

ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE EDUCATION STANDING COMMITTEE
HOUSE FINANCE SUBCOMMITTEE ON EDUCATION AND EARLY DEVELOPMENT
January 27, 2017
8:01 a.m.

MEMBERS PRESENT

HOUSE EDUCATION STANDING COMMITTEE

Representative Harriet Drummond, Chair
Representative Justin Parish, Vice Chair
Representative Zach Fansler
Representative Ivy Spohnholz
Representative Jennifer Johnston
Representative Chuck Kopp
Representative David Talerico

HOUSE FINANCE SUBCOMMITTEE ON EDUCATION AND EARLY DEVELOPMENT

Representative Dan Ortiz, Chair
Representative Steve Thompson
Representative Harriet Drummond
Representative Justin Parish
Representative Zach Fansler
Representative Ivy Spohnholz
Representative Jennifer Johnston
Representative Chuck Kopp
Representative David Talerico

MEMBERS ABSENT

HOUSE EDUCATION STANDING COMMITTEE

Representative Geran Tarr (Alternate)

HOUSE FINANCE SUBCOMMITTEE ON EDUCATION AND EARLY DEVELOPMENT

All members present

COMMITTEE CALENDAR

PRESENTATION: DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT ON
THE FOUNDATION FORMULA

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

MINDY LOBAUGH, School Finance Specialist
School Finance and Facilities Section
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: Provided the department's presentation on the foundation formula.

HEIDI TESHNER, Director
Administrative Services
Department of Education and Early Development (EED)

POSITION STATEMENT: Responded to questions during the presentation of the foundation formula.

ACTION NARRATIVE

[8:01:52 AM](#)

CHAIR DAN ORTIZ called the joint meeting of the House Education Standing Committee and the House Finance Subcommittee on Education and Early Development meeting to order at 8:01 a.m. Representatives Ortiz, Kopp, Parish, Fansler, Johnston, Spohnholz, Talerico, and Thompson were present at the call to order. Representative Drummond arrived as the meeting was in progress.

[Due to technical difficulties the call to order and attendance were not recorded.]

PRESENTATION: DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT ON THE FOUNDATION FORMULA

[8:02:56 AM](#)

CHAIR ORTIZ announced that the only order of business would be a presentation by the Department of Education and Early Development (EED) on the foundation formula.

[8:05:08 AM](#)

MINDY LOBAUGH, School Finance Specialist, School Finance and Facilities Section, Department of Education and Early

Development (EED), referred to the handout out in the committee packet, titled "Alaska Public School Funding Formula Overview" to begin the presentation. She said the current public school funding formula was adopted under SB 36, implemented in 1999, and is defined in AS 14.17.

[8:06:22 AM](#)

MS. LOBAUGH explained that the average daily membership (ADM) is the number of enrolled students during the 20 school-day count period ending on the fourth Friday of October. The number is reported to the department within two weeks of the end of the period. Projections of the student count for the following school year are due by November 5. Eligibility for state foundation funding is applicable as follows: all students who are 6 years of age before September 1, and under the age of 20, who have not completed the 12th grade; children 5 years of age before September 1, may enter kindergarten; or children with disabilities who hold an active individualized education program (IEP) and have reached the age of 3 but are less than age 22 by July 1. She pointed out that the applicable statutes, for each of aspects of the formula, are included in the handout.

[8:07:34 AM](#)

MS. LOBAUGH pointed out that there are two aspects to the education formula: first is determining the adjusted ADM, and second is figuring out who pays. The ADM is calculated by applying six steps. Step 1 adjusts for school size; steps 2-4 apply factors for a district's cost, special needs, and vocational and technical education (CTE); and steps 5 and 6 are the additions made to include intensive services and correspondence counts. The resulting sum is the ADM, which is the figure used to calculate state aid entitlement.

[8:08:52 AM](#)

MS. LOBAUGH continued with the details of each step beginning with the adjustment for school size. She directed attention to the handout, page 7, which provides a chart showing the formula figure that is factored in, based on a school's ADM. Eight school size variances are considered. She paraphrased the parameters for the adjustments, listed on the page, which read as follows [original punctuation provided]:

A Community with an ADM:

Under 10 - added to the smallest school with an ADM greater than 10.

10 through 100 - Grades K-12 ADM is combined and adjusted once; adjusted as one school.

101 through 425 - ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.

Greater than 425 - The ADM of each facility administered separately as one school is adjusted.

[8:09:52 AM](#)

REPRESENTATIVE JOHNSTON asked if districts are encouraged to have more than one school if the ADM is greater than 425, because adjustments would be made on each facility. A district that has 10 schools, for example, and perhaps two of the elementary schools are under enrolled, the district would receive a greater adjustment for size by maintaining the "two extra schools."

MS. LOBAUGH responded that within the ADM adjustments certain cost factors are locked in for facility operation and maintenance. If a school has an ADM below school capacity, the facility still needs to be operated and maintained. Thus, the adjustment may appear higher in certain areas and said that further details on this would come to the fore later in the presentation.

[8:11:45 AM](#)

REPRESENTATIVE FANSLER asked what defines a community.

MS. LOBAUGH explained that a community is a group of families living in a specific village or city, and offered to provide further information for a more definitive description. She said that EDC uses the definition and a list provided and compiled by the Division of Community and Regional Affairs (CRA) [Department of Commerce, Community & Economic Development (DCCED)]. Some of the communities are taxable, but many are not and EDC and CRA work jointly for determination purposes.

[8:14:12 AM](#)

MS. LOBAUGH continued with two other variables that are considered when adjusting the ADM, which are alternative and

charter schools. She paraphrased from the committee handout, page 8, which read as follows [original punctuation provided]:

Alternative school with an ADM of 175 or greater and administered as a separate facility the ADM will be adjusted separately, unless:

1. It is in the 1st year of service with ADM between 120 to 175 receives adjustment of 1.33; OR
2. It had an ADM of 175 or greater in the prior year but drops below 175 in the current fiscal year it will receive an adjustment of 1.33; OR
3. It has an ADM of less than 175 it shall be counted as a part of the school in the district with the highest ADM.

Charter school with an ADM of 150 or greater is adjusted as a separate facility unless:

1. It is in the 1st year of service with an ADM between 75 to 150 it receives an adjustment of 1.45; OR
2. It had an ADM of 75 or greater in the prior year but drops below this in the current fiscal year it will receive an adjustment of 1.45; OR
3. It continues to stay below 75 ADM then it receives an adjustment of 1.18.

[8:17:02 AM](#)

MS. LOBAUGH drew attention to the document in the committee packet titled, "Public School Funding Program Overview, Updated September 2016," specifically pages 8-9, to point out the district list and how each of the steps being discussed can be followed via the column headings, to track the effects on the final ADM and the FY17 projected state entitlement per district. Using Nome Public School District, as a city borough model for calculation purposes, the projections for the district were as follows: Nome Elementary School 380.00; Nome-Beltz Jr/Sr High School 255.00; the local charter facility Anvil City Science Academy 60.00; Nome Youth Facility, based on bed count, 14.00; and Extension Correspondence program 10.00; resulting in a projected ADM submitted to the department of 719.00.

[8:19:15 AM](#)

MS. LOBAUGH continued to detail the adjustments for Nome based on the projected school populations. Referring to page 10 of the handout, she walked through the separate calculations for the K-6 and 7-12 facilities, the Anvil Charter School, and the Youth facility, to arrive at a school size adjusted ADM of 893.55.

[8:20:25 AM](#)

REPRESENTATIVE JOHNSTON identified the reference line 6 formula number of 326.10, used in the adjustment calculation, and asked for the source the figure.

MS. LOBAUGH explained that the formula numbers were derived by the McDowell Group. She offered her understanding that the adjustment is a reasonable figure to the size of the schools in the district. The origins can be found in SB 36, and she offered to provide further information.

[8:21:43 AM](#)

REPRESENTATIVE JOHNSTON maintained interest in knowing the policy decision behind the figure.

CHAIR ORTIZ added that AS 14.17.440 contains a table indicating the number in question and the other derived figures for school size adjustments.

[8:22:41 AM](#)

MS. LOBAUGH explained the hold harmless provision, which was established to stabilize districts budgets through times of major enrollment fluctuations. To determine eligibility, the district's sum total of the school size adjustment is compared against the prior fiscal year. If a decrease of 5 percent or greater has occurred, then the prior fiscal year will become the base, and the hold harmless provision is triggered. A three year window is considered: the first year, 75 percent of the difference to the base year is retained, the second year 50 percent, and for the third year 25 percent is retained for addition back onto the school size adjustment. The idea is that a district not be put into shock due to an in or out migration of students. She continued with the Nome model to apply the

hold harmless provision to the ADM, paraphrasing the language from the handout, page 12, which read as follows:

Nome received 25 percent of hold harmless in FY 2012. That was the final phase so the district transitioned out of hold harmless.

Did Nome's total school size decrease by 5 percent or greater and reactivate the hold harmless provision?

FY16 Projected ADM 694.00 -School Size Adj. ADM 878.45

FY17 Projected ADM 719.00 -School Size Adj. ADM 893.55

Resulting in an increase in DIFFERENCE of 15.10

No ... the district increased in total school size.

[8:25:36 AM](#)

REPRESENTATIVE PARISH asked how the hold harmless provision affects alternative and charter schools.

MS. LOBAUGH responded that the Nome's Anvil School, a charter alternative, was included in the computation.

[8:26:14 AM](#)

REPRESENTATIVE KOPP considered Nome's FY17 projected ADM of 719, and the projected school size ADM of 893, not quite a 200 student increase, to ponder whether an easier approach might be to establish a cost of living percentage for rural areas versus a complicated formula of this type. He asked whether the local school district makes determinations on the viability for maintaining a school or the department.

MS. LOBAUGH said the decision for affording to operate a school is held at the local level under district control. She pointed out that the district cost factor will be the next factor in the formula.

[8:27:55 AM](#)

MS. LOBAUGH continued with the step 2 district cost factors, which are district specific and range from 1.000 to 2.116. The American Institute for Research reviewed the cost factors in 2002, but the results were considered unacceptable, and the

Institute of Social and Economic Research (ISER) performed a study that was embraced in 2005. She referred to the supplemental handout, page 8, column Q, to indicate the cost factor multipliers for all districts. The cost factors were implemented over a five year period, through HB 273. Using the Nome example the cost factor of 1.450 is multiplied with the school size adjusted ADM of 893.55, producing a further adjusted ADM of 1,295.65. Step 3 addresses special needs funding and includes programs for special education (except intensive), vocational education, gifted/talented, and bilingual/bicultural; it is block funded at 20 percent. The Nome cost factor of 1,295.65 is multiplied by 1.20, arriving at 1,554.78; essentially a 20 percent add-on.

[8:29:57 AM](#)

REPRESENTATIVE SPOHNHOLZ requested confirmation that the 20 percent special needs factor is applied across the board, and throughout the state.

MS. LOBAUGH said correct.

[8:30:17 AM](#)

MS. LOBAUGH said step 4 factors in vocational and technical funding. Career and technical education (CTE) is funded at a factor of 1.015, and is intended to assist districts in providing career and technical educational services in grades 7-12. It excludes costs associated with administrative expenses and instruction in general literacy, mathematics, and job readiness skills. Applied to the Nome public school example, the factors of 1,554.78 and 1.015, result in an ADM adjusted product of 1,578.10.

[8:31:09 AM](#)

REPRESENTATIVE FANSLER questioned the need to have multiple layers of steps to arrive at district funding totals versus the application of a straight forward equation.

MS. LOBAUGH acknowledged the length and complexity of the formula, and assured the committee that the process has proven necessary in order to arrive at equal and fair funding levels as required by our large, diverse state.

MS. LOBAUGH explained step 5, intensive services funding, and said districts are eligible if any enrolled students meet the

following criteria: 1) a student is receiving intensive services; 2) the student is enrolled on the last day of the 20-school-day count period; and 3) the school meets intensive qualifications for each intensive services student. The intensive student count carries a funding factor of 13. A district will receive \$77,090 for each intensive services student. In Nome, the number of intensive students projected was 5, multiplied by the factor of 13. Thus, the previous 1,578.10 ADM product is adjusted to 1,643.10.

[8:33:38 AM](#)

CHAIR ORTIZ asked how a student is identified and assigned an intensive needs designation.

MS. LOBAUGH answered that the intensive needs definition is held in statute. Categories exist for intensive students and new enrollees are appropriately reviewed to ensure compliance.

[8:34:16 AM](#)

REPRESENTATIVE SPOHNHOLZ noted that intensive student funding is based on a per student cost not a formula base.

MS. LOBAUGH said correct.

[8:34:37 AM](#)

MS. LOBAUGH explained Step 6, to factor in the correspondence programs, and said districts receive a multiplier for these programs based on 90 percent of the correspondence ADM. Each correspondence ADM generates \$5,337.00. In the Nome example the projected correspondence student ADM of 10 is multiplied by .90 to produce 9.00, which is in turn multiplied to the adjusted ADM of 1,643.10 to arrive at a new ADM of 1,652.10. Thus, the final figure for the adjusted ADM is established and is multiplied with the base student allocation (BSA). The product represents a district's basic need entitlement. By using the factors of the adjusted ADM 1,652.10 and BSA of \$5,930, the total entitlement for Nome's school district is the product: \$9,796,953 for operation of schools and delivery of education.

[8:37:10 AM](#)

MS. LOBAUGH reviewed a 10 year history of the BSA, from 2008-2018 projection, and pointed out that 2012-2015 totals included one-time grants, issued outside of the formula but based on the

adjusted ADM determinations. She directed attention to the committee handout, page 24, and summarized steps 1-6 for the Nome example, from the initial figure of 709.00 through the determination of the basic need amount of \$9,796,953. Ms. Lobaugh then focused on how funding sources are calculated, or who pays, by reviewing each of the three components of basic need: required local contribution, federal impact aid, and state aid. The required local contribution is based on the current year full and true value, as provided annually by the State Assessor's Office, multiplied by 2.65 mils. The product is used for the purpose of calculating the required local effort for foundation funding. The Nome example uses the 2015 full assessed values in the equation. She said the lesser of the equivalent of 2.65 mils of the full and true value, but not to exceed 45 percent of the school districts prior year, results in the basic need, thus: .00265 times the full and true value tax base of \$366,202,900 equals \$970,438; and the prior year basic need of \$9,946,726 multiplied by 0.45 percent equals \$4,476,027. The lesser product of these two equations is \$970,438 which is what Nome uses as its required local contribution. Only three districts use 0.45 percent of the prior year basic need: North Slope, Skagway, and Valdez. Next, the federal contributions are considered, as received under Title VII, previously Title VIII.

[8:39:29 AM](#)

CHAIR ORTIZ asked about the three named districts that fall under the 0.45 percent category and whether they share any commonalities.

MS. LOBAUGH responded that full valuations for Valdez and the North Slope rank as highest in the state, due to the pipeline, and Skagway is dramatically effected by tourism. She deferred to the assessor for further response regarding Skagway property values.

[8:40:56 AM](#)

MS. LOBAUGH said the Title VII federal impact aid payments received from March 1 through the last day of February are used as payment for basic need following deductions of funds specific to special education (SPED), one fifth Native lands, and construction. Calculating the Nome example, no payments were received from March 1 through the end of February that included SPED funding, Native lands are not applicable for the district, and no construction funds were in play; thus, the total \$60,026 was eligible for deduction in the formula process.

[8:41:44 AM](#)

MS. LOBAUGH explained that the impact aid percentage is derived by dividing the required local contributions by the budgeted local contribution. The budgeted local contribution is part of a city a boroughs budget, as submitted on July 15 every year, and may consist of appropriations, investment earnings, in-kind services and other local benefactions. The required amount for Nome was calculated at \$970,438, divided by the budgeted local contribution of \$2,304,952, for an impact aid result of 42.10 percent. She pointed out that this calculation is only performed for city and boroughs. She said Nome's eligible impact aid figure of \$60,026 is multiplied by the Title VII percentage of 42.10, multiplied again by 90 percent, and results in a deductible impact aid total for Nome of \$22,744. The final calculation for Nome's state aid total can then be determined: basic need of \$9,796,953, less the deductions for required local contributions, \$970,438, and impact aid, \$22,744, for a sum of \$8,803.771.

[8:44:03 AM](#)

MS. LOBAUGH pointed out that other funds may be obtained by a district via additional local contributions and quality school grants. Determining additional local contribution levels requires two calculations: 1) the greater of 2 mils of the tax base or 2) 23 percent of the district's current year basic need and state funds calculated on the adjusted ADM. For Nome the 0.002 factored with the full and true value tax base of \$366,202,900 provides a product of \$732,406; however, when 0.23 is factored with the basic need of \$9,796,953 added to the adjusted ADM of \$26,434, the product is \$2,259,379. As the greater of the two amounts, Nome uses the \$2,259,379 as its additional local contribution, adding it to the required local contribution figure of \$970,438, for a maximum local contribution of \$3,229,817. Ms. Lobaugh explained that the quality school grant was established under AS 14.17.480, and allows a factor of \$16 to be calculated on a district's adjusted ADM. Nome has an adjusted ADM of 1,652.10, which, when factored with the \$16 grant provides a grant of \$26,434. The program, begun in 1998, serves the purpose of increasing student achievement through the methodical improvement of Alaska's public schools. The quality school initiative promotes school improvement by providing clear standards for schools to attain, categorized as follows: 1) implementation of student standards and assessment; 2) professional standards for teachers and

administrators; 3) family, school, business, and community networks; and 4) school excellence standards. Districts may apply for the grant on an annual basis and successful schools submit a yearly report. Nome's calculated state aid of \$8,803,771 is added to the quality school grant of \$26,434, to arrive at the total state entitlement sum of \$8,830,205.

[8:48:16 AM](#)

REPRESENTATIVE KOPP noted that the formula is an example of simplicity being lost and is a process where legislative oversight becomes difficult given the complexity. It would be helpful if the law could be reviewed to ensure the possibility of policy review and oversight.

[8:49:35 AM](#)

CHAIR ORTIZ established that Ms. Lobaugh has been working with the formula for sixteen years and surmised that she may have an understanding of how well it works. He asked for her opinion for whether it provides equality across the state.

MS. LOBAUGH empathized with the complications of the formula process; however, she opined, that it provides a solid base for equality and distribution of federal, education funding without disparity.

[8:51:15 AM](#)

REPRESENTATIVE PARISH asked how much federal impact aid the state receives.

MS. LOBAUGH answered federal funds amount to roughly \$130 million, which, following district deductions, results in about \$80 million being applied to the formula; as shown in the committee handout, page 9, column F.

[8:52:04 AM](#)

REPRESENTATIVE DRUMMOND asked what happens with the \$50 million remaining federal dollars.

MS. LOBAUGH responded that remaining funds are distributed directly to the districts; outside of the formula.

REPRESENTATIVE DRUMMOND noted that Nome has a state entitlement of \$8.8 million, but the city could contribute another \$3.2 million, thus it could have a total budget of about \$12 million.

[8:53:40 AM](#)

REPRESENTATIVE JOHNSTON returned to the topic of the quality school initiative and asked whether a district's qualification is based on results of standardized testing.

MS. LOBAUGH deferred response to the department's Division of Teaching and Learning Support.

[8:54:40 AM](#)

REPRESENTATIVE PARISH commented that the eligible federal impact aid receipts, \$120 million, allow the state to deduct about \$80 million from what it would otherwise be obligated to provide.

MS. LOBAUGH said that Representative Parish's comment is a fair assessment; however, not every district receives federal impact aid, in which case the state pays the bill.

[8:55:49 AM](#)

REPRESENTATIVE FANSLER questioned the rationale for a community contribution cap.

[8:56:28 AM](#)

MS. LOBAUGH responded that it's necessary to ensure against disparity between districts and maintain Alaska as an equalized state.

[8:56:58 AM](#)

MS. LOBAUGH addressed how Regional Education Attendance Areas (REAs) are handled, using Kashunamiut school district as the example. Step 1 begins with the ADM as reported from each school. The Chevak Community School is a single facility serving students from K-12, with an ADM of 324. The ADM number falls between 101 and 425 and therefore Chevak will be adjusted as two schools. The K-6 ADM was reported as 196 and 7-12 as 128. She directed attention to the handout, page 41 and the formula matrix to apply the appropriate school size equation to each ADM and arrive at the total, school size adjusted ADM of 457.94. The next step is to determine whether hold harmless

applies: did the school size decrease by 5 percent or greater. The difference in the school size adjusted ADM for FY16 and FY17 is 22.36, divided by the FY16 school size, shows a 4.66 percent change over the prior year; thus, the decrease is not enough to activate the hold harmless provision.

[8:59:43 AM](#)

MS. LOBAUGH turned to page 43 of the handout to indicate how steps 2, 3, and 4 are applied to an REAA, as follows: multiply the school size adjusted ADM by the district cost factor to determine the adjusted ADM; multiply the adjusted ADM by the special needs factor; and multiply the further adjusted ADM by the CTE factor. For the Kashunamiut district the final product is 903.03. Step 5 factors in the intensive student count, of which Kashunamiut projected 7, multiplied by 13 for a product of 91, and to the adjusted ADM to total 994.03. Step 6 factors in the correspondence students, of which Kashunamiut School District has none. To determine the basic need, the adjusted ADM is multiplied by the BSA: 994.03 times the factor of \$5,930 for a product of \$5,894,598. The correspondence ADM is contained in steps 5 and 6, which is multiplied by the 7 intensive students and zero correspondence. Thus, the district's BSA is determined to be \$5,894.598.

[9:01:12 AM](#)

REPRESENTATIVE TALERICO established that for both scenarios [city and boroughs and REAAs] the special needs and intensive services student will always represent separate costs; never a combination.

MS. LOBAUGH concurred.

[9:01:38 AM](#)

MS. LOBAUGH said that to determine who pays the components of basic need, an REAA has only two sources to consider: federal impact aid and state aid. Required local effort is not a factor as REAAs lack an economic tax base. Beginning with the Title VII impact aid payments for Kashunamiut, from March 1 through the end of February, of \$3,181,975, less the \$668,010 representing one fifth Native lands, SPED, and some construction, results an eligible deduction of \$2,513.965. The eligible impact aid received by a school district is multiplied by 90 percent. An REAA has no local taxing authority, thus the full 90 percent is applied to determine the deductible impact

aid: \$2,513,965 factored by 90 percent equals \$2,262,569. Finishing the Kashunamiut example, she used the basic need, \$5,894,598, subtracted the impact aid figure, \$2,262,569, and arrived at the state aid total of \$3,632,029. Kashunamiut also received a quality school grant of \$15,904, making its state entitlement total \$3,647,933. She noted that if the amount appropriated by the legislature is insufficient to meet the total amount authorized, then the basic need for all districts is reduced pro rata.

[9:04:13 AM](#)

MS. LOBAUGH directed attention to the final page of the handout, titled, "Foundation Funding Formula, FY2018 Projection," to illustrate the bottom line, statewide education projections for FY18: beginning with the projected ADM figure of 130,203.20, following it through the adjustments to arrive at an adjusted ADM dollar amount of \$255,081.57, which is then factored by the BSA, required local contributions, deductible impact aid, and quality schools adjustments to arrive at the FY18 state aid entitlement final figure of \$1,191,230,276. She pointed out that the components of entitlement funding are the state general funds (GF), the public school trust fund, and federal impact aid.

[9:05:12 AM](#)

REPRESENTATIVE FANSLER asked what data resources are available for general use.

MS. LOBAUGH recommended committee members visit the department's web site and follow the "Finance and Facility" tab to access the finance foundation link and the available spread sheets.

[9:05:57 AM](#)

HEIDI TESHNER, Director, Administrative Services, offered to provide members links to the information.

[9:06:07 AM](#)

CHAIR ORTIZ asked what characteristics of an REAA exempts it from making tax contributions.

MS. LOBAUGH responded that REAAs are unorganized areas without authority to tax. The lands are generally federally held or

represent an area comprised of villages that have no economic base.

CHAIR ORTIZ suggested that perhaps federal taxes are paid.

MS. LOBAUGH said that in an REAA there is no ability to run a mil rate against real property and collect a tax.

[9:07:49 AM](#)

REPRESENTATIVE SPOHNHOLZ noted that the special needs factor represents a formula and asked how it contrasts against actual special needs students in each district.

MS. LOBAUGH said an SB 36 report is on the web site and offered to provide it to the committee.

REPRESENTATIVE SPOHNHOLZ suggested that it would be good to review the intensive needs and special services aspect of the formula and determine if it remains a rational formula or if it may need to be revisited by the legislature. Given the wide range of needs in these two areas, she said it may be disproportionate between districts and the 20 percent method may no longer be the best approach.

[9:10:07 AM](#)

REPRESENTATIVE JOHNSTON asked whether the department tracks how the student count corresponds with Permanent Fund Dividend (PFD) applications, on an annual basis, and pondered whether there is a related impact.

MS. LOBAUGH answered that the department has not used the PFD data base as a point of reference.

[9:10:56 AM](#)

CHAIR ORTIZ thanked the participants.

[Chair Ortiz passed the gavel to Representative Drummond.]

[9:11:47 AM](#)

CHAIR DRUMMOND announced the next regular meeting of the House Education Standing Committee and gaveled out.

[9:11:58 AM](#)

ADJOURNMENT

There being no further business before the committee, the joint meeting of the House Education Standing Committee and the House Finance Subcommittee on Education and Early Development was adjourned at 9:12 a.m.