

HB

460

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 31, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: 3/2/90

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 460

HOUSE BILL NO. 460 INCREASE STATE EDUCATION AID UNIT VALUE

"An Act relating to the instructional unit value in the public school foundation formula; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CSHB 460 (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 DOE
 zero fiscal note _____
 zero with analysis _____

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

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not
Pass
No Rec
Amend

SIGNING DO PASS:	SIGNING:	Do Not Pass	No Rec	Amend
<u>[Signature]</u>				
<u>[Signature]</u>				
<u>[Signature]</u>				
<u>[Signature]</u>				

[Signature]
Chairman's Signature



Alaska State Legislature

Please enter into the record my testimony to the Hess
 committee name
 committee on HB 460, dated March 8, 1990
 bill/subject

I would like ~~to~~ to encourage you to pass
 HB 460 - we need to pay for education -
 The costs of education have increased and
 will increase in the future.

Inflation protecting our educational
 funding formula will enable our state to
 continue to provide quality education
 for our children..

Please keep education a priority
 issue - our children are counting
 on you - Thanks -

Signed: Gileen Cummings
 Testifier

PIA

Representing (Optional)

8166 LAKLOEY DR. NORTH POLE AK 99705
 Address

Address

498 9386

Phone No.



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

Don Oberg, President

Mary Lou Brent
Vice-President
Box 88074
Fairbanks, Alaska 99708

Judy Salo
NEA Director
4510 Kenaitze Court
Kenai, Alaska 99611

Paul Jarvi
Region I Director
PO Box 5870
Ketchikan, Alaska 99901

Dredie Sorenson
Region I Director
6903 Sunny Dr
Juneau, Alaska 99801

Beverly Goad
Region II Director
Box 344
Copper Center, Alaska 99571

DeWayne Craig
Region III Director
4015 So Forest Dr - 1A
Kenai, Alaska 99611

Myra Poage
Region IV Director
Box 974
Nome, Alaska 99762

Marilyn Rosene
Region IV Director
Box 1170
Dillingham, Alaska 99570

Mike Warme
Region IV Director
PO Box 72
Norton, Alaska 99763

Claudia Douglas
Region V Director
PO Box 748 C
Fairbanks, Alaska 99707

Gayle Harbo
Region V Director
Box 80322
Cordova, Alaska 99708

Loretta B. Christie
Region VI Director
2221 Yorkshire Lane
Anchorage, Alaska 99504

Don Hadley
Region VI Director
3250 Westman Ln
Anchorage, Alaska 99508

Richard Kronberg
Region VI Director
4511 Chinuk Bay Ln
Anchorage, Alaska 99517

Leona Mounds
Region VI Director
5416 Winding Way
Anchorage, Alaska 99514

Pamela Reynolds
Region VI Director
1510 Executive Dr - 115
Anchorage, Alaska 99512

Carolyn Tolson
Region VII Director
Box 67, 9941
Waxahatchee, Alaska 99807

Hank Mattison
Region R Director
1816 111125th Street
Anchorage, Alaska 99512

ANCHORAGE REGIONAL OFFICE

1411 W 3RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274 0536
FAX: (907) 274 0551

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
(907) 586-3090
FAX: (907) 586 2744

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435
FAX: (907) 456-2159

March 1, 1990

TO: Johnny Ellis, Chair, and members of the House Hess Committee

FROM: Don Oberg

RE: HB 460, "An Act relating to the instructional unit value in the public school foundation formula; and providing for an effective date."

NEA-Alaska supports the concept of providing for an inflation proofing process for the Education Foundation Instructional Unit.

We believe, however, the base figure of \$60,000 should be raised to \$66,000, a 10 percent increase over the current level, an increase which the State Coalition for Education endorses.

In August, 1986, with the drop in oil prices state financial support for public education was reduced by 10 percent. Subsequently, the current foundation formula was implemented using an instructional unit value of \$60,000. Neither this figure nor the total funding levels have since been increased to reflect inflation. It is arguable that the basic overall need has been under-funded as well. Additionally, in 1987 the State share of the TRS contribution of nearly \$30 million was passed along as an additional cost to local school districts.

It is past time to restore the level of the funding which has been lost for public education in Alaska.

We are encouraged that the Committee is dealing with this critical issue. We hope that you will restore the financial support which is urgently needed for our public schools.

Thank you for your consideration of our position.

Respectfully submitted,

Robert Manners
Executive Director

Don Oberg
President

cc: Association of Alaska School Boards
Alaska Council of School Administrators

LE03/HH460/dl



FISCAL NOTE

* Based on FY90 Funding
Level of \$475,522.2*

REQUEST:

Revision Date: _____
Title: Instructional Unit Value in the Public School Foundation Formula
Sponsor: Ellis, Boyer, Kubina, Koponen
Requestor: House HESS
Agency Affected: Education
BRU: K-12 Support
Components: Foundation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	67,537.9	87,578.3	108,224.6	129,487.5	151,388.3	173,948.3
MISCELLANEOUS						
TOTAL OPERATING	67,537.9	87,578.3	108,224.6	129,487.5	151,388.3	173,948.3

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	67,537.9	87,578.3	108,224.6	129,487.5	151,388.3	173,948.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Estimated	FY91	FY92	FY93	FY94	FY95	FY96
Unit Value:	\$62,849	\$64,734	\$66,676	\$68,676	\$70,736	\$72,858

The unit value is based on a 3% CPI adjustment compounded annually. See Attached Analysis

Prepared by: John Anttonen, Director Phone: 465-2800
Division: Educational Finance Support Services Date: 3/1/90

Approved by Commissioner: William G. Demmert Date: 3/1/90
Agency: Education

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

DEPARTMENT OF EDUCATION
 FISCAL NOTE ANALYSIS / FY91 GOV. PROPOSED FUNDING COMPARISON
 2/26/90

HESS CS for HB 460: Instructional Unit value in the public school foundation formula

GRANTS

This fiscal note reflects the estimated increase in the instructional unit value at 3% annually from FY92 onward. No factors for student enrollment growth, assessed value changes, or other foundation variables are included.

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
Unit Value	62,549	64,734	66,676	68,676	70,736	72,858
Projected Foundation	545,060.1	563,100.5	583,746.8	605,009.7	626,910.5	649,470.50
Foundation funding as funded in the FY90 Operating budget	475,522.2	475,522.2	475,522.2	475,522.2	475,522.2	475,522.2
<hr/>						
Increased Cost	67,537.9	87,578.3	108,224.6	129,487.5	151,388.3	173,948.3

NOTE: This fiscal analysis is based on a comparison to the Governor's proposed FY91 budget which includes \$512,771.1 for the Foundation Formula.

FISCAL NOTE * Based upon the Governor's proposed
FY91 funding level of \$512,771.1*

REQUEST:

Revision Date: _____
Title: Instructional Unit Value in the
Public School Foundation Formula
Sponsor: Ellis, Bover, Kubina, Koponen
Requestor: House HESS

Agency Affected: Education
BRU: K-12 Support

Components: Foundation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	30,289.0	50,329.4	70,975.7	92,238.6	114,139.4	136,699.4
MISCELLANEOUS						
TOTAL OPERATING	30,289.0	50,329.4	70,975.7	92,238.6	114,139.4	136,699.4
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	30,289.0	50,329.4	70,975.7	92,238.6	114,139.4	136,699.4
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Estimated	FY91	FY92	FY93	FY94	FY95	FY96
Unit Values:	\$62,849	\$64,734	\$66,676	\$68,676	\$70,736	\$72,858

The unit value is based on a 3% CPI adjustment compounded annually. See

Prepared by: John Anttonen, Director Phone: 465-2800 **Attached Analysis**
Division: Educational Finance Support Services Date: 3/1/90

Approved by Commissioner: William G. Demmert Date: 3/1/90
Agency: Education

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

DEPARTMENT OF EDUCATION
 FISCAL NOTE ANALYSIS / FY90 FUNDING COMPARISON
 2/26/90

HESS CS for HB 460: Instructional Unit value in the public school foundation formula

GRANTS

This fiscal note reflects the estimated increase in the instructional unit value at 3% annually from FY92 onward. No factors for student enrollment growth, assessed value changes, or other foundation variables are included.

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
Unit Value	62,849	64,734	66,676	68,676	70,736	72,858
Projected Foundation	543,060.1	563,100.5	583,746.8	605,009.7	626,910.5	649,470.50
Foundation funding as included within the Governor's proposed FY91 Budget	512,771.1	512,771.1	512,771.1	512,771.1	512,771.1	512,771.1
<hr/>						
Increased Cost	30,289.0	50,329.4	70,975.7	92,238.6	114,139.4	136,699.4

NOTE: This fiscal analysis is based on a comparison to the FY90 Conference Committee funding level of \$475,522.2 for the Foundation Formula.

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

MEMORANDUM

TO: Members of the House HESS Committee

FROM: Jim Nordlund, House HESS Committee Staff 

RE: Explanation of HB 460

DATE: March 2, 1990

The proposed CS for House Bill 460 (HESS) is designed to do two things: First, it increases the instructional unit value, (IUV) from \$60,000 to \$62,849, which is proportional to the cost of inflation from the end of 1986 through the end of 1989. Second, it establishes a mechanism, driven by the Anchorage Consumer Price Index (CPI), which will automatically adjust the instructional unit value to keep pace with inflation.

The \$62,849 amount was determined as follows. Section 9, chapter 91, SLA 1987, established the IUV at \$60,000. Since HB 126, the enacting legislation for this law, was introduced and passed in 1987, it is reasonable to assume that the \$60,000 amount took into account the cost of living through 1986. It is also reasonable to assume that the \$60,000 amount was intended to apply to at least the 1987-88 school year (fiscal year 1988). Thus, for the purposes of calculating inflation since that time, \$60,000 is the initial IUV amount, 1987-88 is the initial school year, and 1988 is the initial fiscal year.

The escalation mechanism used in the bill is the Consumer Price Index, for All Urban Consumers (CPI-U), for the Anchorage metropolitan area. The standard reference base period is 1982-84=100. The CPI-U annualized reference base supplied by the Bureau of Labor Statistics for the second half of 1986 is 107.4. Thus, the calculation of the inflationary impact on the IUV since the passage of HB 126 in 1987 is based on the following:

Year that CPI index applies	school year	fiscal year	index base	instructional unit value
1986	87-88	1988	107.4	\$60,000
1987	88-89	1989	108.1	60,391
1988	89-90	1990	108.9	60,838
1989	90-91	1991	112.5	62,849

CSHB 460 (HESS) assumes the index of 112.5 and the IUV of \$62,849 as bases for the calculation of future changes in the IUV as prescribed in the bill.

It is important to note that even though the instructional unit value would be increased annually under this bill, future legislatures retain the constitutional authority to set the overall funding level for the foundation program in the relevant fiscal year.

Original sponsor(s): REP. ELLIS, Boyer, Kubina, Koponen, Collins

1 IN THE HOUSE

BY THE HESS COMMITTEE

2 CS FOR HOUSE BILL NO. 460 (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 relating to the instructional unit value in
7 the public school foundation formula."

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

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

10 Sec. 14.17.056 INSTRUCTIONAL UNIT VALUE. The instructional
11 unit value is \$62,849 except as adjusted under (b) of this section
12 [\$60,000].

13 * Sec. 2. AS 14.17.056 is amended by adding new subsections to read:

14 (b) The commissioner shall annually adjust the instructional
15 unit value to reflect changes in the Consumer Price Index for All
16 Urban Consumers (CPI-U) for all items for the Anchorage Metropolitan
17 Area for the second half of the preceding calendar year compiled by
18 the Bureau of Labor Statistics, United States Department of Labor.
19 The Consumer Price Index for all Urban Consumers seasonal index for
20 the second half of 1989 is the reference base index.

21 (c) The revised instructional unit value shall be made available
22 to the board by February 28th of each year. The state board shall
23 adopt a regulation announcing on or before March 15 of each year the
24 revised instructional unit value for the next fiscal year.
25
26
27
28
29

1
2 DEPARTMENT OF EDUCATION
3 PUBLIC SCHOOL FOUNDATION PROGRAM
4 FY91 PROJECTION BASED ON 162,849
5 PREPARED 3/1/89

6	FY91	AREA	FY91	FY91	FY90 EST.	REQUIRED	ESTIMATED		DEDUCTIBLE	PROJECTED	ESTIMATED REV.	1989 FULL VALUE	
7	PROJECTED	COST	ADJUSTED	SCHOOL	BASIC NEED	LOCAL	ELIGIBLE	PL87A	PL87A	FY91	FOR PL87A	DETERMINATION	
8	UNITS	DIFF.	UNITS	DISTRICT	162,849	EFFORT	PL87A	PERCENTAGE		FOUNDATION	PERCENTAGE		
11	56.88	1.27	72.24	ADAK	14,540,212		11,440,810	10	12,023,139	100.00%	11,820,825	12,719,287	10
12	65.67	1.19	78.17	ALASKA GATEWAY	14,912,906		11,632,330	10	1629,795	100.00%	1565,916	14,346,990	10
13	48.46	1.31	63.48	ALEUTIAN EAST	13,989,655	1350,114	11,442,674	100.00%	1485,376	100.00%	1436,338	13,202,703	10
14	9.38	1.31	12.29	ALEUTIAN REGION	1772,414		1235,065	10	174,758	100.00%	167,264	1705,150	10
15	3,170.35	1.00	3,170.35	ANCHORAGE	1199,253,327	139,337,254	165,170,770	100.00%	1332,158	61.10%	1182,670	1159,753,603	164,384,322
16	39.93	1.03	41.13	ANNETTE ISLAND	12,564,979		1073,390	10	11,330,092	100.00%	11,197,683	11,387,896	10
17	202.61	1.39	281.63	BERING STRAIT	117,700,164		15,629,260	10	13,614,725	100.00%	13,253,253	114,446,911	10
18	31.50	1.27	40.01	BRISTOL BAY	12,514,588		1006,820	10	1471,752	100.00%	1213,649	11,885,605	1576,947
19	54.86	1.03	56.51	CHATHAM	13,551,597		11,063,230	10	1809,161	100.00%	1728,265	12,923,352	10
20	20.82	1.14	23.73	CHUGACH	11,491,407		1499,800	10	1110,649	100.00%	1099,584	11,391,823	10
21	76.31	1.14	86.99	COPPER RIVER	15,467,235		11,789,300	10	1330,805	100.00%	1297,725	15,169,510	10
22	40.50	1.11	44.96	CORDOVA	12,825,691		1945,420	10	1491,972	100.00%	134,378	12,307,327	1576,745
23	24.66	1.03	25.40	CRATGE	11,596,365		1507,150	10	1160,714	100.00%	116,516	11,420,787	1153,051
24	74.00	1.16	85.84	DELTA GREELY	15,394,958		11,873,830	10	11,086,427	100.00%	1977,784	14,417,174	10
25	48.02	1.27	60.99	DILLINGHAM	13,833,161		11,159,410	10	1474,404	100.00%	1378,554	13,042,589	1511,205
26	1,097.57	1.04	1,141.47	FAIRBANKS	171,740,248	113,593,328	123,045,610	100.00%	169,580	60.37%	137,805	158,109,115	122,515,000
27	19.10	1.30	24.83	GALENA	11,560,541		1510,300	10	178,340	100.00%	1511,939	11,302,833	1201,250
28	39.88	1.05	41.87	HAINES	12,631,488		1354,750	10	1415,553	100.00%	124,082	12,705,642	1375,000
29	26.10	1.08	28.19	HOONAH	11,771,713		1571,410	10	146,344	100.00%	1176,426	11,536,840	1121,586,000
30	15.67	1.03	16.14	HYDABURG	11,014,383		1344,400	10	136,096	100.00%	155,694	10,858,688	11,024,100
31	67.50	1.33	89.78	ITITARD	15,642,583		11,784,790	10	1743,036	100.00%	1668,732	14,973,851	10
32	405.79	1.00	405.79	JUNEAU	125,563,496	14,989,803	18,189,160	100.00%	127,905	48.68%	112,261	120,501,432	110,250,000
33	20.18	1.03	20.79	KAKE	11,306,631		1483,420	10	167,375	100.00%	1304,348	11,064,417	1105,549
34	22.89	1.33	30.44	KASHUNAMIUT	11,913,124		1623,700	10	1236,808	100.00%	1213,127	11,699,997	10
35	805.39	1.00	805.39	KENAI	150,617,956	113,134,256	116,254,210	100.00%	1191,608	54.87%	194,622	137,389,078	123,935,619
36	212.75	1.00	212.75	KETCHIKAN	113,371,125	13,277,086	14,286,100	100.00%	111,948	55.83%	16,004	110,088,035	15,869,490
37	24.31	1.03	25.04	KLAWOCH	11,573,739		1493,500	10	136,776	100.00%	1390,255	11,411,012	1102,560
38	214.13	1.09	233.40	KODIAK	114,668,957	11,755,748	14,861,290	100.00%	1105,516	57.36%	154,472	112,858,737	13,061,000
39	67.10	1.33	89.24	KUSLUK	15,608,645		11,824,690	10	1770,729	100.00%	1693,656	14,914,989	10
40	76.03	1.31	99.60	LAKE & PENINSULA	16,259,760	1411,577	11,922,760	100.00%	1773,040	100.00%	1695,736	15,152,647	10
41	388.41	1.42	551.54	LONA KUSKOKWIM	134,663,737	14,993,732	111,259,360	100.00%	14,993,732	100.00%	14,494,359	130,169,378	10
42	168.99	1.35	228.14	LOMER YUKON	114,338,371		14,746,000	10	14,110,389	100.00%	13,699,350	110,639,021	10
43	749.95	1.00	749.95	NAT-SU	147,133,608	17,254,226	114,355,600	100.00%	123,180	44.21%	19,223	139,870,159	116,409,206
44	21.06	1.20	25.27	NENANA	11,588,194		1588,000	10	164,747	100.00%	111,239	11,514,544	173,562
45	66.26	1.34	88.79	NOME	15,580,363		11,893,780	10	1531,960	100.00%	176,322	14,981,927	1415,832
46	144.96	1.45	210.19	NORTH SLOPE	113,210,231	14,174,380	14,174,380	100.00%	12,179,383	22.21%	1435,637	18,600,214	118,792,000
47	192.69	1.45	279.40	NORTHWEST ARCTIC	117,560,011	15,783,400	15,783,400	100.00%	1570,855	90.30%	12,463,762	114,525,394	1462,713,800
48	9.31	1.03	9.95	PELLICAN	1625,343		1195,720	10	141,763	100.00%	10	1583,585	141,221
49	61.06	1.00	61.06	PETERSBURG	13,837,560		11,215,480	10	1649,768	100.00%	117,256	13,174,279	1746,736
50	24.29	1.30	31.58	PRIBILOF	11,984,771		1667,800	10	1427,222	100.00%	1381,500	11,600,271	10
51	41.16	1.23	50.63	RAILBELT	13,182,043		11,070,580	10	165,583	100.00%	177,295	13,104,750	10
52	136.53	1.00	136.53	SITKA	18,580,774	11,787,398	12,785,650	100.00%	1102,086	55.12%	150,643	16,742,733	13,243,024
53	17.47	1.05	18.34	SKAGWAY	11,152,651		1379,890	10	1572	62.13%	1520	10,954,687	1350,319
54	94.40	1.04	98.18	SOUTHEAST ISLAND	14,170,515		11,892,520	10	1691,989	100.00%	1622,790	15,547,729	10
55	77.70	1.31	101.79	SOUTHWEST REGION	14,397,400		12,275,980	10	11,423,189	100.00%	11,280,870	15,116,530	10
56	17.81	1.30	23.15	ST. MARY'S	11,454,954		1475,020	10	116,739	100.00%	192,295	11,428,629	1145,000
57	14.75	1.30	19.18	TANANA	11,205,444		1391,230	10	146,048	100.00%	1119,414	11,115,214	1112,000
58	24.13	1.27	30.65	UNALASKA	11,926,322		1572,670	10	1464,501	100.00%	1119,542	11,353,963	1425,275
59	61.92	1.11	68.73	VALDEZ	14,319,612	11,560,800	11,340,800	100.00%	131,696	37.49%	110,695	12,948,117	13,629,368
60	50.76	1.00	50.76	WRANGELL	13,190,215		1393,510	10	1440,792	100.00%	13,678	12,747,422	1229,284
61	18.79	1.08	20.29	YAKUTAT	11,275,206		1427,770	10	179,168	100.00%	1191,514	11,106,634	1152,670
62	62.08	1.44	90.64	YUKON FLATS	15,696,633		11,821,540	10	1318,886	100.00%	1236,997	15,409,636	10
63	82.29	1.34	110.27	YUKON-KOYUKUK	16,930,359		12,240,290	10	11,205,978	100.00%	11,045,380	15,844,979	10
64	52.69	1.41	74.01	MUPIIT	14,651,454		11,484,070	10	1907,755	100.00%	1816,990	13,854,876	10

67	-----												
68	-----												
69	9,657.52		10,537.46	TOTALS	1662,268,826	1214,150,229	196,889,281	136,027,322		129,331,780	1536,167,265	1179,561,230	136,163,444,293
70	-----												
71	-----												
72									STATE CORR. STUDY -----	111	14,340,310		
73									MT. EDGECLUMBE -----	111	11,423,387		
74									VALDEZ CONTRACT -----	111	1600,000		
75									SUBSIDY -----	111	1380,800		
76									-----				
77									TOTAL STATE AID -----	111	1862,792,318		

UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS
 CONSUMER PRICE INDEX, ALL ITEMS, 1982=100

ANCHORAGE

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL AVERAGE
1970	40.4			40.5			41.1			41.8			41.1
1971	41.8			41.8			42.3			42.8			42.3
1972	42.8			43.4			43.4			43.8			43.4
1973	43.6			44.7			45.1			46.4			45.3
1974	47.1			48.7			50.3			52.5			50.2
1975	53.5			56.2			57.6			59.0			57.1
1976	59.5			60.6			61.8			62.8			61.5
1977	53.5			64.7			66.5			68.4			65.6
1978	67.1		67.7		69.0		70.6		72.4		72.9		70.2
1979	74.2		75.3		76.2		77.7		79.9		80.1		77.6
1980	81.7		83.7		84.9		85.6		86.5		88.6		85.5
1981	90.0		90.3		91.6		92.2		93.9		95.0		92.4
1982	94.8		97.4		98.8		98.8		98.7		96.4		97.4
1983	96.5		97.8		98.3		99.6		100.4		101.3		99.2
1984	101.7		102.8		103.1		103.7		104.1		104.0		103.3
1985	104.3		104.9		104.5		106.1		106.6		107.5		105.8
1986	107.6		109.1		108.2		107.3		107.2		107.8		107.8

Table of over-the-year % increases. An entry for Jan. 1982 indicates the percentage increase from Jan. 1981 to Jan. 1982.

1971	3.5		3.2				2.9			2.4			2.9
1972	2.4		3.8				2.6			2.3			2.6
1973	1.9		3.0				3.9			5.9			4.4
1974	8.0		8.9				11.5			13.1			10.8
1975	13.6		15.4				14.5			12.4			13.7
1976	11.2		7.8				7.3			6.4			7.7
1977	6.7		6.8				7.6			5.7			6.7
1978	5.7						6.2						7.0
1979	10.6		11.2		10.4		10.1		10.4		9.9		10.5
1980	10.1		11.2		11.4		10.2		8.3		10.6		10.2
1981	10.2		7.9		7.9		7.7		8.6		7.2		8.1
1982	5.3		7.9		7.9		7.2		5.1		1.5		5.4
1983	1.8		0.4		-0.5		0.8		1.7		5.1		1.8
1984	5.4		5.1		4.9		3.6		3.7		2.7		4.1
1985	2.6		2.0		1.4		2.8		2.4		3.4		2.4
1986	3.2		4.0		3.5		1.1		0.6		0.3		1.9

YEAR	SEMI-ANNUAL AVERAGE			OVER-THE-YEAR PERCENT CHANGE			
	1st Half	2nd Half	ANNUAL AVERAGE	YEAR	1st Half	2nd Half	ANNUAL AVERAGE
1984	102.7	103.9	103.3	1984			
1985	104.7	106.9	105.8	1985	1.9	2.9	2.4
1986	108.3	107.4	107.8	1986	3.4	0.5	1.9
1987	108.3	108.1	108.2	1987	0.0	0.7	0.4
1988	108.4	108.9	108.6	1988	0.1	0.7	0.4
1989	110.9	112.5		1989	2.3		

(See reverse side for CPI for Urban Wage Earners and Clerical Workers)

ASSOCIATION OF ALASKA SCHOOL BOARDS

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

TO: Rep. Johnny Ellis, Chairman
House HESS Committee

FROM: Carl Rose, Executive Director
Association of Alaska School Boards

DATE: February 28, 1990

RE: HB 460 "An Act relating to the instructional unit value in the public school foundation formula; and providing for an effective date."

The Association of Alaska School Boards supports HB 460 and would encourage its passage as a means of inflation-proofing the public school foundation program.

As members of the Committee are aware, a recent AASB survey of seven of the state's larger school districts regarding increased costs over the last four years clearly indicated justification for a 10% increase to the foundation instructional unit value. Even a 10% increase to the unit will not totally offset the increased costs incurred by districts over the four years that the \$60,000 unit cap was in place.

We are appreciative of the efforts to increase the instructional unit on an annual basis, in line with the Anchorage CPI.

Please feel free to contact AASB if we can assist you or the Committee.

DRAFT-NOT FOR DISTRIBUTION

Association of Alaska School Boards SCHOOL FUNDING SURVEY RESULTS 1/90

SUMMARY

*7 DISTRICTS SURVEYED FOR COST INCREASES FROM 1986 TO 1990
(Anchorage, Juneau, Ketchikan, Lower Kuskokwim, Mat-Su, North Slope Northwest Arctic;
awaiting results for 3 districts-Fairbanks, Kenai, Southwest Region)*

AVERAGE INCREASE IN COSTS FOR FUEL	3.99%	
AVERAGE INCREASE IN COSTS FOR AIRFARE	26.4%	
AVERAGE INCREASE IN COSTS FOR FREIGHT	28.87%	
AVERAGE INCREASE IN COSTS FOR MAINTENANCE	13.84%	
AVERAGE INCREASE IN COSTS FOR HEALTH CVG.	112.36%	
AVERAGE INCREASE IN COSTS FOR TEACHER SALARIES & BENEFITS (In 2 of 7 districts the number of teachers decreased from '86 to '90)		14.71%
AVERAGE INCREASE IN COSTS FOR ADMINISTRATOR SAL & BENEFITS (In 4 of 7 districts the number of administrators decreased from '86 to '90)		6.97%
AVERAGE INCREASE IN COSTS FOR CLASSIFIED PERSONNEL SAL & BENEFITS (In 3 of 7 districts the number of classified personnel decreased from '86 to '90)		18.23%
INCREASE IN ENROLLMENT FROM 86-90	0.79%	
INCREASE IN NUMBER OF TEACHERS		3.4%
INCREASE IN NUMBER OF ADMINISTRATORS		-0.35%
INCREASE IN NUMBER OF CLASSIFIED PERSONNEL		4.23%

COMMON RESPONSES TO THE QUESTION:

"PLEASE IDENTIFY PROGRAMS YOU ANTICIPATE BEING ABLE TO REINSTATE/ADD SHOULD YOU RECEIVE AN INCREASE IN YOUR CURRENT FUNDING."

- REDUCE CLASS SIZES/HIRE MORE CERTIFICATED STAFF
- IMPLEMENT/STRENGTHEN EARLY CHILDHOOD EDUCATION & AT-RISK PROGRAMS
- SCHOOL MAINTENANCE
- INSTRUCTIONAL MATERIALS
- STAFF DEVELOPMENT
- NATIVE LANGUAGE PROGRAMS

OTHER FACTORS NOT SURVEYED

INCREASED COST OF IMPLEMENTING R.I.P. PROGRAMS
INCREASED COST OF ASSUMING STATE'S SHARE OF T.R.S.
REDUCTION IN FEDERAL PL-874 FUNDS
COST OF COMPLYING WITH OTHER FEDERAL AND STATE REGULATIONS/MANDATES

SCHOOL FUNDING SURVEY • DRAFT

YEAR	DISTRICT	TCHR SAL INC	ADMIN SAL INC	CLASS SAL INC	ENROLL INC	TCHR FTE INC	ADMIN FTE INC	CLASS FTE INC
FY87	ANCHORAGE	11.37%	4.46%	10.03%	-4.19%	2.15%	-4.19%	6.26%
FY87	JUNEAU	20.60%	20.27%	18.62%	0.54%	19.31%	4.81%	25.86%
FY86	KETCHIKAN	19.84%	16.99%	9.83%	1.17%	3.64%	13.33%	20.95%
FY86	LOWER KUSKOKWIM	8.24%	-0.13%	21.83%	2.40%	1.81%	-15.10%	6.05%
1986	MAT-SU	17.09%	-2.77%	17.39%	-4.42%	-1.67%	11.94%	-10.62%
FY87	NORTH SLOPE	-5.47%	2.91%	34.56%	1.76%	-3.66%	-8.33%	-4.00%
FY87	NORTHWEST ARCTIC	25.81%	4.28%	15.37%	4.16%	0.76%	-3.57%	-14.89%

YEAR	DISTRICT	TCHR SAL 86	TCHR SAL 90	TCHR SAL INC	ADMIN SAL 86	ADMIN SAL 90	ADMIN SAL INC	CLASS SAL 86	CLASS FTE 86	CLASS SAL
FY87	ANCHORAGE	\$115,028,556.00	\$128,107,444.00	11.37%	\$10,124,514.00	\$10,576,964.00	4.46%	\$45,126,188.00	1565.00	10.03%
FY87	JUNEAU	\$15,313,237.00	\$18,468,448.00	20.60%	\$1,426,086.00	\$1,715,180.00	20.27%	\$4,089,555.00	118.00	18.62%
FY86	KETCHIKAN	\$7,826,851.00	\$9,380,052.00	19.84%	\$1,053,843.00	\$1,232,998.00	16.99%	\$2,276,936.00	72.25	9.83%
FY86	LOWER KUSKOKWIM	\$11,363,362.00	\$12,300,563.00	8.24%	\$2,893,620.00	\$2,889,731.00	-0.13%	\$8,604,548.00	214.02	21.83%
1986	MAT-SU	\$20,870,301.00	\$24,438,282.00	17.09%	\$2,498,460.00	\$2,429,084.00	-2.77%	\$7,348,751.00	311.80	17.39%
FY87	NORTH SLOPE	\$9,230,000.00	\$8,725,000.00	-5.47%	\$2,021,000.00	\$2,060,000.00	2.91%	\$8,100,000.00	250.00	34.56%
FY87	NORTHWEST ARCTIC	\$5,713,093.00	\$7,187,753.00	25.81%	\$1,778,890.00	\$1,852,827.00	4.28%	\$3,210,827.00	141.00	15.37%

DISTRICT	ENROLL 86	ENROLL 90	ENROLL INC	TCHR FTE 86	TCHR FTE 90	TCHR FTE INC	ADMIN FTE 86	ADMIN FTE 90	ADMIN FTE INC	CLASS FTE 86	CLASS FTE 90	CLASS FTE INC
ANCHORAGE	41259	40007	-4.19%	2269.00	2318.00	2.15%	143.00	137.00	-4.19%	1565.00	1663.00	6.26%
JUNEAU	4546	4571	0.54%	264.00	315.00	19.31%	20.75	21.75	4.81%	118.00	148.00	25.86%
KETCHIKAN	2560	2590	1.17%	162.25	168.17	3.64%	15.00	17.00	13.33%	72.25	87.40	20.95%
LOWER KUSKOKWIM	2577	2639	2.40%	229.33	233.50	1.81%	38.99	33.10	-15.10%	214.02	228.97	6.05%
MAT-SU	9143	8738	-4.42%	539.77	530.75	-1.67%	46.45	52.00	11.94%	311.80	278.67	-10.62%
NORTH SLOPE	1124	1245	1.76%	150.00	144.50	-3.66%	24.00	22.00	-8.33%	250.00	240.00	-4.00%
NORTHWEST ARCTIC	1560	1625	4.18%	130.50	131.50	0.76%	28.00	27.00	-3.57%	141.00	120.00	-14.89%

SCHOOL FUNDING SURVEY - DRAFT

YEAR	DISTRICT	FUEL INC	AIRFARE INC	FREIGHT INC	HEALTH INC	MAINT INC
FY87	ANCHORAGE	27.80%	4.63%	50.00%	49.91%	50.89%
FY87	JUNEAU	-11.25%	44.09%	8.82%	38.96%	-18.04%
FY86	KETCHIKAN	13.50%	7.45%		130.89%	17.06%
FY86	LOWER KUSKOKWIM	12.63%	20.52%	10.97%	315.50%	3.35%
1985	MAT-SU	7.31%	9.09%	19.67%	131.21%	-2.84%
FY87	NORTH SLOPE	-22.05%	54.62%	75.82%	88.46%	10.38%
FY87	NORTHWEST ARCTIC	-2.84%	44.37%	7.93%	31.61%	10.67%

YEAR	DISTRICT	FUEL 86	FUEL 90	FUEL INC	AIRFARE 86	AIRFARE 90	AIRFARE INC	FREIGHT 86	FREIGHT 90	FREIGHT INC
FY87	ANCHORAGE	\$0.61	\$0.78	27.80%	\$367.00	\$384.00	4.63%	\$0.50	\$0.75	50.00%
FY87	JUNEAU	\$0.80	\$0.71	-11.25%	\$254.00	\$366.00	44.09%	\$0.34	\$0.37	8.82%
FY86	KETCHIKAN	\$0.59	\$0.67	13.50%	\$456.00	\$490.00	7.45%			
FY86	LOWER KUSKOKWIM	\$0.95	\$1.07	12.63%	\$302.00	\$364.00	20.52%	\$0.82	\$0.91	10.97%
1985	MAT-SU	\$0.82	\$0.88	7.31%	\$352.00	\$384.00	9.09%	\$0.61	\$0.73	19.67%
FY87	NORTH SLOPE	\$1.36	\$1.06	-22.05%	\$238.00	\$368.00	54.62%	\$0.91	\$1.60	75.82%
FY87	NORTHWEST ARCTIC	\$1.36	\$1.32	-2.94%	\$320.00	\$462.00	44.37%	\$0.63	\$0.68	7.93%

YEAR	DISTRICT	HEALTH 86	HEALTH 90	HEALTH INC	MAINT 86	MAINT 90	MAINT INC
FY87	ANCHORAGE	\$2370.00	\$3553.00	49.91%	\$3,459,896.00	\$5,220,674.00	50.89%
FY87	JUNEAU	\$2392.00	\$3324.00	38.96%	\$1,380,051.00	\$1,131,000.00	-18.04%
FY86	KETCHIKAN	\$861.00	\$1988.00	130.89%	\$2,046,644.00	\$2,395,874.00	17.06%
FY86	LOWER KUSKOKWIM	\$1161.00	\$4824.00	315.50%	\$6,869,057.00	\$7,099,321.00	3.35%
1985	MAT-SU	\$2675.00	\$6185.00	131.21%	\$8,174,815.00	\$7,942,361.00	-2.84%
FY87	NORTH SLOPE	\$1300.00	\$2450.00	88.46%	\$6,834,000.00	\$7,544,000.00	10.38%
FY87	NORTHWEST ARCTIC	\$424825.00	\$559144.00	31.61%	\$4,249,006.00	\$4,702,571.00	10.67%

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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. WESS 3-2-90