

HB

16

STATE OF ALASKA
THE LEGISLATURE

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POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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Mary Van Nimwegen

H. HESS

1-30-90

" "

1-10-90

HOUSE COMMITTEE REPORT

(7)

Date Referred: May 8, 1989
(Re-referred to HESS 5/7)

FURTHER REFERRALS: FINANCE

Date of Committee Action: 1/30/90

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 16

HOUSE BILL NO. 16

"An Act making appropriations for certain 'pass through' grant programs; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CS HB 16 (2d HESS) the same title
 have attached amendment(s) a new title
 do pass
 do not pass
 no recommendation
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact _____
 zero fiscal note _____
 zero with analysis _____

- fiscal note(s) _____
 zero fiscal note(s) _____
 zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

[Signature]
[Signature]
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[Signature]
[Signature]

	Do Not Pass	No Rec	Amend

[Signature]
Chairman's Signature



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217 SECOND STREET, SUITE 200
JUNEAU, ALASKA 99801

January 25, 1990

Full Funding for Education

The Alaska Municipal League requests full funding for public education, including the Education Foundation Formula and the School Construction Debt Reimbursement Program, in recognition of the State's constitutional responsibility to provide education to all of Alaska's children.

Article VII, Section 1 of the Alaska Constitution provides that the State shall establish and maintain a system of public education open to all children living within Alaska. The equal protection clause of the Constitution, Article I, Section 1, provides that all persons are equal and entitled to equal rights, opportunities, and protection under the law. Taken together, these two provisions establish the fundamental constitutional duty of the State to establish and maintain a system of public schools and to provide school-age children with an equal education throughout Alaska.

Funding for education is the largest single item in the state budget, approximately 25 percent, and is the largest single transfer of funds from the State to local governments or, rather, through local governments. The State's transfer payments in support of education are simply payments of the State's share of the total cost of educating young Alaskans and are in addition to the local support required from municipal school districts and federal funding for various special programs.

There are two types of school districts in Alaska: municipal school districts and Regional Education Attendance Areas (REAs). Municipal districts are required to contribute to the operating costs of their school districts (see below) as well as to provide financial security for debt incurred for school building construction. Regional Education Attendance Areas, on the other hand, receive all their funding, for both operations and capital expenditures, directly from the State.

Local governments already bear the burden for a significant share of the costs of operating Alaska's schools (26 percent, statewide). It is the responsibility of the State Legislature to provide full funding for its share of the cost of education, including both the Education Foundation Formula (for operating expenses) and the School Construction Debt Reimbursement Program.

Education Foundation Formula

The Alaska Municipal League requests full funding for the Education Foundation Formula for FY 91, an estimated \$512,771,092, to make it possible for Alaska's municipalities to provide basic education for all children.

The main component of the state government's support of education for all Alaskan children is the Foundation Formula. This formula distributes funds to local school districts and the Regional Education Attendance Areas (REAA's) at a rate of \$60,000 per instructional unit. Minimum state aid to city and borough districts is now defined as 65 percent of basic need (with local governments required to contribute 35 percent of basic need or a 4-mill equivalency, whichever is less). The REAA's, on the other hand, are funded by the State Legislature at 100 percent of basic need.

Table 4: School Foundation Formula Funding

Fiscal Year	Entitlement	State Appropriation	% ^a
1986	\$491,159,214	\$491,159,214	100.0
1987	451,529,200	414,729,423	91.9
1988	437,438,385	437,438,385	100.0
1989	454,094,843	454,094,843	100.0
1990	494,782,860 ^b	475,398,100	96.1 ^c
1991	512,771,092 ^b	512,771,092 ^d	100.0

^a Ratio of state appropriation (reimbursement to municipalities) to entitlement.

^b Estimated

^c The intent of the Legislature was to fully fund the program. It is anticipated that a supplemental appropriation will be made during the 1990 session.

^d Requested. This amount includes \$485,131,892 from the General Fund and \$27,639,200 from the Alaska Public School Fund and federal PL 874 funds.

Source: Department of Education

On a statewide basis in FY 88, approximately 67 percent of the cost of operating Alaska's schools was funded by the State, 26 percent by local governments, and 7 percent by the federal government with PL 874 grants for federally impacted school districts.

School Construction Debt Reimbursement Program

The Alaska Municipal League requests full funding for the School Construction Debt Reimbursement Account for FY 91, at an estimated cost of \$131,500,000.

In 1970, the Legislature established a program to reimburse municipalities for a portion of their school construction debt in recognition of the requirement of the Alaska Constitution that the State provide education for its children. Under this program (AS 14.11.100), sixteen municipalities have issued bonds for the entire cost of a school construction project and have been reimbursed annually for a portion of the cost of their debt service.

Over the years, the program has changed several times. At one time, the percentage of debt reimbursement was 100 percent. Currently, municipalities are eligible for reimbursement of from 80 to 100 percent of their costs, depending on when their projects were originally approved. However, because of the continuing underfunding of the program, not only are they not being reimbursed at their entitlement level, but they do not know what the reimbursement level will be until after the Legislature completes its annual appropriation process. As the table below shows, in the last five years the

reimbursement has ranged from 92.2 to 96.9 percent of the districts' statutory entitlement.

Municipalities and their voters have made financial decisions based on the reimbursement rate in effect when they proposed bonding for school construction, and long-range budget decisions and financial plans have been based on this obligation and commitment of the State. Nevertheless, as state resources have shrunk in recent years and the Legislature has underfunded this entitlement program, those plans and decisions have been undermined by uncertainty. The funds available for the debt reimbursement program have been prorated to eligible communities, and the municipal budget process has been upset because the debt service than was anticipated and budgeted for.

The unpredictability of reimbursement rates has been especially critical in the areas of Alaska with high growth during the early 1980s. It will continue to be a major problem during the lifetime of the bonds issued for construction in these areas if full funding of the entitlement is not guaranteed.

Table 5: School Debt Reimbursement

Fiscal Year	Entitlement	State Appropriation	Shortfall/ Cost to Municipalities	%^a
1986	\$109,707,963	\$106,315,600	\$3,392,363	96.9
1987	125,272,615	115,845,000	9,427,615	92.4
1988	118,701,313	109,472,700	9,228,613	92.2
1989	118,446,601 ^b	109,472,700	8,973,901	92.4
1990	114,759,609 ^b	107,831,000	6,928,609	94.0
1991	131,500,000 ^b	131,500,000 ^c	0	100.0

^a Ratio of state appropriation (reimbursement to municipalities) to the districts' full entitlement.

^b Estimated

^c Requested

Source: Department of Education

As the table shows, the FY 89 shortfall in funding to fully reimburse local governments for school construction debt service amounted to \$8,973,901; in FY 90, the shortfall is estimated at nearly \$7.0 million.

Funding Information: General Fund \$659,019,992
 Other Funds 45,339,200
 \$704,359,192

Original sponsor(s): REP. ELLIS, Swackhammer, Boyer, Navarre, Zawacki

1 IN THE HOUSE

BY THE HESS COMMITTEE

2 CS FOR HOUSE BILL NO. 16 (2d HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations to the Department of
7 Education for K - 12 support and school construction
8 debt retirement; and providing for an effective
9 date."

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

11 * Section 1. The sum of \$572,859,192 is appropriated from the general
12 fund and from other funds in the amount listed to the Department of Educa-
13 tion for the purposes expressed and allocated in the amounts listed for
14 operating expenditures for the fiscal year ending June 30, 1991:

15 FUND SOURCE	AMOUNT
16 General fund	\$527,519,992
17 Public school fund (AS 37.14.110)	7,015,200
18 School fund (AS 43.50.140)	2,600,000
19 P.L. 81-874	20,624,000
20 Federal receipts other than	
21 P.L. 81-874	15,100,000

22 PURPOSE	ALLOCATION AMOUNT
23 Foundation program	\$512,771,092
24 Student lunch program	15,000,000
25 Cigarette tax distribution	2,600,000
26 Tuition students	13,878,500
27 Boarding home grants	200,000
28 Youth in detention	800,000
29 Schools for the handicapped	2,872,600

1 Pupil transportation

24,737,000

2 * Sec. 2. The sum of \$131,500,000 is appropriated from the general fund
3 to the Department of Education for the school construction account (AS 14.-
4 11.100(c)) for the fiscal year ending June 30, 1991.

5 * Sec. 3. This Act takes effect July 1, 1990.
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District Entitlements FY89-91

<u>District</u>	<u>FY89 Entlmt</u>	<u>FY90 Entlmt</u>	<u>FY90 Actual*</u>	<u>FY91 est.**</u>
Anchorage	24,069,366	25,085,433	23,471,198	30,536,992
Bristol Bay	1,168,072	1,041,172	974,173	357,308
Cordova	298,504	11,700	10,947	39,147
Dillingham	18,997	-0-	-0-	-0-
Fairbanks	16,264,704	13,780,507	12,893,738	16,736,066
Galena	86,839	80,736	75,541	77,283
Haines	151,795	177,501	166,079	114,252
Juneau	6,251,628	6,199,947	5,800,983	9,078,322
Kenai	22,752,851	24,436,673	22,864,185	25,118,505
Ketchikan	3,098,494	2,702,008	2,528,135	4,877,665
Kodiak	4,798,279	3,306,082	3,093,337	4,847,697
Mat-Su	22,863,875	22,901,143	21,427,466	20,874,422
Nenana	-0-	-0-	-0-	11,098
Nome	808,963	758,558	709,745	2,084,125
North Slope	8,478,293	7,126,919	6,668,305	7,917,111
Petersburg	694,089	668,873	625,831	1,066,158
Sitka	2,121,134	2,246,416	2,101,860	2,202,703
Unalaska	229,376	249,104	233,074	1,387,899
Valdez	3,309,315	3,024,379	2,829,762	3,001,791
Wrangell	982,029	962,458	900,524	952,948
Totals	118,446,603	114,759,609	107,374,883	131,281,492

*These figures may vary somewhat since several bonds have variable interest rates.

**These figures reflect estimates of new issues for which bonds have not yet been sold and actual amounts may vary considerably.

Statewide Summary Sheet
Total Indebtedness and State Liability
1/10/90

District	Total debt	State Liability	**New Issues
Anchorage	237,925,732	223,480,086	29,745,000
Bristol Bay	4,473,800	4,779,180	
Fairbanks	164,565,002	145,608,220	Election Failed
Haines	273,039	548,598	
Juneau	29,916,024	28,124,679	23,900,000
Kenai	196,591,768	165,533,444	
Ketchikan	16,091,691	15,619,555	12,000,000
Kodiak	30,227,581	27,968,067	
Mat-Su	200,852,193	156,909,799	
Nome	5,933,520	4,835,819	
North Slope	18,449,900	14,523,293	43,016,500
Petersburg	7,276,739	7,232,542	
Sitka	18,145,888	15,493,976	
Unalaska	12,770,249	10,521,428	
Valdez	27,075,550	29,695,257	
Wrangell	<u>16,489,842</u>	<u>15,272,049</u>	
Totals	987,058,518	866,145,992	108,661,500

Note: In districts where state liability exceeds total indebtedness, the two year lag reimbursements account for the disparity.

**These issues show only the amounts approved by voters, not the amounts of bonds actually marketed or the interest which would accompany those figures. Fairbanks may hold another election which could add another \$25,090,200 to the new issues.

ALASKA PUBLIC SCHOOL FOUNDATION FUNDING PROGRAM
FY90 ACTUAL STUDENT COUNTS AS 10.17

PREPARED 1/8/90

EST. FY89

FY90	APEA COST DIFF.	FY90 ADJUSTED UNITS	SCHOOL DISTRICT	FY90 BASIC NEED \$60,000	FY89 52% OF BASIC NEED	REQUIRED LOCAL EFFORT	PL874 LESS SPEC. ED. & INDIAN PERCENTAGE	PL874	DEDUCTIBLE PL874	FY90 STATE AID
11	56.46	1.27	71.70 ADAK	\$4,302,000	\$1,460,970	\$0	\$2,866,130	100.00%	\$2,147,517	\$2,154,483
12	66.14	1.19	78.71 ALASKA GATEWAY	\$4,722,600	\$1,646,610	\$0	\$3,116,131	100.00%	\$464,518	\$4,258,082
13	47.97	1.31	62.84 ALEUTIAN EAST	\$3,770,400	\$1,442,624	\$0	\$4,949,984	100.00%	\$445,466	\$3,524,914
14	9.38	1.31	12.29 ALEUTIAN REGION	\$737,400	\$235,065	\$0	\$933,164	100.00%	\$81,847	\$653,593
15	3,156.46	1.00	3,156.46 ANCHORAGE	\$189,387,600	\$65,399,670	\$43,334,202	\$572,909	67.31%	\$347,063	\$145,706,335
16	40.73	1.03	41.95 ANNETTE ISLAND	\$2,517,000	\$913,390	\$0	\$1,330,517	100.00%	\$1,197,465	\$1,319,535
17	193.51	1.39	268.98 BERING STRAIT	\$16,138,800	\$5,410,650	\$0	\$4,065,438	100.00%	\$3,658,895	\$12,479,905
18	29.49	1.27	37.45 BRISTOL BAY	\$2,247,000	\$791,910	\$472,721	\$300,919	81.93%	\$221,889	\$1,552,390
19	53.86	1.03	55.48 CHATHAM	\$3,328,800	\$1,066,380	\$0	\$186,044	100.00%	\$780,340	\$2,548,460
20	23.03	1.14	26.25 CHUGACH	\$1,575,000	\$495,390	\$0	\$1,707,350	100.00%	\$153,657	\$1,421,343
21	77.61	1.14	88.48 COPPER RIVER	\$5,308,800	\$1,845,690	\$0	\$244,706	100.00%	\$220,236	\$5,088,564
22	40.50	1.11	44.96 CORDOVA	\$2,697,600	\$945,420	\$464,414	\$20,857	80.52%	\$15,114	\$2,218,072
23	26.79	1.03	27.59 CRAIG	\$1,655,400	\$507,150	\$155,135	\$45,574	100.00%	\$41,017	\$1,459,248
24	75.84	1.16	85.65 DELTA GREELY	\$5,139,000	\$1,889,370	\$0	\$1,006,777	100.00%	\$906,099	\$4,232,901
25	46.76	1.27	59.39 DILLINGHAM	\$3,563,400	\$1,225,580	\$486,205	\$342,115	95.11%	\$292,847	\$2,784,348
26	1,085.26	1.04	1,128.67 FAIRBANKS	\$67,720,200	\$23,253,930	\$14,683,509	\$102,729	65.22%	\$5,228	\$52,976,391
27	18.03	1.30	23.44 GALENA	\$1,406,400	\$513,450	\$78,340	\$414,530	38.93%	\$145,239	\$1,182,821
28	59.01	1.05	40.96 HAINES	\$2,457,600	\$841,260	\$450,452	\$15,223	51.48%	\$7,053	\$2,000,095
29	26.61	1.08	28.74 HOONAH	\$1,724,400	\$595,980	\$90,888	\$150,504	98.43%	\$133,327	\$1,500,135
30	15.54	1.03	16.01 HYDABURG	\$960,600	\$347,760	\$37,996	\$46,766	71.02%	\$29,892	\$892,712
31	66.70	1.33	88.71 IZITAROD	\$5,322,600	\$1,755,600	\$0	\$811,480	100.00%	\$730,332	\$4,592,268
32	403.79	1.00	403.79 JUNEAU	\$24,227,400	\$8,039,010	\$5,413,248	\$44,592	52.81%	\$21,194	\$18,792,958
33	20.81	1.03	21.43 KAKE	\$1,285,800	\$483,840	\$70,921	\$364,868	67.19%	\$220,639	\$994,240
34	21.46	1.33	28.54 KASHUNAIUT	\$1,712,400	\$616,350	\$0	\$546,300	100.00%	\$491,670	\$1,220,730
35	785.16	1.00	785.16 KENAI	\$47,109,600	\$15,965,460	\$14,086,937	\$249,515	58.85%	\$132,156	\$32,890,507
36	213.70	1.00	213.70 KETCHIKAN	\$12,822,000	\$4,342,800	\$3,331,958	\$19,346	56.77%	\$9,884	\$9,480,158
37	23.54	1.03	24.25 KLAMOCK	\$1,455,000	\$499,170	\$38,712	\$333,845	37.75%	\$113,461	\$1,302,864
38	217.71	1.09	237.30 KODIAK	\$14,238,000	\$4,916,940	\$2,378,504	\$341,079	77.70%	\$238,516	\$11,620,980
39	64.43	1.33	85.69 KUSLUK	\$5,141,400	\$1,757,700	\$0	\$553,732	100.00%	\$498,358	\$4,643,042
40	77.65	1.31	101.72 LAKE & PENINSULA	\$6,103,200	\$1,887,480	\$0	\$1,063,764	100.00%	\$957,388	\$5,145,812
41	377.84	1.42	536.53 LOWER KUSKOKWIM	\$32,191,800	\$11,081,700	\$0	\$5,890,768	100.00%	\$5,301,691	\$26,890,109
42	169.63	1.35	229.00 LOWER YUKON	\$13,740,000	\$4,749,150	\$0	\$4,142,577	100.00%	\$3,728,319	\$10,011,681
43	716.53	1.00	716.53 MAT-SU	\$42,991,800	\$14,347,410	\$9,159,961	\$44,509	55.82%	\$22,361	\$33,809,478
44	22.25	1.20	26.70 NENANA	\$1,602,000	\$582,540	\$66,062	\$10,791	89.80%	\$8,721	\$1,527,217
45	65.44	1.34	87.69 NOME	\$5,261,400	\$1,866,060	\$560,332	\$13,778	68.68%	\$8,517	\$4,692,551
46	162.28	1.45	206.31 NORTH SLOPE	\$12,378,600	\$4,132,170	\$4,132,170	\$2,384,499	21.99%	\$471,916	\$7,774,514
47	191.76	1.45	278.05 NORTHWEST ARCTIC	\$16,683,000	\$5,805,240	\$632,184	\$3,256,399	100.00%	\$2,930,759	\$13,120,057
48	9.21	1.08	9.95 PELICAN	\$597,000	\$202,020	\$42,621	\$0	100.00%	\$0	\$554,379
49	61.33	1.00	61.33 PETERSBURG	\$3,679,800	\$1,231,020	\$692,336	\$33,606	92.71%	\$28,041	\$2,959,423
50	23.62	1.30	30.71 PRIBILOF	\$1,842,600	\$640,290	\$0	\$465,945	100.00%	\$419,351	\$1,423,249
51	42.01	1.23	51.67 RAILBELT	\$3,100,200	\$1,072,470	\$0	\$43,224	100.00%	\$38,901	\$3,061,299
52	135.10	1.00	135.10 SITKA	\$8,106,000	\$2,866,920	\$1,896,637	\$143,105	58.48%	\$75,319	\$6,134,044
53	17.91	1.05	18.81 SKAGWAY	\$1,128,600	\$394,800	\$221,854	\$112	83.32%	\$64	\$896,702
54	94.40	1.04	98.18 SOUTHEAST	\$5,890,800	\$1,938,300	\$0	\$822,997	100.00%	\$740,698	\$5,150,102
55	73.65	1.31	96.48 SOUTHWEST REGION	\$5,788,800	\$2,224,530	\$0	\$1,662,214	100.00%	\$1,495,993	\$4,292,807
56	17.26	1.30	22.44 ST. MARY'S	\$1,346,400	\$466,620	\$16,739	\$215,101	11.54%	\$22,540	\$1,307,321
57	14.33	1.30	18.63 TANANA	\$1,117,800	\$404,880	\$46,048	\$255,288	41.11%	\$94,454	\$977,299
58	23.21	1.27	29.48 UNALASKA	\$1,768,800	\$599,550	\$386,275	\$19,325	90.83%	\$15,798	\$1,366,727
59	62.85	1.11	69.76 VALDEZ	\$4,185,600	\$1,337,280	\$1,337,280	\$47,611	36.85%	\$15,790	\$2,832,530
60	50.36	1.00	50.36 WRANGELL	\$3,021,600	\$1,024,380	\$417,379	\$10,336	57.23%	\$5,324	\$2,598,997
61	18.10	1.08	19.55 YAKUTAT	\$1,173,000	\$406,350	\$76,168	\$70,817	49.91%	\$31,810	\$1,065,022
62	57.90	1.46	84.53 YUKON FLATS	\$5,071,800	\$1,818,810	\$0	\$1,005,883	100.00%	\$905,295	\$4,166,505
63	84.66	1.34	113.44 YUKON-KOYUKUK	\$6,806,400	\$2,274,300	\$0	\$1,318,133	100.00%	\$1,188,319	\$5,620,081
64	52.56	1.41	74.11 YUPIIT	\$4,446,600	\$1,531,950	\$0	\$960,960	100.00%	\$864,864	\$3,581,736
65										
66										
67										
68										
69	9,546.12		10,411.63 TOTALS	\$624,697,800	\$214,093,739	\$105,258,168	\$40,334,244		\$33,178,007	\$486,261,623
70										
71										
72										\$3,423,030
73										\$600,000
74										\$1,421,597
75										
76										\$491,706,252

STATE CORR STUDY -----))
VALDEZ CONTRACT -----))
MT. EDGECLUMBE -----))
TOTAL STATE AID -----))

1	2	3	4
1 DEPARTMENT OF EDUCATION			
2 PL376 FOR FY90 FOUNDATION			
3		INDIAN &	
4 PREPARED 1/8/90		SPEC. ED.	
5	-----		
6	TOTAL AMOUNT	AMOUNT	AMOUNT
7 SCHOOL	RECIEVED FROM	DISTRICT	ELIGIBLE FOR
8 DISTRICT	FY89 & PRIOR	KEEPS	FOUNDATION
9	-----		
10			
11 ADAK	\$2,461,367.90	\$75,237.98	\$2,386,129.92
12 ALASKA GATEWAY	\$736,543.97	\$220,412.73	\$516,131.24
13 ALEUTIAN EAST	\$676,531.37	\$179,547.03	\$496,984.34
14 ALEUTIAN REGION	\$130,232.89	\$37,069.39	\$93,163.50
15 ANCHORAGE	\$707,737.45	\$134,828.52	\$572,908.93
16 ANNETTE ISLAND	\$1,835,220.05	\$504,703.48	\$1,330,516.57
17 BERING STRAIT	\$5,595,725.33	\$1,530,286.97	\$4,065,438.36
18 BRISTOL BAY	\$393,174.75	\$92,255.48	\$300,919.27
19 CHATHAM	\$1,195,582.05	\$328,537.89	\$867,044.16
20 CHUGACH	\$221,315.86	\$50,586.16	\$170,729.70
21 COPPER RIVER	\$315,062.95	\$70,356.81	\$244,706.14
22 CORDOVA	\$30,344.62	\$9,487.96	\$20,856.66
23 CRAIG	\$56,498.24	\$10,923.85	\$45,574.39
24 DELTA GREELY	\$1,130,408.30	\$123,631.68	\$1,006,776.62
25 DILLINGHAM	\$423,571.17	\$81,456.10	\$342,115.07
26 FAIRBANKS	\$102,728.85	\$0.00	\$102,728.85
27 GALENA	\$517,367.78	\$102,837.36	\$414,530.42
28 HAINES	\$24,443.13	\$9,220.41	\$15,222.72
29 HOONAH	\$203,841.52	\$53,337.62	\$150,503.90
30 HYDABURG	\$53,991.98	\$7,226.36	\$46,765.62
31 IDITAROD	\$1,094,900.51	\$283,420.96	\$811,479.55
32 JUNEAU	\$49,223.26	\$4,631.36	\$44,591.90
33 KAKE	\$514,364.58	\$149,496.54	\$364,868.04
34 KASHUNAMIUT	\$783,809.21	\$237,509.17	\$546,300.04
35 KENAI	\$381,375.75	\$131,860.27	\$249,515.48
36 KETCHIKAN	\$26,688.68	\$7,343.04	\$19,345.64
37 KLAMOCK	\$486,905.85	\$153,060.53	\$333,845.32
38 KODIAK	\$429,858.05	\$88,779.54	\$341,078.51
39 KUSPUK	\$770,381.20	\$216,649.64	\$553,731.56
40 LAKE & PENINSULA	\$1,458,187.03	\$394,422.63	\$1,063,764.40
41 LOWER KUSKOKWIM	\$7,856,866.62	\$1,966,098.80	\$5,890,767.82
42 LOWER YUKON	\$5,653,147.22	\$1,510,570.38	\$4,142,576.84
43 MAT-SU	\$55,657.60	\$11,148.36	\$44,509.24
44 NENANA	\$13,930.83	\$3,139.83	\$10,791.00
45 NOPE	\$13,778.42	\$0.00	\$13,778.42
46 NORTH SLOPE	\$3,160,198.81	\$775,699.75	\$2,384,499.06
47 NORTHWEST ARCTIC	\$4,355,964.80	\$1,099,565.82	\$3,256,398.98
48 PELICAN	\$0.00	\$0.00	\$0.00
49 PETERSBURG	\$33,606.07	\$0.00	\$33,606.07
50 PRIBILOF	\$646,552.89	\$180,607.54	\$465,945.35
51 RAILBELT	\$44,113.42	\$889.83	\$43,223.59
52 SITKA	\$193,824.12	\$50,719.26	\$143,104.86
53 SKAGWAY	\$112.07	\$0.00	\$112.07
54 SOUTHEAST ISLAND	\$916,279.71	\$93,282.39	\$822,997.32
55 SOUTHWEST REGION	\$2,162,199.22	\$499,984.77	\$1,662,214.45
56 ST. MARY'S	\$302,416.81	\$87,316.12	\$215,100.69
57 TAHAMA	\$341,436.71	\$86,349.10	\$255,087.61
58 UNALASKA	\$34,679.54	\$15,334.42	\$19,345.12
59 VALDEZ	\$54,936.84	\$7,326.32	\$47,610.52
60 WRANGELL	\$10,789.73	\$454.19	\$10,335.54
61 YAKUTAT	\$106,826.19	\$36,008.76	\$70,817.43
62 YUKON FLATS	\$1,374,357.39	\$368,474.39	\$1,005,883.00
63 YUKON-KOYUKUK	\$1,803,542.32	\$485,409.76	\$1,318,132.56
64 YUPIIT	\$1,297,527.32	\$336,567.76	\$960,959.56
65			
66	-----		
67			
68 TOTALS	\$53,238,329	\$12,904,085	\$40,334,244
69			
70	-----		

1	2	3	4	5	6
1 DEPARTMENT OF EDUCATION					
2 SCHOOL OPERATING FUND REVENUES					
3 FISCAL YEAR 1990 BUDGETED					
4 PREPARED 9/13/89					
5	-----				
6					TOTAL
7 SCHOOL	CITY/BOROUGH EARNINGS ON	IN-KIND	OTHER LOCAL		LOCAL
8 DISTRICT	TAX APPROP. INVESTMENTS SERVICES		REVENUE		REVENUE
9	-----				
10					
11 ADAK	\$0	\$325,000	\$0	\$45,000	\$0
12 ALASKA GATEWAY	\$0	180,000	\$0	\$4,000	\$0
13 ALEUTIAN EAST	\$0	\$0	\$0	\$0	\$0
14 ALEUTIAN REGION	\$0	15,000	\$0	\$0	\$0
15 ANCHORAGE	\$62,194,322	\$1,900,000	\$0	\$390,000	\$64,384,322
16 ANNETTE ISLAND	\$0	\$115,000	\$0	\$0	\$0
17 BERING STRAIT	\$0	\$425,000	\$0	\$422,000	\$0
18 BRISTOL BAY	\$379,467	\$50,000	\$140,000	\$7,500	\$576,967
19 CHATHAM	\$0	\$100,000	\$0	\$3,000	\$0
20 CHUGACH	\$0	\$12,000	\$0	\$77,500	\$0
21 COPPER RIVER	\$0	\$60,000	\$0	\$0	\$0
22 CORDOVA	\$495,929	\$50,000	\$15,000	\$15,816	\$576,745
23 CRAIG	\$115,440	\$24,000	\$13,611	\$0	\$153,051
24 DELTA GREELY	\$0	\$100,175	\$0	\$0	\$0
25 DILLINGHAM	\$466,205	\$20,000	\$0	\$25,000	\$511,205
26 FAIRBANKS	\$22,300,000	\$0	\$0	\$215,000	\$22,515,000
27 GALENA	\$25,000	\$60,000	\$111,250	\$5,000	\$201,250
28 HAINES	\$840,000	\$30,000	\$0	\$5,000	\$875,000
29 HOONAH	\$45,000	\$17,341	\$15,000	\$15,000	\$92,341
30 HYDABURG	\$22,000	\$3,000	\$28,500	\$0	\$53,500
31 IDITAROD	\$0	\$160,000	\$0	\$31,300	\$0
32 JUNEAU	\$10,250,000	\$0	\$0	\$0	\$10,250,000
33 KAKE	\$0	\$17,000	\$88,549	\$0	\$105,549
34 KASHUNAMITUT	\$0	\$0	\$0	\$0	\$0
35 KENAI	\$17,576,869	\$0	\$6,313,750	\$45,000	\$23,935,619
36 KETCHIKAN	\$5,522,859	\$18,000	\$313,931	\$14,700	\$5,869,490
37 KLAWOCK	\$0	\$27,000	\$75,560	\$0	\$102,560
38 KODIAK	\$2,100,000	\$0	\$471,000	\$490,000	\$3,061,000
39 KUSPUK	\$0	\$170,000	\$0	\$0	\$0
40 LAKE & PENINSULA	\$0	\$185,000	\$0	\$59,644	\$0
41 LOMER KUSKOKWIM	\$0	\$723,642	\$0	\$0	\$0
42 LOMER YUKON	\$0	\$750,000	\$0	\$59,000	\$0
43 MAT-SU	\$16,361,206	\$0	\$0	\$48,000	\$16,409,206
44 MENANA	\$66,062	\$7,500	\$0	\$0	\$73,562
45 NOME	\$560,332	\$50,000	\$0	\$205,500	\$815,832
46 NORTH SLOPE	\$18,742,000	\$0	\$0	\$50,000	\$18,792,000
47 NORTHWEST ARCTIC	\$232,184	\$400,000	\$0	\$0	\$632,184
48 PELICAN	\$38,221	\$3,000	\$0	\$0	\$41,221
49 PETERSBURG	\$692,336	\$31,500	\$17,400	\$5,500	\$746,736
50 PRIBILOF	\$0	\$65,000	\$0	\$0	\$0
51 RATLBELT	\$0	\$40,000	\$0	\$0	\$0
52 SITKA	\$3,219,524	\$0	\$0	\$23,500	\$3,243,024
53 SKAGWAY	\$350,319	\$0	\$0	\$0	\$350,319
54 SOUTHEAST ISLAND	\$0	\$160,000	\$0	\$2,096	\$0
55 SOUTHWEST REGION	\$0	\$250,000	\$0	\$50,000	\$0
56 ST. MARY'S	\$17,805	\$126,195	\$0	\$1,000	\$145,000
57 TANANA	\$0	\$10,000	\$102,000	\$0	\$112,000
58 UNALASKA	\$386,275	\$9,500	\$0	\$29,500	\$425,275
59 VALDEZ	\$3,413,388	\$175,000	\$0	\$41,000	\$3,629,388
60 WRANGELL	\$680,284	\$20,000	\$29,000	\$0	\$729,284
61 YAKUTAT	\$138,620	\$6,000	\$0	\$8,000	\$152,620
62 YUKON FLATS	\$0	\$90,000	\$0	\$78,000	\$0
63 YUKON-KOYUKUK	\$0	\$125,000	\$0	\$7,000	\$0
64 YUPIIT	\$0	\$100,000	\$0	\$0	\$0
65	-----				
66					
67 TOTALS	\$167,231,627	\$6,995,853	\$7,734,551	\$2,478,556	\$179,561,230
68					
69	-----				

INCREMENT-DECREMENT DESCRIPTION (Limit to 98 Characters)

FOUNDATION PROGRAM - LEVEL I

AGENCY CONTACT/PHONE NUMBER:
MARY HAKALA/465-2800

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This increment is essential in order to maintain funding for public schools at their current level and to ensure that districts are not forced to operate with the added burden of decreased state revenue. This request reflects full funding of the foundation program as per AS 14.17 with a base instructional unit value of \$60,000. The primary factors impacting the foundation program are:

(Cost shown in \$ millions)

- 1) Projected enrollment increases--an increase of 3,853 ADM resulting in an increased unit count statewide of 339. \$20.4
 - 2) Decrease in assessed valuation in municipal school districts as determined by the Department of Community and Regional Affairs \$8.6
 - 3) Loss of deductible P.L. 81-874 due to reduced federal funding of P.L. 81-874 program \$7.4
 - 4) Phase-in of required local effort for newly formed boroughs, and increased CCS enrollment \$.8
- =====
- TOTAL (in millions) \$37.2

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.	37248.9	37,248.9
800	Miscellaneous		
TOTAL		37248.9	37,248.9
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	37248.9	37,248.9
1005	Program Receipts/GF		
1007	I-A Receipts		
Other			
POSITION INFORMATION		PFT	
		PPT	
		Non Permanent	
		Staff Months	

<input type="checkbox"/>	Enhance Existing Service Compared to FY 90	
<input type="checkbox"/>	New Service Compared to FY 90	<input checked="" type="checkbox"/> Formula Program
<input checked="" type="checkbox"/>	Continuation of FY 90 Service Level	

IMPACT FROM CAPITAL PROJECT (NAME)

Chapter _____ SLA _____ Page/Line _____

AGENCY Department of Education

BRU K-12 Support

COMPONENT Foundation Program

PROJECT Foundation Program

CS INCREMENT/DECREMENT REQUEST

AGENCY PRIORITY _____ OF _____

FY - 91

Page _____ of _____

Revised _____

FINRA CONSTRUCTION DEBT RETIREMENT - FY90 ESTIMATED STATE AID

PREPARED 10/6/89

	NON BOND SALES FY 11/77	NON BOND SALES 7/1/77 TO 7/1/80	NON ESTIMATED CASH PAYMENT 2YR LAG	NON BOND SALES 7/1/82 TO 7/1/83 CURRENT PAY	NON BOND SALES 7/1/83 TO 7/1/83 CURRENT PAY	NON NEW BONDS ISSUES SOLD FY90 STATE AID EST.	LESS CIG. TAX PAID IN FY88	ESTIMATED TOTAL DEBT RETIREMENT BY DISTRICT FOR FY-90	FY90 APPROPRIATION LESS CIP OVERHEAD \$107,376,885 ENTITLEMENT PRORATED AT 93.5266987%
13 ANCHORAGE	\$8,023,079	\$4,618,967	\$1,268,412	\$9,453,347	\$5,834,700	\$560,000	(\$1,473,072)	\$25,085,459	\$23,461,578
14 BRISTOL BAY	00	\$175,836	\$679,877	00	00	00	(\$14,599)	\$1,041,172	\$973,774
15 CANTON	00	00	\$33,651	00	00	00	(\$21,951)	\$11,700	\$10,943
16 FAIRBANKS	\$1,971,367	00	00	\$8,445,380	\$2,851,520	00	(\$490,081)	\$13,780,507	\$12,888,453
17 GALFENA	00	00	\$92,881	00	00	00	(\$12,145)	\$80,736	\$75,510
18 HAINES	\$40,207	00	\$106,274	00	00	00	(\$18,980)	\$177,501	\$166,011
19 JUNEAU	\$324,058	\$349,745	\$100,829	\$5,538,850	\$63,210	00	(\$175,745)	\$6,199,947	\$5,798,606
20 KENAI	\$2,561,770	00	\$308,490	\$13,711,701	\$8,661,056	00	(\$306,544)	\$24,436,673	\$22,854,814
21 KETCHIKAN	\$4,8260	00	00	\$2,369,628	00	00	(\$95,880)	\$2,702,008	\$2,527,099
22 KODIAK	\$402,622	\$1,266,226	\$26,781	\$504,585	\$1,224,000	00	(\$87,989)	\$3,306,226	\$3,072,204
23 KAT-SHI	\$1,919,775	\$2,606,306	00	\$7,406,291	\$8,934,172	\$2,340,972	(\$326,373)	\$22,901,143	\$21,418,683
24 MERU	00	00	00	\$131,424	\$661,987	00	(\$34,853)	\$758,558	\$709,454
25 NORTH STAR	00	\$1,064,986	00	\$6,110,422	00	00	(\$48,489)	\$7,126,919	\$6,665,572
26 PETERSBURG	\$583,700	00	00	\$113,353	00	00	(\$28,180)	\$668,873	\$625,575
27 SITKA	\$567,509	00	00	00	\$1,944,225	00	(\$65,148)	\$2,246,686	\$2,101,251
28 TUALA PA	00	\$264,299	\$28,889	00	00	00	(\$11,868)	\$281,311	\$263,101
29 VALDEZ	\$1,145,731	\$1,588,587	\$1,206	\$320,704	00	00	(\$31,649)	\$3,024,379	\$2,828,602
30 WENDELL	00	\$144,345	00	\$856,779	00	00	(\$24,231)	\$976,893	\$913,656
31 TOTAL	\$18,637,859	\$9,648,144	\$2,650,132	\$54,662,464	\$30,174,870	\$2,900,972	(\$85,267,776)	\$114,806,665	\$107,376,886
35 TOTAL BOND OUTLAYS	\$112,523,337								
37 PLUS: CASH PAYMENTS	\$2,650,132								
39 SUB TOTAL	\$115,173,469								
41 NEW BONDS FY90 EST.	\$2,900,972								
43 SUB TOTAL	\$118,074,441								
45 LESS: CIG. TAX	(\$8,267,776)								
47 EST. STATE AID-FY90	\$114,806,665								

Fy91 Total entitlement is calculated as follows:

Payments on bonds issued before 6/30/89
 Proposed payments on bonds yet to be sold after 6/30/89
 Reimbursement on cash payments
 SUB-TOTAL
 Less Cigarette Tax paid in FY 89
 Entitlement FY 91 Debt Retirement
 TOTAL

120,000,000
 9,000,000
 6,000,000
 134,000,000
 -3,500,000
 131,500,000

41 Anch
 226 June
 12. NoSP
 12. Ketch
 82 Unalaska
 126.8



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

January 9, 1990

To: Representative Johnny Ellis
Chair, Health, Education and Social Services

From: Representative David Finkelstein *DF*

Re: Scheduling HB 363 relating to sexual offenses against children

I request that HB 363 relating to sexual offenses against children be scheduled for hearing before the Health, Education and Social Services Committee at your earliest convenience.

Thanks for your consideration.

Jim

HOUSE COMMITTEE REPORT

(7)
Date Referred: January 1, 1989 FURTHER REFERRALS: FINANCE

Date of Committee Action: 2/23/89

The HEALTH, EDUCATION & SOCIAL SERVICES Committee recommends that:

HOUSE BILL NO. 16 [APPROP: PASS THRU GRANTS FOR EDUCATION]
"An Act making appropriations for certain 'pass through' grant programs; providing for an effective date."

[X] be replaced with CSHB 16 (HESS) [] the same title
[X] a new title

[] have attached amendment(s)

- [X] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
- [] zero fiscal note
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published: _____
- [] zero fiscal notes(s) published: _____

SIGNING DO PASS:

Peter Jones
Mark Boyer
Joseph [unclear]
Cheri Davis
Walt Furnace
Al [unclear]
[unclear]

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

[Signature]
 Chairman's signature

ASSOCIATION OF ALASKA SCHOOL BOARDS

316 W. 11th St. • Juneau, Alaska 99801-1510 • (907) 586-1083

POSITION PAPER

CSHB16

**"An Act making appropriations for certain 'pass through'
grant programs; and providing for an effective date"**

The Association of Alaska School Boards (AASB) supports CSHB16, an act making appropriations for K-12 support. AASB supports the levels of operational funding set forth in CSHB16 and feels this support is adequate. AASB encourages its early passage.

Original sponsors: Ellis, Swackhammer,
Boyer, and Navarre

Funding Information	
General Fund	\$604,914,538
Other Funds	45,339,200
	<u>\$650,253,738</u>

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 16 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations to the Department of
7 Education for K - 12 support and school construction
8 debt retirement; and providing for an effective
9 date."

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

11 * Section 1. The sum of \$537,788,045 is appropriated from the general
12 fund and from other funds in the amount listed to the Department of Educa-
13 tion for the purposes expressed and allocated in the amounts listed for
14 operating expenditures for the fiscal year ending June 30, 1990:

FUND SOURCE	AMOUNT
General fund	\$492,448,845
Public school fund (AS 37.14.110)	7,015,200
School fund (AS 43.50.140)	2,700,000
Federal receipts	35,624,000
PURPOSE	ALLOCATION AMOUNT
Foundation program	\$475,398,145
Student lunch program	15,000,000
Cigarette tax distribution	2,700,000
Tuition students	14,609,000
Boarding home grants	450,000
Youth in detention	1,307,700
Schools for the handicapped	3,201,500
Pupil transportation	25,121,700

29 * Sec. 2. The sum of \$112,465,693 is appropriated from the general fund

SCHOOL CONSTRUCTION DEBT RETIREMENT - FY90 ESTIMATED STATE AID

PREPARED 1/12/89

	100%	90%	80%	90%	80%	80%		ESTIMATED
	BOND SALES	BOND SALES	ESTIMATED	BOND SALES	BOND SALES	NEW BONDS	LESS	TOTAL DEBT
	FR 7/1/77	7/1/77 TO	CASH PAYMENT	7/1/82 TO	7/1/83 TO	ISSUES SOLD	CI&G. TAX	RETIREMENT
		7/1/82		7/1/83	PRESENT	FY90 STATE	PAID IN	BY DISTRICT
11 SCHOOL DISTRICTS	2YR LAG	2YR LAG	2YR LAG	CURRENT PAY	CURRENT PAY	AID EST.	FY88	FOR FY90
12								
13 ANCHORAGE	\$8,023,079	\$1,418,967	\$1,268,412	\$9,453,367	\$5,834,700	\$560,000	(\$1,473,072) !	\$25,025,432
14 BRISTOL BAY	\$0	\$275,894	\$679,877	\$0	\$0	\$0	(\$14,599) !	\$1,041,172
15 COFOVA	\$0	\$0	\$33,651	\$0	\$0	\$0	(\$21,951) !	\$11,700
16 FAIRBANKS	\$2,471,047	\$0	\$2,642	\$4,445,380	\$2,851,520	\$0	(\$490,082) !	\$13,780,507
17 HELENA	\$0	\$0	\$92,881	\$0	\$0	\$0	(\$12,145) !	\$80,736
18 HAINES	\$30,207	\$0	\$106,274	\$0	\$0	\$0	(\$18,980) !	\$177,501
19 JUNEAU	\$324,058	\$368,743	\$100,829	\$5,538,850	\$63,210	\$0	(\$175,743) !	\$6,199,967
20 KENAI	\$2,561,770	\$0	\$308,690	\$13,211,701	\$8,661,056	\$0	(\$306,544) !	\$24,436,673
21 KETCHIKAN	\$428,260	\$0	\$	\$2,369,628	\$0	\$0	(\$95,880) !	\$2,702,008
22 KODIAK	\$402,623	\$1,236,324	\$24,781	\$504,585	\$1,224,000	\$0	(\$87,989) !	\$3,306,224
23 MAT-SU	\$1,219,775	\$2,606,306	\$0	\$2,406,291	\$8,934,172	\$0	(\$326,373) !	\$20,560,171
24 NOME	\$0	\$0	\$0	\$131,424	\$661,987	\$0	(\$34,853) !	\$759,559
25 NORTH SLOPE	\$0	\$1,064,986	\$0	\$6,110,422	\$0	\$0	(\$48,489) !	\$7,126,919
26 PETERSBURG	\$283,700	\$0	\$0	\$113,353	\$0	\$0	(\$28,180) !	\$668,873
27 SITKA	\$367,609	\$0	\$0	\$0	\$1,944,225	\$0	(\$65,148) !	\$2,246,686
28 UNALASKA	\$0	\$264,290	\$28,889	\$0	\$0	\$0	(\$11,868) !	\$281,311
29 VALDEZ	\$1,145,731	\$1,588,397	\$1,206	\$320,704	\$0	\$0	(\$31,649) !	\$3,024,379
30 WEENINGELL	\$0	\$144,245	\$0	\$856,779	\$0	\$0	(\$24,231) !	\$976,893
31 TOTALS								
	\$18,637,859	\$4,048,144	\$2,650,132	\$54,662,464	\$30,174,870	\$560,000	(\$3,267,776) !	\$112,465,633
32								
33								
34								
35								
36 TOTAL BOND OUTLAYS	\$112,523,337							
37								
38 PLUS: CASH PAYMENTS	\$2,650,132							
39								
40 SUB TOTAL	\$115,173,469							
41								
42 NEW BONDS FY90 EST.	\$560,000							
43								
44 SUB TOTAL	\$115,733,469							
45								
46 LESS: CI&G. TAX	(\$3,267,776) !							
47								
48 EST. STATE AID-FY90	\$112,465,693							

PREPARED 12/27/88

EST. FY89

SCHOOL DISTRICT	FY90 PROJECTED UNITS	AREA COST DIFF.	FY90 ADJUSTED UNITS	FY90 PROJECTED BASIC NEED \$60,000	FY89 EST. 35% OF BASIC NEED	REQUIRED LOCAL EFFORT	PL874 LESS SPEC. ED. & INDIAN	PL874 PERCENTAGE	DEDUCTIBLE PL874	PROJECTED FY90 PROPOSED STATE AID
AGAR	54.02	1.27	68.81	\$4,116,600	\$1,419,390	\$0	\$2,145,552	100.00%	\$1,930,997	\$2,185,603
ALASKA GATEWAY	65.32	1.19	77.73	\$4,663,800	\$1,645,560	\$0	\$0	100.00%	\$0	\$4,663,800
ALEUTIAN REGION	25.89	1.31	33.92	\$2,035,200	\$692,790	\$0	\$316,395	100.00%	\$284,756	\$1,750,444
ANCHORAGE	3,103.37	1.00	3,103.37	\$196,202,200	\$65,399,670	\$43,334,202	\$353,197	67.33%	\$214,036	\$142,653,962
ANNETTE ISLAND	40.38	1.03	41.59	\$2,495,400	\$915,390	\$0	\$1,460,235	100.00%	\$1,314,212	\$1,181,188
BERING STRAIT	192.85	1.39	268.06	\$16,083,900	\$5,410,560	\$0	\$4,540,491	100.00%	\$4,086,642	\$11,997,158
BRISTOL BAY	30.25	1.27	38.42	\$2,505,200	\$791,910	\$472,721	\$321,821	100.00%	\$289,639	\$1,563,540
CHATANAH	49.16	1.03	50.63	\$3,037,800	\$1,066,380	\$0	\$896,586	100.00%	\$806,927	\$2,230,873
CHUGACH	20.88	1.14	23.80	\$1,428,000	\$495,390	\$0	\$301,889	100.00%	\$271,700	\$1,156,300
COPPER RIVER	74.74	1.14	85.20	\$5,112,000	\$1,845,690	\$0	\$464,310	100.00%	\$363,879	\$4,748,121
CORDOVA	40.56	1.11	45.02	\$2,701,200	\$945,420	\$464,414	\$31,717	88.63%	\$25,300	\$2,211,486
CRATZ	23.45	1.03	24.15	\$1,449,000	\$507,150	\$155,135	\$23,148	100.00%	\$20,833	\$1,275,032
DELTA GREELY	76.92	1.16	89.23	\$5,353,800	\$1,889,370	\$0	\$1,168,515	100.00%	\$1,051,663	\$4,302,137
DILLINGHAM	43.47	1.27	55.21	\$3,312,600	\$1,225,980	\$486,205	\$358,462	100.00%	\$322,616	\$2,563,779
FAIRBANKS	1,055.20	1.04	1,097.41	\$65,844,600	\$23,163,210	\$14,683,509	\$82,373	64.40%	\$47,744	\$51,113,347
GALENA	18.69	1.30	24.30	\$1,458,000	\$513,450	\$78,340	\$493,699	68.12%	\$302,686	\$1,076,974
HAINES	37.86	1.05	39.75	\$2,385,000	\$813,120	\$450,452	\$28,202	57.50%	\$14,594	\$1,919,954
HOONAH	25.19	1.08	27.21	\$1,632,600	\$595,980	\$90,888	\$192,118	100.00%	\$172,906	\$1,368,906
HYDABURG	15.92	1.03	16.40	\$984,000	\$344,400	\$37,996	\$0	100.00%	\$0	\$946,004
IDITAROD	63.90	1.33	84.99	\$5,099,400	\$1,752,240	\$0	\$847,171	100.00%	\$762,454	\$4,336,946
JUNEAU	389.96	1.00	389.96	\$23,397,600	\$8,050,770	\$5,413,248	\$25,596	55.92%	\$12,681	\$17,971,471
KAKE	22.35	1.03	23.02	\$1,381,200	\$483,840	\$70,921	\$268,004	71.24%	\$171,838	\$1,138,441
KASHUNARIUT	22.33	1.33	29.70	\$1,782,000	\$623,700	\$0	\$890,184	100.00%	\$801,166	\$980,834
KENAI	774.01	1.00	774.01	\$46,440,600	\$15,959,160	\$14,086,937	\$200,835	58.89%	\$106,450	\$32,247,213
KETCHIKAN	204.10	1.00	204.10	\$12,246,000	\$4,328,730	\$3,331,958	\$20,454	58.18%	\$10,920	\$4,903,122
KING COVE	17.87	1.27	22.69	\$1,361,400	\$477,920	\$106,145	\$294,919	100.00%	\$265,427	\$989,829
KLAMOOK	22.82	1.03	23.50	\$1,410,000	\$499,170	\$38,712	\$339,271	100.00%	\$305,344	\$1,065,944
KODIAK	212.58	1.09	231.49	\$13,889,400	\$4,917,150	\$2,378,504	\$285,039	99.52%	\$255,301	\$11,255,595
KUSKOK	65.33	1.33	86.89	\$5,213,400	\$1,741,530	\$0	\$756,103	100.00%	\$680,493	\$4,532,907
LAKE & PENINSULA	69.99	1.31	91.56	\$5,493,600	\$1,887,480	\$0	\$1,058,797	100.00%	\$952,918	\$4,540,682
LOWER KUSKOKWIM	377.58	1.42	536.16	\$32,169,600	\$11,081,070	\$0	\$6,411,547	100.00%	\$5,770,393	\$26,399,207
LOWER YUKON	167.41	1.35	226.00	\$13,560,000	\$4,752,930	\$0	\$4,565,408	100.00%	\$4,108,867	\$9,451,133
MAT-SU	683.60	1.00	683.60	\$41,016,000	\$14,354,130	\$9,159,961	\$27,876	71.77%	\$18,006	\$31,838,033
NEENAH	23.35	1.20	28.00	\$1,680,000	\$582,540	\$66,062	\$0	100.00%	\$0	\$1,613,938
NORPE	67.30	1.34	90.18	\$5,410,800	\$1,866,270	\$560,332	\$58,406	100.00%	\$52,566	\$4,797,902
NORTH SLOPE	137.09	1.45	198.78	\$11,926,800	\$4,150,440	\$4,150,440	\$5,509,697	25.49%	\$1,264,029	\$6,512,331
NORTHWEST ARCTIC	189.93	1.45	275.40	\$16,524,000	\$5,802,930	\$632,184	\$3,226,733	100.00%	\$2,904,060	\$12,987,756
PELICAN	8.63	1.08	9.32	\$559,200	\$202,020	\$42,621	\$0	100.00%	\$0	\$516,579
PETERSBURG	57.88	1.00	57.88	\$3,472,800	\$1,231,020	\$692,336	\$17,024	93.22%	\$14,292	\$2,766,182
PRIEBL OF	24.46	1.30	31.80	\$1,908,000	\$638,610	\$0	\$511,561	100.00%	\$460,405	\$1,447,595
RAILBELT	43.45	1.23	50.98	\$3,058,800	\$1,072,470	\$0	\$44,871	100.00%	\$40,384	\$3,018,416
SAND POINT	18.33	1.27	23.28	\$1,396,800	\$484,680	\$141,962	\$0	69.08%	\$0	\$1,254,838
SITKA	132.65	1.00	132.65	\$7,959,000	\$2,765,910	\$1,896,637	\$0	63.68%	\$0	\$6,062,363
SKAGWAY	17.23	1.05	18.09	\$1,085,400	\$388,790	\$221,834	\$508	100.00%	\$547	\$863,019
SOUTHEAST ISLAND	36.65	1.04	38.12	\$5,407,200	\$1,938,300	\$0	\$943,030	100.00%	\$848,727	\$4,558,473
SOUTHWEST REGION	82.73	1.31	108.58	\$6,502,800	\$2,224,530	\$0	\$1,694,515	100.00%	\$1,529,063	\$4,977,737
ST. PARY'S	17.40	1.30	22.62	\$1,357,200	\$466,620	\$16,739	\$0	12.15%	\$0	\$1,340,441
TANANA	14.33	1.30	18.63	\$1,117,800	\$404,680	\$46,048	\$219,641	100.00%	\$197,877	\$974,075
UNALASKA	21.47	1.27	27.27	\$1,636,200	\$579,600	\$386,275	\$80,517	100.00%	\$72,465	\$1,177,460
VALDEZ	58.28	1.11	64.80	\$3,888,000	\$1,331,610	\$1,331,610	\$30,418	37.14%	\$10,166	\$2,546,324
WRANGELL	47.31	1.00	47.31	\$2,838,600	\$1,027,950	\$417,379	\$4,164	69.91%	\$2,670	\$2,418,601
YAKUTAT	18.86	1.08	20.37	\$1,222,200	\$429,240	\$76,168	\$139,665	100.00%	\$125,699	\$1,020,333
YUKON FLATS	59.41	1.46	86.74	\$5,204,400	\$1,818,810	\$0	\$1,203,235	100.00%	\$1,082,912	\$4,121,448
YUKON-KOYUKUK	79.61	1.34	106.68	\$6,430,800	\$2,222,010	\$0	\$1,534,849	100.00%	\$1,381,364	\$5,049,436
YUPIIT	50.12	1.41	70.67	\$4,240,200	\$1,484,070	\$0	\$1,076,481	100.00%	\$968,833	\$3,271,367

TOTALS 9,342.20 10,197.63 \$611,857,800 \$213,709,230 \$105,518,875 \$45,405,732 \$26,695,187 \$449,643,758

Local operations

300,000,000

STATE CORP STUDY -----))
 VALDEZ CONTRACT -----))
 RT. EDGECLIFFE -----))
 TOTAL STATE AID -----))

\$1,728,000
 \$600,000
 \$1,428,000
 \$475,048,145

PREPARED 12/27/88

SCHOOL DISTRICT	FY90 PROJECTED BASIC NEED \$60,000	REQUIRED LOCAL EFFORT	DEDUCTIBLE PL974	PROJECTED FY90 PROPOSED STATE AID	BASIC NEED REQ. PER UNIT	LOCAL EFFORT PER UNIT	FY90 STATE AID PER UNIT	PL974 DEDUCTIBLE PER UNIT	ONE HUNDRED PERCENT ASSESSED VALUE
ADAK	\$4,116,600	80	\$1,930,997	\$2,185,603	\$60,000	80	\$31,855	\$28,145	
ALASKA GATEWAY	\$4,663,800	80	80	\$4,663,800	\$60,000	80	\$60,000	80	
ALEUTIAN REGION	\$2,035,200	80	\$284,756	\$1,750,444	\$60,000	80	\$51,605	\$8,395	
ANCHORAGE	\$186,202,200	\$43,334,202	\$214,036	\$142,653,962	\$60,000	\$13,964	\$45,967	\$49	\$10,833,550,400
ANNETTE ISLAND	\$2,495,400	80	\$1,314,212	\$1,181,188	\$60,000	80	\$28,401	\$31,599	
BEERING STRAIT	\$16,083,600	80	\$4,036,442	\$11,997,158	\$60,000	80	\$44,755	\$15,245	
BREITOL BAY	\$2,305,200	\$472,721	\$289,639	\$1,542,840	\$60,000	\$12,304	\$40,157	\$7,539	\$118,150,000
CHATHAM	\$3,037,800	80	\$806,927	\$2,230,873	\$60,000	80	\$44,062	\$15,938	
CHUGACH	\$1,428,000	80	\$271,700	\$1,156,300	\$60,000	80	\$48,584	\$11,416	
COPPER RIVER	\$5,112,000	80	\$363,879	\$4,748,121	\$60,000	80	\$55,729	\$4,271	
CORDOVA	\$2,701,200	\$464,414	\$25,300	\$2,211,486	\$60,000	\$10,316	\$49,122	\$562	\$16,101,500
CRAIG	\$1,449,000	\$155,135	\$20,833	\$1,273,012	\$60,000	\$6,424	\$52,714	\$863	\$18,721,800
DELTA GREELY	\$5,353,800	80	\$1,051,663	\$4,302,137	\$60,000	80	\$48,214	\$11,786	
DILLINGHAM	\$3,312,600	\$486,205	\$322,616	\$2,503,779	\$60,000	\$8,806	\$45,350	\$5,843	\$121,551,000
FAIRBANKS	\$65,844,600	\$14,683,509	\$47,744	\$51,113,347	\$60,000	\$13,380	\$46,576	\$44	\$3,670,877,000
GALENA	\$1,458,000	\$78,340	\$302,686	\$1,076,974	\$60,000	\$3,224	\$44,320	\$12,456	\$19,585,000
HAINES	\$2,385,000	\$450,452	\$14,594	\$1,919,954	\$60,000	\$11,332	\$48,301	\$267	\$12,613,000
HOONAH	\$1,432,500	\$90,888	\$172,906	\$1,368,806	\$60,000	\$3,340	\$50,305	\$6,355	\$22,722,000
HYDABURG	\$584,000	\$37,996	80	\$546,004	\$60,000	\$2,317	\$57,683	80	\$9,499,000
IDITAROD	\$5,099,400	80	\$762,454	\$4,336,946	\$60,000	80	\$51,029	\$8,971	
JUNEAU	\$23,397,600	\$5,413,248	\$12,881	\$17,971,471	\$60,000	\$13,882	\$46,085	\$33	\$1,353,302,000
KAKE	\$1,581,200	\$70,921	\$171,838	\$1,138,441	\$60,000	\$3,081	\$49,454	\$7,465	\$17,730,500
KASHUNANIUT	\$1,782,000	80	\$801,166	\$980,834	\$60,000	80	\$33,025	\$26,975	
KENAI	\$46,440,600	\$14,086,937	\$106,450	\$32,247,213	\$60,000	\$18,200	\$41,663	\$138	\$3,521,724,000
KETCHIKAN	\$12,246,000	\$3,331,958	\$10,920	\$8,903,122	\$60,000	\$16,325	\$43,621	\$54	\$832,489,000
KING COVE	\$1,361,400	\$106,145	\$265,427	\$989,828	\$60,000	\$4,678	\$43,624	\$11,698	\$26,536,000
KLAMOCK	\$1,410,000	\$38,712	\$305,344	\$1,065,944	\$60,000	\$1,647	\$45,359	\$12,993	\$9,677,900
KODIAK	\$13,889,400	\$2,378,504	\$255,301	\$11,255,595	\$60,000	\$10,275	\$48,622	\$1,103	\$54,626,000
KUSPUK	\$5,213,400	80	\$580,493	\$4,532,907	\$60,000	80	\$52,168	\$7,832	
LAKE & PENINSULA	\$5,493,600	80	\$952,918	\$4,540,682	\$60,000	80	\$49,592	\$10,408	
LOWER KUSKOKWIM	\$32,169,600	80	\$5,770,393	\$26,399,207	\$60,000	80	\$49,238	\$10,762	
LOWER YUKON	\$13,560,000	80	\$4,108,867	\$9,451,133	\$60,000	80	\$41,819	\$18,181	
NAT-SU	\$41,026,000	\$9,159,961	\$18,006	\$31,838,033	\$60,000	\$13,400	\$46,576	\$26	\$2,27 0,130
NENANA	\$1,680,000	\$66,062	80	\$1,613,938	\$60,000	\$2,359	\$57,641	80	\$ 13,500
NOPE	\$5,610,800	\$560,332	\$52,566	\$4,797,902	\$60,000	\$6,213	\$53,204	\$583	\$140,082,900
NORTH SLOPE	\$11,926,800	\$4,150,440	\$1,264,029	\$6,512,331	\$60,000	\$20,880	\$32,762	\$6,359	\$12,291,969,400
NORTHWEST ARCTIC	\$16,524,000	\$632,184	\$2,964,060	\$12,987,756	\$60,000	\$2,296	\$47,160	\$10,545	\$158,266,000
PELICAN	\$594,200	\$42,621	80	\$516,579	\$60,000	\$4,573	\$55,427	80	\$10,655,000
PETERSBURG	\$3,472,800	\$692,336	\$14,282	\$2,766,182	\$60,000	\$11,962	\$47,792	\$267	\$173,084,000
PRIBILOF	\$1,908,000	80	\$160,405	\$1,447,595	\$60,000	80	\$45,522	\$14,478	
RAILBELT	\$3,058,800	80	\$40,384	\$3,018,416	\$60,000	80	\$59,208	\$792	
SAND POINT	\$1,396,800	\$141,962	80	\$1,254,838	\$60,000	\$6,098	\$53,902	80	\$35,490,600
SITKA	\$7,959,000	\$1,896,637	80	\$6,062,363	\$60,000	\$14,298	\$45,702	80	\$474,259,000
SKAGWAY	\$1,085,400	\$221,834	\$547	\$863,019	\$60,000	\$12,263	\$47,707	\$30	\$55,458,600
SOUTHEAST ISLAND	\$5,407,200	80	\$348,727	\$4,558,473	\$60,000	80	\$50,582	\$9,418	
SOUTHWEST REGION	\$6,502,300	80	\$1,525,063	\$4,977,237	\$60,000	80	\$45,929	\$14,071	
ST. MARY'S	\$1,357,000	\$16,739	80	\$1,340,261	\$60,000	\$740	\$59,260	80	\$4,234,700
TANANA	\$1,117,500	\$66,048	\$197,677	\$874,075	\$60,000	\$2,472	\$46,918	\$10,611	\$11,511,900
UNALASKA	\$1,636,200	\$36,275	\$72,465	\$1,177,460	\$60,000	\$14,165	\$43,178	\$2,657	\$49,568,700
VALDEZ	\$2,588,000	\$1,331,610	\$10,156	\$2,546,224	\$60,000	\$20,550	\$39,294	\$157	\$1,457,001,000
WRANGELL	\$2,838,900	\$417,179	\$2,620	\$2,418,901	\$60,000	\$8,922	\$51,122	\$55	\$1,24,244,000
YAKUTAT	\$1,222,000	\$76,168	\$125,699	\$1,000,333	\$60,000	\$3,739	\$50,090	\$6,171	\$19,041,900
YUKON FLATS	\$5,704,600	80	\$1,081,912	\$4,121,688	\$60,000	80	\$47,515	\$12,485	
YUKON-KOYUKUK	\$6,400,600	80	\$1,581,264	\$5,019,336	\$60,000	80	\$47,051	\$12,949	
YUPIK	\$4,240,200	80	\$468,333	\$3,771,867	\$60,000	80	\$46,291	\$13,709	

TOTALS	\$611,657,500	\$107,518,875	\$36,645,187	\$469,667,728	AVERAGE \$10,347.4	\$46,054.2	\$1,556.4	\$18,758,006,000
					PERCENTAGE 17.28	76.68	6.08	

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SCHOOL DISTRICT	PROJECTED					FY90
	FY90 ADM	K-12 UNITS	BIL./BIC. UNITS	SPEC. ED. UNITS	VOC. ED UNITS	TOTAL UNITS
ACAN	618.00	48.55	1.00	3.49	1.00	54.00
ALASKA GATEWAY	477.00	57.59	1.00	5.75	1.00	65.32
ALEUTIAN REGION	115.00	22.36	1.00	1.53	1.00	25.99
ANCHORAGE	38,747.00	2,591.69	43.73	436.28	31.87	3,103.17
ANNETTE ISLAND	414.00	33.60	1.00	4.78	1.00	40.38
BERING STRAIT	1,298.00	161.35	14.17	15.31	2.04	192.85
BRISTOL BAY	246.30	24.67	1.00	3.58	1.00	30.25
CHATHAM	317.00	44.31	0.00	3.85	1.00	49.16
CHUGACH	101.00	17.58	1.00	1.30	1.00	20.88
COPPER RIVER	588.00	68.65	1.00	4.09	1.00	74.74
CORDOVA	428.00	34.53	0.00	5.03	1.00	40.56
CRAIG	217.60	20.51	0.00	1.94	1.00	23.45
DELTA GREELY	900.00	65.13	0.00	10.79	1.00	76.92
DILLINGHAM	460.00	36.67	1.00	4.40	1.00	43.47
FAIRBANKS	13,175.00	903.94	4.58	134.08	12.60	1,055.20
GALENA	145.00	15.67	1.00	1.02	1.00	18.69
HAINES	365.00	33.06	1.00	2.80	1.00	37.86
HOONAH	235.00	21.67	0.00	2.52	1.00	25.19
HYUABURG	106.00	12.83	1.00	1.09	1.00	15.92
IDITAROD	407.00	56.41	1.08	5.41	1.00	63.90
JUNEAU	4,675.00	314.34	2.00	68.52	5.10	389.96
KAKE	183.00	18.20	0.00	3.15	1.00	22.35
KASHUNAMIUT	165.00	17.00	1.32	2.75	1.26	22.33
KENAI	8,476.00	672.77	10.92	80.29	10.03	774.01
KETCHIKAN	2,491.00	174.64	1.03	24.98	3.48	204.10
KING COVE	133.00	14.87	0.00	2.00	1.00	17.87
KLAMOCK	184.00	18.27	1.00	2.55	1.00	22.82
KODIAK	2,250.69	180.20	2.17	27.39	2.62	212.38
KUSPUK	402.00	56.16	1.00	7.17	1.00	65.33
LAKE & PENINSULA	367.15	63.72	1.00	3.97	1.20	69.89
LOMER KUSKOKWIM	2,735.50	291.46	54.33	28.47	3.32	377.58
LOMER YUKON	1,301.00	145.56	6.89	13.07	1.89	167.41
MAT-SU	8,252.00	578.13	2.66	93.51	9.30	683.60
MEMANA	196.00	19.07	1.00	2.26	1.00	23.33
NOPE	765.00	56.73	1.52	7.97	1.08	67.30
NORTH SLOPE	1,259.00	122.78	5.27	7.15	1.89	137.09
NORTHWEST ARCTIC	1,613.97	164.17	4.26	20.50	1.00	189.93
PELICAN	41.00	6.63	0.00	1.00	1.00	9.63
PETERSBURG	647.00	48.89	1.00	6.99	1.00	57.38
FRIBILOF	163.00	20.47	1.00	1.99	1.00	24.46
RAILBELT	336.00	37.66	0.00	2.79	1.00	41.45
SAND POINT	155.00	16.33	0.00	1.00	1.00	18.33
SITKA	7,602.80	111.93	1.00	17.81	1.91	132.65
SKAGWAY	135.00	15.00	0.00	1.23	1.00	17.23
SOUTHEAST ISLAND	509.00	81.05	0.00	4.50	1.10	86.65
SOUTHWEST REGION	495.00	68.20	8.54	4.99	1.00	82.73
ST. MARY'S	112.00	13.33	1.00	2.07	1.00	17.40
TANANA	32.00	11.33	1.00	1.00	1.00	14.33
UNALASKA	180.00	18.00	1.00	1.47	1.00	21.47
VALDEZ	715.00	53.61	0.00	3.77	1.00	58.38
WRANGELL	523.00	40.49	0.00	5.82	1.00	47.31
YAKUTAT	128.00	14.53	1.00	1.01	2.32	18.36
YUKON FLATS	345.00	52.85	1.14	4.42	1.00	59.41
YUKON-KOYUKUK	506.00	71.32	1.40	5.43	1.46	79.61
YUPIIT	300.00	36.67	8.43	4.02	1.00	50.12
TOTALS	101,509.71	7,896.89	197.41	1,116.43	131.67	9,542.20



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

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435

January 13, 1989

To: Rep. Johnny Ellis, Chair
Members, House HESS Committee

Re: House Bill No. 16; "An Act making appropriations for certain 'pass through' grant programs; and providing for an effective date."

NEA-Alaska supports HB 16 and encourage favorable action by the Committee. We do ask that the Committee give serious consideration to the suggestions which we have listed below.

First, we do wish to commend the Chair and the Committee for your expeditious attention to the needs of public education in Alaska. Full and early funding of public education is essential to decisions as to the programs and services available to students.

We suggest that the Committee amend the Foundation program figure to \$486,392,800 and the Schools for handicapped figure to \$3,201,500. It is our understanding that these figures more accurately reflect the projected needs for FY'90 based upon information available to the Department of Education at this time and that the former figure assures the full \$60,000 Instructional Unit entitlement amount.

Public education in Alaska has been faced with substantial funding cuts over the past three years and the result has been reduced programs and services to students. Minimally it seems essential that every effort be made to at least maintain the current levels of funding.

Secondly, we encourage that the Committee give serious consideration to supplemental categorical funding which would be available to school districts which commit to a plan to reduce their school counselor ratios to 1/250 at the elementary level or 1/175 for K-12.

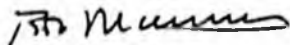
Support for at risk students can be significantly enhanced through programs which increase student access to more meaningful counseling services.

The funding cuts of the last three years have eroded and even eliminated many of the ancillary services for students and the counseling programs are one of the more critical of these program areas.

The Department of Education should be able to provide more specific data on the needs in the counseling area on a district by district basis.

Thank you for your consideration of our position and these recommendations.

Respectfully submitted,



Bob Manners
Executive Secretary

cc: Rep. Johnny Ellis

f5j89h16



ALASKA ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS
ALASKA ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS
ALASKA ASSOCIATION OF SCHOOL ADMINISTRATORS

• ALASKA COUNCIL OF SCHOOL ADMINISTRATORS •
326 Fourth St., Suite 408 Juneau, Alaska 99801 586-9702

POSITION STATEMENT

THE ALASKA COUNCIL OF SCHOOL ADMINISTRATORS SUPPORTS HB 16 "AN ACT MAKING APPROPRIATIONS FOR CERTAIN 'PASS THROUGH' GRANT PROGRAMS; AND PROVIDING FOR AN EFFECTIVE DATE."

RATIONALE

WE BELIEVE THAT FULL AND EARLY FUNDING OF THE FOUNDATION PROGRAM AND PUPIL TRANSPORTATION AND SCHOOL CONSTRUCTION ACCOUNT IS THE TOP PRIORITY FOR THE LEGISLATURE.

WE ALSO BELIEVE IN THE MAINTAINING THE \$60,000 PER INSTRUCTIONAL UNIT.

WE FURTHER COMMEND THE SPONSORS OF HB 16 FOR THEIR TIMELY SUBMISSION OF THIS BILL AND TO THE HOUSE HESS FOR TAKING EARLY ACTION ON SUCH AN IMPORTANT BILL FOR EDUCATION.

WE URGE IT'S EARLY PASSAGE.

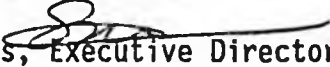
Alaska
MUNICIPAL
League

TELEPHONE
(907) 586-1325
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217 SECOND STREET, SUITE 200
JUNEAU, ALASKA 99801

MEMORANDUM

TO: Representative Johnny Ellis, Chair
Members of the House Health, Education, and
Social Services Committee

FROM: Scott A. Burgess,  Executive Director

DATE: February 1, 1989

SUBJECT: HB 16 - Appropriations for Education

The Alaska Municipal League supports early and adequate funding of the education program including debt reimbursement as a top priority.

I have attached support and background materials and regret that due to the AML Board meeting, I will not be able to appear before you today.

SAB:ph1

Attachments

State Aid to Municipalities Funding Package

The Alaska Municipal League urges the Governor and the 16th Alaska State Legislature to provide full funding of the state-mandated Senior Citizens/Disabled Veterans Property Tax Exemption Program and to provide adequate funding of municipal entitlement programs to help municipalities continue to meet the basic service needs of Alaskans and mitigate the fiscal hardships of declining revenues.

Therefore, the Alaska Municipal League requests:

- A. Full funding of state-mandated Senior Citizens/Disabled Veterans Property Tax Exemption Program (AS 29.45.030) at an estimated cost of \$8.4 million, and**
- B. Adequate funding for FY 90 for municipal entitlement programs, to include appropriations for:**
 - the Municipal Assistance Program (AS 29.60.350) at not less than the FY 89 level of \$56,084,400**
 - the State Revenue Sharing Program (AS 29.60.010) at not less than the FY 89 level of \$40,773,400**
 - the School Construction Debt Reimbursement Program (AS 14.11.100) at not less than the FY 89 level of \$109,472,700 (the estimated annual cost for FY 89 and FY 90 is \$117 million)**
 - the Education Foundation Formula (AS 14.17.010) at not less than the estimated cost of \$480,000,000**
 - the Pupil Transportation Account (AS 14.09.010) at not less than the FY 89 level of \$25,121,700**

It should be noted that in FY 89 underfunding of mandatory and entitlement programs by the Legislature resulted in municipalities absorbing \$23 million, which included the following items:

- \$4,641,000 in underfunding for the state-mandated Senior Citizens/Disabled Veterans Property Tax Exemption Program
- \$7.3 million in underfunding of entitlements under the School Debt Reimbursement Program
- \$11,059,502 in underfunding of the Miscellaneous Municipal Services Account of the State Revenue Sharing

For FY 90, the League is requesting full funding only of the state-mandated Senior Citizens/Disabled Veterans Property Tax Exemption Program. However, if appropriation levels for municipal entitlement programs are not increased for FY 90, municipalities will once again be forced to absorb the shortfalls through increased taxes or decreased local services.

Background

State transfers of funds to Alaskan municipalities vary, ranging from school foundation funding to municipal assistance payments to reimbursement of state-collected taxes. A top legislative priority of the Alaska Municipal League for 1989 is full funding of state-mandated programs and adequate funding for the municipal entitlement programs for FY 90. The specific programs involved and their funding histories are discussed in more detail below.

SENIOR CITIZENS/DISABLED VETERANS PROPERTY TAX EXEMPTION PROGRAM

The League requests the Legislature to fully fund the state-mandated Senior Citizens/Disabled Veterans Property Tax Exemption Program for FY 90 at an estimated amount of \$8.4 million.

In 1973, the program to exempt senior citizens from local property taxes was enacted. The intent of AS 29.45.030(e), which exempts persons over 65 from such taxes, was to make it easier for senior citizens to remain in their own homes and, thus, remain in Alaska. A complementary program, which provides refunds directly to senior citizen renters to compensate for property tax included in their rent charges, was also enacted at this

Table 1. Senior Citizens/Disabled Veterans Property Tax Exemption Program Funding, FY 1985 - FY 1990

Fiscal Year	Entitlement	State Appropriation	Shortfall/ Cost to Municipalities ^a	% ^b
1985	\$4,005,075	\$4,005,075	\$ 0	100.0
1986	4,977,451	4,008,600	968,851	79.5
1987	6,325,763	2,770,300	3,555,463	43.8
1988	6,753,663	2,622,969	4,130,694	38.8
1989	7,430,000	2,782,300	4,647,700	37.4
1990	8,400,000 (est.)	8,400,000 (req.)	0	100.0

^aThe actual cost to municipalities exceeds this figure by \$100,000 - \$160,000, depending on the underfunding of the renters program.

^bRatio of state appropriation (reimbursement to municipalities) to the total cost of the program.

Source: Department of Community and Regional Affairs

time. In 1985, the programs were extended to include disabled veterans with a disability of 50 percent or more and their widows who are at least 60 years of age. That was also the last year the State provided full funding for the homeowners program, the total cost of which grew from \$197,050 in 1973 to over \$7 million in 1989.

The *Policy Statement* of the Alaska Municipal League includes the following statement with reference to state-mandated tax exemption programs: "If the reimbursements for state-mandated exemptions are not fully funded, currently or in the future, the exemptions should be repealed" (1989 *Policy Statement*, I.C.2). The League's top legislative priority for the Sixteenth Legislature is to enact legislation making any new mandate legislation that increases costs for municipalities null and void if adequate funding is not provided by the State. This program provides an excellent example of the way unfunded or underfunded state mandates can harm municipalities.

As Table 1 shows, for FY 86, the legislative appropriation for the property tax exemption program was just under 80 percent of the total program cost. Partially in response to AML efforts on the issue, in that year the Legislature amended AS 29.45.030 to make those covered by the program eligible for an exemption from taxes only on the first \$150,000 of the value of their property. Locally granted exceptions to this are allowed. Even with this amendment, the number of those eligible for the exemption and the cost to local governments of this state-mandated program continue to grow.

In FY 89, the total cost of the program was \$7,430,000 and only \$2,782,300 was appropriated by the Legislature, leaving local governments responsible for \$4,647,700, or over 60 percent of the total cost of this state-mandated program. In comparison, another program to aid senior citizens, the Longevity Bonus Program, will cost the State \$52.9 million in FY 89. In July 1988, Governor Steve Cowper vetoed legislation (HCS SS SB 56(Fin)) that would have converted this program to an annuity program with contributions from potential participants. That legislation would have saved the State almost \$327 million over the next fifteen years. In vetoing the legislation, Governor Cowper said that the State had sufficient funds to help its senior citizens.

In effect the cost to municipalities is even greater than the funding shortfall noted in Table 1 because of the costs of administration and the underfunding of the renters program. The renters refund program, through which the State makes payments directly to individuals, has not been fully funded since 1986. Reflecting a policy that favors renters to the detriment of municipalities, funds from the appropriation for the homeowners program have been transferred to the renters program, with the effect of increasing the burden on municipalities. Approximately \$100,000 was transferred in this way in FY 86 and in FY 87; in FY 88, the amount transferred was \$160,000.

Full funding of this state-mandated program is a state responsibility.

MUNICIPAL ASSISTANCE PROGRAM

The Alaska Municipal League requests that no cuts be made in funding for the Municipal Assistance Program and that the FY 90 appropriation remain at the FY 89 level of \$56,084,400.

In 1979, the Gross Business Receipts Program, which had returned 20 percent of the tax collected by the State within a jurisdiction to that jurisdiction, was repealed by the Legislature. The Municipal Assistance Program (AS 29.60.350) was established to replace this revenue source for local governments. Distributions under the program use the FY 78 allocation of Gross Business Receipts to municipalities (\$10.6 million) as a base, with additional appropriations divided among all recipients on a per capita basis. The primary objective of the Municipal Assistance Program as originally enacted was to reduce property taxes. The statutory guideline utilized for funding the program is to appropriate an amount equal to or greater than [emphasis added] 30 percent of the annual receipts from the Corporate Income Tax for the previous fiscal year.

Funding for this program has decreased from \$81,306,000 in FY 85 to \$56,084,400 in FY 89, a 31 percent decrease.

Table 2. Municipal Assistance Program Funding, FY 1985 - FY 1990

Fiscal Year	Total Appropriation
1985	\$81,306,800
1986	81,306,800
1987	65,858,500
1988	56,084,400
1989	56,084,400
1990	56,084,400 (req.)

Source: Department of Community and Regional Affairs

STATE REVENUE SHARING PROGRAM

The Alaska Municipal League requests the Legislature to fund the State Revenue Sharing Program for FY 90 at the FY 89 level of \$40,773,400. The Legislature should be aware, however, that the Miscellaneous Municipal Services Account of the State Revenue Sharing Program was not fully funded in FY 89 and an appropriation of an additional amount estimated at \$11,059,052 would be necessary to provide full funding of the entitlement for this portion of the program for FY 89. An estimated \$12,077,300 would be required for FY 90 full funding of the Miscellaneous Services Account.

The Alaska State Revenue Sharing Program was created in 1969. The original intent of the revenue sharing legislation was to 1) help ease fiscal problems facing local governments, 2) stabilize or reduce local property tax rates, 3) encourage local governments to provide adequate levels of public services, 4) inject a measure of budget planning and stability into local governments, and 5) improve the allocation of state funds by sharing them with local governments. This last point was based on the premise that local governments are more in tune with the needs of the public and are better able to respond and provide public goods and services in accordance with taxpayer preferences (Report of the Governor's Task Force on State Shared Revenue, 1985).

The total appropriation for the program in FY 70 was \$2 million. The original categorical program distributed funds based upon public services offered in a number of categories. In 1980 (when \$26.9 million was appropriated for the

Table 3. State Revenue Sharing Program Funding, FY 1985 - FY 1990

Fiscal Year	Total Appropriation*
1985	\$60,350,000
1986	59,632,200
1987	47,879,100
1988	40,773,400
1989	40,773,400
1990	40,773,400 (req.)

*Including both the Tax Resources Equalization Account and the Miscellaneous Municipal Services Account.
Source: Department of Community and Regional Affairs

program), the program was changed and there are now two separate accounts, the Tax Resources Equalization Account and the Miscellaneous Municipal Services Account. Another program, the Hospital Construction Account was repealed in 1983 and is being phased out. Each of the two active accounts is distributed according to separate criteria (see below for more information on each part of the program).

As Table 3 shows, funding for the State Revenue Sharing Program, which reached a high of \$60,350,000 in 1985, has been cut drastically since then. The FY 89 appropriation is \$40.7 million, a 33.3 percent decrease in just four years. This precipitous decline has had a particularly strong impact on Alaska's municipalities because during the same period the assessed values of property throughout the State have dropped over \$3.2 billion, thus reducing revenues from local property taxes.

Tax Equalization Account

The central feature of the current State Revenue Sharing Program is the Tax Resource Equalization Account. Funds for this portion of the revenue sharing program account for over 65 percent of the total appropriation for revenue sharing in FY 89 and are a major source of revenue for local governments. The formula for this program takes into consideration the amount of local fiscal effort and the property tax base from which the municipality has to draw and rewards communities for their local taxing efforts. Decreases in local tax revenues because of devaluation of property may result in smaller grants under this program, thus doubling the negative impact of drops in assessed valuation.

Miscellaneous Municipal Services Account

The Miscellaneous Municipal Services Account of the State Revenue Sharing Program retains some of the categorical features of the original program. It provides aid for the following public services: local roads (\$2,500 per mile), ice road maintenance (\$1,500 per mile), hospital facilities (\$1,000 per bed provided for in construction design, with a minimum of \$50,000), health facilities (\$2,000 per bed actually used for patient care), and fire protection (\$10 per capita for population served). In addition, this account provides for a basic entitlement of \$25,000 for each unincorporated community with at least 25 permanent residents that is located in the unorganized borough.

Table 4. Miscellaneous Municipal Services Account Funding, FY 1985 - FY 1990

Fiscal Year	Entitlement	State Appropriation	Shortfall/ Cost to Municipalities	%*
1985	\$20,898,641	\$20,000,000	\$ 898,641	95.7
1986	21,973,021	20,000,000	1,978,021	91.0
1987	23,703,918	16,332,000	7,371,918	68.9
1988	25,059,785	13,908,181	11,151,604	55.5
1989	24,969,804	13,908,181	11,059,052	55.7
1990	25,985,481 (est.)	13,908,181 (req.)	12,077,300	53.5

*Ratio of state appropriation (reimbursement to municipalities) to total cost of the program.
Source: Department of Community and Regional Affairs

As Table 4 shows, the Miscellaneous Municipal Services Account has not been fully funded for nine years, which has caused a prorated reduction in the payments to each municipality. The underfunding of this account has hit the smaller communities, those in the most need, particularly hard.

SCHOOL CONSTRUCTION DEBT REIMBURSEMENT PROGRAM

As part of its state aid to municipalities funding package, the Alaska Municipal League requests that the Legislature fund the School Construction Debt Reimbursement Account at not less than the FY 89 level of \$109,472,700. However, the Legislature should be aware that a supplemental

appropriation of \$7.3 million would be necessary to full fund the State's obligation for the School Construction Debt Reimbursement Account for FY 89 and full funding for the program for FY 90 is estimated to be \$117 million.

In 1970, the Legislature established a program of reimbursing municipalities for a portion of their school construction debt in recognition of the requirement of the Alaska Constitution that the State provide education for its children. Under this program (AS 14.11.100), municipalities issue bonds for the entire cost of a school construction project and then are reimbursed annually for a portion of the cost of their debt service.

Table 5. School Construction Debt Reimbursement Funding, FY 1985 - FY 1990

Fiscal Year	Entitlement	State Appropriation	Shortfall/ Cost to Municipalities	%*
1986	\$109,707,963	\$106,315,600	\$3,392,363	96.9
1987	125,272,615	115,845,000	9,427,615	92.4
1988	118,701,313	109,472,700	9,228,613	92.2
1989	116,784,855 (est)	109,472,700	7,312,155	93.7
1990	117,000,000 (est)	109,472,700 (req.)	7,527,300	93.6

*Ratio of state appropriation (reimbursement to municipalities) to the districts' full entitlement.
Source: Department of Education

Over the years, the program has changed several times. At one time the percentage of debt reimbursed was as high as 100 percent, and at the present time municipalities are eligible for reimbursement of from 80 to 100 percent of their costs, depending on when their projects were originally approved. However, because of the continuing underfunding of the program, not only are they not reimbursed at their entitlement level, but they do not know what the reimbursement level will be until after the Legislature completes its annual appropriation process.

As Table 5 shows, in the last four years the reimbursement has ranged from 92.2 to 96.9 percent of the districts' statutory entitlement. Municipalities and their voters have made financial decisions based on the reimbursement rate in effect when they proposed bonding for school construction, and long-range budget decisions and financial plans have been based on this obligation and commitment of the State. Nevertheless, as state resources have shrunk in recent years and the Legislature has underfunded this entitlement program, those plans and decisions have been undermined by uncertainty. The funds available for the debt

reimbursement program have been prorated to eligible communities, and the municipal budget process has been upset because local governments have had to pay a larger share of the debt service than was anticipated and budgeted for. The unpredictability of reimbursement rates has been especially critical in the areas of the State with high growth during the early 1980s. It will continue to be a major problem during the lifetime of the bonds issued for construction in these areas if full funding of the entitlement is not guaranteed.

As Table 5 shows, in FY 88 the shortfall in funding to fully reimburse local governments for school construction debt service amounted to \$9,228,613; in FY 89, the shortfall is estimated at over \$7.3 million.

EDUCATION

Funding for education is the largest single item in the state budget, approximately 25 percent, and is the largest transfer of funds from the State to local governments. The Alaska Municipal League *Policy Statement* supports the "State's assuming full financial responsibility for basic education including funding of school construction" (1989 *Policy Statement*, II.A.1) because of the Alaska Constitution's mandate to establish and maintain a system of public education open to all children.

Education Foundation Formula

The Alaska Municipal League requests funding for the Education Foundation Formula for FY 90 of not less than the estimated cost of \$480,000,000 to make it possible for Alaska's municipalities to provide basic education for all children.

Table 6. Education Foundation Formula Funding, FY 1985 - FY 1990

Fiscal Year	Entitlement	State Appropriation	%*
1986	\$491,159,214	\$491,159,214	100.0
1987	451,529,200	414,729,423	91.9
1988	437,438,385	437,438,385	100.0
1989	480,000,000 (est.)	447,500,900	100.0
1990	480,000,000 (est.)	480,000,000 (req.)	100.0

*Ratio of state appropriation (reimbursement to municipalities) to entitlement.
Source: Department of Education

The main component of the state government's support of education for all Alaskan children is the Foundation Formula. This formula distributes funds to the local school districts based on the instructional unit concept. Minimum state aid to city and borough districts is now defined as 65 percent of basic need (with local governments required to contribute 35 percent of basic need or a 4-mill equivalency, whichever is less). Rural Education Attendance Areas are funded at 100 percent of basic need. On a statewide basis, approximately 72 percent of the cost of education is funded by the State, 22 percent by local governments, and 6 percent by the federal government with PL 874 grants for federally impacted school districts. Table 6 shows the historical trend in funding of the Foundation Formula.

Pupil Transportation

The Alaska Municipal League requests funding of the Pupil Transportation Account for FY 90 at not less than the FY 89 level of \$25,121,700.

Alaska has provided funding for pupil transportation since 1924-25, when the Territory of Alaska set up the first school transportation fund. As Table 7 shows, the Pupil Transportation Account has been underfunded for many years, which has placed a burden on the local governments that must provide transportation but bear the burden imposed by underfunding. In FY 89, the Pupil Transportation Account was fully funded.

Table 7. Pupil Transportation Account Funding, FY 1985 - FY 1990

Fiscal Year	Entitlement	State Appropriation	%*
1985	na	\$24,648,300	na
1986	\$24,497,832	23,131,176	94.4
1987	23,713,035	21,343,816	89.9
1988	21,268,600	21,171,000	87.8
1989	25,121,700	25,121,700	100.0
1990	25,121,700 (est.)	25,121,700 (req.)	100.0

*Ratio of state appropriation (reimbursement to municipalities) to entitlement.
Source: Department of Education

Resolution of the Alaska Municipal League

Resolution No. 89-14

**A RESOLUTION REQUESTING FORWARD AND EARLY
FUNDING FOR EDUCATION**

WHEREAS, until 1988 the Alaska State Legislature acted on funding for education during the last few days of the Legislative Session, and

WHEREAS, in most municipalities, the largest segment of the overall budget is the education budget, and

WHEREAS, in 1988 the Alaska State Legislature acted on education funding during the early part of the 1988 legislative session, enabling municipalities to project funding sources and to complete their budget in a timely manner, and

WHEREAS, early funding allows municipalities to know the amount of funds available from the State at an early date, and

WHEREAS, forward funding would allow a municipality to know a year in advance the amount of funds which will be available for education;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League urges Governor Steve Cowper to include both forward funding and early funding in his budget and to support both programs.

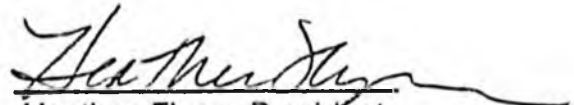
BE IT FURTHER RESOLVED by the Alaska Municipal League that the Alaska State Legislature is requested to enact legislation that will allow forward funding for education and to appropriate the necessary funds for forward funding.

BE IT FURTHER RESOLVED that in the event forward funding for education is not enacted by the Legislature, the Alaska Municipal League respectfully requests the Alaska State Legislature to pass early education funding during the first half of the legislative session.

BE IT FURTHER RESOLVED that the Governor is requested to approve legislation pertaining to educational funding enacted by the legislature, whether that funding is forward funding or early funding.

BE IT FURTHER RESOLVED that the Alaska Municipal League's strong and unwavering support for education is not meant to diminish the importance to many communities of adequate funding for the municipal assistance and revenue sharing programs.

Adopted this 18th day of November 1988 in Fairbanks, Alaska.


Heather Flynn, President

ATTEST:


Scott A. Burgess, Executive Director

Resolution of the Alaska Municipal League

Resolution No. 89-3

**A RESOLUTION REQUESTING ADEQUATE FUNDING
OF MUNICIPAL ENTITLEMENT PROGRAMS**

WHEREAS, declining oil revenues have resulted in a 10 percent decrease in spending in the State budget while State aid to municipalities has been reduced by over 30 percent, and

WHEREAS, by statute the State has established several entitlement programs that share state revenues with municipalities to assist them in the provision of basic services for Alaskans at the local level, and

WHEREAS, the State Senior Citizens/Disabled Veterans Tax Exemption Program and the companion Renters Equivalency Program have cost Alaskan municipalities over \$13,000,000 since 1986 because of underfunding by the Legislature, and

WHEREAS, inequities and inconsistencies in State funding of school construction have cost municipalities over \$29,000,000 in unreimbursed school debt since 1986, and

WHEREAS, the State Revenue Sharing Program, created by the Alaska State Legislature in 1969 to encourage local governments to provide adequate levels of public services and to inject a measure of stability into the municipal budgeting procedure, has been reduced by fully one third since 1986, and

WHEREAS, the Miscellaneous Municipal Services Account of the Revenue Sharing Program, which provides specific funds for local roads, ice roads, hospital and health facilities, fire departments and unincorporated communities, has not been fully funded for nine years, and

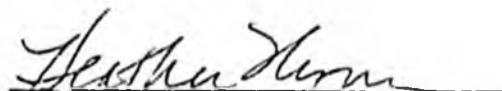
WHEREAS, the Municipal Assistance Program has also been reduced by over 30 percent since 1986, and

WHEREAS, basic education for Alaska's children is a constitutionally mandated function of the State, and the Education Foundation Formula is the single most important component in the state system for funding this need, and


WHEREAS, the Alaska Municipal League wishes to indicate its fiscal responsibility and recognizes that the price of oil may not allow increases in the entitlement programs;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League urges the Governor and the 16th Alaska State Legislature to provide funding for municipal entitlement programs in an amount not less than was appropriated in FY 89.

Adopted this 18th day of November 1988 in Fairbanks, Alaska.


Heather Flynn, President

ATTEST:


Scott A. Burgess, Executive Director



Official Business

COMMITTEE:
House HESS Committee

DATE: January 18, 1988

SIGN-IN

Subject of meeting:

* HB 16: Approp: Pass Thru Grants for Education

* HB 4: Deadlines for Funding Education

NAME	ADDRESS- Include ZIP	PHONE	(Include Title) REPRESENTING	If testifying, specify bill
Carl Rose	316 W 11th St Juneau 99801	5861083	executive dir. AAS Boards. State of AK	HB-4 Yes
Linda Anderson	130 Second Street, Rm 304 Juneau, AK 99801	586-6661	lobbyist Fronts N S Dist d. School district	HB 4
Rep. Swackhammer	The Alaska State Leg. Prich F 99811	465-2689	Sponsor B Self HB 4	HB 4
Steve McPheters	326 4th Street, Suite 408 Juneau, AK 99801	586,9702	lobbyist. AK State of School Administrators	HB 4
Jiri Nordlund	Cap. Bldg, Rm 106 Juneau 99811	465-3759	Committee Aid House HESS	HB 16
Steve Hole	Prich F Juneau, AK 99811	465-2800	Deputy Comm., DOE	as needed

* indicates first public hearing

STATE OF ALASKA
THE LEGISLATURE

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907-461-1800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. HESS 1-15-89

H. HESS 2-01-89