

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

February 27, 2019

8:02 a.m.

MEMBERS PRESENT

Representative Harriet Drummond, Co-Chair
Representative Andi Story, Co-Chair
Representative Grier Hopkins
Representative Chris Tuck
Representative Tiffany Zulkosky
Representative Josh Revak
Representative DeLena Johnson

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Dan Ortiz
Representative Ben Carpenter

COMMITTEE CALENDAR

OVERVIEW: HOW ARE K-12 SCHOOLS FUNDED IN AK?

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

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

POSITION STATEMENT: Provided information and answered questions during the EED overview entitled, the Alaska Public School Funding Formula.

ELWIN BLACKWELL, School Finance Manager
School Finance and Facilities Section
Department of Education and Early Development (EED)

Juneau, Alaska

POSITION STATEMENT: Presented an EED overview of, the Alaska Public School Funding Formula, with the use of a PowerPoint presentation.

ACTION NARRATIVE

[8:02:11 AM](#)

CO-CHAIR HARRIET DRUMMOND called the House Education Standing Committee meeting to order at 8:02 a.m. Representative Johnson, Revak, Zulkosky, Tuck, Hopkins, Story, and Drummond were present at the call to order.

OVERVIEW: How are K-12 Schools Funded in AK?

[8:03:56 AM](#)

CO-CHAIR DRUMMOND announced that the only order of business would be a Department of Education and Early Development (EED) overview of the Alaska Public School Funding Formula by Elwin Blackwell and Heidi Teshner.

[8:04:51 AM](#)

HEIDI TESHNER, Director, Administrative Services, Department of Education and Early Development (DEED), directed attention to slide 39 of a PowerPoint presentation [that would be given by Elwin Blackwell], titled "AS 14.17.410 Foundation Funding Formula FY2020 Projection," and noted that this slide shows a "snapshot" view of the overall formula.

[8:05:42 AM](#)

ELWIN BLACKWELL, School Finance Manager, School Finance and Facilities Section, Department of Education and Early Development (DEED), presented a department overview, titled "Alaska Public School Funding Formula Overview," with the use of a PowerPoint presentation. As shown on slide 2, he explained that the current funding formula was developed in Senate Bill 36 in 1998 and fully implemented in 1999. All of the statutes regarding the Alaska Foundation Formula are found in AS. 14.17. Mr. Blackwell continued to slide 3, "Providing an Overview" of what the state pays, which includes: an October count that provides the average daily membership (ADM); calculations of adjusted average daily membership (AADM); calculations of basic need; funding components of basic need - who pays; and

additional funds above basic need. As shown on slide 4, "Average Daily Membership," he said the ADM is the number of enrolled students during the twenty school-day count period ending on the fourth Friday of October.

[8:08:11 AM](#)

CO-CHAIR STORY asked why the period in October was chosen.

MR. BLACKWELL replied he wasn't sure why October was chosen but the calculation is based on enrollment, not attendance.

[8:09:41 AM](#)

REPRESENTATIVE REVAK questioned whether students' names were cross checked to avoid double counting.

MR. BLACKWELL answered yes, then explained how districts work together to ensure students are not counted twice.

MR. BLACKWELL continued his presentation by directing attention to slide 5, titled "Who Qualifies as a Student?" He said that per statute a child who is six years of age on or before September first, under the age of twenty, and has not completed the twelfth grade is considered a student for funding purposes. A child who is under five years of age on or before September first may enter kindergarten and would be considered a student. Finally, a child with disabilities and an active Individualized Education Program (IEP) may attend school if at the age of at least three or if under the age of twenty-two by July first, and he/she would be considered a student.

[8:11:37 AM](#)

CO-CHAIR STORY asked if a child who turns three after the count date would be considered a student for the purpose of the formula.

MR. BLACKWELL replied yes.

[8:12:41 AM](#)

MR. BLACKWELL started his explanation of the slide, titled "6 Steps to District Adjusted ADM," by explaining that the ADM formula is adjusted based on school size. He said a community with under 10 ADM would be added to the nearest small school with greater than 10 ADM. Schools with between 10 and 100 ADM

would be adjusted as one school. Communities with between 101 and 425 ADM would be adjusted as two schools. For communities with over 425 ADM, each facility is administered as a separate school unless it is a single facility; then it is adjusted as two schools.

[8:15:19 AM](#)

REPRESENTATIVE ZULKOSKY inquired how many schools fell into the under 10 ADM category.

MR. BLACKWELL answered that he did not have an exact number of schools that were close to being under 10 students. He explained that in the past most towns have chosen to shut a school down, however a few districts elected to keep those schools open based on the belief student populations would rebound.

REPRESENTATIVE ZULKOSKY asked for clarification about whether schools with less than 10 ADM would be added to the smallest school with over 10 ADM.

MR. BLACKWELL answered yes, the ADM would be added to the next smallest school with over 10 ADM.

[8:19:54 AM](#)

REPRESENTATIVE JOHNSON inquired about rounding errors in the foundation formula.

MR. BLACKWELL explained that the formula's assumption is that as a school gets bigger it becomes more efficient, so the formula builds on previous adjustments as the number of students increase.

MR. BLACKWELL continued his presentation on slide 8 by sharing information on how the formula is adjusted for alternative and charter schools. He said there are different adjustments and rules associated with those type of schools. He related that an alternative school with an ADM of 175 or greater has to be administered as a separate facility, and the ADM will be adjusted separately. The exception to this is that an alternative school in its first year of service, with an ADM between 120 and 175, will receive an adjustment of 1.33; if it has an ADM of 175 or greater in the prior year but drops below the 175 in the current year, then it will continue to receive the 1.33 adjustment; if it has an ADM of less than 175, then it

will be counted as a part of the school in the district with the highest ADM.

MR. BLACKWELL advised that charter schools have different adjustments. A charter school with an ADM of 150 or greater will be adjusted as a separate facility unless it is in the first year of service and the ADM is between 75 and 150, in which case it will receive an adjustment of 1.45; if it has an ADM of 75 or greater in the prior year but drops below this in the current year, then it will receive the 1.45 adjustment; if it continues to stay below 75 ADM, then it will receive an adjustment of 1.18.

[8:23:29 AM](#)

CO-CHAIR STORY explained through this mechanism, school districts can offer more options for families and students.

MR. BLACKWELL offered that so far in his presentation he had gone through the school funding process. He said as he continued through the presentation, he would be using the Nome Public Schools as an example to work through the funding formula with the committee. He directed attention to slide 9, titled "Step 1. Example: Nome Public Schools Projected FY2019 ADM by School." Mr. Blackwell referenced the part of the slide that showed Nome Elementary School had 380 ADM. He then explained each school's ADM was referenced on the slide, and the total ADM for the Nome Public School District was 689.00.

[8:25:10 AM](#)

MR. BLACKWELL shared slide 10, which shows how schools "run through the school size adjustment." Using Nome Public School District as an example, he related that the kindergarten through sixth grade ("K-6") is at 380.00 ADM. Using the reference table on slide 10, he pointed out that this K-6 ranked number six in schools ranging in size from 250-399.99. He continued as follows:

And in this case what we do is we take 380, subtract out 250, and take ... the difference there and multiply it by the .97 and then add the previous maximum calculation of 326.10 to it and come up with our school size adjustment of 452.20.

MR. BLACKWELL said this calculation is done for each of the schools and demonstrated the full calculation on slide 10.

[8:26:58 AM](#)

REPRESENTATIVE HOPKINS asked what was being referenced on slide 10 by the number 326.10.

MR. BLACKWELL explained that 326.10 represents the maximum number of school size adjustments that could have been achieved on slide 10, reference 5.

REPRESENTATIVE HOPKINS asked for clarification.

MR. BLACKWELL stated that taking a look at reference 1 and 2 on slide 10 might facilitate understanding how the table works. He continued as follows:

Because we have a flat...factor of 39.60 for step one, we carry that over into step two, and then anything that is between 20 and 29.99 gets adjusted at 1.62 and added to the 39.6, which was the maximum adjustment in number 1...So, if I run through that, and I had 29.99 for step 2, I would come up with a school size adjustment of 55.80. And so, when I start my...number 3, that's my basis for starting, and so those students that are from 30 to 74.55 then will be adjusted at 1.49 and added to the 55.80, which was the maximum adjustment from the previous reference.

[8:29:30 AM](#)

MR. BLACKWELL turned to slide 11, titled, "Hold Harmless Provision," and explained there is potential for school size adjustments to decrease for reasons ranging from natural fluctuation to school closures. If that decrease is 5 percent or greater from one year to the next, that would trigger a hold harmless provision. He used a formula on page 11 to explain how the hold harmless provision would be allocated over a three-year period. Mr. Blackwell continued his explanation and on slide 12 he demonstrated how the hold harmless provision would be calculated for the Nome Public School District. In his example, Nome Public School District did not decrease by 5 percent or greater, so he explained that the hold harmless provision would not be triggered.

[8:31:51 AM](#)

MR. BLACKWELL demonstrated "District Cost Factors" on slide 13. He explained that district cost factors are laid out in statute and range from a factor of 1 to 2.116. He shared that the Nome Public School District cost factor is 1.450, and he showed that the Nome ADM of 856.30, multiplied by the District Cost Factor for Nome of 1.450, would be 1,241.64.

[8:32:58 AM](#)

MR. BLACKWELL shared slide 14, "Special Needs Funding Factor." Mr. Blackwell explained this factor is to cover some vocational education and some gifted/talented, as well bilingual/bicultural needs. He said this factor was "block funded" at a factor of 1.20.

[8:33:21 AM](#)

MR. BLACKWELL, on slide 15. continued his use of Nome Public School District for his examples and demonstrated how to adjust for the special needs factor. His analysis used the district cost factor of 1,241.64 and multiplied it by the special needs factor of 1.20, which equated to 1,489.97.

[8:33:38 AM](#)

MR. BLACKWELL explained that several years ago a vocational & technical funding factor added to the funding formula. He shared slide 16, which showed that the career & technical education (CTE) funding was set at a factor of 1.015 and is intended to assist districts in providing technical education services in grades 7 through 12. The formula took 1,489.97 and multiplied that factor by 1.015 for a new factor of 1,512.32.

[8:34:40 AM](#)

MR. BLACKWELL explained that at this stage of the formula districts would consider [slide 18 titled] Intensive Services Funding. Mr. Blackwell said students receiving intensive service, who are enrolled on the last day of the count period and meet intensive qualification for each intensive service are identified and multiplied by a factor of 13. He said an intensive needs student, "at 13," generates just over \$77,000.

[8:35:28 AM](#)

REPRESENTATIVE TUCK asked what would qualify a student to be considered for the funding.

MR. BLACKWELL answered there are multiple criteria that would have to be met in order for a student to qualify as an intensive-needs student. He stated that these are students who need a lot of special help and aid throughout the day.

[8:36:33 AM](#)

REPRESENTATIVE REVAK asked whether some students fell under both special and intensive needs.

MR. BLACKWELL replied that intensive needs students are special needs students with additional factors. He added that the formula provides additional funding for intensive needs students.

[8:37:14 AM](#)

CO-CHAIR STORY asked Mr. Blackwell to provide a definition that explains the difference between special and intensive needs students to the committee.

[8:37:57 AM](#)

MR. BLACKWELL proceeded to slide 19, titled "Step 5. Example: Nome Public Schools." He explained that the Nome Public School District has 12 students who qualify for the Intensive Student adjustment. He showed a calculation of 12 Intensive Students multiplied by the Intensive Needs Student factor of 13 then added to the school factor of 1,512.32 would become the Nome Public School District's new factor of 1,668.32.

[8:38:33 AM](#)

MR. BLACKWELL explained that the Nome Public School District adjusted ADM needed to include an adjustment for correspondence programs. As he presented slide 20, he said the formula provides a factor of 0.9 for each correspondence student. Mr. Blackwell shared his example on slide 21 which showed Nome Public School District had 15 correspondence students. He worked through the formula of 15 correspondence ADM, multiplied by a factor of 0.9, then added to the previous ADM of 1,668.32, and said that would give the Nome Public School District a new ADM of 1,681.82.

[8:39:50 AM](#)

MR. BLACKWELL directed attention to slide 22, titled "Basic Need Entitlement." He said at this point the adjusted ADM is multiplied by the base student allocation (BSA); therefore, the 1,681.82 adjusted ADM is multiplied times \$5,930, which shows that basic need for the Nome Public School District is \$9,973,193 per the formula. He said this represents "the number that the formula expects the school district would need to be able to operate their schools for that particular fiscal year."

[8:40:27 AM](#)

REPRESENTATIVE TUCK referred back to Step 4, on slide 16, regarding technical funding, and asked how the costs associated with "administrative expenses and instruction in general literacy, mathematics, and job readiness skills" are excluded from the funding factor of 1.015.

[8:41:16 AM](#)

MS. TESHNER explained that the intent is for the funding to go toward the provision of career and technical services to grades 7 through 12; it is not meant to cover those excluded costs.

[8:41:40 AM](#)

CO-CHAIR STORY noted that part or all of the legislative body had requested a 2015 study by Augenblick, Palish, and Associates (APA) to compare Alaska's formula to that of other states to determine whether Alaska is "providing for adjustments and increased expenses to districts based on these certain needs." She said she found it interesting that the study found Alaska did not provide "a factor for ... low-income students." She said, for example, one school in Juneau has 11 percent of its students living in poverty; another serves 66 percent of its students in poverty. She said some states give more to the schools with higher numbers of students who live in poverty. Another factor, she said, was limited English proficiency. She said she knows there are some schools in Alaska with 80 percent of students with limited English proficiency; therefore, "they need to provide ... extra service, which costs money, but it's not in our factor." Other districts, she said, have very little limited English proficiency. She indicated that that was one area that [APA suggested] could be made more equitable.

CO-CHAIR DRUMMOND said she could provide a copy of the report based on the APA study to committee.

[8:43:32 AM](#)

MR. BLACKWELL continued with his PowerPoint presentation, to slide 23, titled "Nome: Summarized District Adjusted ADM & Basic Need." He indicated that this slide is a summarization of all the other slides and an illustration of "how everything builds on itself to get to basic need." He continued:

We started off with ... 856.30 ADM; we ended up with a school size ... adjusted ADM of 1,681.82 So, ... the formula does inflate those numbers throughout to help provide for those additional services.

MR. BLACKWELL, referring to slide 24, said "basic need is our magic number" and the next step is to figure out "who is going to pay what portion of that ... basic need." A city, municipality, or local borough will have a required local contribution. He said regional attendance contribution areas do not have a local contribution, but a lot of those district receive federal impact aid; some cities and boroughs receive federal impact aid, as well. The final source that will help pay for basic need is state aid, he said.

MR. BLACKWELL turned next to slide 25, titled "Full & True Value/Local Effort Calculation." He continued:

We'll take the full and true value, which is provided by the State Assessor's Office, and we'll multiply it for the required local effort at 2.65 mils, ... [which] is established in statute.

MR. BLACKWELL referred to slide 26, titled "Calculating Required Local Contribution." He said, "There's really a test that we're looking at to see which calculation is the lesser. He indicated that the calculation would show the lesser of the equivalent of 2.65 mils of the full value for the 2018 calendar year but would not exceed 45 percent of the school district's prior year basic need. He continued:

So, what we'll do is we'll run both the 2.65 mils on the assessed value, and we'll also run the 45 percent of the district's prior year basic need, and we'll see which one of those is the less - the smallest number. That, then, becomes the required local effort.

MR. BLACKWELL reported that almost all the municipal school districts fall in the category of the 2.65, while three or four

of them fall under the 45 percent. The latter include North Slope, Valdez, Skagway, and Bristol Bay.

[8:46:51 AM](#)

CO-CHAIR DRUMMOND asked if the 2.65 mils of [those four listed districts] is above 45 percent of [the prior year] basic need; therefore, "the lower number is the one to go with."

MR. BLACKWELL answered that is correct.

[8:47:59 AM](#)

MR. BLACKWELL presented slide 27, "Title VII Federal Impact Aid Payments." He told the committee, federal impact aid payments received between March first and the last day of February are used as payment for basic needs. He shared there are elements of impact aid that the state cannot use for funding basic need, those are special education funding, one-fifth Native land funding, and any construction funds. Mr. Blackwell continued onto slide 28, an example of the Nome Public School District's impact aid funding. He explained to the committee:

After all of the removal of these items we can't look at, we come up with a number \$133,113. That represents the impact aid we can look at for funding basic need.

[8:50:23 AM](#)

REPRESENTATIVE TUCK asked whether the formula deducts 20 percent of the native lands funding a district would receive from the state.

MR. BLACKWELL answered no, the deduction for native lands would be from federal impact aid programs.

REPRESENTATIVE TUCK commented that there are three federal impact aid categories.

CO-CHAIR DRUMMOND asked if the federal funding for special education was the total amount for special education required by the [Disability Education Act] (DEA) of 1975.

MR. BLACKWELL replied it was part of the special education money received as part of impact aid payments.

[8:53:34 AM](#)

MR. BLACKWELL presented slide 29, titled "Impact Aid Percentage." He explained that at this point in the presentation the calculation for the Nome Public School District showed what was eligible for deduction, not necessarily the amount that will be deducted. He continued and said since Nome is a first-class city and has a required local contribution, he would take the committee through how much of the eligible impact aid would actually be deducted. He explained that for Nome, the calculation would be the required local contribution divided by the budgeted local contribution. Cities contributing more at the local level for their schools benefit because they are paying a little more towards education. He explained: "The budgeted local, for the purposes of calculating this percentage, would comprise of any city appropriations, investments on earnings, any in-kind services or ... any other local money that shows up in that budget."

REPRESENTATIVE HOPKINS questioned whether that would include assistance with maintenance, risk management, or legal services for the district.

MR. BLACKWELL explained that if the city is providing those services for the school district and the district is not paying for them then it could be considered an in-kind service.

REPRESENTATIVE HOPKINS asked if the in-kind services are included in the cap that local municipalities can give to school districts.

MR. BLACKWELL replied that it would be within the required local contribution, so in that case would be considered part of the cap.

[8:56:51 AM](#)

REPRESENTATIVE JOHNSON asked what was "other" local.

MR. BLACKWELL explained "other" local as items such as monies received for rental facilities, prior recovery of funds, donations, sales of supplies/equipment, or a variety of things that may not fit into certain categories but show up as income to the community.

[8:57:51 AM](#)

MR. BLACKWELL resumed his explanation of slide 30 by explaining the Nome Public School District Title VII Percentage. The formula for Nome is required local effort divided by budgeted local effort, which was \$1,114,206 divided by \$3,408,762, or 32.69 percent. The calculated percentage is what will be used to apply to the eligible impact aid.

CO-CHAIR DRUMMOND referenced slide 30 and asked Mr. Blackwell to explain the difference between required local [contribution] and budgeted local [contribution].

MR. BLACKWELL explained that the required local contribution was what is statutorily required to be provided for education while the budgeted local contribution represented the required local contribution plus any additional funding provided.

CO-CHAIR DRUMMOND asked if the budgeted local contribution was also a formula.

MR. BLACKWELL answered that the budgeted local contribution would be addressed later in the presentation.

REPRESENTATIVE TUCK asked if the budgeted local contribution was that for which the district had budgeted for.

MR. BLACKWELL replied it would be what the district had budgeted for local contributions plus the additional amount provided by the City of Nome.

[9:02:22 AM](#)

MR. BLACKWELL said he was going to use slide 32 titled, "State Aid." His explanation referenced basic need of \$9,973,193 less the required local contribution and impact aid which would leave state aid of \$8,819,824. The state aid is the amount the State of Alaska would pay the Nome Public School District to run its schools for that school year.

CO-CHAIR STORY asked if the [Nome] municipality could give "up to the \$3.4 Million".

MR. BLACKWELL replied that the municipality could give even more, but that was the amount that was given. Mr. Blackwell continued onto slide 34, titled "Additional Funds Above Basic Need." The slide showed that two additional funds were, additional local contributions and quality schools grants. As

shown on slide 34, Mr. Blackwell explained the additional local contribution by saying:

Before, we were talking about the lesser of two numbers for the required local. In this example [slide 34] or in this case we're going to be talking [about] the greater of two numbers. And so, in this case...we're going to...run a calculation on two mils of the true value, assessed value, of property and we're going to take a look at what 23 percent of the current year basic need is going to be. And whichever one of those two is greater will then be considered their additional local contribution. So, in Nome's case, if we take a look at...two mils of their...full and true value, that comes up at \$840,910. Twenty-three percent of the current year basic need calculates out at \$2,300,023. And what we do when we take a look at that, ... we have the \$9,973,193, which was the Basic Need, and then there is a \$26,909 that is quality schools. That... uses the formula numbers but its not part of the formula, its...in addition to it, and we'll cover how that's calculated...That \$26,000 is added to their basic need and then we apply the 23 percent to that number...with what, to come up with that product. And at this point we'll see that the \$2,300,000 is the greater of the two numbers so, we're going to utilize 23 percent of the current year basic need as representing what their additional local funding would be.

MR. BLACKWELL shared slide 35 with the committee. He explained that at this point in the calculation the required local contribution and additional local contribution were added together for a maximum local contribution of \$3,414,229. He said that number falls below what was budgeted for local contribution to the school "and that's why they've stayed just below the cap, in this case."

[9:06:37 AM](#)

MR. BLACKWELL shared slide 36, titled "Quality Schools Grant," and explained how the adjusted ADM is multiplied by a factor of \$16 to come up with the quality schools grant amount. For the Nome Public School District, the quality schools grant amount was \$26,909.

REPRESENTATIVE TUCK asked if there were criteria to qualify for the grant.

[9:07:54 AM](#)

MS. TESHNER answered that there is a report that school districts are required to provide to receive the funding.

[9:08:25 AM](#)

REPRESENTATIVE REVAK asked that information regarding the Quality School Grant funding requirements be distributed to the committee.

[9:08:41 AM](#)

MR. BLACKWELL presented slide 37, titled "A permanent Funding Component of State Aid." He started his explanation of the slide by saying we now have the components of state aid. The calculated state aid for the Nome Public School District was \$8,819,824, and by adding the \$26,909 amount of the Quality Schools Grant, the district would receive a total state entitlement of \$8,846,733. He explained that would be the amount that would be requested to fund Nome Public Schools in the upcoming fiscal year.

[9:09:36 AM](#)

REPRESENTATIVE HOPKINS asked whether that included the local contribution.

MR. BLACKWELL replied that it was just what the state would pay and did not include the local contribution.

[9:09:57 AM](#)

MR. BLACKWELL shared slide 38, "Prorating the Public-School Funding Formula." The slide read, "If the amount appropriated by the legislature is insufficient to meet the total amount authorized, then all districts' Basic Need will be reduced pro rata." Mr. Blackwell explained that if state funding was insufficient, the state would do its best to fund schools with as much money as available.

[9:10:38 AM](#)

CO-CHAIR DRUMMOND asked if the local contribution would also be affected by lowering of state aid because of the way the cap worked.

[9:10:54 AM](#)

MR. BLACKWELL agreed with Co-Chair Drummond and added the contribution would be affected because the 23 percent basic need factor would be calculated on a smaller number.

CO-CHAIR DRUMMOND asked if a city or borough wanted to provide additional funding above the cap would be allowed to do so.

MR. BLACKWELL explained that if a city or borough funded schools above the cap, the school district would be notified and would have to return the money above the cap amount. He said the cap's purpose is to ensure all school district funding is equalized.

[9:12:57 AM](#)

REPRESENTATIVE HOPKINS asked for an explanation of what equalized was in the described situation.

MR. BLACKWELL said equalized means that school districts fall within a range to help ensure there isn't disparity between affluent and non-affluent districts.

[9:14:08 AM](#)

REPRESENTATIVE JOHNSON commented that the various funding formulas have constants that are used within the formula for part of the calculation. She then asked whether they change annually or how often those constants get adjusted.

[9:15:32 AM](#)

MS. TESHNER answered that each of the constants are set in statute; the formula was established in 1999 and has had changes to it since its inception.

REPRESENTATIVE JOHNSON asked if once the basic need was calculated there were other numbers from the federal government that were part of the calculation for the total disbursement.

MS. TESHNER replied that the impact aid number was the only part of the calculation from the federal government.

[9:16:49 AM](#)

CO-CHAIR STORY asked how many municipalities are funded at the cap.

MS. TESHNER replied she could provide that information to the committee at a later time.

[9:17:24 AM](#)

MS. TESHNER presented, "Department of Education & Early Development History of One-Time funding outside the Foundation Formula." She explained it showed the history of one-time funding from 2002 to 2020 which is additional funding outside the formula provided to school districts based on adjusted ADM.

[9:18:09 AM](#)

REPRESENTATIVE HOPKINS said there had been discussions concerning when the one-time monies have been given out. He then asked for the calendar dates of disbursement.

MS. TESHNER explained that once the foundation formula for all districts had been calculated, then the one-time payment would be provided, which typically occurred in late January or early February.

[9:19:49 AM](#)

CO-CHAIR STORY asked Ms. Teschner to confirm that the one-time money [2019] was already with the department.

MS. TESHNER replied that the department had the money and was holding onto it until the legislature acted on the supplemental budget.

[9:20:21 AM](#)

REPRESENTATIVE TUCK asked what would happen if the legislature did not act on the supplemental budget.

MS. TESHNER explained that the funds would have to be distributed by June 30; otherwise they would lapse back to the general fund.

[9:21:08 AM](#)

MR. BLACKWELL Presented "Federal Impact Aid Disparity Test." He said the presentation was a brief overview of what the disparity test is. Mr. Blackwell summed up the disparity test by explaining it was a way of ensuring school districts within the state have equalized funding. The slide explained that the highest revenue districts in the state and the lowest revenue districts in the state cannot have more than a 25 percent disparity in funding based on the adjusted ADM.

[9:23:41 AM](#)

CO-CHAIR STORY asked if the department had determined whether the governor's proposed budget would pass or fail the disparity test.

MS. TESHNER answered that the department had not done the calculation yet but would follow-up with the committee.

[9:24:15 AM](#)

REPRESENTATIVE HOPKINS asked how the district cost factor "played into" the disparity test.

MR. BLACKWELL explained he hadn't considered how the factor would affect the test but said that the district cost factor was a small component of the total.

REPRESENTATIVE HOPKINS asked for clarification on what the 25 percent represented.

MR. BLACKWELL explained that all the factors and formulas from the earlier presentation go into the calculation for each district, and by looking at the district cost factor and how it plays into the disparity test, the district cost factor was just one small factor in a large calculation. He continued by sharing the disparity test information is on the department website and all districts disparity test results are available to the public.

[9:29:15 AM](#)

CO-CHAIR DRUMMOND offered the House Education Committee members an opportunity to speak about why they wanted to be on the committee.

[9:29:47 AM](#)

REPRESENTATIVE REVAK explained he has two daughters in public school and wants to make a positive impact on school systems in Alaska.

[9:30:18 AM](#)

REPRESENTATIVE TUCK talked about his children who had gone through public schools and how he wants the best for all children so [Alaska] can be the example for other states to follow.

[9:32:04 AM](#)

REPRESENTATIVE ZULKOSKY shared she comes from a region that is spread out and rural. She said she believes the relationships young people have with their teachers can inspire young people toward greatness. She commented she is interested in making sure the resources are available to ensure that young Alaskans are stepping into the workforce or continuing their education to advance their communities.

[9:33:17 AM](#)

CO-CHAIR STORY agreed that children are one of the best resources Alaska has. She explained that the House Education Committee should have a good relationship with the entities that effect students' lives and make sure they're all working together for the sake of children. She also said funding education at a level that resources the mission is important.

[9:36:04 AM](#)

REPRESENTATIVE JOHNSON offered that she was interested in the committee because the Matanuska Susitna Borough School District has the second largest attendance and is continuing to expand.

[9:37:00 AM](#)

REPRESENTATIVE HOPKINS said he wanted students in school to have the same opportunities he did growing up in the Alaska educational system.

[9:38:17 AM](#)

CO-CHAIR DRUMMOND said when she started out, her interest in education stemmed from a situation with her son's school in the

early '90s. Through her initial interest she got elected to the Anchorage School Board. She said she was concerned that the governor wants to step away from the responsibility of the state in funding school construction.

[9:41:19 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:41 a.m.