

SB

212

Introduced: 3/26/87
Referred: Health, Education & Social Services
& Finance

5-0911A

1 IN THE SENATE

BY ZHAROFF, HENSLEY, DUNCAN
AND FAIKS

2 SENATE BILL NO. 212

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 C.S. A BILL

6 For an Act entitled: "An Act extending the termination date of the Special
7 Education Service Agency; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 44.66.010(a)(14) is amended to read:

11 (14) Special Education Service Agency (AS 14.30.600) --

12 June 30, 1990 [1987]. (1989)

13 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
S
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

Bud + Audit

→ Sch. Dist's
pay into



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE

1411 W. 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274-0536

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
(907) 586-3090

FAIRBANKS REGIONAL OFFICE

2115 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435

Jean Krause, President

Judy Salo
Vice-President
4510 Kenaitze Court
Kenai, Alaska 99611

Susan Siltham
NEA Director
P.O. Box 80913, College Station
Fairbanks, Alaska 99708

Alan Dill
Region I Director
P.O. Box 423
Sitka, Alaska 99835

Phil Myerchin
Region I Director
717 Canyon Road
Ketchikan, Alaska 99901

Teresa Benolkin
Region II Director
P.O. Box 874335
Wasilla, Alaska 99687

Beverly Goad
Region II Director
Box 343
Copper Center, Alaska 99573

Don Oberg
Region III Director
Box 1084
Kenai, Alaska 99611

Phil Brady
Region IV Director
Scammon Bay Schools
Scammon Bay, Alaska 99662

Myra Poage
Region IV Director
Box 973
Nome, Alaska 99762

Joann Walker
Region IV Director
Box 570
Kolzebue, Alaska 99752

Mary Lou Brent
Region Director
Box 80074
Fairbanks, Alaska 99708

Carol Merritt
Region V Director
P.O. Box 60475
Fairbanks, Alaska 99706

Loretta Christie
Region VI Director
2220 Yorkshire Lane
Anchorage, Alaska 99504

Pam McCarl
Region VI Director
2115 Sorbus Way
Anchorage, Alaska 99506

Pam Reynolds
Region VI Director
8031 Evans Circle
Anchorage, Alaska 99507

Dave Schwantes
Region VI Director
8148 E. 4th Avenue
Anchorage, Alaska 99504

Peg Stout
Region VI Director
6208 E. 14th Avenue
Anchorage, Alaska 99504

May 5, 1987

To: Sen. Paul Fischer, Chair
Members, Senate HESS Committee

Re: Senate Bill No. 212: "An Act extending the termination date of the Special Education Service Agency; and providing for an effective date."

NEA-Alaska supports and encourages passage of SB 212. The Special Education Service Agency is a unique and beneficial approach to providing school districts access to special education services which they otherwise might not be able to provide because of prohibitive costs.

Students whose special education needs occur infrequently, who require specialized services not normally available in the school district, and who cannot be easily served by the local school district personnel because of the low number of students in the district in need of the particular service are the benefactors of this legislation.

This program was instituted just one year ago and requires additional time before final conclusions are drawn relative to the continued needs by school districts for the services.

We hope that you will deal with this legislation in an expeditious fashion and act favorably on it.

Respectfully Submitted,

Robert Manners
Executive Secretary

BM66/dl

SPECIAL EDUCATION SERVICE AGENCY

FACT SHEET

WHAT: The Special Education Service Agency (SESA) was set up by the Fourteenth Legislature to "...assist school districts to make more special education and related services available to exceptional children." This agency began operation September 1, 1986 and provides the following services to Alaska's school districts.

1. Itinerant outreach services to low incidence handicapped students (deaf, deaf-blind, mentally retarded, hearing impaired, blind and visually impaired, orthopedically handicapped, other health impaired, seriously emotionally disturbed, and multihandicapped students).
2. Special education instructional support and training of local school district special education personnel.
3. Other service appropriate to special education needs.

WHO: Seventeen certified staff, including specialists in deafness blindness, orthopedic handicaps, emotional disturbance, health impairments, mental retardation, and multi-handicapping conditions currently provide the services.

The agency's Board of Directors is composed of five to seven persons currently serving on the Governor's Council for the Handicapped and Gifted, plus representatives appointed by the following professional organizations: Alaska Association of Administration of Special Education, NEA/Alaska, and the Alaska Association of School Administrators.

HOW: School districts identify and evaluate exceptional students. Local special education personnel ascertain that special assistance is required which is not locally available. SESA is contacted. SESA staff come to the district, participate in IEP meetings, bring materials, train and inservice teachers, aides, students and, sometimes, family members, to provide special education services appropriate to the needs of individual children. A Technical Assistance Agreement is developed and signed with each district served.

Funding to support this agency is built on a formula which generates \$85 per special education student counted in the state, or an amount equivalent to 2% of the funds appropriated for special education for that fiscal year, whichever is greater. Monies to support this effort were budgeted in the schools for the handicapped's line item within the Department of Education's 1986-87 budget.

WHEN: SESA staff provide services throughout the school year. Contacts with districts can be as frequent as weekly or only a few times per school year, depending on student and district personnel needs.

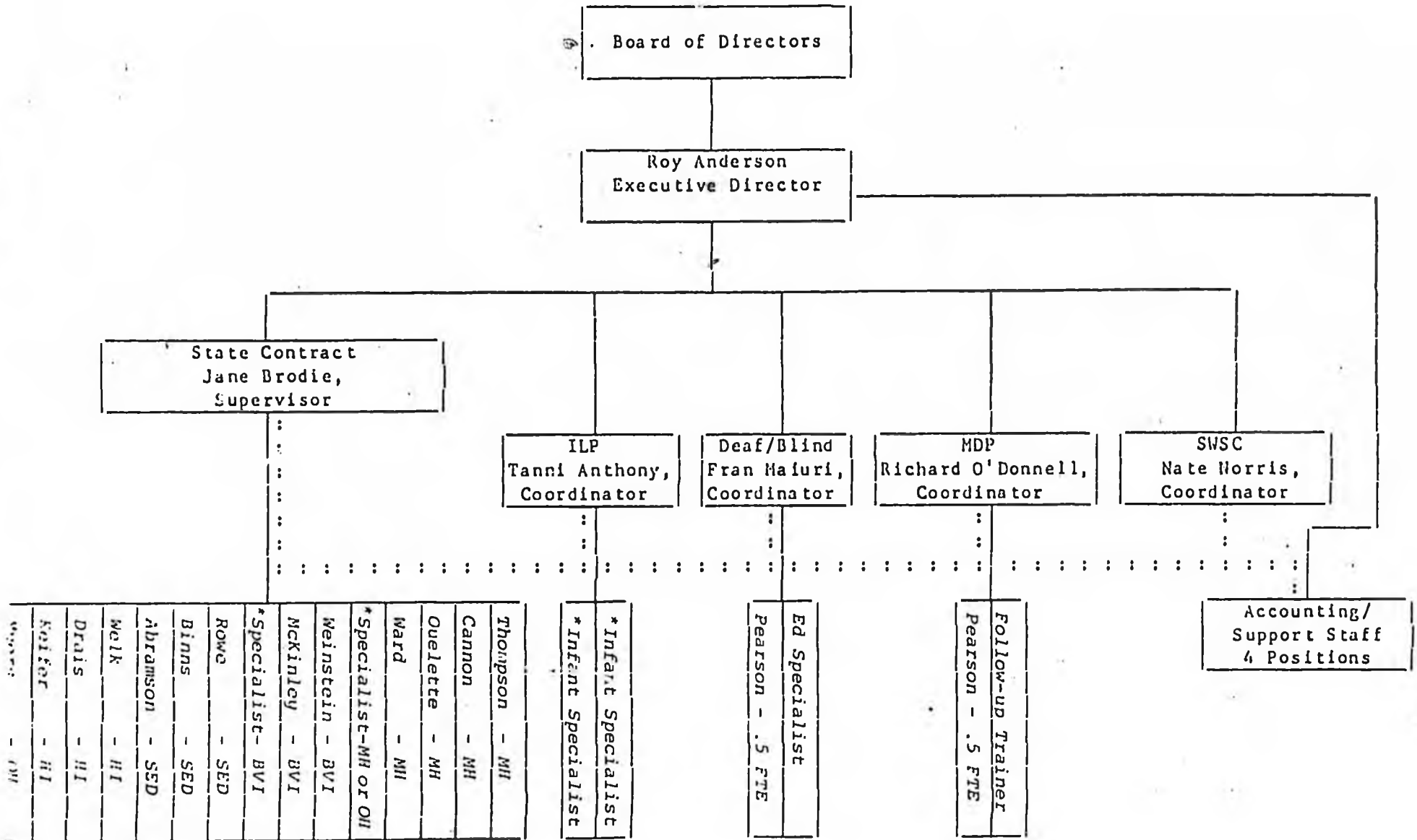
WHERE: SESA offices are in Anchorage. This year SESA is serving about 250 students in 43 school districts.

WHY: The purpose of this agency is to:

1. assist districts and rural educational attendance areas to make more special education and related services available to exceptional children, as that term is defined in As 14.30.350(4);
2. encourage cooperation between districts and education agencies in making special educational programs and services available to these children;
3. ensure that qualified specialists are available to assist districts in the provision of free appropriate public education services for those exceptional children that are difficult to serve, without regard to their location in the state.

SPECIAL EDUCATION SERVICE AGENCY

Organizational Chart
1986-1987



Vacant Positions



GOVERNOR'S COUNCIL FOR THE HANDICAPPED AND GIFTED

600 University Avenue, Suite C • Fairbanks, Alaska 99701 • Phone (907) 479-6507

POSITION PAPER ON CSSB 319, HB 543

An act creating a special education outreach services agency

February 17, 1986

The Alaska Governor's Council for the Handicapped and Gifted supports CSSB 319 and HB 543.

The main objective of the legislation is to insure long-term continuity and availability of special education outreach services to low-incidence, hard-to-serve handicapped children in all Alaskan school districts.

X The proposed legislation achieves this important goal by creating a public agency to manage the services in cooperation with the Department of Education, and by providing a basic level of funding for the outreach services in relation to the total number of special education students enrolled in school and the total amount of funding for special education in Alaska.

Every child in the United States has the right to a free public education. Sometimes handicapped children have been denied that right because of the severity of the handicap, lack of funding, lack of availability of trained teachers, remoteness or rural location, and discriminatory attitudes. This legislation will help Alaska to keep the promise of a free, appropriate education for every handicapped child no matter where he or she lives and no matter what kind of handicapping condition he or she experiences.

By adopting this measure, at least 300 low-incidence handicapped children per year will receive the services they need for their future personal and academic success. Deaf, blind, orthopedically handicapped, seriously health impaired, deaf-blind, multiply-handicapped, severely mentally retarded, and emotionally disturbed school-age children will be served in all school districts.

Services will be available to assist local administrators, teachers, students and parents in each school district. In many cases, these services will eliminate the need for costly out-of-district or out-of-state placements away from home and family.

Without stable funding and continuity of services, students will not receive the services they require, a number of due process hearings and legal actions are likely to be filed, thirty or forty students will have to leave home and be placed in special schools in Anchorage or outside the state at a cost of \$25,000 to \$95,000 per year per student. And, long-term, we will see people with disabilities becoming adults with life-long dependency on all forms of public programs because they did not have the benefit of specialized education and training to prepare them for social or economic independence.

The Council appreciates legislators' interest in special education for exceptional children, and urges passage of CSSB 319 and HB 543.

GROUPS SUPPORTING CSSB 319 and HB 543

Alaska Association of Administrators for Special Education

Alaska Resources for the Moderately and Severely Impaired, Advisory Board

NEA Alaska

Alaska Council for Exceptional Children

Protection and Advocacy for the Developmentally Disabled

QUESTIONS AND ANSWERS

Why do we need this legislation?

State and federal laws require every handicapped child to receive a free, appropriate public education in the least restrictive environment. Because of the small number of special education students with certain kinds of handicapping conditions, each school district or REAA cannot afford to hire a specialist or a variety of specialists to meet the unique needs of each child. An outreach agency which employs specialists to travel to several districts is a cost-effective, efficient way to reach all students in their home villages or schools.

Aren't these specialists available in the private sector?

No. There are no blind/vision impaired specialists in the private sector in Alaska. Nor are there deaf education specialists, or specialists to work with non-ambulatory, non-verbal, severely mentally retarded children or children with a combination of severe handicaps. There are private psychologists and this legislation would not in any way compete or supplant those existing services.

Why not just give the money to school districts to buy their own services?

If you divided the funds between the 55 school districts, each district would receive about \$27,000 additional dollars. Some districts would not need all the services this year while another district might have several new severely handicapped students enroll in school and not have enough funding to purchase the services. Since the required specialists are not available in the private sector, school districts won't be able to find a provider from whom to purchase the services.

If each district has to negotiate separate contracts for the variety of services needed for each child, more of the local administrators' time will be devoted to this activity and for scheduling and handling logistics.

As proposed there would be one agency responsible for being "on call" to all school districts. By coordinating and centralizing the services, a greater degree of comprehensiveness, stability and efficiency can be achieved.

If private sector people were available, wouldn't the services be cheaper?

No. Costs of the outreach services would be averaged across all those students and districts being served. An outreach agency teacher would be on regular salary rather than on an hourly fee for service, and travelling on a per diem rate rather than a flat fee per day working out of the office. Current daily rates for private consultants in psychological services or physical therapy (services not provided by the outreach agency) range from \$275 to \$450 per day not including travel or per diem or overhead costs.

Aren't the districts already supposed to be serving these children?

Yes, they are. And the districts are serving them. The difficulty is that a single small district cannot afford to hire a specialist just for one or two hard-to-serve students. What the cooperative service agency will do is to provide the specialized services while the local district provides the basic service through its special education program. The district or REAA employs the child's regular classroom teacher and/or aide and provides the direct service on a day-to-day basis.

So what exactly would the special education outreach service agency do?

The outreach service agency sends a specialist in the area of the child's disability to develop specialized materials, train the local teacher or aide, show how services can be provided, set up intervention strategies and monitoring systems, develop home/school programs, assess students, provide audio/visual materials, adapt existing curricula or materials, or provide in-service training to local teachers. In between on-site visits, the outreach specialist does follow-up by phone, sends materials, researches additional resources, coordinates ancillary services, and may be contacted by the district or REAA at any time.

For example, in the case of a blind student, a specialist for the blind/visually impaired may help a local school teach braille, provide braille coursework by transcribing textbook materials, provide curriculum materials, train local teachers to work with the student in learning to use a cane to travel in the school, and supply necessary braille equipment, listening tapes, and other special materials.

Over several on-site visits, the outreach specialist may assess the student and staff needs through observation, testing, and consultation, then help develop a written instructional program for the student along with behavioral objectives, and then train the local teacher to provide the day-to-day services with back-up materials supplied on a regular basis from the outreach service agency.

How many students are we talking about in Alaska?

At any given time, there may be two to five per cent of the special education population in need of some specialized outreach services. Over the past four years when the services were begun in Alaska and provided through a contract, a total of 436 students were served:

FY 83	FY 84	FY 85	FY 86 est
219	219	255	275

It is estimated that over 300 would be served in F87 by the new service agency.

How many districts need the services in a year?

Right now there are 44 districts utilizing the contract services. Last year 46 districts requested services.

Are there any students not being served who need services now?

As of February 6, 1986 twenty-four (24) handicapped students in eleven school districts are on a waiting list for services.

How does Alaska compare with other states in the provision of these kinds of services?

On a percentage basis, Alaska is about average in the number of handicapped students served through special education programs, about 11%. Some states serve as few as 7 or 8%, some as high as 14%.

Because of the small population and the dispersal of students in small rural schools, Alaska faces a number of problems in serving each handicapped child. Problems relating to special education services, ranked in the top ten by Alaska school districts, include staff development, involving parents, ability to provide support services, services to low-incidence students, funding, distances between schools and services, and retention of teachers and aides (Anderson, 1985).

Across the country 37 states developed cooperative service units, intermediate service agencies, regional units, county school offices, and other educational service agencies in the 1970s as a means of providing services in the most efficient manner.

The recent national focus on the quality of education is causing a resurgence of such effort, both for "general" education cooperatives (in program areas of financing, staffing, recruitment, staff development, instructional materials) and for special education cooperatives to provide services covered by CSSB 319 and HB 543. As state boards of education have moved to increase course requirements for math, computers, science, foreign languages, language arts, and social studies small, isolated rural school districts are being given an even tougher challenge to provide quality education services.

"While general education offers unique challenges for rural educators, providing services to special needs children seems to magnify these challenges" (Hensley, 1966). Benefits of cooperative programs are cited as "cost efficiency, retaining local autonomy, compliance, access to specialists, and better teacher retention" (Widvey et al, 1985).

If the delivery of services has been successful in Alaska since 1981, why not leave it as a contract for services which goes out to bid?

A number of services are not provided which are needed because funds have been cut mid-year during the last two years. Recruitment and retention of specialists has been a continuing problem as the contracting agency does not know from year to year what the funding level will be or whether a different contractor will receive the contract, or whether the Department of Education will further limit or change the kinds of services provided.

Also, as a contract program, the department must go out to bid for the services. The department could decide to go to bid annually, every two years, every three years or not at all. Because of shortages of funds to pay for out-of-state transfers, the department has discussed cutting outreach services by as much as \$650,000 in F87 even though this would mean more students would ultimately be sent away from home to special schools.

As a service which is part of the state's system of public education, the outreach services should be a part of that system, not an optional service if the funds happen to be available from year to year.

How will recruitment and retention be improved if the legislation passes?

Over the past four years six specialists have left the outreach services contractor and gone to work for school districts (one multi-handicapped and one blind specialist to Kenai, two blind specialists to Anchorage, one orthopedically handicapped and one blind/visually impaired specialist to Mat-Su). While helping districts recruit specialists should be one of the stated objectives of the agency, it should not occur as a result of a non-competitive hiring situation. Contractor salaries are lower than school district salaries in Anchorage, employees have not had access to benefits such as retirement, they have worked more days per year, and they may have been required to travel half time.

There is a nation-wide shortage of specialized teachers. The contractor has had one vacancy for a blind/visually impaired orientation and mobility specialist for two years. To serve orthopedically handicapped students, there has been one position unfilled for a year. For deaf/hearing impaired specialists the recruitment period is six months. The contractor has never been able to recruit a language specialist for the multi-handicapped.

By having a public agency with access to the teachers' retirement system or the public employees' retirement system, the agency will be better able to compete with districts in recruitment of personnel. By having a permanent agency established, a greater degree of job security will be afforded. Even with these improvements, the rate of turnover would be expected to exceed that of local districts because of travel demands and other factors.

Won't it cost a lot more per year to provide these benefit options to agency employees?

At the present time the FICA contributions for the kinds of personnel that would be employed by the new agency are about \$61,000 per year. The TRS and PERS costs to the agency are estimated at \$70,000.

What would it cost to have salaries at the same level as the Anchorage School District salary schedule?

Using the 18 positions budgeted under the current DOE contract it would cost about \$26,000 to reach parity.

It should be noted that entry level for program specialists would be expected to be a master's degree with certification in the specialty area plus three years of experience. For most districts, entry level in special education is a bachelor's degree and a general teaching certificate.

How much will it cost to have an agency board?

For an eleven member board to meet four times a year and to hold teleconferences, cost is estimated at \$16,000 as travel can be arranged to coincide with other education meetings such as the superintendents' or school boards' or special education directors' conferences.

What services are not provided that would be able to be provided by the new agency?

Due to limited funding and budget cuts, the funding for outreach services has not kept pace with the number of students needing services or with the other specialized programs funded by the state such as the State Program for the Deaf, the Multi-Handicapped Program, or the API Program, all operated by the Anchorage School District (but not on competitive bid award like the outreach services).

Consequently a number of basic services are not provided:

COST	STAFF	SERVICES	PURPOSE
\$70.0	2	Diagnostic/ Therapy	Lack of multi-handicapped therapy services; need increased frequency and more services
5.0	0	Program and Staff Development	Advise districts/REAAs on needed services, how to develop local programs, help with recruitment and training, provide advanced training for outreach personnel
30.0	0	Summer Program for Blind Students	Orientation to an urban setting and other specialized training for blind/visually impaired students (12-15/summer) for two weeks
15.0		Central Site Training	One week training at a demo site for 15-20 rural teacher per year
15.0		Workshops	Specialists brought to a central location or to rural districts to give workshops to teachers and aides in areas such as language development for severely multi-handicapped
15.0		Materials and Equipment Loan	Loan to districts for short-term use and try-out to save districts from purchase of expensive equipment that is not appropriate
5.0		Equipment Repair	Repair and maintain equipment on hand

All of the above services were provided prior to F85 except for the purchase of materials and equipment. The services were cut due to contract reductions and restrictions. DOE has instituted a policy to involve the outreach contractor in planning of all out-of-district transfers. No increased funds were allotted for this service in F86.

Would the service agency be competing with existing private providers?

Because the education specialists are not available in the private sector, there is no competition factor to be considered. Because basic diagnostic work and school psychologist services would not be within the framework of the service agency, the public and private sector services would complement each other.

How many students will be served?

About 300 children will be served annually by about 20 specialized personnel at a cost of \$1.5 million, about fifty more students and \$200,000 more than currently budgeted in F86.

What is the time frame for implementing these services?

Time is of the essence in implementing this legislation. The services authorized must be available to school districts in the fall of 1986. Transition from a contract program which expires June 30th to full services under a new public agency must be accomplished quickly. The Commissioner of Education will have to appoint a board, and personnel will have to be recruited. Local districts are preparing their fall 1986 programs and budgets now. They must know that services will be available so their budgets can be finalized and students' individual education programs designed.

What about local control?

Local school districts have the primary responsibility for providing educational services. Therefore, within broad state and federal guidelines, local districts determine their own needs and services. The special education outreach agency will only serve exceptional students at the request of a local district.

For example, a district would initiate a referral to the agency when the district determines it cannot provide services required under the law to a particular student. The agency would take a look at the student's needs in concert with the local district. A service plan would be prepared and signed off by the local district. The services would then be delivered, and, at regular frequencies, the local district or REAA would evaluate, modify, and monitor the service.

By establishing a board with representation from school administrators, special education directors, teachers, and local parents of children requiring outreach services, responsiveness to local needs will be insured. Seven of the eleven board members would represent these constituencies.

Also, by having an agency separate from the Department of Education, but related to it by regulation, funding, and appointment of board members, a balance between department control and local control can be achieved.

A public board means public scrutiny of policies and operations and this, in turn, assures long-term viability and responsiveness of services.

Why not have the service provided by the Department of Education?

The original SB 319 called for the department to employ the personnel and provide the services. Two problems exist with that option. First, the department's role is administrative, regulatory, and consultative.

Second, the cost of creating 20 or more state positions at the Education Specialist level and range would be more than the amount currently projected to operate the total program including travel, overhead, equipment, and associated costs.

What is the rationale for the funding mechanism?

First, funding for the outreach services must be stable. This is essential to guarantee that the services will be there when students and districts need them.

Second, funding must not come out of the foundation account. The foundation funding is to cover regular, on-going local district services. It is not designed to cover extraordinary costs such as school construction, or the costs of special schools, or the unpredictable, fluctuating costs of outreach services for these hard-to-serve handicapped students.

Given the possibility of reduced foundation funding over-all for some rural districts, and the fact that there has been no increase in foundation funding the past three years, the idea of taking the outreach services funding from the foundation account or charging districts for the services would be a "double whammy".

To give a funding floor for the outreach services, the proposed funding mechanism would be related to state funding for special education and to the number of students enrolled in special education programs. When over-all dollars for education increase or decrease, funding for the outreach services would increase or decrease. When special education enrollments increase, the need for outreach services will increase, and so funding will be related to that increase.

Since about two per cent of the state's special education students may need outreach services each year, an amount equal to two per cent of the funds appropriated for special education would be allocated to the special education service agency. Under the proposed DOE foundation proposal about \$63 to 65 million would be generated statewide for special education. Two per cent would be about \$1.3 million.

Based on \$100 per student in special education, an approach used in several other states, the 15,000 special education students would provide a base of \$1.5 million for the services.

The proposed legislation provides a base level of funding tied to these two important variables, state appropriations for education and student enrollments, and would not preclude districts from paying for additional services if this was mutually agreed. Nor would it preclude utilizing other agencies as agents or sub-contractors for services.

These principles are consistent with the principles used in school funding in Alaska and across the country: more students in more schools generate more dollars, and education funding changes based on state and local economic conditions.

If the funding were based on actual cost per student or dollars per student/district, there would be big fluctuations from fall to spring, and from year to year, with a constant game of "catch up" to what is needed, thus defeating the purpose of stabilizing the funding and insuring efficiency and continuity of service.

Why not have the funding level left to the annual discretion of DOE?

Discretionary funding does not provide stability or continuity from year to year. As discussed above, the services budget has been cut mid-year during the last two years: \$130,000 or about 10% in F85 and now another \$60,000 in F86.

A look at the funding levels for contract programs shows that the outreach services have been decreased while others programs have increased.

DOE CONTRACT PROGRAMS-SCHOOLS FOR THE HANDICAPPED

Program	#	F85	F86	Increase	% +/-	Cost/Student
OUTREACH	250	1,400.0	1,300.0	(100.0)	- 7.1	5,200
A.P.I.	20	206.1	247.8	41.7	+20.2	12,390
DEAF	60	1,294.5	1,407.3	112.8	+ 8.7	23,455
MULTI-HDCP	80	1,272.5	1,429.8	157.3	+12.3	17,872
A.N.M.C.	10	106.1	-0-	(106.1)	-100.0	-0-
OUT/STATE	9	400.0	40.2	(359.8)	- 90.0	60,000*
Total	429	4,679.2	4,425.2	(254.1)	- 5.4	

Note that the \$254,100 decrease from F85 to F86 was a transfer of funds to a new BRU for the Youth in Detention programs at McLaughlin, Fairbanks Youth Facility, and Johnson Human Services Center. The Alaska Native Medical Center services were eliminated in F86.

The API, Deaf, and Multi-Handicapped programs are contracted to the Anchorage School District and do not go out to bid.

* Estimated average cost/student for an out-of-state 12 month placement.*

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version : SB-212
Publish Date : _____

Revision Date: _____
Title : ...extending the termination date
of the Special Education Service Agency..
Sponsor : Senator Zharoff
Requestor : Senate HESS

Agency Affected : Education
BRU : K-12 Support

Components : Schools for the Handicapped

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Funds for the operation of the Special Education Service Agency are presently included in the department's operating budget.

Prepared by : Steve Hole
Division : Commissioner's Office

Phone : 465-2800
Date : April 30, 1987

Approved by Commissioner : William G. Demmert
Agency : Education

Date : April 30, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- (Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary