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# COMMITTEE REPORT

## SENATE

1/13/81

FURTHER: Finance

Date: \_\_\_\_\_

Mr. President:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had SB 23

increasing state aid to school districts under the public school foundation program

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN

Master File SRS 27



ASSOCIATION OF ALASKA SCHOOL BOARDS

SUITE 2, 204 NORTH FRANKLIN STREET • JUNEAU, ALASKA 99801 • PHONE 586-1083

March 26, 1981

Honorable Jalmar M. Kerttula  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Kerttula:

The Association of Alaska School Boards would like to comment on Senate Bill 23 and recommend some modifications to it for your consideration.

First of all, the bill, as written, would effectively increase state foundation support for schools in FY 82 from \$34,935 to \$43,670, an increase in excess of twenty-two percent. State law now automatically raises FY 82 foundation support levels from \$34,935 to \$38,090 which is approximately 10.4% increase for that year.

In short, Senator, the Association of Alaska School Boards finds itself in the unusual position of opposing a Bill designed to give us more money. Our reason is that we have a commitment to honor wherein if we are granted a funding level one year in advance, we will not support any effort to raise that level in the next year.

We would, however, encourage you to consider changing the wording of the Bill to establish the Fiscal Year 83 funding level for schools in accordance with what has been accepted as the forward funding concept.

Related to state support for schools is a variety of measures being considered in the Legislature dealing with state financial assistance to municipalities with the intent to reduce local tax levels. Few people realize that any tax reduction program will unwittingly impact state supplemental equalization support to local school districts with minimal local contribution ability. This program was initiated in last year's SB 199. I am attaching a suggestion as to how the conflict in that area could be resolved for consideration with the suggestion that it be included in a revision of SB 23 if that should be your desire.

*FROM  
BOB GLENN  
BASIS*

SUGGESTED AMENDMENT DEALING WITH  
SUPPLEMENTAL EQUALIZATION AID FOR SCHOOL DISTRICTS

14.17.023 (c). The amount per ADM or supplemental equalization aid is calculated as the amount equal to the average municipal appropriation (tax contribution) per pupil in average daily membership for school operating costs in the City & Borough school districts in the prior fiscal year.

## CONSUMER PRICE INDEX

The Consumer Price Index (CPI) is compiled by the Bureau of Labor Statistics, U. S. Department of Labor. Although it is often referred to as the "cost-of-living" or "inflation rate," this is not technically accurate. The CPI is a measure of the change in prices for a fixed "market basket" of goods. The composition of the market basket is based on the consumption characteristics of two populations; wage and clerical workers, and all urban consumers. The all urban consumers CPI was begun in 1978, and provides a CPI which includes the buying habits of about 80 percent of the total population. The wage and clerical workers CPI is the traditional CPI begun during World War I. It is based on a market basket typical of wage and clerical workers, and includes the buying habits of 45 percent of the population nationwide.

The wage and clerical and all urban consumers CPI's are compiled for both Anchorage and Fairbanks. There is no statewide CPI. The CPIs measure price changes from a designated reference date. For Anchorage, the reference date is October 1967, and for Fairbanks it is February 1979.

The CPI measures the change in prices relative only to prices previously paid by a specific population. This means that the CPI for Anchorage wage and clerical workers, for instance, cannot be directly compared to any other CPI. The CPI can be used to calculate a percentage change, and these can be compared. The percentage change comparison does not provide an indication of where the cost of the market basket of goods is highest or lowest, but does show where the cost is changing most rapidly.

The percentage change of any CPI series may be calculated by the following method:

### Index Point Change

CPI	123.8
Less previous index	<u>123.1</u>
Equals index point change	0.6

### Percentage Change

Index point difference	0.6
Divided by previous index	123.2
Equals	0.005
Multiplied by 100	0.005 x 100
Equals percentage change	0.5%

YEARLY CPI AND PERCENTAGE CHANGE  
WAGE AND CLERICAL WORKERS ONLY

	<u>United States</u>		<u>Seattle</u>		<u>Anchorage</u>		<u>Fairbanks</u>	
	<u>CPI</u>	<u>% Change</u>	<u>CPI</u>	<u>% Change</u>	<u>CPI</u>	<u>% Change</u>	<u>CPI</u>	<u>% Change</u>
Oct. 1967	100		100		100			
68	105.7	5.7	106.0 <sup>1/</sup>	6.0	102.6	2.6		
69	111.6	5.3	110.6 <sup>1/</sup>	4.2	107.3	4.4		
70	118.1	5.5	114.9 <sup>1/</sup>	3.7	111.5	3.8		
71	122.6	3.7	117.6 <sup>1/</sup>	2.3	114.4	2.5		
72	126.6	3.2	121.2 <sup>1/</sup>	3.0	116.9	2.1		
73	136.6	7.3	131.4 <sup>1/</sup>	7.8	123.8	5.6		
74	153.0	10.7	147.9 <sup>1/</sup>	11.2	140.0	11.6		
75	164.6	7.0	159.7 <sup>1/</sup>	7.4	157.4	11.1		
76	173.3	5.0	167.9 <sup>1/</sup>	4.9	167.6	6.1		
77	184.5	6.0	182.5 <sup>1/</sup>	8.0	177.3	5.5		
Nov. 1978	201.8	8.6	202.1	9.7	194.8	9.0		
79	227.6	11.3	221.5	8.8	211.8	8.0	107.9 <sup>2/</sup>	
80	256.4	11.2	259.4	14.6	232.0	8.7	119.6 <sup>2/</sup>	9.8

<sup>1/</sup> CPI is for November rather than October of years listed.

<sup>2/</sup> CPI is for December rather than November of years listed.

CPI FOR ANCHORAGE AND FAIRBANKS  
JANUARY 1969 TO PRESENT

ANCHORAGE CPI

		<u>Wage and Clerical</u>			<u>Wage and Clerical</u>	<u>All Urban Consumers</u>
1969	Jan.	103.7	1978	Jan.	179.2	
	Apr.	105.3		Mar.	180.8	180.7
	Jul.	105.6		May	184.0	184.2
	Oct.	107.3		Jul.	188.6	188.5
1970	Jan.	107.9	1979	Sep.	192.8	193.2
	Apr.	108.2		Nov.	194.8	194.7
	Jul.	109.6		Jan.	197.3	198.1
1971	Oct.	111.5	Mar.	200.5	201.0	
	Jan.	111.6	May	202.5	203.5	
	Apr.	111.7	Jul.	206.4	207.4	
	Jul.	113.0	Sep.	201.9	213.2	
1972	Oct.	114.4	1980	Nov.	211.8	213.7
	Jan.	114.2		Jan.	215.9	218.2
	Apr.	115.8		Mar.	220.7	223.5
	Jul.	115.9		May	223.1	226.5
1973	Oct.	116.9	Jul.	224.8	228.4	
	Jan.	116.4	Sep.	226.7	230.9	
	Apr.	119.4	Nov.	232.0	236.5	
	Jul.	120.4	1981	Jan.	235.0	240.1
1974	Oct.	123.8	Mar.	236.2	241.1	
	Jan.	125.6				
	Apr.	129.8				
	Jul.	134.0				
1975	Oct.	140.0				
	Jan.	142.9				
	Apr.	150.0				
	Jul.	153.8				
1976	Oct.	157.4				
	Jan.	158.8				
	Apr.	161.7				
	Jul.	164.9				
1977	Oct.	167.6				
	Jan.	172.6				
	Apr.	177.4				
	Jul.	177.3				
	Oct.	179.2				

FAIRBANKS CPI

		<u>Wage and Clerical</u>	<u>All Urban Consumers</u>
1979	Feb.	100	100
	Apr.	101.6	101.4
	Jun.	103.7	103.9
	Aug.	105.5	105.2
	Oct.	108.1	108.2
	Dec.	107.9	107.9
1980	Feb.	110.4	110.2
	Apr.	112.8	112.7
	Jun.	113.5	113.4
	Aug.	115.1	115.0
	Oct.	117.6	117.4
	Dec.	119.6	119.3
1981	Feb.	121.8	121.5

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB - 23  
 Title An Act increasing state aid to school districts under the ...  
 Requested by Senate HESS Date May 4, 1981

II. FISCAL DETAIL

Agency Affected Education  
 Program Category Affected Elementary & Secondary Education  
 BRU, Program, or Subprogram(s) Affected Foundation Support

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		43,278.6	47,606.5	52,367.2	57,603.9	63,364.3
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		43,278.6	47,606.5	52,367.2	57,603.9	63,364.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		N/A				
PART TIME						
TEMPORARY						

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

Assumes 10% annual inflation

FY'82 Basic Need:	328,865.1
Bill increase of 13.16%	372,143.7
- FY'82 Basic Need	328,865.1
<b>FY'82 Increase</b>	<b>\$43,278.6</b>

IV. DATE May 4, 1981 PREPARED BY Steve Hole 

AGENCY Education  
 PHONE 465-2800

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

Introduced: 1/13/81  
Referred: Health, Education &  
Social Services and Finance

BY KERTTULA, FERGUSON, KELLY,  
STIMSON AND RODEY

1 IN THE SENATE

2 SENATE BILL NO. 23

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

*title?*

6 For an Act entitled: "An Act increasing state aid to school districts under  
7 the public school foundation program; and providing  
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 14.17.056 is amended to read:

11 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base instruc-  
12 tional unit value for fiscal years beginning on or after July 1, 1981,  
13 is ~~\$43,670~~ <sup>42,420</sup> [38,590].

14 \* Sec. 2. This Act takes effect July 1, 1981.

15 *Handwritten calculations:*  
32,930 | 5,000.00 (10+)  
7,210.00  
115 75  
4,447  
3,973.10  
5,066  
38,590  
3,087  
41,677

May 5, 81

Dear Senator Parn:

The enclosed CPI is forwarded in following up to my testimony yesterday on SB 23.

During the hearing I referred to a 10% change for the Anch area but was afraid I had erred when you read 8.8 from figures before you at the time.

In any event I appreciate the courtesy with which you handled the situation at the time and look forward to further opportunity to work with you and your committee.

Sincerely  
Bob Cooksey  
NEA-Alaska

copy: Sen Colletta  
Sen Fischer  
Sen Kelly  
Sen Stinson

CONSUMER PRICE INDEX  
PACIFIC CITIES AND U. S. CITY AVERAGE

ALL ITEMS INDEXES  
(1967=100 unless otherwise noted)

FEBRUARY 1981

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS

	INDEXES			PERCENT CHANGE			
	FEB 1980	JAN 1981	FEB 1981	YEAR ENDING		TWO MONTHS ENDING	
				JAN 1981	FEB 1981	JAN 1981	FEB 1981
U. S. City Average .....	236.4	260.5	263.2	11.7	11.3	1.7	1.9
Los Angeles-Long Beach-Anaheim	237.6	259.4	261.6	11.5	10.1	1.5	1.1
San Francisco - Oakland .....	240.7	-	260.5	-	8.2	-	2.2
Honolulu, Hawaii .....	220.9	-	243.3	-	10.1	-	3.0
San Diego, California .....	-	287.7	-	13.3	-	3.1	-
Portland, Oregon .....	-	266.4	-	8.9	-	1.7	-
Seattle - Everett, Washington.	-	264.9	-	12.2	-	0.9	-
Anchorage, Ak. (Oct. 1967=100)	-	240.1	-	18.0	-	1.5	-

CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS  
(1967=100 unless otherwise noted)

	INDEXES			PERCENT CHANGE			
	FEB 1980	JAN 1981	FEB 1981	YEAR ENDING		TWO MONTHS ENDING	
				JAN 1981	FEB 1981	JAN 1981	FEB 1981
U. S. City Average .....	236.5	260.7	263.5	11.7	11.4	1.7	1.9
Los Angeles-Long Beach-Anaheim	240.0	262.7	265.0	11.8	10.4	1.7	1.1
San Francisco - Oakland .....	240.0	-	261.6	-	9.0	-	2.3
Honolulu, Hawaii .....	221.3	-	243.5	-	10.0	-	2.7
San Diego, California .....	-	282.9	-	12.7	-	2.8	-
Portland, Oregon .....	-	265.0	-	8.8	-	1.6	-
Seattle - Everett, Washington.	-	262.3	-	12.2	-	1.1	-
Anchorage, Ak. (Oct. 1967=100)	-	235.0	-	8.8	-	1.3	-

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS SB-23  
 Title An Act increasing state aid to school districts under the . . .  
 Requested by Senate HESS Date 5/6/81

II. FISCAL DETAIL  
 Agency Affected Education  
 Program Category Affected Elementary & Secondary Education  
 BRU, Program, or Subprogram(s) Affected Foundation Support Programs  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			33,056.3	36,361.9	39,998.1	43,997.9
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			33,056.3	36,361.9*	39,998.1	43,997.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			N/A			
PART TIME						
TEMPORARY						

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

\*Assumes 10% annual inflation.

Section 1.

FY-82 Foundation: 330,563.0

Bill increase of 10% for FY-83: 33,056.3

Section 2. No fiscal impact.

IV. DATE 5/6/81 PREPARED BY Steve Hole  
 AGENCY Department of Education  
 PHONE 465-2800  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Senate HESS Committee Substitute

Introduced: 1/13/81  
Referred: Health, Education &  
Social Services and Finance

BY KERTTULA, FERGUSON, KELLY,  
STIMSON AND RODEY

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IN THE SENATE

SENATE BILL NO. 23

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

*New title?* A BILL

For an Act entitled: "An Act increasing state aid to school districts under the public school foundation program; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\* Section 1. AS 14.17.056 is amended to read:

Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base instructional unit value for fiscal years beginning on or after July 1, ~~1981~~<sup>1982</sup>, is ~~33,270~~<sup>\$42,450</sup> [\$38,590].



\* Sec. 2. This Act takes effect July 1, 1981.

\* Sec. 3. AS 14.17.023.(c) is amended to read:

(c) The amount per ADM of supplemental equalization aid is calculated as the amount equal to the average local appropriation (TAX CONTRIBUTIONS per pupil in average daily membership for school operating costs in the city and borough school districts in the prior fiscal year.



ASSOCIATION OF ALASKA SCHOOL BOARDS

SUITE 2, 204 NORTH FRANKLIN STREET • JUNEAU, ALASKA 99801 • PHONE 546-1063

March 26, 1981

Honorable Jalmar M. Kerttula  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Kerttula:

The Association of Alaska School Boards would like to comment on Senate Bill 23 and recommend some modifications to it for your consideration.

First of all, the bill, as written, would effectively increase state foundation support for schools in FY 82 from \$34,935 to \$43,670, an increase in excess of twenty-two percent. State law now automatically raises FY 82 foundation support levels from \$34,935 to \$38,090 which is approximately 10.4% increase for that year.

In short, Senator, the Association of Alaska School Boards finds itself in the unusual position of opposing a Bill designed to give us more money. Our reason is that we have a commitment to honor wherein if we are granted a funding level one year in advance, we will not support any effort to raise that level in the next year.

We would, however, encourage you to consider changing the wording of the Bill to establish the Fiscal Year 83 funding level for schools in accordance with what has been accepted as the forward funding concept.

Related to state support for schools is a variety of measures being considered in the Legislature dealing with state financial assistance to municipalities with the intent to reduce local tax levels. Few people realize that any tax reduction program will unwittingly impact state supplemental equalization support to local school districts with minimal local contribution ability. This program was initiated in last year's SB 199. I am attaching a suggestion as to how the conflict in that area could be resolved for consideration with the suggestion that it be included in a revision of SB 23 if that should be your desire.

SUGGESTED AMENDMENT DEALING WITH  
SUPPLEMENTAL EQUALIZATION AID FOR SCHOOL DISTRICTS

FROM  
BOB GILLEN  
BASIS

14.17.023 (c). The amount per ADM or supplemental equalization aid is calculated as the amount equal to the average municipal appropriation (tax contribution) per pupil in average daily membership for school operating costs in the City & Borough school districts in the prior fiscal year.

local

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS Senate Bill - 23 (HESS)

Title An Act Increasing State Aid to School Districts . . . foundation program

Requested by Senate Hess

Date 5/12/81

II. FISCAL DETAIL

Agency Affected Department of Education

Program Category Affected Elementary and Secondary Education

BRU, Program, or Subprogram(s) Affected Foundation Support Programs/Financial Support Districts

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			35,591.9	39,151.1*	43,066.2	47,372.8

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND			35,591.9	39,151.1*	43,066.2	47,372.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			N/A			
PART TIME						
TEMPORARY						

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

Section 3.

FY 82 Foundation: 330,563.0  
 FY 82 Contract Schools: 25,355.5 (Base schools, special schools)  
 FY 82 Total 355,918.5  
 Bill Increase of 10%  
 for FY 83 35,591.9

Sections 1 and 2. No Fiscal Impact

\*Assumes 10% annual inflation

IV. DATE May 12, 1981

PREPARED BY Steve Hole

AGENCY Department of Education

Original: Legislative Finance

PHONE 465-2800

cc: Budget and Management

Prime Sponsor (First Legislator Named)

PUBLIC SCHOOL FOUNDATION PROGRAM  
FY-82 BUDGET PROJECTIONS

2/6/81

School District	Inst. Unit Value	Elem. ADM	Elem. I.U.	Elem. Basic Need	Sec. ADM	Sec. I.U.	Sec. Basic Need	Comb. Dist. ADM	Comb. Dist. I.U.	Comb. Dist. Basic Need	Voc. Ed ADM Non-add	Voc. Ed I.U.	Voc. Ed Basic Need	Spec. ADM Non-add
Anchorage	38,590	16,555	1,006	38,821,540	5,063	973	37,548,070	25	5	192,950	1,663	96	3,704,640	2,221
Bristol Bay	59,815	100	10	598,150	103	11	657,965	-0-	-0-	-0-	28	3	179,445	15
Cordova	44,379	230	15	665,685	206	21	931,959	-0-	-0-	-0-	61	5	221,895	31
Craig	41,677	64	6	250,062	77	8	333,416	-0-	-0-	-0-	20	2	83,354	16
Dillingham	59,815	176	12	717,780	202	21	1,256,115	-0-	-0-	-0-	44	4	239,260	27
Fairbanks	43,221	4,483	278	12,015,438	3,979	258	11,151,018	-0-	-0-	-0-	632	39	1,685,619	551
Galena	59,815	63	6	358,890	74	12	717,780	-0-	-0-	-0-	15	2	119,630	7
Haines	44,379	187	16	710,064	210	21	931,959	-0-	-0-	-0-	36	3	133,137	40
Hoonah	43,221	114	8	345,768	93	11	475,431	-0-	-0-	-0-	23	2	86,442	24
Hydaburg	41,677	43	4	166,708	39	6	250,062	-0-	-0-	-0-	14	2	83,354	5
Juneau	38,590	2,008	124	4,785,160	1,923	136	5,248,240	-0-	-0-	-0-	335	20	771,800	310
Kake	41,677	90	7	291,739	100	11	458,447	-0-	-0-	-0-	25	2	83,354	20
Kenai	41,677	3,313	222	9,252,294	2,715	201	8,377,077	27	5	208,385	316	28	1,166,956	363
Ketchikan	38,590	1,101	72	2,778,480	1,148	78	3,010,020	-0-	-0-	-0-	165	10	385,900	186
King Cove	57,885	71	6	347,310	49	6	347,310	-0-	-0-	-0-	12	2	115,770	7
Klawock	41,677	73	6	250,062	24	4	166,708	-0-	-0-	-0-	-0-	-0-	-0-	9
Kodiak	44,764	1,206	85	3,804,940	857	76	3,402,064	18	4	179,056	154	11	492,404	215
Mat-Su	40,134	2,136	143	5,739,162	2,061	147	5,899,698	10	3	120,402	362	22	882,948	272
Nenana	46,308	109	8	370,464	96	14	648,312	-0-	-0-	-0-	20	2	92,616	18
Nome	59,815	396	24	1,435,560	313	28	1,674,820	-0-	-0-	-0-	84	6	358,890	81
North Slope	59,815	563	46	2,751,490	568	59	3,529,085	-0-	-0-	-0-	196	22	1,315,930	120
Pelican	43,221	28	3	129,663	9	4	172,884	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Petersburg	40,134	409	25	1,003,350	163	15	602,010	-0-	-0-	-0-	34	3	120,402	49
Sand Point	57,885	53	5	289,425	72	8	463,080	-0-	-0-	-0-	14	2	115,770	7
Sitka	40,134	1,174	77	3,090,318	540	36	1,444,824	-0-	-0-	-0-	155	8	321,072	120
Skagway	41,677	95	7	291,739	80	8	333,416	-0-	-0-	-0-	19	2	83,354	10
St. Mary's	59,815	71	6	358,890	72	4	239,260	-0-	-0-	-0-	30	3	179,445	21
Unalaska	57,885	120	9	520,965	100	11	636,735	-0-	-0-	-0-	12	2	115,770	16
Valdez	44,379	598	41	1,819,539	526	43	1,908,297	-0-	-0-	-0-	114	8	355,032	156
Wrangell	40,134	279	18	722,412	218	21	842,814	-0-	-0-	-0-	40	3	120,402	32
Yakutat	46,308	86	7	321,156	60	10	463,080	-0-	-0-	-0-	12	2	92,616	14
Totals		35,994	2,302	95,007,203	32,690	2,262	94,121,956	80	17	700,793	4,615	316	13,707,207	4,963
Correspondence	38,590	525	42	16,207,80	200	-0-	-0-	-0-	-0-	-0-	25	2	77,180	-0-

School District	Spec. Ed. I.U.	Spec. Ed. Basic Need	Bil-Bic ADM Non-add	Bil-Bic I.U.	Bil-Bic Basic Need	Corres. ADM	Corres. I.U.	Corres. Basic Need	Corres. Total ADM	Total Inst. Units	Total Basic Need	983.14 Supp Eq. Aid	Basic Need + Eq. aid
Anchorage	203	7,833,770	488	22	848,980	-0-	-0-	-0-	32,643	2,305	88,949,950	5,504,940	94,454,890
Bristol Bay	2	119,630	-0-	-0-	-0-	-0-	-0-	-0-	203	26	1,555,190	165,012	1,720,202
Cordova	4	177,516	-0-	-0-	-0-	-0-	-0-	-0-	436	45	1,997,055	137,188	2,134,243
Craig	3	125,031	-0-	-0-	-0-	15	3	125,031	156	22	916,894	177,596	1,094,490
Dillingham	4	239,260	5	1	59,815	-0-	-0-	-0-	378	42	2,512,230	537,140	3,049,370
Fairbanks	51	2,204,271	66	4	172,884	100	8	345,768	8,562	638	27,574,998	-0-	27,542,998
Galena	1	59,815	7	1	59,815	-0-	-0-	-0-	137	22	1,315,930	206,108	1,522,038
Haines	5	221,895	-0-	-0-	-0-	-0-	-0-	-0-	397	45	1,997,055	-0-	1,997,055
Hoonah	3	129,663	-0-	-0-	-0-	-0-	-0-	-0-	207	24	1,037,304	217,832	1,255,136
Hydaburg	1	41,677	8	1	41,677	-0-	-0-	-0-	82	14	583,478	84,367	667,845
Juneau	29	1,119,110	27	3	115,770	40	4	154,360	3,971	316	12,194,440	252,390	12,446,830
Kake	3	125,031	-0-	-0-	-0-	-0-	-0-	-0-	190	23	958,571	185,720	1,144,291
Kenai	34	1,417,018	167	9	375,093	120	9	375,093	6,175	508	21,171,916	-0-	21,171,916
Ketchikan	18	694,620	9	1	38,590	75	6	231,540	2,324	185	7,139,150	-0-	7,139,150
King Cove	1	57,885	-0-	-0-	-0-	-0-	-0-	-0-	120	15	868,275	130,851	999,126
Klawock	2	83,354	-0-	-0-	-0-	-0-	-0-	-0-	97	12	500,124	104,128	604,252
Kodiak	21	940,044	35	3	134,292	30	3	134,292	2,111	203	9,087,092	982,704	10,069,796
Mat-Su	26	1,043,484	8	1	40,134	250	16	642,144	4,457	358	14,367,972	322,483	14,690,455
Nenana	3	138,924	2	1	46,308	-0-	-0-	-0-	205	28	1,296,624	203,494	1,500,118
Nome	9	538,335	48	4	239,260	-0-	-0-	-0-	709	71	4,246,865	882,104	5,128,969
North Slope	12	717,780	518	23	1,375,745	9	3	179,445	1,140	165	9,869,475	-0-	9,869,475
Pelican	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	37	7	302,547	31,674	334,221
Petersburg	6	240,804	-0-	-0-	-0-	-0-	-0-	-0-	572	49	1,966,566	166,945	2,133,511
Sand Point	1	57,885	-0-	-0-	-0-	-0-	-0-	-0-	125	16	926,160	163,592	1,089,752
Sitka	12	481,608	18	2	80,268	-0-	-0-	-0-	1,714	135	5,418,090	-0-	5,418,090
Skagway	2	83,354	-0-	-0-	-0-	-0-	-0-	-0-	175	19	791,863	136,833	928,696
St. Mary's	3	179,445	6	1	59,815	-0-	-0-	-0-	93	17	1,016,855	144,767	1,161,622
Unalaska	3	173,655	-0-	-0-	-0-	-0-	-0-	-0-	220	25	1,447,125	-0-	1,447,125
Valdez	15	665,685	-0-	-0-	-0-	-0-	-0-	-0-	1,124	107	4,748,553	-0-	4,748,553
Wrangell	4	160,536	-0-	-0-	-0-	-0-	-0-	-0-	497	46	1,846,164	222,813	2,068,977
Yakutat	2	92,616	-0-	-0-	-0-	-0-	-0-	-0-	146	21	972,468	135,608	1,108,076
<b>Totals</b>	<b>483</b>	<b>20,163,701</b>	<b>1,412</b>	<b>77</b>	<b>3,688,446</b>	<b>639</b>	<b>52</b>	<b>2,187,673</b>	<b>69,403</b>	<b>5,509</b>	<b>229,576,979</b>	<b>11,096,289</b>	<b>240,673,268</b>
Correspondence	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	725	44	1,697,960		

REAA	Inst. Unit Value	Elem. ADM	Elem. I.U.	Elem. Basic Need	Sec. ADM	Sec. I.U.	Sec. Basic Need	Comb. Dist. ADM	Comb. Dist. I.U.	Comb. Dist. Basic Need	Voc Ed ADM Non-add	Voc Ed I.U.	Voc Ed Basic Need	Spec. Ed ADM Non-add	Spec. Ed I.U.
										-0-	-0-	-0-	-0-	-0-	-0-
Adak	54,026	397	24	1,296,624	175	19	1,026,494	-0-	-0-	-0-	32	3	162,078	27	4
Alaska Gateway	46,308	225	22	1,018,776	189	26	1,204,008	27	5	231,540	40	5	231,540	45	5
Aleutian Chain	57,885	21	3	173,655	15	4	231,540	83	21	1,215,585	7	1	57,885	11	2
Annette Island	40,134	172	12	481,608	164	18	722,412	-0-	-0-	-0-	28	3	120,402	22	3
Bering Strait	59,815	93	11	657,965	281	46	2,751,490	59	10	598,150	86	13	777,595	37	5
Chatham	41,677	107	15	625,155	66	10	416,770	12	4	166,708	9	1	41,677	9	2
Chugach	46,308	26	3	138,924	10	4	185,232	23	5	231,540	-0-	-0-	-0-	-0-	-0-
Copper River	44,379	298	26	1,153,854	250	30	1,331,370	12	6	266,274	35	3	133,137	40	5
Delta Greely	46,308	511	32	1,481,856	327	30	1,389,240	-0-	-0-	-0-	42	4	185,232	110	11
Iditarod	59,815	109	13	777,595	90	18	1,076,670	96	19	1,136,485	20	3	179,445	9	2
Kuspuk	59,815	150	18	1,076,670	112	26	1,555,190	83	15	897,225	45	6	358,890	11	2
Lake & Peninsula	59,815	166	31	1,854,265	96	24	1,435,560	68	16	957,040	30	3	179,445	20	3
Lower Kuskokwim	59,815	702	53	3,170,195	1,193	157	9,390,955	16	4	239,260	264	32	1,914,080	179	18
Lower Yukon	59,815	552	49	2,930,935	630	77	4,605,755	-0-	-0-	-0-	205	11	657,965	80	9
Northwest Arctic	59,815	744	62	3,708,530	790	95	5,682,425	-0-	-0-	-0-	207	19	1,136,485	78	8
Pribilof	57,885	122	11	636,735	50	6	347,310	-0-	-0-	-0-	12	2	115,770	20	3
Railbelt	46,308	142	15	694,620	157	24	1,111,392	31	5	231,540	24	4	185,232	17	3
Southeast Is.	41,677	203	29	1,208,633	59	18	750,186	105	25	1,041,925	12	2	83,354	24	3
Southwest Reg.	59,815	215	29	1,734,635	194	32	1,914,080	46	12	717,780	45	6	358,890	36	5
Yukon Flats	59,815	86	9	538,335	72	14	837,410	115	26	1,555,190	55	4	239,260	25	4
Yukon Koyukuk	59,815	254	30	1,794,450	181	32	1,914,080	77	15	897,225	47	7	418,705	40	5
		5,295	497	27,154,015	5,101	710	39,879,569	853	188	10,383,467	1,245	132	7,537,067	840	102

REAA	Spec Ed Basic Need	Bil-Bic ADM Non-add	Bil-Bic I.U.	Bil-Bic Basic Need	Corres ADM	Corres I.U.	Corres Basic Need	Total ADM	Total Dist.	Total Basic Need	Equal 983.14	Basic Need + Eq.	PL 874	Basic Need + Equal - PL 874
Adak	216,104	-0-	-0-	-0-	-0-	-0-	-0-	572	50	2,701,300	787,298	3,488,598	685,719	2,802,879
Alaska Gateway	231,540	24	3	138,924	33	4	185,232	474	70	3,241,560	552,131	3,793,691	252,093	3,541,598
Aleutian Chain	115,770	8	1	57,885	-0-	-0-	-0-	119	32	1,852,320	163,693	2,016,013	155,600	1,860,413
Annette Island	120,402	-0-	-0-	-0-	-0-	-0-	-0-	336	36	1,444,824	370,132	1,814,956	498,599	1,316,357
Bering Strait	299,075	119	7	418,705	24	3	179,445	457	95	5,682,425	670,501	6,352,926	684,035	5,704,891
Chatham	83,354	-0-	-0-	-0-	8	3	125,031	193	35	1,458,695	202,802	1,661,497	285,953	1,375,544
Chugach	-0-	-0-	-0-	-0-	-0-	-0-	-0-	59	12	555,696	62,528	618,224	22,743	595,481
Copper River	221,895	4	1	44,379	50	5	221,895	610	76	3,372,804	688,542	4,061,346	246,066	3,815,280
Delta Greely	509,388	-0-	-0-	-0-	55	5	231,540	893	82	3,797,256	1,000,443	4,797,699	500,714	4,296,985
Iditarod	119,630	16	2	119,630	22	3	179,445	317	60	3,588,900	473,923	4,062,823	345,691	3,717,132
Kuspuk	119,630	40	3	179,445	13	3	179,445	358	73	4,366,495	545,544	4,912,039	374,929	4,537,110
Lake & Peninsula	179,445	25	3	179,445	8	3	179,445	338	83	4,964,645	531,830	5,496,475	497,000	4,999,475
Lower Kuskokwim	1,076,670	951	41	2,452,415	-0-	-0-	-0-	1,911	305	18,243,575	2,735,341	20,978,916	1,755,119	19,223,797
Lower Yukon	538,335	245	12	717,780	-0-	-0-	-0-	1,182	158	9,450,770	1,729,589	11,180,359	1,528,624	9,651,735
Northwest Arctic	478,520	210	10	598,150	5	3	179,445	1,539	197	11,783,555	2,214,179	13,997,734	1,588,922	12,408,812
Pribilof	173,655	2	1	57,885	-0-	-0-	-0-	172	23	1,331,355	235,954	1,567,309	248,789	1,318,520
Railbelt	138,924	-0-	-0-	-0-	5	3	138,924	335	54	2,500,632	389,323	2,889,955	107,048	2,782,907
Southeast Isl.	125,031	-0-	-0-	-0-	65	6	250,062	432	83	3,459,191	466,126	3,925,317	305,763	3,619,554
Southwest Reg.	299,075	260	13	777,595	-0-	-0-	-0-	455	97	5,802,055	684,216	6,486,271	806,290	5,679,981
Yukon Flats	239,260	44	4	239,260	20	3	179,445	293	64	3,828,160	452,588	4,280,748	323,907	3,956,841
Yukon Koyukuk	299,075	38	3	179,445	69	6	358,890	581	98	5,861,870	871,652	6,733,522	777,253	5,956,269
	5,584,778	1,986	104	6,160,943	377	50	2,588,244	11,626	1,783	99,288,083	15,828,335	115,116,418	11,954,875	103,161,561



CS FOR  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to education for exceptional children and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\* Section 1. AS 14.17.041 is amended by adding subsections to read:

(h) Special education instructional units in districts with ADM of under 3,000 are calculated by dividing the ADM of the district's special education program by 15.

(i) Special education instructional units in districts with ADM of 3,000 or over are calculated by dividing the ADM of the district's special education program by 16.

\* Section 2. AS 14.17.031(a)(3) is amended to read:

(3) the number of instructional units from special education determined from Section 41 (h) or (i) [(f)] of this chapter as approved by the department; and

\* Section 3. AS 14.17.041(f) is repealed.

\* Section 4. Notwithstanding Section 1 of this Act, the number of instructional units to which a school district is entitled for special education shall not be less than it otherwise would have been entitled to under AS 14.17.041(f).

\* Section 5. This Act is effective July 1, 1981.

W/O SS 10,157.1

A FOLLOW-UP REVIEW OF THE  
DEPARTMENT OF EDUCATION  
PUBLIC SCHOOL FOUNDATION PROGRAM

Fiscal Years 1978 and 1979

Commissioner, Department of  
Education  
Deputy Commissioner, Department  
of Education

Dr. Marshall L. Lind  
William D. Thompson

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# STATE OF ALASKA

AUDIT DIVISION  
POUCH W—ALASKA OFFICE BUILDING

## THE LEGISLATURE

FINANCE DIVISION  
POUCH WF—STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

February 8, 1980

Members of the  
Legislative Budget and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review:

A FOLLOW-UP REVIEW OF THE  
DEPARTMENT OF EDUCATION  
PUBLIC SCHOOL FOUNDATION PROGRAM

Fiscal Years 1978 and 1979



Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit

## PURPOSE OF THE REVIEW

In accordance with the provisions of Title 24 of the Alaska Statutes, a follow-up review of the Department of Education, Public School Foundation Program payments to the Anchorage and City and Borough of Juneau School Districts for Fiscal Year 1979, and to the Fairbanks North Star Borough School District for Fiscal Years 1978 and 1979 was conducted to determine:

1. If school district claims for Foundation Program aid are properly supported and prepared; and
2. If the Department of Education and local school districts are complying with applicable State statutes and regulations governing the activities of the Foundation Program.

## ORGANIZATION AND FUNCTION

The Public School Foundation Program was established by AS 14.17 to provide a uniform system of public school aid throughout the State. Appropriations to the Program may be used only in aid of school districts or for centralized correspondence study programs.

Currently, the Foundation Program provides aid for regular elementary and secondary education, special education, vocational education, bilingual education, school district and centralized correspondence study programs.

The amount of State aid to be provided is determined by formulas using such variables as the average daily student membership in the district, the full and true value of taxable real and personal property, the location of the district, and the district's ability to provide the required local effort. During Fiscal Year 1979, \$150,435,919 was distributed to school districts and to centralized correspondence. Disbursements to individual school districts range from \$191,205 (Pelican), to \$59,116,495 (Anchorage).

## DEFINITIONS

The following are definitions of terms and abbreviations used in the Findings and Recommendations section of this report:

1. ADM (Average Daily Membership). The aggregate days of membership of pupils divided by the actual number of days in session for the school term (AS 14.17.250(1)).
2. ADM-FTE (Average Daily Membership - Full-Time Equivalent). The quotient of the aggregate periods of pupil membership per day in specified classes, divided by the number of class periods in the school day (AS 14.17.250(17)).
3. Level of Service. The percentage of a student's educational program devoted to special education service: Level I, 0-25%; Level II, 26-50%; Level III, 51-75%; and Level IV, 76-100%. Full-time equivalencies are determined by levels of services offered exceptional children.
4. Instructional unit. The aggregate of all direct and indirect services necessary to provide a standard level of instruction for a group of pupils (AS 14.17.250(18)).
5. First quarter revised report. Each district shall make a report at the end of the first nine weeks of school, which contains a new estimate of its average daily membership for the fiscal year and other information which will aid the commissioner in making a more accurate determination of each district's State aid (AS 14.17.180).
6. Final report. Before June 15 each district shall transmit to the commissioner a final computation of the district's State aid. The commissioner shall process each district's computation...however, in no event may the entitlement of a school district to State aid be less than that computed under the first quarter revised report (AS 14.17.180).

## FINDINGS AND RECOMMENDATIONS

### Recommendation No. 1

The Department of Education should correct the 78/79 Foundation Program payments to the Anchorage School District.

The Anchorage School District was paid \$59,116,495 in Foundation Program payments for the 78/79 school year based on 2080 reported instructional units in the following programs:

Elementary	849
Secondary	964
Special Education	151
Bilingual/Bicultural	16
Vocational Education	<u>100</u>
	<u>2080</u>

The payment floor was established on first quarter reported ADM-FTE with the exception of special education which was established on a 2/28/79 reporting date extension granted by the Department of Education.

Our review of all programs revealed material errors in the elementary, special education and bilingual/bicultural areas as detailed below.

#### Elementary

In our review of 2135.16 ADM (1%) reported for elementary education we found an overstatement of 5.56 ADM in the "all other district" category resulting in an overpayment of one instructional unit. The overstatement in ADM was the result of errors in the recording of enrollment, withdrawal and transfer dates.

#### Special Education

The Department of Education acted without specific authority in granting the Anchorage School District an extended reporting period for special education. AS 14.17 sets forth Foundation Program reporting procedures which require districts to report first quarter average daily membership and end-of-the-year average daily membership. Payments are established on the first quarter floor and are increased if the final reported ADM is greater than the first quarter floor. There is no statutory provision which authorized the Department of Education to alter these reporting periods. The improper authorization resulted in an increase of 12 instructional units from the 139 reported for first quarter to 151 for the period ending 2/28/79.

In a review of 85.12 ADM-FTE (5.25%) at seven randomly selected attendance centers we found an additional overstatement of 7.08 ADM-FTE (one instructional unit) for first quarter and 8.22 ADM-FTE (one instructional unit) for the period ending 2/28/79. The types of errors encountered and their effect on reported ADM-FTE are shown below:

<u>Type of error:</u>	<u>1st Qtr. ADM-FTE</u>	<u>2/28/79 ADM-FTE</u>
1. Wrong level of service assigned.	3.07	4.89
2. Student not properly certified.	3.06	3.21
3. Wrong placement and/or exit date.	.95	.12
	<u>7.08</u>	<u>8.22</u>

### Bilingual/Bicultural Education

The Anchorage School District was overpaid 2 instructional units for bilingual/bicultural education as a result of the following problem. The Department of Education established the floor for bilingual/bicultural education for the District based on an estimate of 16 instructional units and did not adjust the floor when the District reported the actual allowable instructional units at 14.

As a result of the overstatements in the categories above, the Department of Education overpaid the Anchorage School District \$454,742 which represents 16 units at approximately \$28,421 per unit. The Department of Education should recover this overpayment.

### Recommendation No. 2

The Department of Education should correct the 78/79 Foundation Program payments to the City and Borough of Juneau School District.

The City and Borough of Juneau School District (District), was paid \$8,357,069 in Foundation Program payments for the 78/79 school year based on 292 reported instructional units in the following areas:

Elementary	112
Secondary	124
Special Education	33
Bilingual/Bicultural	1
Vocational Education	20
Correspondence	<u>2</u>
	<u>292</u>

The payment floor was established on first quarter reported ADM-FTE with the exception of special education which was established on a 3-1-79 reporting date extension granted by the Department of Education.

Our review disclosed material errors in the special education and bilingual/bicultural areas:

### Special Education

The Department of Education acted without authority in granting the District an extended reporting period for special education. AS 14.17 provides Foundation Program reporting procedures which require districts to report first quarter ADM-FTE and full-year ADM-FTE. Payments are established based on the first quarter floor and are increased if the full-year ADM-FTE is greater than the first quarter floor. There is no statutory authority for the Department of Education to alter these Foundation payment determination dates.

As a result of this improper determination, the District received payment for an additional seven instructional units to which they would otherwise not have been entitled.

We audited the detailed special education records for 73 students representing approximately 13% of the Districts special education ADM-FTE. The detailed records showed first quarter reported ADM-FTE for these students was overstated by 15.53 ADM-FTE, and the full-year by 16.65 ADM-FTE. The overstatements were caused by either incorrect program entry/exit dates or incorrect levels of service assigned. This results in a two instructional unit reduction for the first quarter as well as the full-year. ADM-FTE at 3-1-79 was also audited and found to be overstated by 24.90 ADM-FTE which results in a three unit reduction.

### Bilingual/Bicultural

The District reported one instructional unit for bilingual/bicultural services and our testing showed it was justified. However, since program services did not begin until after the first quarter had ended, the unit can not be included in the Districts first quarter floor.

The following is the District's adjusted instructional units:

#### First Quarter

Instructional Units Reported (with special education ADM-FTE as of 11-3-78)	285
Less: Bilingual/Bicultural Services Not Provided First Quarter	1
Special Education Overstatement at 11-3-78	2
Adjusted Instructional Units - First Quarter	<u>282</u>

Full-Year

Instructional Units reported	284
Less: Special Education Overstatement for full year	<u>2</u>
Adjusted Instructional Units - Full Year	<u>282</u>

Audit adjusted District entitlement of 282 is ten less than the 292 for which they were paid. The Department of Education should recover ten units at \$28,620 per unit, or \$286,200.

Recommendation No. 3

The Department of Education should correct the 1977-1978 and 1978-1979 Foundation Program payments to the Fairbanks North Star Borough School District.

The Fairbanks North Star Borough School District was paid \$16,707,460 in Foundation Program payments for the 1977-1978 school year and \$18,640,447 for the 1978-1979 school year based on the following reported instructional units:

<u>Program</u>	<u>FY 1978</u>	<u>FY 1979</u>
Elementary	239	242
Secondary	234	238
Vocational Education	33	35
Special Education	55	60
Bilingual/Bicultural	-	4
Correspondence	<u>10</u>	<u>11</u>
	<u>571</u>	<u>590</u>

Our review of all programs revealed material errors in the special education and bilingual/bicultural areas as detailed below.

Special Education

Our review which included 52.2% of the 1977-1978 special education ADM-FTE and 50.17% of the 1978-1979 ADM-FTE reported by the District resulted in our questioning 187.39 of the 1977-1978 school year special education ADM-FTE and 122.07 of the 1978-1979 school year special education ADM-FTE.

The questioned ADM-FTE were a result of the School Districts noncompliance with Alaska Statutes and Department of Education guidelines governing the establishment, maintenance and reporting of special education ADM-FTE:

<u>Exception</u>	<u>1977/78 ADM-FTE</u>	<u>1978/79 ADM-FTE</u>
1. Instructor not certified to teach special education.	78.64	55.22
2. Student special education records destroyed.	7.00	8.75
3. Records missing (including records sent out of district).	47.80	4.36
4. Student not enrolled in special education during the year (including students whose placement had not been properly approved).	23.17	12.64
5. Miscellaneous (including wrong entry date; wrong exit date; wrong level of service).	<u>30.78</u>	<u>41.10</u>
Total Questioned ADM	<u><u>187.39</u></u>	<u><u>122.07</u></u>

Teacher Certification. During the school years 1977-1978 and 1978-1979 a total of five (5) instructors (each year) teaching special education students were neither certified special education nor were they given special dispensation by the Department of Education to teach special education as required by State law and by the Department's guidelines.

Destroyed Records. Our review disclosed that a number of records for students participating in the gifted program at West Valley High School during the 1977-1978 and 1978-1979 school years had been destroyed. We were therefore unable to confirm student participation in the program. The ADM-FTE involved was as follows:

<u>School Year</u>	<u>ADM-FTE</u>
1977-1978	7.00
1978-1979	<u>8.75</u>
Total	<u><u>15.75</u></u>

The requirements for record maintenance are set forth in Department of Education guidelines (1975 guidelines, page 7; 1978 guidelines, page 2.21) and Department of Education Memo No. 78-52 dated 4/28/78 and addressed to all school district superintendents and business managers.

Missing Records. During our review, we were unable to locate student special education records comprising 47.8 ADM-FTE for the 1977-1978 school year and 4.36 ADM-FTE for the 1978-1979 school year. During the school year 1977-1978 at least 9.64 of the 47.8 ADM-FTE questioned was attributable to a practice, subsequently corrected, of sending all records for students transferring out of the district to the school of destination without retaining copies of the records within the Fairbanks school district.

In addition the lack of a central filing system for special education records has created serious problems of record maintenance.

Students Not Enrolled in Special Education. ADM-FTE was claimed for school years 1977-1978 and 1978-1979 for students who were 1) not in the program, or 2) lacking proper approval for placement in accordance with Department of Education guidelines.

<u>School year</u>	<u>ADM-FTE</u>
1977-1978	23.17
1978-1979	<u>12.64</u>
Total	<u>35.81</u>

Wrong Entry Date; Wrong Exit Date; Wrong Level of Service. In addition to the above we questioned 30.78 ADM-FTE for the 1977-1978 school year and 41.10 ADM-FTE for the 1978-1979 school year because the specific ADM-FTE questioned contained 1) a wrong entry date into the program or 2) a wrong exit date from the program or 3) the wrong level of service or 4) any combination of the above.

#### Bilingual/Bicultural

In computing allowable bilingual/bicultural instructional units for school year 1978-1979 the Fairbanks North Star Borough School District employed body count rather than ADM-FTE. The effect of body count is an overstatement of instructional units since each student in the program is counted as having participated for 100% of the school year. Using the ADM-FTE method credit is given for only that period of time the student spends in the bilingual/bicultural program during the school year.

The use of body count resulted in the payment of Foundation funds for four instructional units rather than the three which can be supported through the proper computation of ADM-FTE.

As a result of the overstatements in the categories above, the Department of Education overpaid the Fairbanks North Star Borough School District \$876,547.74 for school years 1977-1978 and 1978-1979 as shown below:

<u>Program</u>	<u>Instructional Unit Overstatement</u>	<u>Approximate Value of Unit</u>	<u>Dollar Value of Overpayment</u>
<u>1977-1978 School Year</u>			
Special Education	17	\$29,260.00	\$497,420.00
<u>1978-1979 School Year</u>			
Special Education	11	\$31,593.98	\$347,533.76
Bilingual/Bicultural	1	\$31,593.98	\$ 31,593.98
Total			<u>\$876,547.74</u>

Recommendation No. 4

The State Department of Education should require the Fairbanks North Star Borough School District to maintain a centralized filing system for all special education student files.

Under present procedures each school within the District is responsible for the maintenance of its own special education files.

The lack of a centralized record system has led to the problems referred to in Recommendation No. 3, i.e. missing files, destruction of records, records being sent out of district, etc.

Conversations with a number of the special education coordinators have led us to the conclusion that the individual instructors need only a minimal amount of information from the student special education file during the school year. This information could be readily duplicated with the original student file being maintained by the office of the District special education coordinator.

Recommendation No. 5

The Department of Education should establish and implement control procedures to ensure effective compliance by the school districts with State Statutes and the Department's Special Education Guidelines.

As a result of prior audits of the Foundation program, the Division of Legislative Audit recommended that the Department of Education closely monitor all special education activity.

Our current review indicates that while DOE has continued to monitor District special education records, the procedures in use can be improved:

1. The monitor teams have not included in their reviews procedures to verify teacher certification to teach special education.
2. There is no evidence that follow-up procedures have been initiated to determine that the recommendations of our prior reviews had been implemented.
3. Too much reliance has been placed upon computer listing of special education students. Our review found the listing to be inaccurate in entry date, assignments, level of service assigned and FTE computation.
4. Where significant discrepancies have been observed in the student records, there has been no follow-up action implemented to correct the situation (i.e., in its March 1978 monitor of the District's special education records, the Department cites a 64.0 percent enrollment discrepancy between records maintained by the District's special education office and those of West Valley High School without any reference as to cause or specific action recommended to rectify the situation). Our own review of the total West Valley special education files for the school years 1977-1978 and 1978-1979 indicates record maintenance at the school was poor, including the destruction of a number of records.

In those instances where the Department finds violations of the Alaska statutes or its own guidelines governing special education, procedures should be initiated to rectify the situation and to recover any funds previously allotted.

#### Recommendation No. 6

The Department of Education should require all school districts to retain documentation demonstrating the amount of time students are receiving special education services.

The Department of Education in its Special Education Handbook requires each local school district to maintain descriptive information about the quantity and quality of special education programs. The Handbook sets out documentation which must be retained including each student's Individual Education Program (IEP) which (1) delineates special education and related services to be provided, and (2) shows the extent to which the child will be able to participate in the regular education program.

However, the Department has not required the districts to maintain documentation which demonstrates that special education students are receiving the full schedule of services designated on their IEPs.

The documentation necessary for this type of verification would be primarily grade/attendance books maintained by instructors, and secondarily, instructors or therapists weekly schedules of students being served. Grade books usually exist only for students in self-contained classrooms i.e. students whose educational program is provided 100% through special education services. Time schedules for students whose program is provided only partially through special education services are usually destroyed when the schedules are revised or at the end of the school term.

Foundation Program aid to school districts for providing special education services is determined by a formula using ADM-FTE which is determined by average enrollment periods and levels of service. Levels of service reflect the total amount of time the students are receiving special education services. Therefore, documentation should be maintained which shows the actual amount of time students are receiving such services.

## PRIOR AUDIT RECOMMENDATIONS

Disposition of recommendations presented to the Commissioner of the Department of Education, in two previous audit reports dated January 10, 1978 and June 9, 1978 for the audit period July 1, 1976 - June 30, 1977. Four of the seven recommendations have been implemented. Disposition of the remaining recommendations follows:

Report Dated January 10, 1978

### Prior Audit Recommendation No. 4

The Department of Education should prepare and require school districts to implement detailed standard recordkeeping and pupil enrollment accounting procedures.

Recordkeeping, support documentation, ADM and ADM-FTE computation procedures differed among districts and in some districts, documents supporting Foundation claims were not retained after the close of the fiscal year. As a result, ADM reported by those school districts could not be adequately verified.

### Legislative Audit's Current Position

The Department of Education has developed a "Pupil Activity Accounting Manual for Public School Districts" and "A Handbook of Student Accounting for the State of Alaska" which address many of the problems noted in the prior audit. However, as discussed in Recommendation No. 6 of this report, the Department still does not have adequate requirements for support documentation on the amount of time students receive special education services.

Report Dated June 9, 1978

### Prior Audit Recommendation No. 1

The Department of Education should recover from the St. Mary's School District excess Foundation aid payments made during FY 77 and closely monitor future calculations and data.

St. Mary's received an overpayment of three instructional units at \$34,020 for a total of \$102,060 for errors in the reporting of regular, special and vocational education.

### Legislative Audit's Current Position

The Department of Education has worked out a three-year payback schedule for the St. Mary's School District. The first payment of \$34,000 was collected in June 1979, the balance is scheduled to be collected in June 1980 and June 1981.

Prior Audit Recommendation No. 2

The Department of Education should correct the 76/77 special education Foundation aid payments to the Cordova School District and require the District to comply with special education ADM/FTE computation and reporting procedures.

Errors in entry dates and levels of service resulted in an overstatement of 49.77 ADM/FTE which constituted an overpayment of 4 instructional units or \$111,916.

Legislative Audit's Current Position

The Department of Education has not corrected the 76/77 payments because the Cordova School District has initiated a legal challenge of the audit finding and the Department is awaiting the outcome of that action.

**DEPARTMENT OF EDUCATION**

465-2800

OFFICE OF THE COMMISSIONER

POUCH F - ALASKA OFFICE BUILDING  
JUNEAU 99811

April 9, 1980

**RECEIVED**

APR 10 1980

LEGISLATIVE  
AUDIT

Mr. Gerald Wilkerson  
Legislative Auditor  
Division of Legislative Audit  
Pouch W  
Juneau, AK 99811

Dear Mr. Wilkerson:

The staff of the Department of Education and I have reviewed the audit report entitled "A Followup Review of the Department of Education Public School Foundation Program, Fiscal Years 1978-79." Our response to the report is as follows:

Recommendation No. 1

The audit report details findings of the review of the Anchorage School District 78/79 Foundation Program payments in the areas of elementary education, special education and bilingual education. The Department concurs in part with these findings and we will take steps to recover four instructional units (1 elementary; 1 special education, and 2 bilingual education) in the amount of \$113,684.

However, the Department of Education disputes the finding that it acted without specific authority in granting the Anchorage School District an extended reporting period for special education. AC 14.17.220 states "it is the intention of the legislature, in enacting this public school foundation program, to assure an adequate level of educational opportunities for those in attendance in the public schools of the state."

It is our opinion that the particular assessment and staffing requirements of special education are necessary to "assure an adequate level of educational opportunity" for such children and further, that the legislature intended sufficient support from the Foundation Program to provide necessary services to children identified as needing special education.

Therefore, we have attempted to "assure an adequate level of educational opportunity" for special education students by allowing districts to take into account the time necessary for student assessment and placement and to establish, as its first reporting date for special education FTE, the earliest date at which all special education students can be expected to be receiving full educational services. For this reason, the Department will not seek to recover from Anchorage the 12 additional special education units generated by extending the reporting period.

However, since our authority for such extension is not clearly stated in AS 14.17, we have ceased this practice as of the 1979-80 school year and are attempting to secure legislation which would clearly authorize such extension for subsequent school years. If such legislation is not forthcoming, the Department will not, in the future, extend the first quarter reporting date for special education.

#### Recommendation No. 2

The audit report details findings of the review of the Juneau School District 78/79 Foundation Program payments in the areas of special education and bilingual education. The Department concurs in part with these findings and we will take steps to recover three instructional units (1 bilingual and 2 special education) in the amount of \$85,860.

However, for the same reasons stated above in Recommendation No. 1, the Department will not seek to recover the seven special education units generated by the extension of the reporting period for special education.

#### Recommendation No. 3

The audit report details findings of the review of the Fairbanks North Star Borough School District 77/78 and 78/79 Foundation Program payments in the areas of special education and bilingual education. The Department concurs with these findings and we will take steps to recover 29 units in the amount of \$876,547.

#### Recommendation No. 4

The audit details problems in the Fairbanks North Star Borough School District student record keeping system and recommends that the Department require the school district to maintain a centralized filing system for all special education student files.

The Department believes that the internal procedures established by the district (see attached memo, 5/31/78, from Joe Bielski and numbered memorandum 78-52 from Marshall Lind) as well as the requirements for the retention of student records found on pages 120-123 of the newly

adopted "Pupil Accounting Manual for Public School Districts" will overcome the problems highlighted by the audit. At this time, the Department does not see the need to mandate a centralized filing system for special education files for the Fairbanks School District but would leave the decision as to student file placement to the discretion of the District. However, the Department will follow-up to assure that Fairbanks School District is complying with its own internal procedures and the requirement of the Pupil Accounting Manual as they relate to the retention of special education student records.

Recommendation No. 5

The Department has taken steps to strengthen its monitoring procedures as suggested in the audit.

Department monitoring reviews now include verification of teacher certification. Follow-up reports, detailing areas of noncompliance together with time lines for completion of corrective action, are sent to each district. A schedule for review of corrective action measures has been established by the Office for Exceptional Children. (Examples of follow-up reports to Anchorage and Fairbanks are attached.)

Finally, the Department has dropped the computerized listing of special education students and has placed responsibility for record keeping and verification back on the districts. This action was taken because of the consistent errors found in the computerized system which decreased its usefulness in determining and verifying district special education FTE count.

Recommendation No. 6

The Department of Education agrees with this recommendation and will amend the Special Education Handbook to require districts to maintain documentation which demonstrates that special education students are receiving the full schedule of services designated in their IEP's. This amendment will be made as part of our current review of the Special Education Handbook and should be in effect by fall of 1980.

This action will also address the final concern outlined in Prior Audit Recommendation No. 4 (January 10, 1978) on page 10 of the present report.

May I commend you and the members of your staff for the fine professional manner in which this audit was conducted.

Sincerely,

  
Marshall L. Lind  
Commissioner

*Part of  
audit*

M E M O R A N D U M

May 31, 1978

TO: Building Principals  
FROM: Joe Bielski, Director of Special Education  
RE: Attendance Records



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Attached you will find a numbered memorandum from Dr. Marshall Lind regarding attendance records. As the memo relates to Special Education, the Special Education Staff should retain student certification files and grade books for a period of three years. This does not include keeping copies of files for students transferring to another school in the district. That student's certification file should follow him/her to the receiving school as long as the student remains in our district. The Special Education Staff should make copies of student certification files for those students transferring to another district. Copies of the following data should be kept for the three year period:

1. Referral Form
2. Parent Permission for Testing
3. Copies of tests
4. Assessment Records
5. I.E.P. with appropriate signatures

cc: Special Education Staff

JAY S. HAMMOND, GOVERNOR

STATE OF ALASKA  
DEPARTMENT OF EDUCATION

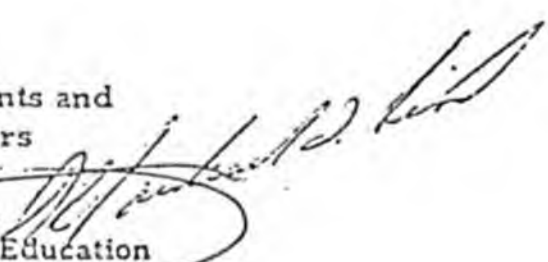
DIVISION OF MANAGEMENT, LAW AND FINANCE

POUCH F  
STATE OFFICE BUILDING  
JUNEAU, ALASKA 99811

April 28, 1978

MEMORANDUM NO. 78-52

TO All Superintendents and  
Business Managers

FROM: Marshall L. Lind   
Commissioner of Education  
Department of Education

SUBJECT: Student Attendance Records

In order to provide consistency throughout the state, and make available supportive data for pupil audits performed by the state or federal government, all districts shall keep pupil attendance records for a minimum period of three years. Records must be available for regular district attendance, special education, vocational education, and correspondence study programs managed by the district. In addition, sufficient supportive materials should be kept to substantiate FIE claims such as grade books, special education student profiles, and vocational education approved programs.

Students attendance files and supportive data not required to be kept for longer periods of time by other agencies may be destroyed after three years. Much of this supportive data may be kept in individual buildings, rather than the central office, but should be available if requested.

The need for keeping records for a minimum of three years has become apparent this past year, after Legislative Audit visited many of the districts and found required supportive data already destroyed. It is not the Department's intent to increase the paper storage in the districts, but rather to protect their claims against the Foundation Program.

111K COPY

March 12, 1980

Bryce Stallard, Superintendent  
Fairbanks North Star Borough S.D.  
P.O. Box 1250  
Fairbanks, Alaska 99707

Dear Dr. Stallard:

Thank you for sharing the information from the task force you employed to review and evaluate the Slingerland Program at Denali Elementary School. Your task force appears to have completed their assignment in a commendable way.

We agree in principle with the task force findings relative to the diversity of levels within the learning disabilities population, that a learning disabilities program should be funded under state regulations at Denali, that the program as funded under foundation support for exceptional students at Denali should be for students certifiable as learning disabled and not a Slingerland Program, and that "special education teachers cannot reasonably be expected to serve as diagnosticians, IEP developers, implementors and instructors—". Until more data is available we cannot agree that there are in fact learning disabled children at Denali who should be served at levels three (3) and four (4). Further data must also be gathered through a reaudit before we can concede that the learning disabled children at Denali should be receiving more than level one (1) services. It is our position that state regulations detailing eligibility criteria for children with specific learning disability can be followed in a clear and concise manner. However, the Department of Education is in the process of revising the Special Education Handbook, (1978) and will review the eligibility criteria which relates to student placement for the child with a specific learning disability.

The task force's recommendations, when implemented, should lead to a resolution of the problems inherent to the Slingerland Program at Denali Elementary School. The Fairbanks North Star Borough School District administration should work out a mutually acceptable date with the Office for Exceptional Children for their return to do a complete audit of the files at Denali Elementary School of those students that the district deems learning disabled. This date should be no later than May 15, 1980.

Bryce Stallard, Superintendent

-2-

March 12, 1980

The district practice of busing children across district school boundaries for instruction in the Slingerland Program at Denali produced another concern. It is the Department of Education's position, as stated in regulation, that a child be placed in a program at a school as close as possible to the child's home. The practice cited above is obviously contrary to that position. Therefore, the necessity for transportation of a child from the school nearest the child's home to the program for the learning disabled at Denali Elementary School will need to be carefully documented.

Implementation by the Fairbanks North Star Borough School District of the recommendations of your task force, a complete audit by the Office for Exceptional Children of the files of children at Denali Elementary School who are reported by the district for special education foundation support, and careful attention to the previous paragraph on transportation should lead to resolution of the problem the Department has had with the Slingerland Program at Denali. Based on the result of the audit, funds may be continued for those students who clearly meet state regulations for placement of a child in a program for the learning disabled. State and federal funds will be withheld on those students who cannot be certified by the audit as learning disabled.

Thank you for your cooperation in this matter. If we can be of assistance, please do not hesitate to call or write.

Sincerely,

Marshall L. Lind  
Commissioner of Education

HLL/CSW/jc

March 12, 1980

Bryce Stallard, Superintendent  
Fairbanks North Star Borough S.D.  
P.O. Box 1250  
Fairbanks, Alaska 99701

Dear Dr. Stallard:

A review of the results of the Special Education audit in your district and correspondence relating to the audit indicate that there are two problem areas, the Slingerland Program and procedural problems in other areas, with which we will deal separately. Therefore, the problem relating to the Slingerland Program at Denali Elementary School has been addressed under separate cover. This letter will address discrepancies found by the audit team in other program areas without regard to the numbers of files found to be non-certifiable.

The problems and procedures which will result in their solution follow:

1. Prior notice before evaluation, reevaluation, individual education program (IEP) development, or IEP review was not evident in all files reviewed. Special Education Handbook (1978) page 2.4.

\*Provide prior notice for Individualized Education Program (IEP) meeting or IEP annual review such as may be found on pages 30 or 34 and explanation of procedural safeguards and due process on page 24 of the Alaska Procedure Manual: Volume 1.

2. Parent permission for testing was not properly documented in all files.

\*The district must secure parent permission for testing such as the sample on page 27, Alaska Procedures Manual: Volume 1. Special Education Handbook (1978), page 2.13.

\*Tacit approval is not legal and thus is not sufficient for compliance.

\*Permission to test must be item and area specific.

3. Medical records were not complete in every file.

\*Physical status as required under AS 14.30.191 (a) and the medical history as required on page 6.3 of the Special Education Handbook

(1978) may be satisfied by placing a copy of the child's current medical record in the file before an audit.

\*The document cited above should be clearly identifiable as being that of the student whose file is monitored.

4. Evidence of vision and hearing assessment was not in place in related files.

\*Vision and/or hearing assessment is required for the partially sighted, blind, hearing impaired and deaf. Special Education handbook, 1978 pages 7.2, 7.3.

5. Evidence of speech/language assessment was not always present in appropriate files.

\*Speech/language assessment is required for the hearing impaired and the deaf. Pages 7.2, 7.3, of the Special Education Handbook (1978).

6. Assessment summaries were not complete in all files reviewed.

\*The assessment summary must be complete and detailed. Pages 2.8 2.10, 2.11, of the Special Education Handbook (1978).

\*Test profiles must be complete to be valid.

7. The annual review process must take into account the evaluation results from implementation activities related to the goals and objectives in the previous IEP. Development of the new IEP should show a continuation of the previous goals and objectives if they have not been met, changes if the goals and objectives are inappropriate, or changes based upon further assessment. Special Education Handbook, (1978) Page 2.22.

8. Placement of children in programs for the learning disabled was not always consistent with State Regulations.

\*Placement of a child in a program for the learning disabled must be consistent with the Special Education Handbook (1978). Pages 7.4, 7.5, 7.6, 7.7.

\*The criteria used by the district to determine the presence of a severe discrepancy is not in compliance.

\*The written report must be consistent with the eligibility criteria as detailed in the Special Education Handbook and must be signed by all the CST members and a minority report given by CST members who dissent.

\*Assessment for L.D. must be improved. Specifically, domain-referenced and criterion-referenced measures should be used to document the source of a severe discrepancy between expected and actual performance.

\*It must be shown that attendance has been considered in the case of the learning disabled child.

\*Each child labeled learning disabled should have objective evidence in his/her file that cultural difference, academic achievement and economic background have been considered. This is required in the Special Education Handbook on page 7.6.

9. Child Study Team composition and procedures were not always consistent with State Regulations.

\*All parties in the Child Study Team should sign the IEP in the place provided such as on page 32 of the Alaska Procedures Manual: Volume 1. Special Education Handbook (1978) Pages 1.6, 2.8, 2.22.

\*Regular classroom teachers should be involved in the IEP meetings when students are in resource placements.

\*Student written IEPs must be carefully monitored and must meet all components required by law. In general, allowing students to write the IEP is very questionable. Students might well be involved in the IEP process, but the CST is responsible for the development of the IEP.

\*A Child Study Team meeting in developing the IEP must involve the parent. This is a group process and no parent should sign off prior to the IEP meeting. Signing after the IEP meeting should not occur, except in unusual circumstances. Such circumstances must be documented.

10. Students were placed in the program for gifted/talented through the use of screening instruments rather than individual tests, such as the WISC or Stanford-Binet.

\*Multiple performance indicators must be used for assessment before placement of the gifted/talented. See the eligibility criteria on page 7.8 of the Special Education Handbook (1978).

\*The IEP must delineate special education and related services to be received by the child. Page 2.22, 6.2, 6.3, of the Special Education Handbook (1978).

Compliance with the above requirements and other regulations will nullify the necessity for withholding state and/or federal funds for other than ADM/FTE as computed for students in the Slingerland Program.

Mr. Bryce Stallard, Superintendent -4-

March 12, 1980

Your progress will need to be monitored by the Office for Exceptional Children with the first monitoring to be done the week of April 28, 1980. Should your program be found to be in substantial non-compliance at that time, federal funds must be withheld. A second monitoring will follow the week of October 6, 1980. Should the district still be found to be in substantial non-compliance, federal and state funds must be withheld until full compliance is assured.

Since we are concerned that handicapped and gifted/talented students be served, we are pursuing closure of the Fairbanks audit in this manner. We feel sure that you can be in full compliance by April 28, 1980. If we can assist you in any way, please do not hesitate to call or write.

Sincerely,

  
Marshall L. Lind  
Commissioner of Education

MILL/OSW/JC

March 12, 1980

John Peper, Superintendent  
Anchorage Schools  
4600 DeSarr Road, Pouch 6-614  
Anchorage, Alaska 99502

Dear Dr. Peper:

As a result of the special education compliance review conducted in Anchorage during the week of January 28, several problems were discovered which resulted in the noncertification of student files. The following is a list of the problems, with an explanation of what action must be taken to correct those problems.

1. Problem:

Failure to document the provision of due process rights to parents.

Correction:

All student files should have documentation showing that parents have been given their due process rights. For those files where this documentation is not present, the district should provide the parents with a copy of their due process rights; explaining that the district was in error by not providing this information when the student entered special education. This action needs to be documented in the student file.

2. Problem:

No adaptive behavior scale for MR and LD students.

Correction:

All MR & LD student files should contain an adaptive behavior scale.

3. Problem:

No classroom observation for LD students.

Correction:

All LD student files should contain a classroom observation in the regular classroom by someone other than the regular classroom teacher. (This observation should be conducted prior to the student being certified as LD).

For those LD student files which do not have a classroom observation, the district should:

- a. For students certified for special education, after December 1977 (when this requirement came into effect) an observation should be conducted in the regular classroom setting (in the special education class if the student is full-time special education).
- b. For students certified prior to December 1977, an observation should be secured at the time of reevaluation.

4. Problem:

Lack of prior notice to parents, before the IEP is reviewed or the student is reevaluated or the special education students program is modified.

Correction:

In those files where a major program change has been made without prior notice to parents, the district should contact the parents describing the change in program and explaining that the district was in error by not notifying the parents prior to the change. This needs to be recorded in the student file.

5. Problem:

Poor assessment for hard of hearing students.

Correction:

Each special education student file which is certified as hard of hearing must contain:

- a. speech evaluation (including voice, articulation and fluency)
- b. language evaluation
- c. hearing evaluation
- d. oral peripheral examination
- e. specialized tests related to learning.

March 12, 1980

6. Problem:

Inadequate IEP's.

Correction:

All special education student files must contain IEP's which meet the criteria described in the 1978 Special Education Handbook.

7. Problem:

Students not placed in the least restrictive environment.

Correction:

Every special education file should reflect that the student is placed in the least restrictive environment.

These problems must be corrected in order for your special education program to be in compliance. The Office of Exceptional Children will be conducting a follow-up review of your program during the week of May 5th to determine if these problems have been resolved. Failure to correct these problems can result in a reduction of federal funds and state funds.

Sincerely,

Marshall L. Lind  
Commissioner of Education

MLL:TC:yjs



ANCHORAGE  
SCHOOL DISTRICT

4600 DeBarr Avenue - Anchorage, Alaska

99504

AREA CODE 907-333-9561

April 29, 1980

**RECEIVED**

**MAY 6 1980**

**LEGISLATIVE  
AUDIT**

Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit  
Pouch W - Alaska Office Building  
Juneau, Alaska 99811

Dear Mr. Wilkerson:

As you requested in your April 15, 1980 letter, we have reviewed the audit report entitled "A Follow-up Review of the Department of Education - Public School Foundation Program, Fiscal Years 1978 and 1979." We have also reviewed the April 9, 1980 response of the Commissioner of Education to this report and your April 11, 1980 letter to the members of the Legislative Budget and Audit Committee which you were kind enough to enclose.

The results of our review are identical to those contained in Dr. Lind's letter. We concur that the Anchorage School District should repay the value of four (4) instructional units. We also agree with Dr. Lind that the educational opportunities for many of our exceptional children would have been foreclosed without the funds generated by use of a "floor" established later in the year than the end of the first quarter.

Your letter of April 11, 1980 to the members of the Legislative Budget and Audit Committee cites AS 14.17.170 as your authority for reaffirming your "original findings and recommendations No. 1 and 2," to wit:

AS 14.17.170 specifically states that "...each district shall make a report at the end of the first nine weeks of school" and that this report "...shall be the basis for the computation and distribution of each district's state aid for the balance of the fiscal year."

AS 14.17.170 actually reads:

Sec. 14.17.170. Payment Under Adjusted Computations. Each district shall make a report at the end of the first nine weeks of school, which contains a new estimate of its average daily membership for the fiscal year and other information which will aid the commissioner in making a more accurate determination

Gerald L. Wilkerson, CPA  
Page 2  
April 29, 1980

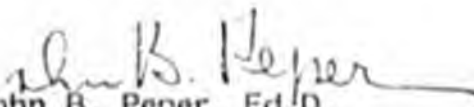
of each district's state aid. This new estimate and information of average daily membership shall be the basis for the computation and distribution of each district's state aid for the balance of the fiscal year. The commissioner shall, on the basis of this new estimate and information, make a recomputation of each district's state aid. Before December 2 the commissioner shall notify each district of changes made in its state aid. The commissioner shall also determine whether the money in the public school foundation account is sufficient to meet each district's state aid for the fiscal year, and if the money is not sufficient, he shall immediately inform the governor of the amount of additional appropriation he estimates will be necessary to carry out the public school foundation program for the rest of the fiscal year. Beginning February 15 and on the 15th of each subsequent month, one-fifth of the recomputed balance of each district's state aid shall be distributed. However, one-half of the June payment shall be withheld pending a final determination of the district's state aid. (Emphasis added)

Please note that the emphasized portion of the statute, omitted from your quotation, speaks to "...a new estimate of its average daily membership for the fiscal year..." (Emphasis added) Nowhere does it speak to a report containing cumulative year-to-date average daily membership as of a specific point in time. If the complete statute is indeed clear and unambiguous, it does not appear to support your conclusion.

It is our position that this statute is far from clear and unambiguous, and thus requires interpretation by the office empowered by statute to implement and interpret; i.e., the office of the Commissioner of Education. Clearly, the selective quotation of portions of a statute to support a position does not facilitate equity or justice for our students.

In summary, it is the position of the Anchorage School District that the decision of the Commissioner is and was correct in this matter.

Sincerely,

  
John B. Peper, Ed.D.  
Superintendent

jm

CITY AND BOROUGH OF JUNEAU SCHOOL DISTRICT  
P.O. BOX 808 • DOUGLAS, ALASKA 99824

May 2, 1980

Mr. Gerald L. Wilkerson, CPA  
Legislative Auditor  
State of Alaska  
Division of Legislative Audit  
Pouch W - Alaska Office Building  
Juneau, Alaska 99811

Dear Mr. Wilkerson:

We concur with the letter of April 8th sent to you from the Department of Education. They did in fact give us permission to extend the count date back to the first quarter floor. The Department approved this on November 29, 1978 under the signature of Dr. Nathaniel Cole, the Deputy Commissioner. With this assurance the District, in good faith, spent the money on services to the students during the 1978-79 fiscal year and does not feel they have an obligation to refund the money for the seven (7) instructional units identified.

In response to the two (2) special education units, we were left with the impression that there was only one (1) unit of over claimed FTE which we agreed with at that time. My Director of Special Education believes it is difficult to respond to this without seeing the data of Dennis Salverson's. It is our belief at this time that our records support our claim that we should lose only one (1) unit.

I would like to suggest that there be some clarification to clear up this misunderstanding.

The unit for Bilingual Education causes us a real problem as it allows no consideration for the fact that this is a first year program under which we had to identify the bilingual students which we did in the first quarter. It took time to get qualified staff and materials to implement the program. If new programs cannot have some reasonable start-up time, then students who are identified in the Fall will not receive services until a year from the date identified, because a school district has no money to institute a new program.

RECEIVED

MAY 6 1980

LEGISLATIVE  
AUDIT

17(a)

Page 2

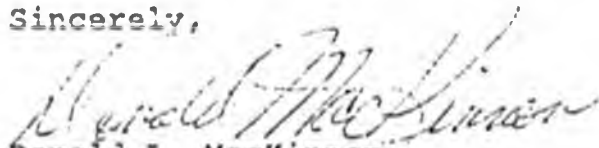
Mr. Gerald L. Wilkerson, CPA

May 2, 1980

It is my belief that the regulations adopted for Bilingual Education did not foresee this problem, nor had the intent to create this problem. We believe that the Juneau District should not lose its one and only bilingual unit for last year which was used to provide services and programs for bilingual students during the 1978-79 fiscal year as intended.

Therefore, the only unit we feel we should have to repay is the one (1) extra special education unit.

Sincerely,



Donald L. MacKinnon  
Superintendent of Schools

DLMK:m

cc: Dr. Marshall L. Lind, Commissioner of Education

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

P. O. Box 1250, Fairbanks, Alaska 99707

(907) 456-7934



DR. BRYCE STALLARD

Superintendent of Schools

GUS ZADRA

Associate Superintendent

CHARLES A. LOWRY

Assistant Superintendent

May 5, 1980

RECEIVED

MAY 7 1980

LEGISLATIVE  
AUDIT

Mr. Gerald L. Wilkerson, CPA  
Division of Legislative Audit  
Finance Division, Pouch WF, State Capitol  
Juneau, Alaska 99811

Dear Mr. Wilkerson:

The purpose of this letter is to respond to your preliminary legislative audit which I received on April 17. Enclosed with this letter, please find responsive remarks made by Joe Bielski, Director of Pupil Personnel. My response is as follows:

Recommendation 3 - In reference to the bilingual/bicultural allocation, the report is correct as submitted. Mr. Clune found the same error shortly before Mr. Ford initiated his review. We should, therefore, make restitution as recommended.

In reference to special education, there are a number of exceptions to address:

1. Certification - Whereas the 1978-79 audit did not address this area, I feel we should have been notified at that time in order to make proper adjustment.
2. Student Records Destroyed - This is an unfortunate situation. Hopefully, the previous audit would reflect that there were student records. I will accept whatever action you feel necessary relative to repayment of foundation funds for this particular program.

3/4/5. Mr. Bielski addresses these areas.

Conclusion - I would ask that the Division of Legislative Audit make a comprehensive review and consideration of the Fairbanks District's audit. I ask for no special favors; however, I would hope that your conclusive action would reflect a fair decision, and one that does not follow personal biases or district biases. Thank you.

Sincerely,

Bryce Stallard  
Superintendent

BOS:hv

Enclosure (as indicated)

A Report to the Legislative Budget and Audit Committee

In reference to the recent Legislative Budget and Audit report regarding the Fairbanks North Star Borough School District, it is imperative to point out the many inconsistencies and contradictions which have affected the Fairbanks report in a negative manner. It is our opinion that the Fairbanks School District has been handled in a different manner from other districts in the audit process. We offer the following information to substantiate our claim.

The Fairbanks Special Education Staff expanded in the following manner:

1974 - 27 certified staff

1977 - 100+ certified staff

Expansion due to:

1. Program development
  2. State and Federal laws
- A. The significant growth and increase in staff may have caused certification oversight by the personnel office, who handles all teacher certification for the district. However, this particular problem was corrected as soon as the district became aware of the noncertified staff members. Presently all staff are certified in Special Education.
- B. In addition, four of the mentioned teachers were trained in a particular method to teach dyslexic children at Denali Elementary School. These teachers presently have Special Education certification. The

Division of Legislative Audit reviewed this same program at Denali Elementary School during 1977 and no problems were identified with teacher certification. If it was acceptable in the 1977 audit, why wasn't it acceptable in this particular audit report?

- C. All special education teachers in the Fairbanks North Star Borough School District are properly certified at this time, although our district is being asked to return funds. In a letter dated February 22, 1980, Dr. Marshall Lind stated in a letter to the Anchorage School District that "it was found that eleven teachers do not possess an institutional endorsement in Special Education, and do not have departmental approval to teach special education!" The Anchorage School District has not had any funds taken away.

In addition, the State Department audits this year (1979-80) showed the following:

Fairbanks 90% to 93% accuracy - lost \$142,912.  
Anchorage 65% to 68% accuracy - lost \$ 0.

This appears to be a major inconsistency, or do the auditors use a different set of rules for different districts?

- D. Records were asked for from the 1977-78 school year for students who had left the district. The Commissioner of Education never gave school districts direction in this matter until April 28, 1978. Any student who transferred prior to that time had his file sent by the district the

student transferred to. Hence, those files were not in our possession.

- E. Regarding allegations that the Fairbanks School District inaccurately computed ADM/FTE, it should be pointed out that the State Department of Education computed ADM/FTE for school districts during the 1977-78 and 1978-79 school year. That system was so terrible and in such a chaotic state that it was discontinued as of this school year, 1979-80. Now that districts are computing their own ADM/FTE, the State Department found the Fairbanks School District to be 100% accurate relative to entry dates and exit dates, and 99% accurate concerning levels of service.
- F. The Division of Legislative Budget and Audit reviewed the foundation program in three school districts in Alaska, i.e., Fairbanks, Anchorage and Juneau. While the auditors decided to audit Anchorage and Juneau for the 1978-79 school year, the decision was made to audit the Fairbanks School District for two years, 1977-78 and 1978-79. This procedure resulted in the Fairbanks School District being assessed for a two year period while Anchorage and Juneau were assessed for only a single year.
- G. The auditor reviewed 50.17% of the special education files in the Fairbanks School District for FY 1978-79. In contrast, only 13% of the files were reviewed in the Juneau School District and 5.25% of the files were

reviewed in the Anchorage School District. The following figures add insight into what Anchorage and Juneau would have been assessed had all three districts been treated equally, i.e., the 50.17% review of the Fairbanks files audited during the 1978-79 school year.

1. Juneau School District

13% files audited = 24.90 ADM/FTE reduction.

If 50.17% files were audited in Juneau as in Fairbanks, the ADM/FTE figure assessed to Juneau would have reflected 99.98 ADM/FTE as compared to the 66.86 ADM/FTE assessment to Fairbanks for FY 1978-79. (The Fairbanks ADM/FTE count excludes the 55.22 ADM/FTE for the certification issue.)

2. Anchorage School District

5.25% files audited = 8.22 ADM/FTE reduction.

If 50.17% were audited in Anchorage as in Fairbanks, the ADM/FTE figures assessed to Anchorage would have reflected 78.55 ADM/FTE as compared to the 66.85 ADM/FTE assessment to Fairbanks for FY 1978-79. (The Fairbanks ADM/FTE count excludes the 55.22 ADM/FTE for the certification issue.)

II. If Anchorage and Juneau would have been audited for the two year period, the ADM/FTE figures would have approximately doubled.

1. Juneau School District

1977-78 and 1978-79 school years would equal a reduction of approximately 199.95 ADM/FTE as compared to the present assessment of 24.90 ADM/FTE.

2. Anchorage School District

1977-78 and 1978-79 school years would equal a reduction of approximately 157.10 ADM/FTE as compared to the present assessment of 3.22 ADM/FTE.

- I. Prior to his departure, the legislative auditor did not inform the school district of the information he was unable to find or was unclear about. Had this information been requested, it would have been available. The school district does not know why these areas have been identified in the report and if indeed they are real. If an exit interview had been granted, which is proper and is a professional courtesy, this problem could have been resolved at that time. Numerous teachers complained that the legislative auditor acted in an unprofessional manner and consistently interrupted their classroom activities.
- J. A taped interview with State Department Special Education officials, December 7, 1979, clearly shows that the problems identified in the legislative audit were not evident during the State Department audit December 7, 1979.
- K. The State Department of Education has not been in contact with the Fairbanks North Star Borough School District regarding the district's response to the legislative audit report. Our letter was dated November 21, 1979. How can the State Department of Education make a judgment that the legislative audit report is accurate? To our knowledge there has never been an investigation by the State Department to substantiate the allegations.

- L. How did the legislative auditor determine that students' "Placement had not properly been approved?" Does the legislative auditor approve placement of handicapped children? The State Department of Special Education officials are not always in agreement as to what constitutes proper placement. This is not the role of the legislative auditor.
- M. On December 3-7, the State Department conducted a Special Education Audit of the Fairbanks North Star Borough School District. While two of the State Department officials were conducting an exit interview with the superintendent, a third State Department official was visiting with the Director of Special Education stating how pleased he was with the files but felt he had to apologize for the "screwing" that the other two State Department officials were giving the Special Education Program.
- N. The Fairbanks Special Education Director has received outstanding evaluations from 1973 to the present. These include those from his present superintendent. The Fairbanks Special Education Program has been praised as the model system for the State. This praise has come from numerous schools around the State whose personnel have observed this program. Supervisors from the State Department of Education have referred to the Fairbanks Special Education Program as the finest in the State.

A former superintendent's year-end report (1974) stated, "Our Special Education Program has been upgraded to one of the finest in the State of Alaska. Department of Education officials have stated that it is the finest. Previously this area was one of considerable criticism. This is the direct result of the Fairbanks Director's work."

The present superintendent stated in February 1979, that, "The Fairbanks Special Education Programs are a model for Alaska and Northwest U.S.A. to look to for excellence."

In conclusion, it is our belief that inconsistent and contradictory directives and interpretations from the Department of Education relating to Special Education should not be used in an attempt to discredit a school district or an individual. The real fault seems to lie with the Department of Education's Special Education section. In a letter from the Department of Health, Education, and Welfare, Office of Education, dated January 15, 1980, the Alaska State Department of Education's Special Education section was found to be in substantial noncompliance with existing laws and regulations governing special education.

JAY S. HAMMOND  
GOVERNOR

**DEPARTMENT OF EDUCATION**

465-2800

OFFICE OF THE COMMISSIONER

POUCH F-ALASKA OFFICE BUILDING  
JUNEAU 99811

April 17, 1980

**RECEIVED**

APR 18 1980

**LEGISLATIVE  
AUDIT**

Gerald Wilkerson  
Legislative Auditor  
Division of Legislative Audit  
Pouch W  
Juneau, AK 99811

RE: Attachment #1; unidentified "... Report to the Legislative Budget and Audit Committee." re: Legislative Audit of the Fairbanks North Star Borough School District.

Dear Mr. Wilkerson:

Below follows our agency response to the above document. Responses correspond on a point-by-point basis to those alphabetized within the document.

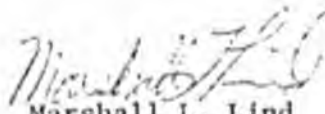
- A. No agency response
- B. Notwithstanding the certification of the teachers associated with the Slingerland Program, special education categorical funding is based upon special education programs and the student FTE in those programs. The program referenced in this section is not, in our judgment, a full-time special education program. See attachment #2, Item 1, and attachment #6B.
- C. The agency review of the Anchorage special education program for FY-80 is not complete.
- D. Statements made with respect to student record keeping are incorrect. Cumulative student records are required by Fairbanks district policies 5120.5 (12-7-71) and 5110.5 (12-7-71) attachment #3; and by agency numbered memorandum 77-9, attachment #4, (see item A of form transmitted with memorandum). Student record keeping was also required by the 1975 Special Education Handbook, attachment #5, page 9, the provisions of which were regulatory requirements imposed by 4 AAC 33.020(g).
- E. The "system" referred to in this item was not the basis for calculating foundation entitlements.

April 17, 1980

- F. No agency response.
- G. Interview referenced was with respect to FY-80 data only.
- H. Agency reviewed findings of the Legislative Audit Report during its December 3-7, 1979, review and as a result of that review, the agency concurred with the report's recommendations. (See attachment #6, corroborated by attachments #6A and #6B).
- I. No agency response.
- J. No agency response.
- K. Agency denies allegation in this item, and fails to see its relevance.
- L. No agency response.

CONCLUSION: Rebuttal contained in attachment #7, which consists of the results of the department review of the Fairbanks Special Education Program during 1977. You will note the similarity between the audit exceptions contained within that review and those noted in Attachment #6. Contrary to the claims made in item #6 of Attachment #1, and verified by attachment #7, there is clear evidence of a lack of improvement in the processes and procedures employed by the Fairbanks Special Education Program with respect to student and program accounting.

Sincerely,

  
Marshall L. Lind  
Commissioner

Attachment

ATTACHMENT 1

Responsive remarks by Joe Bielski, Director of Pupil Personnel,  
Fairbanks North Star Borough School District

(Please refer to pages 18(b) through 18(h).)

19(c)

December 17, 1979

Dr. Bryce Stallard, Supt.  
North Star Brough School District  
P.O. Box 1250  
Fairbanks, Alaska 99701

Dear Dr. Stallard:

This is a follow-up to the Department of Education, Special Education audit conducted the week of December 3-7, 1979.

First of all, I would like to thank you and your staff for the assistance provided the audit team.

The results of the audit are as follows.

The final tabulation of ADM/FTE is 530.22. This figure takes into account the following items:

1. Levels of service in the Slingerland program were incorrectly computed at level 4 (1.0). As a result of the onsite analysis of Individual Education Plans (IEPs) and classroom instruction for the 1979-80 school year, only level 1 (.25) for each student in the program will be accepted. The district shall plan to either eliminate this program or pay for it out of other than special education funds after the 1979-80 school year. The district shall provide the Alaska Department of Education (ADOE) with a written board approved plan indicating what action will be taken for the 1980-81 school year.
2. Students found not certified have been deleted from the student count except as noted in #1 above (where the FTE was reduced).
3. The 43.69 ADM/FTE were non-certifiable in all programs; this figure represents the finding based on a sample of the population.
4. The reduction to 530.22 generates 49 units. This is a reduction of 4 units, resulting in a dollar reduction of \$142,912. The ADOE will adjust foundation funding by this amount.

5. There will be no reaudit during the 1979-80 school year. However, the ADOE will review the student accounting procedures used by the district during the 1979-80 school year, in addition to onsite reviews of the other required aspects of this document.
6. The December 1, 1979 VI-B (P.L. 94-142) child count must reflect the reduction of special education students found to be non-certified. Our records show that thirty-five (35) students were non-certified. If the non-certified students have already been included in the December 1, 1979 child count, a revised December 1, 1979 child count must be submitted by January 1, 1980.

In general, the special education teachers interviewed requested additional support services, such as school psychologists, counselors, and child study team coordinators. Both special education teachers and regular teachers interviewed expressed need for expanded services for emotionally disturbed students and need for more inservice training in special education procedures. The regular teachers indicated they have not been involved in the IEP process. The special education teachers were concerned with the amount of paperwork involved in working with their students. The parents interviewed were very supportive of the district program and were very satisfied with the services provided their children. Parents interviewed did reveal, however, that in some cases testing information needs to be clarified, parents' rights should be explained more completely and parental signatures must be secured before students are initially placed in a special education program.

During the process of auditing student files, the audit team noted a number of items that, with some correction, would greatly improve the quality of the files and strengthen your special education program. Listed below are changes that must be made to comply with regulations and/or recommendations for program improvement.

#### Recommendations for Program Change or Improvement

Note: Unless otherwise specified changes are recommended. Required changes are indicated Required.

1. Prior notice containing procedure safeguards upon referral must be developed. Required. It is recommended that more efficient procedures be developed to handle the paperwork.
2. Prior notice of the IEP meeting must be provided parents. Required. The form must allow for accommodation of parent time, detail who will be participating and offer the parent the option to bring others.
3. Tacit approval statements on forms are not legal. The district must acquire parent permission for initial evaluation and initial placement. Required.

4. Separate referral instruments from observation instruments. Observations must be consistent with definition in the handbook. Required.
5. Permission to test needs to be item and area specific.
6. A more complete medical record is needed. In several files the person who signed the district form failed to fill in the student's name.
7. In most of the children's files, a registered nurse's or a parent's signature appears on a typed form stating the child has no obvious health impairment. This is in lieu of a physical examination. Even on the few records that did have a physician's signature on a physical examination form, the date of the physical examination was two or more years ago.
8. Very few of the children's files had reports of vision and hearing screening - even in cases where information indicated that the child was receiving speech therapy or that an auditory perceptual problem was present. Some of the screening reports may actually exist, but they were a rarity in the children's files.
9. In looking at the evaluations it is strongly recommended that district staff complete all the test protocols.
10. The assessment summary is often not complete nor detailed and the staff is not summarizing on the IEP. They are providing only general information.
11. All data should be included in the file and in a sequential manner with the most recent on top.
12. The annual review is not necessarily a program change. Unless a program change is made, use additional page on the IEP for reviews.
13. There is a need to develop a pre-school observational process.
14. Use the 30-day evaluation back date to increase FTE, this is an accepted, legal process as long as session days are used and the back date does not go beyond the student's initial enrollment date.

#### Gifted and Talented

1. The coordinator responsible for the gifted/talented program should participate in Child Study Team (CST) meetings for gifted/talented students.

2. The Slosson and PIAT are too frequently used as sources of data for certification of a child as gifted/talented. These are screening instruments and must not be used for placement. More reliable data can be obtained from individual tests such as the WICS-R or Stanford Binet. Additionally, other performance measures should be used to document program eligibility.
3. Criteria for eligibility for the gifted/talented program are quite broad. This will result in many children being served, which number may exceed the 5% maximum allowed for State funding.

#### Specific Learning Disabilities

1. The criteria for a severe discrepancy is in non-compliance and has resulted in a complaint to the Office for Civil Rights.
2. The written report must be consistent with the eligibility criteria as detailed in the Special Education Handbook and must be signed by all the CST members and a minority report given by CST members who dissent. Required.
3. Assessment for L.D. needs improvement. Specifically, domain-referenced and criterion-referenced measures should be used to document the source of a severe discrepancy between expected and actual performance.

#### Child Study Team

1. Regular classroom teachers should be involved in the IEP meetings when students are in resource placements.
2. Student written IEPs must be carefully monitored and must meet all components required by law. In general, allowing students to write the IEP is very questionable. Students might well be involved in the IEP process, but the CST is responsible for the development of the IEP.
3. A child study team meeting in developing the IEP must involve the parent. This is a group process and no parent should sign off prior to the IEP meeting. Signing after the IEP meeting should not occur, only in extenuating circumstances.
4. Thirteen files were originally non-certified because of the composition of the child study team. However, these files have been certified as a result of the participation of the counselor in lieu of the regular teacher.

Support Services

1. In order to acquire accurate and sufficient diagnostic information, an additional one or two school psychologists are recommended. It was apparent from the review of files and the discussions with teachers that little, if any, support in developing files is given teachers.
2. The district should consider hiring child study team coordinators. These personnel would insure against problems of compliance and would assist in developing quality programs.

The district's special education staff has made a real effort to have all files in compliance and they had the files in an accessible order. This reduces the time required in utilization of student files and is commendable.

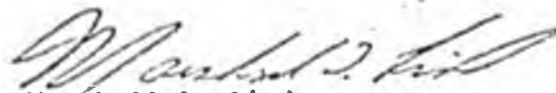
The review team reports that in many instances good IEPs were found. They suggested that the personnel in these Child Study Teams revealed talent that could be utilized in your inservice program.

Another positive report resulted from observation of individual teachers and aides in the classrooms of the various schools visited by our team. Good materials, exemplary instructional methods, and teacher-student rapport were reported. In particular, the program at Birch School was singled out for praise.

The district must develop a written plan which is approved by the board for bringing the district into full compliance with the Special Education Handbook, 1978, by June 1, 1980. This plan must be submitted to the Office for Exceptional Children within 45 days of receipt of this letter.

Again, please accept my appreciation for your courtesy to and cooperation with the review team. If there are questions relative to this letter, please call the Office for Exceptional Children.

Sincerely,



Marshall L. Lind  
Commissioner of Education

MLL:LLS:cj

STUDENTS

5110.5

Elementary and Secondary

Attendance Records

The Superintendent shall be responsible for the maintenance of a system of record keeping which conforms to the requirements prescribed by the Alaska Department of Education and the United States Office of Education.

Policy  
Adopted: December 7, 1971

Fairbanks North Star Borough  
School District  
Post Office Box 1250  
Fairbanks, Alaska 99707

July 1, 1976

STUDENTS

5110.5

Elementary and SecondaryAttendance Records

## I. RESPONSIBILITIES

- A. The role of the principal in student accounting:  
The principal of each school ~~maintaining~~ will be responsible for student accounting and attendance. He may delegate this responsibility to a member of his staff who may be designated as "attendance clerk".
- B. The role of the classroom teacher in student accounting:  
Each classroom teacher is required to check carefully student attendance. This must be done by both elementary and secondary teachers. It is especially significant that the attendance be meticulously checked at the beginning of each period of the school day by all junior and senior high school teachers.

Accurate accounting for the whereabouts of each student cannot be made without strict adherence to this practice. Should violations of the Compulsory Education Law occur, legal action must be taken. In such cases, all school attendance records are considered legal documents and become admissible evidence in a court of law. It is vital that they be kept accurately.

## II. ATTENDANCE PROCEDURES

- A. Students should present written requests in advance of most absences.
- B. Whenever students are absent from school because of special school sponsored or school approved activities such as debate, athletics, music, etc., it will be mandatory that a certified list of all such absentees shall be filed at the attendance office prior to the absence of such groups from school. All such absences will be excused absences and shall not count against the students. In such cases, the student will be considered as in attendance at school. . . and with an excused absence from class.

Fairbanks North Star Borough  
School District  
Post Office Box 1250  
Fairbanks, Alaska 99707

Administrative Regulations  
July 1, 1976

STUDENTS

5110.5  
Page 2

- C. Those responsible for approving leave or special passes from school such as medical appointments, court appearances, etc., shall establish a time allotment for such purposes. Each student absent from class for one of the above reasons shall have in his or her possession an "Out of School Pass".

Example:

Fairbanks North Star Borough  
School District

Out of School Pass

Date \_\_\_\_\_

Name of School \_\_\_\_\_  
Name of Student \_\_\_\_\_  
Purpose \_\_\_\_\_

Time:  
Left School \_\_\_\_\_  
\*Arrival \_\_\_\_\_  
\*Departure \_\_\_\_\_  
Back at School \_\_\_\_\_

Signature \_\_\_\_\_  
Title \_\_\_\_\_

\*Please initial.

- D. Doctor's appointments, dental appointments, court appearances involving the student personally or as a subpoenaed witness and hospitalization shall require prior clearance in the form of a pre-arranged absence, except in cases of medical emergency.
- E. If any student forgets to bring to school such articles as books, contact lens, gym clothes, admission tickets to school activities, etc., he will not be permitted to leave the school to get them unless he has permission from the principal or his designated subordinate.
- F. If a student is sick on final day of exams, the student should make sure the parent or guardian calls to notify the attendance office of the illness of the day. No student should be allowed any excused absence for appointments on days when final exams are being given.

Fairbanks North Star Borough  
School District  
Post Office Box 1250  
Fairbanks, Alaska 99707

STUDENTS

5120.5

Ein  
CER  
3/2

Elementary and Secondary

Student Records

A. Cumulative Records

A cumulative record shall be maintained for each child from his entrance into school through the twelfth grade. This shall include his elementary school record, secondary school record, extra-curricular achievements, attendance, testing records, and other pertinent information.

B. Confidentiality of the Cumulative File

Personal records are not available for inspection by anyone other than qualified District staff members. Students and parents are privileged to see the entire cumulative student records, in the presence of a member of the professional staff. It is incumbent upon the principal to develop procedures and guidelines for students and parents to see their cumulative records and to make these known to the students in general.

Policy  
Adopted: December 7, 1971  
Revised: February 1, 1977

Fairbanks North Star Borough  
School District  
Post Office Box 1250  
Fairbanks, Alaska 99707

July 1, 1976

STUDENTS

5120.5

Elementary and Secondary

Student Records

Materials of a pertinent nature shall be maintained for each child in what shall be designated as the cumulative record folder. Its purpose shall be to present a comprehensive source of information depicting the growth of each student in the areas of educational, social and emotional development.

The standard Permanent Record Card shall be used at all levels throughout the District's schools.

Maintenance, Elementary:

The building principal shall oversee the total maintenance of the cumulative record folder.

The classroom teacher shall bear the major responsibility for entering pertinent information on the PRC (Permanent Record Card).

Maintenance, Secondary:

The building principal shall oversee the total maintenance of the cumulative record folder.

Certain classroom and homeroom teachers and counselors shall be designated to maintain portions of the cumulative folder by the principal.

Confidentiality of the Cumulative File:

Personal records are not available for inspection by anyone other than qualified District staff members and parents or legal guardians.

Lists giving students names, addresses, grade placement, etc., are not to be released for public or private use without gaining prior approval from the Superintendent.

Fairbanks North Star Borough  
School District  
Post Office Box 1250  
Fairbanks, Alaska 99707

## STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF EDUCATION

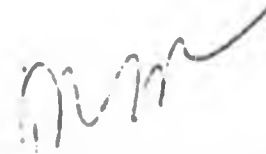
DIVISION OF EDUCATIONAL PROGRAM SUPPORT

POUCH F - STATE OFFICE BUILDING  
JUNEAU 99811

September 14, 1976

MEMORANDUM NUMBER 77-9

To: All Superintendents

From: Marilou Madden, Director   
Division of Educational Program Support

Subject. Special Education Student Enrollment Form

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In addition to the State Law (AS 14.30.330) concerning enrollment in special education, federal regulations require that the Office for Exceptional Children report twice annually on the number of special education students being served in every school in Alaska. This makes it essential for the districts to give an accurate pupil accounting to this office. In order for there to be a uniform and confidential pupil accounting procedure, the Department of Education is providing the enclosed forms. One three page form should be completed for each student enrolled in a special education program as of October 1 and again February 1 and be in the Office for Exceptional Children no later than October 15 and February 15. In filling out the three page form for each student, pink is the original each time.

These forms should give the district and the Department ready access to information essential for auditing purposes. It is designed to be utilitarian and to create little additional work for the district. As indicated above and explained in the accompanying instructions, the form meets all the requirements for confidentiality as contained in state and federal law.

We are enclosing copies of the Special Education Student Enrollment Form 05-260-24 equal to your reported enrollment plus an additional amount. Additional copies may be had as needed upon request.

Enclosures

ALASKA DEPARTMENT OF EDUCATION  
OFFICE FOR EXCEPTIONAL CHILDREN

Instructions for Completion of the  
Application and Certification of Student Enrollment  
(Form 05-26G-24 7/76)

- PURPOSE** This form is designed to collect information about students enrolled in special education programs for state and federal reporting purposes while protecting the privacy of students and parents as prescribed by law.
- GENERAL** The instructions below apply to the lines of the form, each of which is identified by a letter in the left margin. Beginning with line E, individual items are identified by numbered code boxes. Additional instructions as to date of information, date of submission and distribution of copies are given in the covering letter.
- Please print or type the entries on this form; make sure all three copies are legible, especially corrections.
- LINE B** Enter the full name of the student's parent or guardian.
- LINE C** Enter the complete mailing address of the student's parent or guardian.
- LINE D** Enter the student's name, last name first, with one letter to each of the code boxes needed to complete the name. Leave extra boxes blank, if name is too long, just leave off the extra letters. See sample form attached.
- LINE E** The proper coding of the student record numeric identifier in boxes 6 through 14 is important. Through this coding, plus the birthdate, student data is uniquely identified without indicating the student's name.
- This coding is done by converting the first four letters of the last name to numbers according to the table below, and entering the numbers in boxes 6-9. The same is done for the first four letters of the first name in boxes 10-13, and for the middle initial in box 14. See the sample form.

Letter	Number	Letter	Number
A	= 2	N	= 6
B	= 2	O	= 6
C	= 2	P	= 7
D	= 3	R	= 7
E	= 3	S	= 7
F	= 3	T	= 8
G	= 4	U	= 8
H	= 4	V	= 8
I	= 4	W	= 9
J	= 5	X	= 9
K	= 5	Y	= 9
L	= 5	Q	= 1
M	= 6	Z	= 1
		blank	= 0

The table above is a slight modification of the dial telephone code.

Note that only the information coded on line E and those lines following it appears on the Department of Education (pink) copy of the form. This assures that the student's name is not in the state files. Box 15 will be used by the Department in the unlikely event that duplicate identifier codes occur.

LINE F

The student's birthdate should be coded by number in boxes 16-21 by month, day and year. For example, October 25, 1968 is coded as 102568. If only one number is needed for the month or day, precede it with a zero, e.g., March 9, 1968 equals 030968.

Code the sex of the student in box 22 as M or F. Box 23 must be coded "A", "C", or "E" as follows.

Enter "A" if this form has not previously been filled out for the student.

Enter "C" if the form has additions, deletions, changes or corrections which make it different from a form previously submitted for the same student.

Enter "E" when the form is being completed for a student who is no longer in a special program.

LINE G

Enter the date of the student's initial enrollment for this year in a special program in boxes 29-34. Use the same month-day-year coding method as for date of birth.

If an "E" has been marked in box 23 the date of the student's withdrawal from the special program must be coded in boxes 35-40.

On the line provided, print the district and school name. Use abbreviations where necessary.

LINE H

Enter in boxes 41-42 the code for the student's major exceptionality from those listed.

Enter in box 43 the primary service delivery mode for this student.

Report level of service being provided the student in box 44.

Under "Support Services Provided" mark each box that applies to the student, you may mark more than one.

LINE I

The name and title of the person completing the form should be entered in the spaces provided, also the date of completion.

OFFICE FOR EXCEPTIONAL CHILDREN

PLEASE PRINT,  
PRESS HARD

Application and Certification of Student Enrollment  
Authorized under AS 14.30.330 (b)

**CONFIDENTIAL INFORMATION** This form meets the requirements to be met by an educational agency or institution to protect the privacy of parents and students as prescribed under Section 439 of the General Education Provisions Act, as amended (added by Section 513 of P.L. 93-380 and amended by Section 2 of P.L. 93-509).

The student's name will be converted to a numeric identifier code which identifies the record only, not the student. The student's name will not be known to the state.

The white copy must be retained in the student's confidential file for enrollment certification by the State Department of Education. This file must be maintained so that the record can be retrieved using the identifier code only.

PARENT OR GUARDIAN NAME	Mrs. Carl J. Moe			Telephone Number	789-0370
	Street address or box			City or Village	State

PARENT OR GUARDIAN ADDRESS	RR3, Box 1401	City or Village	Juneau	State	Alaska	Zip code	99803
----------------------------	---------------	-----------------	--------	-------	--------	----------	-------

STUDENT NAME	Last	First	Middle
	M O E	Q U I N T U S	A L E X A N D E

OSCS	6 6 3 0	1 8 4 6	2	DUPLICATE IDENTIFIER	
------	---------	---------	---	----------------------	--

DATE OF BIRTH (Mo - Day - Yr)	1 0 2 5 6 8	SEX	M	M or F	ACTION	A	24 (leave blank)
-------------------------------	-------------	-----	---	--------	--------	---	------------------

A - add new student  
C - change information  
E - exit from program

DATE ENROLLED IN SPEC ED	0 9 0 7 7 6	PROGRAM EXIT DATE		DISTRICT AND SCHOOL NAME	Juneau, Capitol Elementary
--------------------------	-------------	-------------------	--	--------------------------	----------------------------

TYPE OF EXCEPTIONALITY (code one only)	0 6	PRIMARY SERVICE DELIVERY MODE (code one only)	2	LEVEL OF SERVICE (1,2,3 or 4)	2	SUPPORT SERVICES PROVIDED (mark all that apply)			
	01 Mentally Retarded 02 Specific Learning Disabled 03 Emotionally Disturbed 04 Orthopedically Handicapped 05 Speech Impaired 06 Visually Handicapped 07 Health Impaired 08 Hard of Hearing 09 Deaf 10 Gifted		1 Self contained classroom 2 Resource Room 3 Itinerant/Consultant 4 Home/Hospital		1,2,3 or 4	45 Speech Pathology	46 Spec Ed Phy Ed	47 Spec Ed Teacher Aide	48 Special Recreation

NOTE: Letter to number conversion for name code is as follows  
 07 - 1 ABC - 2 DEF - 3 GHI - 4 JKL - 5 MNO - 6 PRS - 7  
 TUV - 8 WXY - 9 blank - 0

AUTHORIZED SIGNATURE	TITLE	DATE
	Sp. Educ. Coord.	9/14/76

ATTACHMENT 5

"SPECIAL EDUCATION HANDBOOK, October 1975"

(A copy may be obtained from the Alaska State Department of  
Education.)

# STATE OF ALASKA

**DEPARTMENT OF EDUCATION**

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND  
GOVERNOR

POUCH F - ALASKA OFFICE BUILDING  
JUNEAU, ALASKA 99811

December 17, 1979

Mr. Jerry Wilkerson, Director  
Division of Legislative Audit  
Pouch W  
State Capitol  
Juneau, Alaska 99811

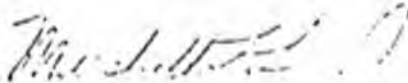
Dear Mr. Wilkerson:

RE: Foundation Program Audit Interim Letter #1  
Fairbanks North Star Borough School District

The staff of the Department of Education has carefully reviewed the above referenced letter including the auditor's workpapers. Furthermore, the department provided a copy of the letter to the Fairbanks North Star Borough School District to afford them the opportunity to respond to the findings (copy attached).

The Department of Education concurs in the audit findings and recommendations.

Sincerely,



Marshall L. Lind  
Commissioner of Education

Attachment

*Audits*

Attachment #6 A

March 12, 1980

Bryce Stallard, Superintendent  
Fairbanks North Star Borough S.D.  
P.O. Box 1250  
Fairbanks, Alaska 99701

Dear Dr. Stallard:

A review of the results of the Special Education audit in your district and correspondence relating to the audit indicate that there are two problem areas, the Slingerland Program and procedural problems in other areas, with which we will deal separately. Therefore, the problem relating to the Slingerland Program at Denali Elementary School has been addressed under separate cover. This letter will address discrepancies found by the audit team in other program areas without regard to the numbers of files found to be non-certifiable.

The problems and procedures which will result in their solution follow:

1. Prior notice before evaluation, reevaluation, individual education program (IEP) development, or IEP review was not evident in all files reviewed. Special Education Handbook (1978) page 2.4.

\*Provide prior notice for Individualized Education Program (IEP) meeting or IEP annual review such as may be found on pages 30 or 34 and explanation of procedural safeguards and due process on page 24 of the Alaska Procedure Manual: Volume 1.

2. Parent permission for testing was not properly documented in all files.

\*The district must secure parent permission for testing such as the sample on page 27, Alaska Procedures Manual: Volume 1. Special Education Handbook (1978), page 2.13.

\*Tacit approval is not legal and thus is not sufficient for compliance.

\*Permission to test must be item and area specific.

3. Medical records were not complete in every file.

\*Physical status as required under AS 14.30.191 (a) and the medical history as required on page 6.3 of the Special Education Handbook

(1978) may be satisfied by placing a copy of the child's current medical record in the file before an audit.

\*The document cited above should be clearly identifiable as being that of the student whose file is monitored.

4. Evidence of vision and hearing assessment was not in place in related files.

\*Vision and/or hearing assessment is required for the partially sighted, blind, hearing impaired and deaf. Special Education Handbook, 1978 pages 7.2, 7.3.

5. Evidence of speech/language assessment was not always present in appropriate files.

\*Speech/language assessment is required for the hearing impaired and the deaf. Page 7.2, 7.3, of the Special Education Handbook (1978).

6. Assessment summaries were not complete in all files reviewed.

\*The assessment summary must be complete and detailed. Pages 2.8, 2.10, 2.11, of the Special Education Handbook (1978).

\*Test profiles must be complete to be valid.

7. The annual review process must take into account the evaluation results from implementation activities related to the goals and objectives in the previous IEP. Development of the new IEP should show a continuation of the previous goals and objectives if they have not been met, changes if the goals and objectives are inappropriate, or changes based upon further assessment. Special Education Handbook, (1978) Page 2.22.

8. Placement of children in programs for the learning disabled was not always consistent with State Regulations.

\*Placement of a child in a program for the learning disabled must be consistent with the Special Education Handbook (1978). Pages 7.4, 7.5, 7.6, 7.7.

\*The criteria used by the district to determine the presence of a severe discrepancy is not in compliance.

\*The written report must be consistent with the eligibility criteria as detailed in the Special Education Handbook and must be signed by all the CST members and a minority report given by CST members who dissent.

\*Assessment for L.D. must be improved. Specifically, domain-referenced and criterion-referenced measures should be used to document the source of a severe discrepancy between expected and actual performance.

\*It must be shown that attendance has been considered in the case of the learning disabled child.

\*Each child labeled learning disabled should have objective evidence in his/her file that cultural difference, academic achievement and economic background have been considered. This is required in the Special Education Handbook on page 7.6.

9. Child Study Team composition and procedures were not always consistent with State Regulations.

\*All parties in the Child Study Team should sign the IEP in the place provided such as on page 32 of the Alaska Procedures Manual: Volume 1. Special Education Handbook (1978) Pages 1.6, 2.8, 2.22.

\*Regular classroom teachers should be involved in the IEP meetings when students are in resource placements.

\*Student written IEPs must be carefully monitored and must meet all components required by law. In general, allowing students to write the IEP is very questionable. Students might well be involved in the IEP process, but the CST is responsible for the development of the IEP.

\*A Child Study Team meeting in developing the IEP must involve the parent. This is a group process and no parent should sign off prior to the IEP meeting. Signing after the IEP meeting should not occur, except in unusual circumstances. Such circumstances must be documented.

10. Students were placed in the program for gifted/talented through the use of screening instruments rather than individual tests, such as the WISC or Stanford-Binet.

\*Multiple performance indicators must be used for assessment before placement of the gifted/talented. See the eligibility criteria on page 7.3 of the Special Education Handbook (1978).

\*The IEP must delineate special education and related services to be received by the child. Page 2.22, 6.2, 6.3, of the Special Education Handbook (1978).

Compliance with the above requirements and other regulations will nullify the necessity for withholding state and/or federal funds for other than ASM/FTE as computed for students in the Slingerland Program.

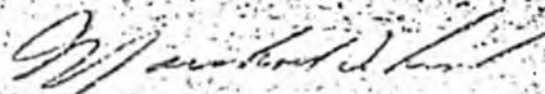
Mr. Bryce Stallard, Superintendent -4-

March 12, 1980

Your progress will need to be monitored by the Office for Exceptional Children with the first monitoring to be done the week of April 28, 1980. Should your program be found to be in substantial non-compliance at that time, federal funds must be withheld. A second monitoring will follow the week of October 6, 1980. Should the district still be found to be in substantial non-compliance, federal and state funds must be withheld until full compliance is assured.

Since we are concerned that handicapped and gifted/talented students be served, we are pursuing closure of the Fairbanks audit in this manner. We feel sure that you can be in full compliance by April 28, 1980. If we can assist you in any way, please do not hesitate to call or write.

Sincerely,



Marshall L. Lind  
Commissioner of Education

MLL/GSM/jc

Attachment 6 B

March 12, 1980

Bryce Stallard, Superintendent  
Fairbanks North Star Borough S.D.  
P.O. Box 1250  
Fairbanks, Alaska 99707

Dear Dr. Stallard:

Thank you for sharing the information from the task force you employed to review and evaluate the Slingerland Program at Denali Elementary School. Your task force appears to have completed their assignment in a commendable way.

We agree in principle with the task force findings relative to the diversity of levels within the learning disabilities population, that a learning disabilities program should be funded under state regulations at Denali, that the program as funded under foundation support for exceptional students at Denali should be for students certifiable as learning disabled and not a Slingerland Program, and that "special education teachers cannot reasonably be expected to serve as diagnosticians, IEP developers, implementors and instructors---". Until more data is available we cannot agree that there are in fact learning disabled children at Denali who should be served at levels three (3) and four (4). Further data must also be gathered through a reaudit before we can concede that the learning disabled children at Denali should be receiving more than level one (1) services. It is our position that state regulations detailing eligibility criteria for children with specific learning disability can be followed in a clear and concise manner. However, the Department of Education is in the process of revising the Special Education Handbook, (1978) and will review the eligibility criteria which relates to student placement for the child with a specific learning disability.

The task force's recommendations, when implemented, should lead to a resolution of the problems inherent to the Slingerland Program at Denali Elementary School. The Fairbanks North Star Borough School District administration should work out a mutually acceptable date with the Office for Exceptional Children for their return to do a complete audit of the files at Denali Elementary School of those students that the district deems learning disabled. This date should be no later than May 15, 1980.

Bryce Stallard, Superintendent

-2-

March 12, 1980

The district practice of busing children across district school boundaries for instruction in the Slingerland Program at Denali produced another concern. It is the Department of Education's position, as stated in regulation, that a child be placed in a program at a school as close as possible to the child's home. The practice cited above is obviously contrary to that position. Therefore, the necessity for transportation of a child from the school nearest the child's home to the program for the learning disabled at Denali Elementary School will need to be carefully documented.

Implementation by the Fairbanks North Star Borough School District of the recommendations of your task force, a complete audit by the Office for Exceptional Children of the files of children at Denali Elementary School who are reported by the district for special education foundation support, and careful attention to the previous paragraph on transportation should lead to resolution of the problem the Department has had with the Slingerland Program at Denali. Based on the result of the audit, funds may be continued for those students who clearly meet state regulations for placement of a child in a program for the learning disabled. State and federal funds will be withheld on those students who cannot be certified by the audit as learning disabled.

Thank you for your cooperation in this matter. If we can be of assistance, please do not hesitate to call or write.

Sincerely,



Marshall L. Lind  
Commissioner of Education

ELL/GSH/jc

December 20, 1977

Dr. Bryce Stallard, Superintendent  
Fairbanks North Star Borough Schools  
P.O. Box 1250  
Fairbanks, Alaska 99701

Dear Dr. Stallard:

The Special Education audit conducted in your district this fall resulted in the following findings:

There were three major problems evidenced by an examination of the special education records of the North Star Borough School District that must be corrected.

- 1) The district incorrectly computed ADM/FTE using basic enrollment data instead of aggregate ADM as required by statute and regulation. A recalculation indicated your first quarter revised foundation report was in error by 66 ADM/FTE.
- 2) 40% of all files reviewed were found to have errors in level of service reporting. All of the errors were of two basic types: a) either no level of service was justified at all or b) the level of service indicated by the IEP did not match the level of service claimed for ADM/FTE reimbursement. Errors ranged from .25 FTE to .75 FTE. This accounted for a computational error and subsequent FTE overstatement of approximately 83 ADM/FTE.
- 3) At least six high school students were enrolled in more than one attendance area with subsequent FTE generations in excess of the 1.0 permissible under statute.

Bryce Stallard, Superintendent

(2)

December 20, 1977

These audit exceptions are considered by this department to be serious enough to require an immediate (first quarter) reduction of special education ADM/FTE of 149 ADM/FTE.

Computational notes:

Total students reported (on computer 12/1/77)	1174
Total FTE reported First Quarter	666
Less Audit adjustment First Quarter	-149
Total First Quarter ADM/FTE	517

An additional examination of a random sample of existing files was accomplished to determine the approximate ADM/FTE to be anticipated in fiscal 79.

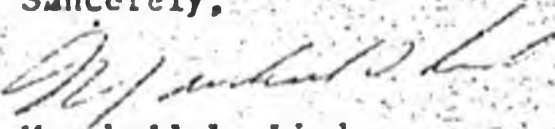
Total files in district	1174
Total students certified as exceptional	499
Total students questionable	59
Total students not certifiable	616
Probable FTE	279
Probable FTE units generated	27

Since many of the students were found to be not certifiable as a function of procedural problems, i.e., lack of parental signatures, test data documented due process procedures etc. You may wish to stand reaudit at a later time this year. In light of the above, the school district has 60 days from receipt of this letter to request an additional audit this year.

The data derived from this or subsequent audits will be used to establish the maximum ADM/FTE for your school district for the 1978-79 school year.

For further information, please contact the Office for Exceptional Children at your earliest convenience.

Sincerely,



Marshall L. Lind  
Commissioner of Education

MLL:TRB:jlm

April 12, 1978

Dr. Bryce Stallard, Supt.  
Fairbanks North Star Borough Schools  
Box 1250  
Fairbanks, AK 99701

Dear Bryce:

I wish to thank you and your staff for the cooperation shown to the Department's Special Education Review team during their re-audit of the Fairbanks Special Education Program last month. I have attached their findings for your immediate attention and subsequent action. It is noted that your district has made significant progress in correcting program and compliance deficiencies since the first audit/review last fall. I urge you to continue this effort with all due haste.

It is noted that all eight non-certifiable files were concerned with Learning Disability protocols. If you will assure me that immediate steps will be taken to correct their inequities, I will allow your final FTE/ADM special education count to be reflected by the end of year computer print-out. Understandably, the Department will not be able to allow back-dated changes to current files as this would nullify the audit/review process.

Therefore, the FTE/ADM for Fairbanks Special Education is as follows:

533.6	1st Qtr.	or 50 Units
587.9	April 1, 1978	or 55 Units

You should submit a revised Preliminary enrollment to Agnos Sincic of my office, reflecting your current level of enrollment, plus any additional enrollments anticipated because of the districts' expansion into gifted programming. Any request exceeding 67 units will need to be thoroughly explained with the understanding that additional audits may be required.

In the interest of clarifying files cited as unacceptable. The following examples of situations were observed by the Audit Team:

- 1.0 Files were observed which cited a single standardized test to document deficiency in an academic area with no supportive data. For example, a single Key Math test was used to document a two-year deficiency in math with no supportive data. This process is both illegal and contrary to State and Federal Regulations.
- 2.0 Please note No. Memo 78-34 for computation of level of service. Instances were observed where "preparation for regular classroom instruction," "study hall with tutorial help," and "programming in reading and drama" were cited as factors in level of service computation. We have been advised by legislative audit that this practice is not allowable under Alaska Statutes.
- 3.0 Instances were observed where discrepancies appeared between level of service on IEP's signed by parents and level of service reported on the computer print-out.
- 4.0 Some files reflected parent signatures for evaluation, psychological testing, and IEP placement all on the same date. This practice violates Due Process procedures under P.L. 94-142 and the Alaska Special Education Handbook which clearly requires parent permission prior to testing and placement.

The compliance team visited Joy Elementary School and the West Valley High School to compare the Special Education enrollment figures available in the Special Education Director's office and the respective schools. They found a 16 percent discrepancy between student enrollment figures at Joy Elementary School and the Special Education Director's office. They found a 64 percent discrepancy between student enrollment figures at West Valley High School and the Special Education Director's office. I strongly recommend a systematic procedure be implemented immediately to correct this situation.

Your diligence in these matters is greatly appreciated. If you have any questions, please write or call at your earliest

Dr. Bryce Stallard

2

April 12, 1978

convenience.

Sincerely,

*Marshall L. Lind*  
Marshall L. Lind  
Commissioner

MLL:TRB:lah

cc: Agnes Sincic

Attachments

ALASKA DEPARTMENT OF EDUCATION  
OFFICE FOR EXCEPTIONAL CHILDREN

CHILD CERTIFICATION AUDIT SUMMARY SHEET

Team: Ed Obie, etal.

Date: April 1, 1978

School District: Fairbanks

Files available by:  
(Check as appropriate)

- Mail
- On-Site
- Central Filing System
- Student Control Number
- Other

Summary Statistics arrived at by:  Computer Random Sample  
 On-Site Random Sample  
 Other

A. Total files on computer	<u>1,580</u>
B. Total files not found and removed	<u>146</u>
C. Total files reviewed	<u>83</u>
D. Total files available	<u>1,434</u>
E. Total files certifiable	<u>59</u>
F. Total files non-certifiable	<u>8</u>
G. Total files questionable	<u>16</u>

<u>Number of Files Audited</u>	<u>Percent Total Population</u>	<u>Whole Number Total Sp. Ed. Population</u>	
<u>59</u>	E : D = <u>71.1</u>	X C = <u>1,020</u>	Certifiable
<u>8</u>	E : D = <u>9.6</u>	X C = <u>137</u>	Non-Certifiable
<u>16</u>	G : D = <u>19.3</u>	X C = <u>277</u>	Questionable

Therefore, average FTE  $.41 \times 1,297 = 533.633 = 50$  Units - 1st Qtr.  
Average FTE  $.41 \times 1,434 = 587.94 = .55$  Units - April 1

NOTE: Questionable files do not count against the audit - they are added to the certifiable for final ADM/FTE determinations.

# STATE OF ALASKA

AUDIT DIVISION  
POUCH W—ALASKA OFFICE BUILDING

## THE LEGISLATURE

FINANCE DIVISION  
POUCH WF—STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

July 16, 1980

Members of the  
Legislative Budget and Audit Committee:

We have reviewed the responses from the Department of Education, the Anchorage School District, the City and Borough of Juneau School District and the Fairbanks North Star Borough School District, and have attached the following comments:

### Recommendations No. 1 and 2

The Department of Education's disagreement with our findings that it acted without specific authority in granting the Anchorage and Juneau School Districts an extended reporting period for special education led us to request a legal opinion from Legislative Affairs Agency's Division of Legal Services.

Based on the attached opinion, we withdraw those portions of Recommendations No. 1 and No. 2 that question costs based on the extended reporting period.

Response to Statements Made by Joe Bielski, Director of Pupil Personnel, Fairbanks North Star Borough School District, contained on pages 18(b) - 18(h).

Opening Paragraph. There were no inconsistencies or contradictions in the audit. The programs and procedures employed in Fairbanks were consistent with those used in Juneau and Anchorage.

Item A. No comment.

Item B. Regarding teacher certification, the audit program employed in the review of the 1977 school year did not address the issue of teacher certification. However, since audit programs are not regarded as static, the audit programs employed for the current review of the Juneau, Anchorage and

Fairbanks School Districts included the verification of teacher certification for instructing in the area of special education. This verification was included since State law requires teachers in special education to be certified in the field or to have had certification waived by the State Commissioner of Education.

For the period covered by the audit, those teachers instructing in the Slingerland Program in the Fairbanks School District did not meet those qualifications.

Item C. This statement is not related to our audit. See response from the Department of Education (DOE).

Item D. A number of records for the FY '78 school year had been transferred out of the district without copies being maintained by the district. Mr. Bielski contends that the Commissioner of Education did not inform the district of the need for record maintenance until April 28, 1978. In point of fact, the 1975 DOE Handbook for Special Education, which is provided to all school districts, provides that each local school district is required to maintain descriptive information about the quantity and quality of special education programs, including student evaluation results, signed parental permission for placement, pupil progress reports, etc.

Item E. No comment.

Items F, G, and H. We believe the audit results show clearly the wisdom of expanding the review to cover two years in Fairbanks. The type, frequency and the reasons for the errors found in Anchorage and Juneau did not warrant an increase in audit scope. For example, in Anchorage and Juneau, most of the overpayment resulted from the district's using an extended reporting period, which did not occur in the prior year.

The computation presented in Items G and H are clearly not statistically valid.

Item I. Regarding the contention that the auditor did not inform the school district re: information he was unable to locate, and that an exit interview was not conducted:

1. The district special education director was kept informed on a routine basis of files that could not be located.

2. An exit conference was held with the district superintendent. He chose not to include Mr. Bielski in the meeting. The meeting took place October 16, 1978, and included a review of the audit findings.

It should be noted that the district did not maintain a centralized record system for special education which, in large measure, contributed to missing and misplaced records.

Mr. Bielski's contention that teachers complained that the auditor acted in an unprofessional manner and consistently interrupted their classroom activities belabors the facts.

1. When the FY '79 files were requested during the summer, the argument was that it was an imposition on the district since special education teachers were not there to answer questions.
2. When the FY '79 files were reviewed following the start of school in the fall, the argument became one that our request for information was disruptive.

The lack of a centralized file system and the utter confusion associated with the lack of proper record maintenance led to a high degree of backtracking to locate records.

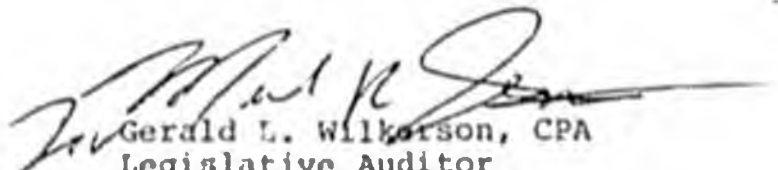
All requests for records were made through the Special Education Coordinator, and he was informed prior to our visits to the various schools in order that teachers could be informed.

Items J and K. No comment.

Item L. Regarding the question pertaining to student placement, the auditor did not establish criteria as to what constitutes proper placement. The criteria established by DOE were employed in ascertaining whether or not student placement was proper. Included in these criteria were:

1. Completeness of the individual education program, including proper approvals by members of the evaluation team and parents, and correct levels of service based on the number of hours and/or minutes of service provided.

Items M and N. No comment.

  
Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit

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STATE OF ALASKA  
THE LEGISLATURE

JUL 11 1980

LEGISLATIVE  
AUDIT

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LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

July 10, 1980

SUBJECT: Reporting period for Special Education  
under the public school foundation program  
(Work Order Number 12-0017)

TO: Gerald L. Wilkerson  
Legislative Auditor

FROM: Tamara Brandt Cook *TBC*  
Legislative Counsel

You have asked for an opinion as to whether the Department of Education can extend the reporting period dates for special education under the public school foundation program, and whether the Department of Education should be required to seek recovery of the overpayment from Anchorage and Juneau school districts which resulted from extending the reporting period dates. The answer to this question depends upon the interpretation of AS 14.17.170 which states in pertinent part:

"Each district shall make a report at the end of the first 9 weeks of school, which contains a new estimate of its average daily membership for the fiscal year and other information which will aid the commissioner in making a more accurate determination of each district's state aid. This new estimate and information of average daily membership shall be the basis for the computation and distribution of each district's state aid for the balance of the fiscal year. The commissioner shall, on the basis of this new estimate and information, make recomputation of each district's state aid. Before December 2, the commissioner shall notify each district of changes made in its state aid."

The issue here is whether this provision limits the contents of this report to information available at the end of the first nine weeks of school or whether the Department of

Education has the discretion to allow a school district to submit a report containing enrollment data for a period of time after the first nine weeks of school, and whether the commissioner may consider this additional information in making a recomputation of the district's state aid. For the reasons which follow, it is my conclusion that the Department of Education does have the discretion of granting an extended reporting period for special education and should not be required to seek recovery of payments resulting from extending reporting period dates.

As a preliminary matter, I note that there is no case law interpreting this particular provision, so general rules of statutory construction supply the only guidelines for interpretation. Where statutory language is clear and unambiguous and does not lead to absurd results, there is no occasion for construction. One must look to the statute itself in determining if the language is clear and unambiguous. Kenai Peninsula Borough v. Andrus, 436 F.Supp. 277, (Alaska 1977). A fundamental principle of statutory interpretation is that language used means what it appears reasonably to say. North Slope Borough v. SOHIO Petroleum Corp., 585 P.2d 534 (Alaska 1978). Applying these rules, under AS 14.17.170 it is clear that each school district shall make a report at the end of the first nine weeks of school. This report must contain two things:

1. a new estimate of its average daily membership for the fiscal year; and
2. other information which will aid the commissioner in making a more accurate determination of each district's state aid.

The statute is unclear in that it contains no date upon which the report must be presented, nor does it specifically demand that the report be based only upon data generated during the first nine weeks of school. The statute does, however, require the commissioner to notify each district of changes made in its state aid before December 2nd. Therefore, the only clear requirement is that the report must be made sometime before December 2nd.

It can be argued, since the statute requires that the report be made at the end of the first nine weeks, an implication

exists that the contents of the report must be based upon the first nine weeks only. On the other hand, a more literal reading is the requirement that the report be made at the end of the first nine weeks means just that and nothing else. It does not imply that the report be limited to the nine week reporting period, particularly in view of the requirement that a district supply "other information." Under this view the statute requires a school district to supply an "estimate" and "information" regardless of the reporting period used to obtain the information, so long as the report is made sometime after the first nine weeks of school and before December 2nd. In a dispute over the interpretation of statutory language wherein both the interpretation of the agency charged with administering the statute and the proposed alternative interpretation are reasonable, deference must be accorded to the administrative interpretation. Curlott v. Hampton, 438 F.Supp. 505, affirmed in part, reversed in part 598 F.2d 1175 (Alaska 1977). In this situation, the Department of Education has apparently interpreted the provision in the second manner to allow for an extension of the reporting period, and this decision must accorded deference.

A court will independently consider the meaning of a statute where the issue to be resolved turns on statutory interpretation. However, where the issue involves the particularized expertise of administrative personnel, weight must be given to administrative decisions interpreting it. State, Department of Highways v. Green, 586 P.2d 595 (Alaska 1973); Wein Air Alaska v. Arant, 592 P.2d 352 (Alaska 1979). In attempting to interpret this statute without the benefit of a court opinion on point, it is appropriate to consider the possibility that a court would give weight to the administrative decisions interpreting it under the foregoing rule of construction. Marshall L. Lind, Commissioner, Department of Education indicated in his letter dated April 9, 1980 that additional time is necessary for student assessment and placement into special education programs and that the first reporting date for special education FTE set by each district is the "earliest date at which all special education students can be expected to be receiving full educational services." Therefore, interpreting the statute to allow an extended reporting period appears to have involved particularized expertise in that the department apparently recognizes practical difficulties in requiring

school districts to identify and place all special education students within the first nine weeks of school. A long standing and practical interpretation by executive officers charged with its administration is strong evidence of the meaning of the statute. Kenai Peninsula Borough v. Andrus, 463 F.Supp. 288 (Alaska 1977). In this regard, I note that the language "make a report at the end of the first nine weeks of school" was in the original version of this statute adopted in 1962 and, although the legislature has amended AS 14.17.170 several times, this language has not been clarified as to the required contents of the report or due date. Presumably, the legislature is content with the administrative interpretation of the reporting requirement.

All statutes must be interpreted in light of their statutory purpose. It appears to serve the statutory purpose to interpret the language "other information" to include information covering a period in excess of the first nine weeks of school and, if it improves accuracy, to allow the "estimate" to be based on this additional information. AS 14.17.220 states in part:

"It is the intention of the legislature, in enacting this public school foundation program, to assure an adequate level of educational opportunities for those in attendance in the public schools of the state."

Furthermore, AS 14.30.186 requires a school district to provide for special services for exceptional children when there are at least five such children residing in the district. Since a school district must supply special services to exceptional children, it seems reasonable to interpret the reporting provision to allow a school district the time needed to identify and place exceptional children in order to qualify for state aid so it can comply with this statutory obligation. It is assumed that whenever the legislature enacts a provision, it has in mind other statutes relating to the same subject matter. Hafling v. Inlandboatmen's Union of Pacific, 585 P.2d 870 (Alaska 1978).

Finally, I would note that AS 14.17.200 authorizes the department to promulgate regulations implementing AS 14.17. If the Department of Education has adopted regulations dealing with the reporting period under AS 14.17.170, the

department would be obligated to follow its own regulations. If, under those regulations, an extension of the reporting period for special education is not allowed, then the department would not have the discretion to grant an extension to Anchorage and Juneau school districts. However, apparently the department has adopted no regulations dealing with this issue. The Financial Accounting Manual, a 1975 version of which was adopted as a guideline by the Department of Education, contains only the notation that public school foundation program reports (initial, revised and final) are due annually and must be submitted to the state Department of Education. (1978 revised edition, page 87, page 112). The Special Education Handbook, which has been adopted by reference as regulation, covers the requirements for calculating ADM (average daily membership) and FTE (full time equivalent) under the public school foundation schedule. It states at page 4.3

"Audits conducted after the first quarter has ended will also confirm the first quarter ADM/FTE for Special Education."

But, the manual does not mention a mandatory reporting period or a date upon which the first quarter report is due. (Special Education Handbook, 1978 edition). Marshall L. Lind's, letter of April 9, 1980 indicated that it has been the policy of the department to allow school districts to establish the reporting date for special education based upon the time each needs to identify and place students. This policy does not conflict with any regulation, and as long as it has been fairly applied, appears to be within the department's discretion.

My conclusion is somewhat strengthened by the observation that the other two reports required under the public school foundation program contain due dates established by statute while AS 14.17.170 does not. AS 14.17.080 requires each district to submit a report by October 30th of preliminary computations for the following fiscal year. AS 14.17.180 requires each school district to submit a report before June 16th containing a final computation. AS 14.17.170 requires each school district to make a report at the end of the first nine weeks of school, but does not set a final date for submission of the report, which could have been done, whereby fixing the reporting period. Since the pur-

Gerald L. Wilkerson  
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pose of that report is to "aid the commissioner in making a more accurate determination of each district's state aid," the legislature may well have intended that the commissioner have flexibility in obtaining any information needed to insure the accuracy of the computation and, therefore, chose not to set a due date for the report.

If I can be of further assistance, please contact me. This is a fairly close question and I would be glad to identify possible legal arguments favoring the opposite conclusion in a separate memo, if this would be helpful.

TBC:ljb