

A/B-28

"An Act making a supplemental appropriation to the State-Operated School System; and providing for an effective date."

1/27/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date 4/16/75

The Committee on WESS has had HB 78

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

[Signature] _____
[Signature] _____
[Signature] _____
[Signature] _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman



JUNEAU ALASKA

Alaska State Legislature

House

HESS COMMITTEE MEETING

3-26-75

Members Present:

Ose	Parr
Hackney	Sullivan
Osterback	Swanson
Ostrosky	

Chairman Sullivan called the meeting to order at 7:00pm. to take up a continuation of HB 24. HB 78 was also briefly considered.

HB 78

Mr. Wesley from SCS gave briefing of the bill. SOS classifies income as restricted income. The problem we have is that in order to honor our contracts (pupil teacher ratio) the commitments have to be able to be made in advance. It is impossible to reduce the program to 2.2 million because of contracts already made.

Hackney You say \$300,000 was found in the budget? If you had gotten the shortfall for this year would you still have found the \$300,000?

Wesley No, we would not have been able to reduce the costs, or have reasoning to do so. 75% of this budget is under Federal regulation 874. 7 or 8% of 874 appropriations are included in present SOS.

Hackney AVEC utilities did not go up this year?

Wesley Yes, they remained at the same rate of fiscal 74.

Hackney I don't understand why the utilities go up on the Bases?

Wesley The military command has the power to raise the utilities and did so of about 30%. AVEC changes their structure, the utilities went up only at the sites where there were multiple buildings.

Swanson I find it strange that under the sale of electricity to AVEC by SOS.... at one time the Legislature had to set the regulations by resolution, it seems to be changed to what it was three years ago.

Wesley AVEC did not raise the rates, when a new building was added the utility costs were increased.

HB 24

Senator Ferguson:

These are feelings of my own concerning the SOS Program. One problem I see is that there is not sufficient time for the transition. At least one years time

fall to let all Region 10 areas take care of themselves. I think we should allow SOS to continue to run for exactly one more year. Commissioner Lind in consultation with CRA could change regional attendance areas into sections allowing them to run their own schools. My amendments to the bill are as follows:

- 1) Pg. 1 Line 9 - Delete Repealer and put it on the last page where it would repeal it on July 1, 1976.
Line 29- Using Boundaries
- 2) Pg. 2 Line 5 - Delete 'may' and include 'shall'
Line 9 - Delete everything after control and add on 'July 1, 1976'. Propose that no area take over their own schools until that date.
- 3) Pg. 3 Line 11- Add 'only' after 'into sections'
Line 21- Add Sect. B after period
- 4) Pg. 6 Line 5 - Delete '60 days' and add 'Oct. 1976'
- 5) Pg. 23 Sec. 36 - Add 'remain in the regional educational attendance areas...'

Clark Do you propose that this is mandatory to wait a full year before the districts can transfer over?

Ferguson Yes, with the Oct. 76 date in mind. I fear that if we allow small regional attendance areas to be created all over the state there will be problems.

Hackney How would you propose to handle the chain?

Ferguson That could be done by the ALeut, their boundaries would be a Regional Board and set up subsections where the Regional School Board could delegate the powers. It is my understanding that first class cities can participate in the regional attendance areas.

Mr. Files Representing SOS Teachers from District I
Submitted amendment to the bill. (see attached)

Hackney Do any of the SOS representatives have any comments about extending the phase out for one more year?

Clark The only problem I see is when you try to have people phase themselves out. Working members now in SOS will be a bit reluctant to phase out their own positions. The statewide trend is using the existing regional boundaries.

Parr On page 21, you mentioned Statewide Resource Center, what is that?

Clark One thing they may do is provide bilingual education type services.

Parr Does not mean that they will deal only with bilingual education services?

Clark Correct. I will go over all of my proposed amendments one more time for clarity purposes. (See attached)

Parr In the resource centers we're talking about three or four of them across the state.

Hackney I would like to request that we ask Rich Guthrie to check on AVEC situation to find the possible problems there.

Page Three
HESS Meeting
3-26-75

SOS continued

Van Houte At the top of page 24, We can not drop this out because of the existing contracts. This would make us liable for law suits.

Parr Who pays AVEC bills now?

Clark SOS does, they have contracts out on all these.

Sullivan Some SOS contracts include things such as buildings, etc. and I'm sure they don't expire on July 1?

Van Houte If the State has a lease they are their responsibility. The leases would have to be examined on an individual basis.

Mr. Hayes SOS Representative

The lease agreement, for example, on the SOS building in Anchorage is for three years. We have talked to the owner and he has made it clear that he is willing to compromise. Based on your bill it would be a year before these buildings would be evacuated. I personally don't see this as a problem to this bill.

Sullivan My intentions are to give Stu Hall all the proposed amendments and get his opinion in the legal area, then meet again to put it all together and complete this bill.

Meeting was adjourned at 9:30. Bill will be reconsidered on April 1, 1975.

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST
 Bill No. HB 78
 Title: SOS Supplemental Appropriation
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: _____ Program: _____

II. FISCAL DETAIL
 Budget Request Unit(s) Affected: State-operated Schools
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	1809.4					
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

see attached

IV. ATTACHMENTS

V. DATE: 2/28/75 PREPARED BY: T. E. Emsman

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM

State of Alaska

TO: File

DATE: February 3, 1975

FILE NO:

TELEPHONE NO:

FROM: Richard Emerman, Budget Analyst
Division of Budget and Management
Department of Administration

SUBJECT: SOS Supplemental Appropriation

SOS has submitted the following computations in support of their FY 75 supplemental request:

P.L. 81-874 Appropriation	\$30,234,500
Current Revenue Estimate - P.L. 81-874	28,025,108
Estimated Shortfall in P.L. 81-874 Revenue	\$ 2,209,392
Estimated Cost Savings due to Enrollment declines	\$ 400,000
Net Deficit Applicable to SOS Operations	\$ 1,809,392

The \$400,000 in cost savings is comprised of the following:

Estimated 15 teacher positions	\$ 300,000
Decline in tuition payments due to anticipated declines in military student enrollments at borough schools	\$ 75,000
Miscellaneous variable costs	\$ 25,000
	\$ 400,000

The attached analysis indicates that the original 874 estimate was \$30,558,533, in contrast to the actual 874 appropriation of \$30,234,500. This discrepancy is due to the removal of Selawik from the SOS computation midway through the FY 75 budget process.

P.L. 81-874 funds are not identified with any specific program or operation within SOS - neither surpluses nor shortfalls in collection of 874 funds affect the scope of SOS activities. In other words, 874 funds have been treated simply as a General Fund offset in whatever amount they are received. In the case of higher than anticipated 874 revenues, the surplus funds would be deposited in the General Fund without increasing SOS expenditure authorization. Conversely, a shortfall does not automatically reduce spending requirements but means instead that less General Fund money will be supplanted by federal receipts than was initially projected. In this case, unexpected enrollment declines do result in some cost savings as well as a reduction in 874 reimbursement.

Most of the problem in enrollment declines has occurred in the on-base schools:

	ADM estimate in FY 75 budget	1st Quarter enrollment
Adak	666	680
Eielson	2,248	1,946
Elmendorf	1,886	1,758
Greely	318	277
Richardson	1,452	1,355
Wainwright	902	928
	<u>7,472</u>	<u>6,944</u>

Alaska State-Operated School System
 PL 81-874 Supporting Computations
 FY 1975

	<u>Original FY 1975 Estimate (Para 22)</u>			<u>Revised FY 1975 Estimate</u>		
	"A"	"B"	Total	"A"	"B"	Total
Rural Schools	4,388.	1,612.	6,000.	3,954.	1,291.	5,245.
Military Schools	6,880.	1.	6,881.	6,880.	-0-	6,880.
District Schools (Totals)	<u>2,805.</u>	<u>221.</u>	<u>3,026.</u>	<u>3,357.</u>	<u>148.</u>	<u>3,505.</u>
	17,073.	1,834.	18,907.	13,814.	1,439.	15,253.
Cost (cost per pupil)	<u>\$1,895.64</u>	<u>\$1,628.64</u>		<u>\$1,938.27</u>	<u>\$1,078.27</u>	
	\$29,000,680.72	\$3,115,305.76		\$27,055,885.98	\$2,231,241.12	
Collection Factor	<u>100%</u>	<u>80%</u>		<u>100%</u>	<u>80%</u>	
Adjusted PL 81-874 Totals	<u>\$29,000,680.72</u>	<u>\$3,115,305.76</u>	<u>\$32,115,986.48</u>	<u>\$27,055,885.98</u>	<u>\$2,231,241.12</u>	<u>\$29,287,127.10</u>

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Region	Area Category			Total
	A	B	C	
Aleutian	71	23	151	245
Fort Yukon	107	78	60	245
Adelle Island	408	-0-	-0-	408
Northwest and King Street	644	47	22	713
Glennallen	114	77	315	506
Delta/Tok	192	251	316	739
Southwestern	682	97	55	834
Bethel	636	286	321	1243
Southern	304	49	90	423
Upper Inland	70	180	59	309
Tanana	410	113	58	581
Lower Yukon and McGrath	298	102	152	552
Bethel - Special Education	13	8	8	29
Southern (Paul Alice - Correspondence)	5	-0-	-0-	5
	<u>2954</u>	<u>1291</u>	<u>1589</u>	<u>6832</u>

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Illinois State-Operated School System
Estimated 1971-72 - Students Attending Military Schools
F-11715

Military Base

Min. by Category

ADAK	658	0	0	0	658
EILSON	1,705	0	0	0	1,705
Elmendorf	1,694	0	0	0	1,694
Fort Greely	271	0	0	0	271
Fort Richardson	1,287	0	0	0	1,287
Fort Wainwright	828	0	0	0	828
Eielson - Special Education	17	0	0	0	17
Elmendorf - Special Education	66	0	0	0	66
Total	6,503	0	0	0	6,503

Estimated ADA - Students Attending District Schools
FY 1975

District	ADA by Category			Total
	A	B	-0-	
Anchorage	2,132	18	66	2,216
Bristol Bay	1	1	-0-	2
Cordova	17	6	32	55
Dillingham	133	20	14	167
Fairbanks	192	10	10	212
Galena	14	2	-0-	16
Haines	12	4	-0-	16
Juneau	-0-	-0-	2	2
Kenai	144	-0-	-0-	144
Ketchikan	10	2	2	14
Kodiak	519	5	3	525
Malakuska - Susitna	20	4	7	31
Nenana	16	34	12	62
Nome	102	9	10	121
Palmer	-0-	-0-	8	8
Prudhoe Bay	2	15	87	104
Sitka	1	1	1	3
Umanak	8	25	165	198
Yakutat	36	9	24	69
Total Estimated ADA-FY 1975	3,357	165	443	3,965

1974-75 Rate
Per capita Cost for Current Expenditures
Alaska State Operated School System

Statistics for 1972-73 school year

Schools outside incorporated districts and on-base	\$33,053,927
Non-resident tuition to districts	1,546,491
State aid to districts for non-resident pupils	4,175,313
State aid to ASOS - Administration	511,000
	<u>\$39,286,731</u>

ADA for schools outside incorporated districts	\$ 7,026
ADA for on-base schools	9,357
ADA for non-resident tuition pupils	3,602
Total ADA	<u>20,085</u>

Cost per pupil in ADA - 1972-73 \$1,958.27

I hereby certify that the above information
is correct and complete and verifiable from
records in the Alaska Department of Education.

Richard L. Cole
Chief, Alaska Department of Education

