	1,511.0	1,511.0	1,511.0
d cumulative cost of BSA increase since FY04 (\$ million)		101.8	187.5	302.8	302.8	327.8	352.8	377.8	377.8	377.8	377.8
e one-time payments	23,202.0			35,000.0	69,101.0				20,000.0	25,000.0	25,000.0
f BSA equivalents of one-time funding	92.8			140.0	276.4				80.0	100.0	100.0
g Adjusted BSA	4,261.8	4,576.0	4,919.0	5,520.0	5,656.4	5,480.0	5,580.0	5,680.0	5,760.0	5,780.0	5,780.0
h increase since FY04		314.2	657.2	1,258.2	1,394.6	1,218.2	1,318.2	1,418.2	1,498.2	1,518.2	1,518.2
i cumulative cost of BSA increase since FY04 (\$ million)		78.5	184.3	314.5	348.8	304.5	329.5	354.5	374.5	379.5	379.5

Starting with FY04 as baseline:

- Cumulative FY05 cost \$101,750,000
- Cumulative FY06 cost \$187,500,000
- Cumulative FY07 cost \$302,750,000

Dist by Dep Les Green Aug #1