

HB 25

HOUSE COMMITTEE REPORT

7/10/92
Today's
Calendar

(11)

Date Referred: February 19, 1991

FURTHER REFERRALS:

Date of Committee Action: 4/09/92

The FINANCE Committee considered:

HB 25

HOUSE BILL NO. 25

INCREASE UNIT VALUE OF STATE SCHOOL AID

"An Act relating to the instructional unit value in the public school foundation formula."

RECOMMENDATIONS:

be replaced with CS HB 25 (Fin) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
<u>Eileen Muehler</u> MACELEAN				
<u>Mike Swane</u> NAVARRE	<u>General Bannes</u> BANNES	X		
<u>Mark Boyer</u> BOYER	<u>ROO E (ROO) PHILLIPS</u> PHILLIPS		✓	
<u>Jan Braun</u> BROWN				
<u>Al Koponen</u> KOPONEN				
<u>Greg Jalko</u> JALCO				
<u>Ronald Larson</u> LARSON				
<u>Ann Ulmer</u> ULMER				

Mike Swane NAVARRE E P Muehler MACELEAN
Co - Chairman's Signature

CS FOR HOUSE BILL NO. 25 (FINANCE)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$732,455,234
	Other Funds	<u>49,833,000</u>
		\$782,288,234

Sponsor(s): REPRESENTATIVES CARNEY, Ellis, B.Davis
 A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations to the Department of Education for support of
 2 kindergarten, primary, and secondary education and community schools programs and for
 3 school construction debt retirement; and providing for an effective date."

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

5 * Section 1. (a) The sum of \$654,685,034 is appropriated from the general fund and from other
 6 funds in the amounts listed to the Department of Education for the purposes expressed and allocated in
 7 the amounts listed for operating expenditures for the fiscal year ending June 30, 1993:

8	FUND SOURCE	AMOUNT
9	General fund	\$597,362,334
10	General fund/mental health trust income account	
11	(AS 37.14.011)	7,489,700
12	Public school trust fund (AS 37.14.110)	8,309,000
13	School fund (AS 43.50.140)	2,700,000
14	P.L. 81-874	20,624,000

1	Federal receipts other than	
2	P.L. 81-874	18,200,000
3	PURPOSE	ALLOCATION AMOUNT
4	Foundation program	\$584,595,834
5	Student lunch program	18,100,000
6	Cigarette tax distribution	2,700,000
7	Tuition students	13,878,500
8	Boarding home grants	230,000
9	Youth in detention	800,000
10	Schools for the handicapped	3,077,500
11	Pupil transportation	28,572,000
12	Community schools	600,000
13	Additional district support	2,131,200

14 (b) The amount allocated under (a) of this section for additional district support is further
15 allocated to the following school districts in the amounts listed:

16	SCHOOL DISTRICT	ALLOCATION AMOUNT
17	Cordova City School District	\$ 187,800
18	Craig City School District	165,600
19	Dillingham City School District	234,000
20	Galena City School District	150,000
21	Hoonah City School District	165,600
22	Hydaburg City School District	96,600
23	Kake City School District	129,600
24	Klawock City School District	143,400
25	Nenana City School District	155,400
26	Pelican City School District	58,200
27	St. Mary's City School District	127,800
28	Skagway City School District	111,000
29	Tanana City School District	122,400
30	Unalaska City School District	157,800
31	Yakutat City School District	126,000

1 * Sec. 2. (a) The sum of \$127,603,200 is appropriated from the general fund to the Alaska debt
2 retirement fund (AS 37.15.011).

3 (b) The sum of \$127,603,200 is appropriated from the Alaska debt retirement fund
4 (AS 37.15.011) to the Department of Education for state aid for costs of school construction under
5 AS 14.11.100.

6 * Sec. 3. This Act takes effect July 1, 1992.

7-LS0282G /
Ford
4/26/91

CS FOR HOUSE BILL NO. 25 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES CARNEY, Ellis, B.Davis

A BILL
FOR AN ACT ENTITLED

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

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

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

5 Sec. 14.17.056. INSTRUCTIONAL UNIT VALUE. The instructional unit value is
6 \$63,000 [\$60,000].

7 * Sec. 2. This Act takes effect July 1, 1991.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CS HB 25(FIN)

Revision Date: _____ Department Affected: Department of Education
 Title: Increase Unit Value of BRU: Public School Foundation Program
State School approps. Component: _____

Sponsor: Representative Carney
 Requestor: HOUSE FINANCE COMMITTEE COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	33,258.0	33,258.0	33,258.0	33,258.0	33,258.0	33,258.0
MISCELLANEOUS						
TOTAL OPERATING	33,258.0	33,258.0	33,258.0	33,258.0	33,258.0	33,258.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	33,258.0	33,258.0	33,258.0	33,258.0	33,258.0	33,258.0
FEDERAL FUNDS						
OTHER						
TOTAL	33,258.0	33,258.0	33,258.0	33,258.0	33,258.0	33,258.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) Variables such as student population growth and changing local tax base values will cause the future year impacts to change.

Prepared By: Representative Mike Navarre, Co-Chair Phone: 465-3706
Representative Eileen MacLean, Co-Chair 465-3722
 Division: HOUSE FINANCE COMMITTEE Date: May 1, 1991

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CS HB 25 (HES)

Revision Date: 4/30/91 Department Affected: Education
 Title: Instructional Unit Value in the BRU: K-12 Support
Public School Foundation Formula Component: Foundation
 Sponsor: House HES
 Requestor: House Finance COMPONENT SERIAL NO.

0	1	4	1
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS	74,632.6	98,038.1	122,182.7	147,099.9	172,812.4	199,353.5
MISCELLANEOUS						
TOTAL OPERATING	74,632.6	98,038.1	122,182.7	147,099.9	172,812.4	199,353.5

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	74,632.6	98,038.1	122,182.7	147,099.9	172,812.4	199,353.5
FEDERAL FUNDS						
OTHER						
TOTAL	74,632.6	98,038.1	122,182.7	147,099.9	172,812.4	199,353.5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

This analysis assumes a unit value increase of 3.2% annually in FY93 and subsequent years; it compares the projected cost with the FY91 final authorization of \$526,467.1. No accommodation is made for anticipated enrollment increases.

Prepared By: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office Date: 4/30/91
 Approved by Commissioner: Steve Mote, Acting Commissioner
 Agency: Education Date: 4/30/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS HB 25 (HESS): The Instructional Unit Value in the public school foundation formula

Fiscal Note Analysis
 Revised April 30, 1991
 Page 2 of 3

	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
FY92 Full Funding under current law:	541,746.2					
CSHB 25 additional cost	59,353.5					
	<u> </u>					
CSHB 25 Foundation Full (est)	601,099.7	624,505.2	648,649.8	673,567.0	699,279.5	725,820.6
vs.						
FY91 Final Authorization	526,467.1	526,467.1	526,467.1	526,467.1	526,467.1	526,467.1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Difference	74,632.6	98,038.1	122,182.7	147,099.9	172,812.4	199,353.5

Assumptions:

This analysis assumes a unit value increase of 3.2% annually in FY93 and subsequent years. This percentage increase is an estimate only.

No accommodation for anticipated enrollment increases is included in this analysis.

This analysis compares the cost of implementing CSHB 25 (HES) to the FY91 final authorization of \$526,467.1 (this includes the recently adopted supplemental appropriation).

ALASKA DEPARTMENT OF EDUCATION
 PROJECTED FY92 FOUNDATION PROGRAM ENTITLEMENT
 PREPARED 2/13/91

BASED ON HB25
 UNIT VALUE OF \$65,300

PROJECTED FY92 FOUNDATION ENTITLEMENT

ADAK	\$2,566,390
ALASKA GATEWAY	\$4,775,806
ALEUTIAN REGION	\$748,149
ALEUTIANS EAST	\$3,256,510
ANCHORAGE	\$179,931,018
ANNETTE ISLANDS	\$1,530,076
BERING STRAIT	\$14,202,145
BRISTOL BAY	\$1,879,282
CHATHAM	\$2,865,489
CHUGACH	\$1,563,180
COPPER RIVER	\$5,557,181
CORDOVA	\$2,513,659
CRAIG	\$2,346,525
DELTA/GREELY	\$4,705,849
DILLINGHAM	\$3,242,557
FAIRBANKS	\$66,876,299
GALENA	\$1,334,749
HAINES	\$2,498,508
HOONAH	\$1,547,176
HYDABURG	\$1,071,952
IDITAROD	\$4,841,921
JUNEAU	\$22,934,026
KAKE	\$1,149,582
KASHUNAMIUT	\$1,553,783
KENAI	\$44,046,489
KETCHIKAN	\$11,593,538
KLAWOCK	\$1,418,009
KODIAK	\$13,280,940
KUSPUK	\$5,142,945
LAKE AND PENINSULA	\$6,031,163
LOWER KUSKOKWIM	\$30,708,228
LOWER YUKON	\$11,131,940
MAT-SU	\$47,413,178
NENANA	\$1,642,561
NOME	\$5,398,804
NORTH SLOPE	\$9,219,695
NORTHWEST ARCTIC	\$12,918,876
PELICAN	\$615,719
PETERSBURG	\$3,381,771
PRIBILOF	\$1,581,526
RAILBELT	\$3,283,477
SITKA	\$7,037,194
SKAGWAY	\$916,403
SOUTHEAST	\$5,616,814
SOUTHWEST	\$5,591,248
ST. MARY'S	\$1,425,146
TANANA	\$1,281,636
UNALASKA	\$1,870,873
VALDEZ	\$3,067,202
WRANGELL	\$2,872,809
YAKUTAT	\$1,269,572
YUKON FLATS	\$5,259,418
YUKON/KOYUKUK	\$6,011,439
YUPIIT	\$3,897,804
STATE CORR. STUDY	\$5,836,188
MT. EDGE CUMBE SCHOOL	\$1,652,573
VALDEZ CONTRACT	\$600,000
4 MILL PHASE-IN (SUBSIDY)	\$15,545
PL81-874 PASS THRU	\$1,277,192
ESTIMATED PRIOR YEAR ADJUSTMENTS	\$1,500,000

ESTIMATED ENTITLEMENT AS OF 2/13/91

\$601,099,727

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CS HB25 (HESS)

Revision Date: _____ Department Affected: Education
 Title: The Instructional Unit value in BRU: K-12 Support
the public school foundation Component: Foundation
 Sponsor: Carney
 Requestor: House HESS COMPONENT SERIAL NO.

	1	4	1
--	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	95,674.6	160,022.8	230,037.6	306,211.8	389,094.0	479,266.6
MISCELLANEOUS						
TOTAL OPERATING	95,674.6	160,022.8	230,037.6	306,211.8	389,094.0	479,266.6

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	95,674.6	160,022.8	230,037.6	306,211.8	389,094.0	479,266.6
FEDERAL FUNDS						
OTHER						
TOTAL	95,674.6	160,022.8	230,037.6	306,211.8	389,094.0	479,266.6

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

UNIT VALUE 65,300 71,046 77,298 84,100 91,501 99,553
 Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) This fiscal analysis assumes a unit value increase of 8.8% annually; it compares the projected cost of CSHB25 (HESS) with the FY91 authorization of \$505,425.1. No accommodation is made for anticipated enrollment increases.

Prepared By: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office *Steve Hole* Date: 3/6/91
 Approved by Commissioner: Steve Hole, Acting Commissioner
 Agency: Education Date: 3/6/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS HB 25 (HESS): The Instructional Unit Value in the public school foundation formula

Fiscal Note Analysis

March 6, 1991

Page 2 of 3

	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
FY92 Full Funding under current law:	541,746.2					
CSHB 25 additional cost	59,353.5					

CSHB 25 Foundation Full (est)	601,099.7	665,447.9	735,462.7	811,636.9	894,519.1	984,691.7
vs.						
FY91 Authorized	505,425.1	505,425.1	505,425.1	505,425.1	505,425.1	505,425.1
	-----	-----	-----	-----	-----	-----
Difference	95,674.6	160,022.8	230,037.6	306,211.8	389,094.0	479,266.6

Assumptions:

This analysis assumes a unit value increase of 8.8% annually. This percentage increase was used since it is the FY92 increase included in HB 25 and the Department of Labor could not provide any better estimate of future year CPI indices.

No accommodation for anticipated enrollment increases is included in this analysis.

This analysis compares the cost of implementing CSHB 25 (HESS) to the FY91 authorization of \$505,425.1.

ALASKA DEPARTMENT OF EDUCATION
 PROJECTED FY92 FOUNDATION PROGRAM ENTITLEMENT
 PREPARED 2/13/91

BASED ON HB25
 UNIT VALUE OF \$65,300

PROJECTED FY92
 FOUNDATION
 ENTITLEMENT

ADAK	\$2,566,390
ALASKA GATEWAY	\$4,775,806
ALEUTIAN REGION	\$748,149
ALEUTIANS EAST	\$3,256,510
ANCHORAGE	\$179,931,018
ANNETTE ISLANDS	\$1,530,076
BERING STRAIT	\$14,202,145
BRISTOL BAY	\$1,879,282
CHATHAM	\$2,865,489
CHUGACH	\$1,563,180
COPPER RIVER	\$5,557,181
CORDOVA	\$2,513,659
CRAIG	\$2,346,525
DELTA/GREELY	\$4,705,849
DILLINGHAM	\$3,242,557
FAIRBANKS	\$66,676,299
GALENA	\$1,334,749
HAINES	\$2,498,508
HOONAH	\$1,547,176
HYDABURG	\$1,071,952
IDITAROD	\$4,841,921
JUNEAU	\$22,934,026
KAKE	\$1,149,582
KASHUNAMIUT	\$1,553,783
KENAI	\$44,046,489
KETCHIKAN	\$11,593,538
KLAWOCK	\$1,418,009
KODIAK	\$13,280,940
KUSPUK	\$5,142,945
LAKE AND PENINSULA	\$6,031,163
LOWER KUSKOKWIM	\$30,708,228
LOWER YUKON	\$11,131,940
MAT-SU	\$47,413,178
NENANA	\$1,642,561
NOME	\$5,388,804
NORTH SLOPE	\$9,219,695
NORTHWEST ARCTIC	\$12,818,876
PELICAN	\$615,719
PETERSBURG	\$3,381,771
PRIBILOF	\$1,581,526
RAILBLT	\$3,283,477
SITKA	\$7,037,194
SKAGWAY	\$916,403
SOUTHEAST	\$5,616,814
SOUTHWEST	\$5,591,248
ST. MARY'S	\$1,425,146
TANANA	\$1,281,636
UNALASKA	\$1,870,873
VALDEZ	\$3,067,202
WRANGELL	\$2,872,809
YAKUTAT	\$1,269,572
YUKON FLATS	\$5,259,418
YUKON/KOYUKUK	\$6,011,439
YUPIIT	\$3,897,604
STATE CORR. STUDY	\$5,836,188
MT. EDGE CUMBE SCHOOL	\$1,652,573
VALDEZ CONTRACT	\$600,000
4 MILL PHASE-IN (SUBSIDY)	\$15,545
PL81-874 PASS THRU	\$1,277,192
ESTIMATED PRIOR YEAR ADJUSTMENTS	\$1,500,000

ESTIMATED ENTITLEMENT AS OF 2/13/91

\$601,099,727

This spreadsheet reflects the increased F

value of \$60,000 is increased by increments of \$1,000.

UNIT VALUE INCREASES BY >	\$	00	\$4,000	\$5,000	\$6,000	
ADAK	\$75,810	\$151,620	\$227,430	\$303,240	\$379,050	\$454,860
ALASKA GATEWAY	80,870	161,740	242,610	323,480	404,350	485,220
ALEUTIAN REGION	12,250	24,500	36,750	49,000	61,250	73,500
ALEUTIANS EAST	70,360	140,720	211,080	281,440	351,800	422,160
ANCHORAGE	3,636,310	7,272,620	10,908,930	14,545,240	18,181,550	21,817,860
ANNETTE ISLANDS	43,990	87,980	131,970	175,960	219,950	263,940
BERING STRAIT	287,310	574,620	861,930	1,149,240	1,436,550	1,723,860
BRISTOL BAY	47,360	94,720	142,080	189,440	236,800	284,160
CHATHAM	60,500	121,000	181,500	242,000	302,500	363,000
CHUGACH	31,260	62,520	93,780	125,040	156,300	187,560
COPPER RIVER	89,550	179,100	268,650	358,200	447,750	537,300
CORDOVA	49,850	99,700	149,550	199,400	249,250	299,100
CRAIG	33,420	66,840	100,260	133,680	167,100	200,520
DELTA/GREELY	93,740	187,480	281,220	374,960	468,700	562,440
DILLINGHAM	73,900	147,800	221,700	295,600	369,500	443,400
FAIRBANKS	1,250,000	2,500,000	3,750,000	5,000,000	6,250,000	7,500,000
GALENA	27,010	54,020	81,030	108,040	135,050	162,060
HAINES	45,450	90,900	136,350	181,800	227,250	272,700
HOONAH	28,370	56,740	85,110	113,480	141,850	170,220
HYDABURG	18,040	36,080	54,120	72,160	90,200	108,240
IDITAROD	88,630	177,260	265,890	354,520	443,150	531,780
JUNEAU	440,420	880,840	1,321,260	1,761,680	2,202,100	2,642,520
KAKE	22,730	45,460	68,190	90,920	113,650	136,380
KASHUNAMIUT	33,990	67,980	101,970	135,960	169,950	203,940
KENAI	911,610	1,823,220	2,734,830	3,646,440	4,558,050	5,469,660
KETCHIKAN	224,280	448,560	672,840	897,120	1,121,400	1,345,680
KLAWOCK	26,020	52,040	78,060	104,080	130,100	156,120
KODIAK	255,790	511,580	767,370	1,023,160	1,278,950	1,534,740
KUSPUK	92,610	185,220	277,830	370,440	463,050	555,660
LAKE AND PENINSULA	105,570	211,140	316,710	422,280	527,850	633,420
LOWER KUSKOKWIM	564,000	1,128,000	1,692,000	2,256,000	2,820,000	3,384,000
LOWER YUKON	244,200	488,400	732,600	976,800	1,221,000	1,465,200
MAT-SU	940,260	1,880,520	2,820,780	3,761,040	4,701,300	5,641,560
NENANA	26,390	52,780	79,170	105,560	131,950	158,340
NOME	92,810	185,620	278,430	371,240	464,050	556,860
NORTH SLOPE	233,480	466,960	700,440	933,920	1,167,400	1,400,380
NORTHWEST ARCTIC	277,360	554,720	832,080	1,109,440	1,386,800	1,664,160
PELICAN	10,290	20,580	30,870	41,160	51,450	61,740
PETERSBURG	63,550	127,100	190,650	254,200	317,750	381,300
PRIBILOF	31,490	62,980	94,470	125,960	157,450	188,940
RAILBELT	52,840	105,680	158,520	211,360	264,200	317,040
SITKA	149,640	299,280	448,920	598,560	748,200	897,840
SKAGWAY	18,330	36,660	54,990	73,320	91,650	109,980
SOUTHEAST	94,410	188,820	283,230	377,640	472,050	566,460
SOUTHWEST	111,480	222,960	334,440	445,920	557,400	668,880
ST. MARY'S	21,530	43,060	64,590	86,120	107,650	129,180
TANANA	20,290	40,580	60,870	81,160	101,450	121,740
UNALASKA	41,340	82,680	124,020	165,360	206,700	248,040
VALDEZ	77,850	155,700	233,550	311,400	389,250	467,100
WRANGELL	49,770	99,540	149,310	199,080	248,850	298,620
YAKUTAT	19,840	39,680	59,520	79,360	99,200	119,040
YUKON FLATS	85,690	171,380	257,070	342,760	428,450	514,140
YUKON/KOYUKUK	116,300	232,600	348,900	465,200	581,500	697,800
YUPIIT	77,250	154,500	231,750	309,000	386,250	463,500
SUB - TOTALS	11,682,430	23,364,860	35,047,290	46,729,720	58,412,150	70,094,580
STATE CORR. STUDY	91,160	182,320	273,480	364,640	455,800	546,960
MT. EDGEcombe SCHOOL	26,120	52,240	78,360	104,480	130,600	156,720
VALDEZ CONTRACT	0	0	0	0	0	0
4 MILL PHASE-IN (SUBSIDY)	0	0	0	0	0	0
PL81-874 PASS THRU	0	0	0	0	0	0
EST. PRIOR YEAR ADJ.	0	0	0	0	0	0
FY93 EST. INCREASES	\$11,799,710	\$23,599,420	\$35,399,130	\$47,198,840	\$58,998,550	\$70,798,260

This spreadsheet reflects the total FY93 foundation entitlements if the unit value of \$60,000 is increased by increments of \$1,000.

ADJUSTED UNIT VALUE >	\$61,000	\$62,000	\$63,000	\$64,000	\$65,000	\$66,000
ADAK	\$2,419,400	\$2,495,210	\$2,571,020	\$2,646,830	\$2,722,640	\$2,798,450
ALASKA GATEWAY	4,433,780	4,514,650	4,595,520	4,676,390	4,757,260	4,838,130
ALEUTIAN REGION	648,764	661,014	673,264	685,514	697,764	710,014
ALEUTIANS EAST	3,955,164	4,025,524	4,095,884	4,166,244	4,236,604	4,306,964
ANCHORAGE	180,607,972	184,244,282	187,880,592	191,516,902	195,153,212	198,789,522
ANNETTE ISLANDS	1,236,243	1,280,233	1,324,223	1,368,213	1,412,203	1,456,193
BERING STRAIT	13,450,043	13,737,353	14,024,663	14,311,973	14,599,283	14,886,593
BRISTOL BAY	1,933,845	1,981,205	2,028,565	2,075,925	2,123,285	2,170,645
CHATHAM	2,775,584	2,836,084	2,896,584	2,957,084	3,017,584	3,078,084
CHUGACH	1,778,170	1,809,430	1,840,690	1,871,950	1,903,210	1,934,470
COPPER RIVER	5,342,142	5,431,692	5,521,242	5,610,792	5,700,342	5,789,892
CORDOVA	2,432,143	2,483,493	2,533,343	2,583,193	2,633,043	2,682,893
CRAIG	2,108,433	2,146,853	2,185,273	2,223,693	2,262,113	2,300,533
DELTA/GREELY	4,808,706	4,902,446	4,996,186	5,089,926	5,183,666	5,277,406
DILLINGHAM	3,742,935	3,816,835	3,890,735	3,964,635	4,038,535	4,112,435
AIRBANKS	63,497,271	64,747,271	65,997,271	67,247,271	68,497,271	69,747,271
FALENA	1,372,789	1,399,799	1,426,809	1,453,819	1,480,829	1,507,839
FAINES	2,281,817	2,327,267	2,372,717	2,418,167	2,463,617	2,509,067
FOONAH	1,568,058	1,596,428	1,624,798	1,653,168	1,681,538	1,709,908
FYDABURG	1,072,473	1,090,513	1,108,553	1,126,593	1,144,633	1,162,673
GITAROD	4,747,186	4,835,816	4,924,446	5,013,076	5,101,706	5,190,336
ONEAU	20,932,642	21,373,062	21,813,482	22,253,902	22,694,322	23,134,742
LAKE	1,158,968	1,181,698	1,204,428	1,227,158	1,249,888	1,272,618
ASHUNAMIUT	1,655,659	1,689,649	1,723,639	1,757,629	1,791,619	1,825,609
ENAI	41,455,268	42,366,878	43,278,488	44,190,098	45,101,708	46,013,318
ETCHIKAN	10,011,279	10,235,559	10,459,839	10,684,119	10,908,399	11,132,679
LAWOCK	1,436,369	1,462,389	1,488,409	1,514,429	1,540,449	1,566,469
ODIAK	12,425,343	12,681,133	12,936,923	13,192,713	13,448,503	13,704,293
USPUK	5,200,608	5,293,218	5,385,828	5,478,438	5,571,048	5,663,658
LAKE AND PENINSULA	5,674,274	5,779,844	5,885,414	5,990,984	6,096,554	6,202,124
OWER KUSKOKWIM	28,906,526	29,470,526	30,034,526	30,598,526	31,162,526	31,726,526
OWER YUKON	10,885,979	11,130,179	11,374,379	11,618,579	11,862,779	12,106,979
AT-SU	50,044,443	50,984,703	51,924,963	52,865,223	53,805,483	54,745,743
ENANA	1,545,127	1,571,517	1,597,907	1,624,297	1,650,687	1,677,077
OME	5,097,612	5,190,422	5,283,232	5,376,042	5,468,852	5,561,662
ORTH SLOPE	8,974,199	9,207,679	9,441,159	9,674,639	9,908,119	10,141,599
ORTHWEST ARCTIC	12,290,063	12,567,423	12,844,783	13,122,143	13,399,503	13,676,863
ELICAN	573,086	583,376	593,666	603,956	614,246	624,536
ETERSBURG	3,145,598	3,209,148	3,272,698	3,336,248	3,399,798	3,463,348
RIBILOF	1,494,203	1,525,693	1,557,183	1,588,673	1,620,163	1,651,653
AILBELT	3,203,352	3,256,192	3,309,032	3,361,872	3,414,712	3,467,552
TKA	7,032,612	7,182,252	7,331,892	7,481,532	7,631,172	7,780,812
KAGWAY	865,969	884,299	902,629	920,959	939,289	957,619
OUTHEAST	5,031,050	5,125,460	5,219,870	5,314,280	5,408,690	5,503,100
OUTHWEST	5,478,456	5,589,936	5,701,416	5,812,896	5,924,376	6,035,856
T MARY'S	1,261,585	1,283,115	1,304,645	1,326,175	1,347,705	1,369,235
ANANA	1,089,508	1,109,798	1,130,088	1,150,378	1,170,668	1,190,958
NALASKA	1,720,590	1,761,930	1,803,270	1,844,610	1,885,950	1,927,290
ALDEZ	3,280,232	3,358,122	3,436,012	3,513,902	3,591,792	3,669,682
RANGELL	2,496,114	2,545,884	2,595,654	2,645,424	2,695,194	2,744,964
AKUTAT	1,118,322	1,138,162	1,158,002	1,177,842	1,197,682	1,217,522
JKON FLATS	4,696,090	4,781,780	4,867,470	4,953,160	5,038,850	5,124,540
JKON/KOYUKUK	5,917,552	6,033,852	6,150,152	6,266,452	6,382,752	6,499,052
JPIIT	3,751,466	3,828,716	3,905,966	3,983,216	4,060,466	4,137,716
JB - TOTALS	576,064,562	587,746,992	599,429,422	611,111,852	622,794,282	634,476,712
TATE CORR. STUDY	5,560,760	5,651,920	5,743,080	5,834,240	5,925,400	6,016,560
T. EDGE CUMBE SCHOOL	1,593,320	1,619,440	1,645,560	1,671,680	1,697,800	1,723,920
ALDEZ CONTRACT	600,000	600,000	600,000	600,000	600,000	600,000
MILL PHASE-IN (SUBSIDY)	0	0	0	0	0	0
.81-874 PASS THRU	1,277,192	1,277,192	1,277,192	1,277,192	1,277,192	1,277,192
ST. PRIOR YEAR ADJ.	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
93 EST. INCREASES	\$586,595,834	\$598,395,544	\$610,195,254	\$621,994,964	\$633,794,674	\$645,594,384

House of Representatives

While in Session:

Alaska House of Representatives
State Capitol
Juneau, AK 99801-1182
(907)465-4942

P.O. Box 47001
Pedro Bay, Alaska 99647
(907)850-2208

Interim Office: 561-6154



Rep. George Jacko, Jr.

Member
Finance Committee

Finance
Subcommittee Chair:
Courts
Department of Public Safety

Finance
Subcommittee Member:
Department of Fish and Game

MEMORANDUM

TO: Representative Eileen MacLean, Co-Chair
Representative Mike Nafarrete, Co-Chair
House Finance Committee

House Finance Subcommittee Members

FROM: Representative George Jacko, Jr.

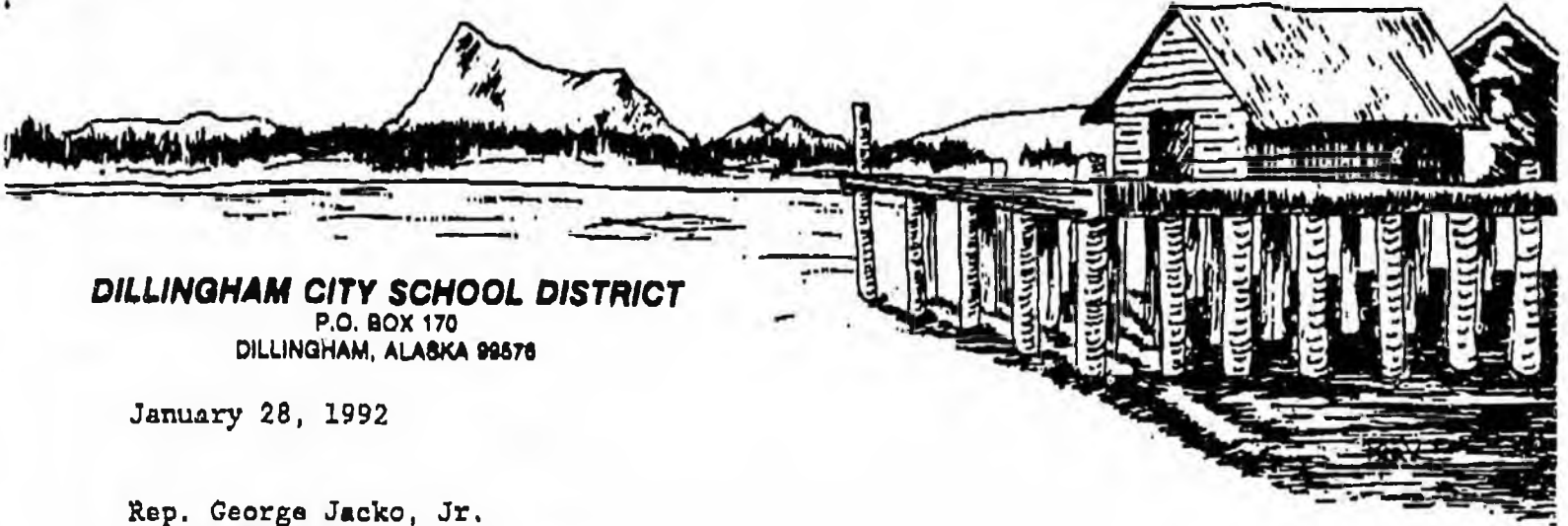
DATE: February 5, 1992

SUBJECT: Funding for Single Site School Districts

I respectfully request your support for the inclusion of Single Site Funding in House Bill 25. I have enclosed several impact statements from several single site school districts for your consideration. Each of these schools has received funding in years past to compensate for the inequities single site schools face in the formula. The first two are from the communities in my district which are affected. The other letters are from communities in Representative Georgianna Lincoln's district.

To eliminate this funding would result in costly program cuts in each of these communities. These schools have already cut most extras. Further cuts are going to directly effect the basic programs such as Mathematics, English and Science. In one case, for example, described in the Dillingham City School District letter, such cuts would raise the pupil/teacher ratio -- from 18 to 1 to 27 to 1!

Thank you for your consideration of this matter. If there is any further information I can provide, please don't hesitate to contact myself or Ingrid Jacobsen, of my staff, at 465-4942.



DILLINGHAM CITY SCHOOL DISTRICT
 P.O. BOX 170
 DILLINGHAM, ALASKA 99578

January 28, 1992

Rep. George Jacko, Jr.
 House of Representatives
 Box V
 Juneau, AK 99811

Dear Representative Jacko

This is to ask you to support for CS HB 25. More importantly, your attention and energy needs to be directed at Section I (b) to preserve the \$234,000 that was allocated to the Dillingham City School District.

Without detailing every additional cost for next year, below I have listed the items which have the largest impact on our budget.

Increases in teacher salaries as per our negotiated agreement.....	\$ 90,000
Increase in Teacher Retirement System.....	84,000
Increase in Classified salaries.....	18,000
Increase in Heat and Electricity.....	<u>20,000</u>
TOTAL.....	<u>\$212,000</u>

Without the additional allocation, we would have to find a way to increase our revenue by \$212,000 just to maintain the present programs.

It is easy to see if additional revenue is not forthcoming, it will be necessary to cut that amount from next year's budget. Without a doubt, that means reducing the teaching staff because that is the only place where sufficient money can be found. Our "fixed" costs are just that--"fixed."

I am developing the proposed budget for our School District now. Because I feel compelled to recommend a balanced budget, I am proposing the reduction of 4-5 teachers. That will, as an example, result in reducing second grade staff to two teachers instead of three; Thus, changing the pupils per teacher from 18 to 1 to 27 to 1. Even if that made good educational sense, the rooms simply are not designed to carry that many pupils!

We will need to do this for kindergarten, grades 1 and 2, and eliminate music, physical education, and counseling at the Elementary School.

Representative Jacko
January 28, 1992
Page 2

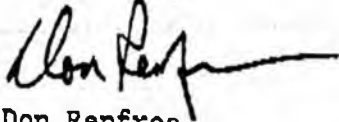
Further reductions at the High School severely impair our ability to offer a basic comprehensive program.

The city is presently funding us at 5.7 mils. Word we get from the Council is that that exceeds what they will be able to do next year.

The bottom line is either the legislature improves the formula for Dillingham, or the pendulum will swing away from an acceptable basic program to mediocrity.

If you can help secure the additional monies needed, we would be forever grateful.

Sincerely .



Don Renfroe
Superintendent

mmk

Unalaska City School District

January 29, 1992

Rep. George Jacko
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Jacko,

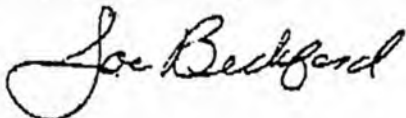
On behalf of Unalaska City School District and Aleutian Region School District, I would like to thank you for your continued efforts in supporting single/dual site supplemental funding. This additional funding is critical for the single/ dual site school districts in Alaska. As I am sure you are aware, one consequence of the current foundation program was to bring about a big shift in the way money was being distributed from small to large school districts.

As small school districts, this additional funding has been of critical importance in allowing us to carry out our programs. Although it is difficult to track this money precisely - It has been incorporated with other general fund money - I can say that without this money we would not be able to do the things we are doing to move these two districts toward the year 2000 by making a substantive investment in both curriculum updating and in-servicing for teachers. Without the \$157,800. we received this year, we would have difficulty in making our fixed expenses; it would have to be at the cost of severely reducing things such as classroom supplies and other instructional materials.

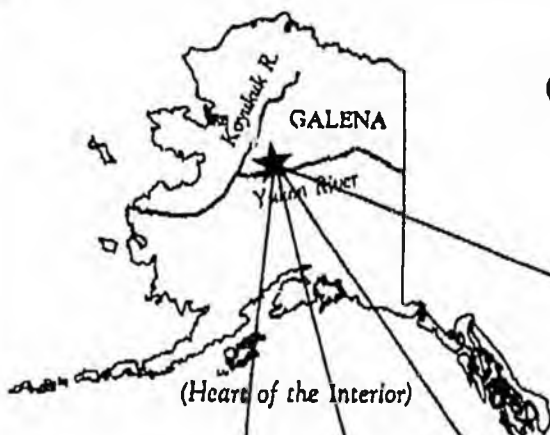
One factor which has had a significant financial impact upon our districts is the increase in the Teacher Retirement System employer contribution rate. This year, the additional cost of going from 10.54% to 11.86% cost the Unalaska District an additional \$26,800. For next year, the increase from 11.86% to 15.69% is projected to cost Unalaska an additional \$75,000. A \$101,800. increase in two years. Without the supplemental funding, I do not know where the money will come from to cover this added expense.

I hope that you can impress upon your colleagues the impact that these funds have upon the level of quality with which we are able to deliver our programs.

Sincerely,
UNALASKA CITY SCHOOL DISTRICT/
ALEUTIAN REGION SCHOOL DISTRICT

A handwritten signature in cursive script that reads "Joe Beckford".

Joseph B. Beckford
Superintendent



GALENA CITY SCHOOL DISTRICT

GALENA, ALASKA 99741
PHONE (907) 656-1205

SUPERINTENDENT'S
OFFICE

January 31, 1992

Representative Georgianna Lincoln
P.O. Box V
Juneau, Alaska 99811

Dear Representative Lincoln:

Galena City School District is a single-site school district that has 143 students K-12, not counting our early childhood program which we just added last year (without any additional financial support). In a recent report prepared by Dr. Nat Cole, January 28, 1992 it is clearly shown that there is an equity disparity of approximately 12% in the funding formula for school districts our size. We need that money to give our children an equal educational opportunity. Even with the single site funds we are facing major cuts due to loss of PL-874 funds. Without the additional \$150,000 single-site money the state has provided in the past, I am sure we will be forced to cut programs and staff.

Carole Huntington and I have planned a meeting with you on Monday, February 10th, at 3:00 p.m. to explain in more detail our exact situation with PL-874 funding. Any other additional funding assistance will also be greatly appreciated. At our current enrollment level a \$63,000 unit would give us an additional \$81,030 which we greatly need.

However, the inequity in the basic formula still exists and will not cover our revenue short-fall.

I am sorry to have to make such a strong plea for help this year but I know you and the other members of the HESS Committee remember the faces of our children. It is for them that I write this letter.

Many school districts can turn to their local community and borough for help. Our city recently held a meeting to explore second-class city status because of their financial position. There are no additional local revenues and the community, in general, has fallen upon hard times. However, I might add that presently the city is meeting its 4 mil responsibility which is more cost-effective for the state as opposed to being in a REAA.

I would like to address the comments made by Matthew Berman and Eric Larson which reflect their opinion in a recent Executive Summary of educational equity. I refer specifically to page six, paragraph two, under subsection Educational Equity.

Representative Lincoln
January 31, 1992
Page 2

These two gentlemen have made a pretty bold statement of opinion to suggest that if you give small districts more money that it would be wasted in the "formation of less efficient districts." Do they mean that additional school districts would be formed or do they mean that existing small districts would waste the money or do they mean that small districts are less efficient?

I would really like to have an opportunity to ask some very pointed questions about the efficiency and effectiveness of small single-site districts compared to REAA's and boroughs.

It would be interesting to do a statistical analysis using a multiple regression design to answer the following questions:

1) How do the smaller schools in an REAA or borough compare in achievement and services to the school located in the community in which the central offices are located? In other words, do the small remote sites get the same level of services that the schools do where the main offices are located?

2) How do the small single-site districts compare to the small REAA and borough schools that are not located where the district offices are located?

I have been a principal in both a small school outside of the district's main offices and in the main headquarters, and a principal in a single-site district. From my experience, I can assure you that the small schools attached to a central office located elsewhere do not get the same level of service of either a single-site district or a central office site, no matter how hard and committed the borough or REAA is to all their needs.

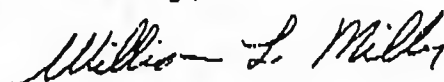
I have found that there are seldom simple answers to complex issues and Mr. Berman and Mr. Larson have made a statement of opinion unsupported by facts about the efficiency of small single-site districts. I don't know who the gentlemen are but wish that before they make statements that could harm a lot of school children, they have proper documentation.

Perhaps we need some serious research done to get at the issue of qualitative and quantitative differences between small schools with local control, large single-site districts with local control, and between and among school sites in REAA's and boroughs.

The question of efficiency, effectiveness, and necessity should not be confused with equity and need.

Thank you and the state legislators for any assistance in this matter.

Sincerely,



William L. Miller, Superintendent



ST. MARY'S SCHOOL DISTRICT

P.O. Box 171 St. Mary's, Alaska 99658
(907) 438-2311 or (907) 438-2834

Accredited by Northwest Accreditation Association



Representative Georgianna Lincoln
P.O. Box V
Juneau, Alaska 99811

Dear Representative Lincoln,

In regards to the St. Mary's School District, I would like to address several issues that may be of help in the support of single/dual site funding.

An increase of the instructional unit from \$60,000 to \$63,000 would reflect a dollar increase of \$64,590 for the St. Mary's School District. Although the increase is significant, it is not enough to finance our basic instructional program. The school district received \$156,000 in supplemental monies for the fiscal year '91, and \$127,800 for the fiscal year '92. This supplemental funding is absolutely necessary to just maintain our instructional program.

The St. Mary's School District does not have local financial resource other than the 4 mill levy. This amounts to only \$17,837 and is used as an in-kind match by the city for plowing snow.

The disparity between districts and financial resources, as well as the disparity in the foundation program itself, has been recognized in the last two years by the legislature. The supplemental funding was made available to address the funding inequity in the foundation program, while the request for an increase in the instructional unit is simply an attempt to maintain inflationary costs. The supplemental funding for single/dual sites must be made a permanent part of the foundation program. This along with the instructional unit increase is absolutely necessary to maintain a school in St. Mary's.

Because of attempts to force consolidation, I hesitate to make inferences about costs of large vs small school districts without factual supportive statistics.

Education in rural Alaska is expensive for all school districts. A small school district has high maintenance and operational costs relative to lower student numbers. All supplies come in by barge or air freight. That is the geographical nature of rural Alaska and needs to be accepted by the legislature as part of its financial responsibility in financing an educational system in a state as diverse as Alaska.

Sincerely,

Dale Moore

TANANA CITY SCHOOL DISTRICT

P.O. Box 89
Tanana, Alaska 99777
(907) 366-7203

Dr. Vince Barry
Superintendent
Richard P. Lee
Principal

January 28, 1992

To: Georgianna Lincoln, Representative
From: Vince Barry, Ed.D., Superintendent
Subject: Single Site Funding



If Tanana loses the \$122,400 the legislation calls for, the hurt caused will effect every aspect of a child's school life in Tanana.

The following cuts come to mind immediately:

* the University of Alaska Fairbanks advanced Mathematics and English programs...Last year 80% of all 11th and 12th graders received credit in pre-calculus college algebra and college english composition, (Math 107 & English 111). One student completed Math 108, college trigonometry, during the summer.

* Athabaskan Language Program...Four of Tanana's most revered elders teach both parents and students in this program.

* Library...Our library aide, whose time has already been reduced, would be eliminated.

* Music...Athabaskan Old Time Fiddlers' Program...upwards of 30 students are learning the intricacies of the violin through this program. Our teacher will return from sabbatical next year and will need to be reassigned.

* Cross-Country Skiing...we have approximately 65 elementary students in the school and 50 are engaged in our cross-country ski program. It is an integral part of our extended physical education program and leads to life long participation. Tanana is host of the state's cross-country ski meet.

* Other Sports...our girls' and boys' basketball and cross country running, as well as our sports' cross country ski program.

* Special Programs...we are forced to expend funds from our regular foundation program in order to support the FAS children, due to the fact that the dollars available through the special education program are not sufficient. This is the saddest implication of further cuts.

Tanana has already been cut from \$150,000 appropriation to \$122,000. I would like to invite the members of the legislature to Tanana, to help them understand what it takes in terms of psychic energy as well as dollars to deliver, not only the best education in Alaska, but a world class education. Four years from now, kids from Tanana will be educated as well as the French, German, Japanese, or any other nation.

The Institute for Social Science and Economic Research (ISER) study made a false inference relative to its work concerning single sites, when it indicated the \$122,000, for Tanana, was not needed. It simply ignored the same basic flaw in the foundation program, that has to do with "front-end loading" which is the repeating of administrative costs throughout each site. Whether or not economists will ever agree as to which study of the single site issue is appropriate, please understand that Tanana not only needs this \$122,000 allocation but is absolutely desperate for it. I have no reason to negatively exaggerate Tanana's financial situation. Nothing accrues to me nor the children of Tanana by such an exaggeration.

Please support and encourage all of your colleagues in the House and Senate to support the Single/Dual Site Funding. The Purpose of the Tanana school is:

To help all children succeed in obtaining the necessary knowledge, skills and attitudes to live a happy, productive life as a contributing member of society.

Statement On Small Single Funding Community School Districts and Findings In The ISER Report

The ISER report pp. 62-73 analyzes the costs of small schools in two ways. One approach was to analyze the revenue per school verses the expenditures per school in two school districts that have both small and somewhat isolated schools as well as large schools within the district. The Districts used were Kenai and Mat-Su. Figures 48 and 49 pp. 68-69 show the results graphically. Table A incorporates the same analysis of small single funding school districts with the ISER findings. Column D of Table A shows the per ADM difference between state foundation support and total expenditures for the small single funding community school districts by size grouping while columns E and F show the same information for the Mat-Su and Kenai school districts respectively. It can be seen that the small single site funding community school districts show gaps between foundation support and expenditures that are as great or greater than Kenai and Mat-Su in similar size school groups.

The ISER report points out that Kenai spends nearer what the foundation provides for small schools while Mat-Su spends considerably more and indicates that the data is inconclusive as to a pattern of state foundation revenue vs expenditures in Kenai and Mat-Su. If ISER had investigated the funding community patterns of Kenai and Mat-Su they would have found that the Kenai small schools had been granted separate funding community status by the Department of Education while Mat-Su had not been granted the same status for their small schools (Kenai 21 funding communities, Mat-Su 6 funding communities). The result being that Kenai received much more state foundation support per ADM than did Mat-Su for comparably sized small schools. Kenai also provided \$927 more per ADM in local funding than did Mat-Su.

Mat-Su has since petitioned the Department of Education and received approval for 7 new funding communities in their small schools. Table B column Q shows that action will provide an average of \$1,476 per more state foundation support per ADM for 7 small schools in the Mat-Su District bringing them in line with Kenai except for local effort.

Since it is not within the Department of Education's authority to grant relief to the small single funding community school districts (they are already separate funding communities), these districts are seeking relief from the legislature in the form of statutory change.

The second approach that ISER took to investigate small school costs was to compare district wide costs between districts in which the average school enrollment in one district was twice as large as the other district and nothing else was different. This simply does not speak to the issue raised by the small single funding community school district consortium. The consortium's point is that when a school district with approximately the same ADM as a single funding community school district has multiple funding communities, the multiple funding district receives much more state foundation funding per ADM than the single funding community school district. Table B illustrates

TABLE A

Small Single Funding Community School Districts Compared to Kenai and Matu-Su School Sites From the ISER Report

SCHOOL DISTRICT	A	B	C	D	E	F	G	H	I
	FY 1990 FOUNDATION ADM	FY90 SUPPLE SUPPORT PER ADM	SS DIST PROPOSED F93 \$/ADM	TOTAL EXP LESS FND PER ADM	TOTAL EXP LESS FND PER ADM	TOTAL EXP LESS FND PER ADM	MAT-SU/KENAI ADMIN EXP PER ADM	MAT-SU EXP LESS FND PER ADM	KENAI EXP LESS FND PER ADM
Total ADM 1-250	1735.35	\$845	\$873	\$4,027	\$3,800	\$2,510	\$1,500	\$2,300	\$1,010
Total ADM 251-525	2250.05	\$197	\$425	\$2,813	\$2,880	\$2,700	\$1,500	\$1,380	\$1,200
Total ADM 526-1000	2135.55	\$29	\$510	\$2,501	\$1,530	\$3,570	\$1,500	\$30	\$2,070
AVERAGE			\$510						

TABLE B

Demonstration of Small Single Funding School Districts vs. Multiple Funding Community Districts, K-12 Units With Same Enrollments Using Mat-Su Schools in Supplemental

SCHOOL SITES	J	K	L	M	N	O	P	Q
	ADM	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS
BERYOZARA	9.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TRAPPER CREEK	42.50	6.81	6.81	6.81	6.91	6.81	6.81	6.91
SUTTON	68.00	9.67		9.67	9.67	9.67	9.67	9.67
TALKEETNA	102.25	12.52			12.52	12.52	12.52	12.52
WILLOW	125.48	14.37				14.37	14.37	14.37
BUTTE	359.72	24.59					24.59	24.59
BIG LAKE	559.48	37.90						37.90
TOTAL	1263.43	107.95	8.81	18.48	31.00	45.37	69.95	107.95
UNITS AS SINGLE FUNDING COMMUNITY			7.81	13.875	20.72	29.08	53.00	74.32
DIFF IN K-12 UNITS MULT VS. SNGL			1.00	4.61	10.28	16.29	16.95	31.07
% OF K-12 UNITS GAIN MULT VS. SNGL			12.77%	33.19%	49.64%	36.01%	31.99%	41.81%
ADM AS SINGLE FUNDING COMMUNITY			50.5	118.5	220.75	346.23	704.95	1263.43
DIFF \$/ADM MULT VS. SINGLE			\$1,185	\$2,332	\$2,795	\$2,823	\$1,443	\$1,476

Small Single Site School District Funding

Issue

To revise Title 13, Chapter 17 Public School Foundation Program to include an increase for schools with one funding community (site) and 1,000 or fewer average daily membership (ADM).

Background

The present public funding act was passed in the 1987 Legislative Session. During the Legislative hearings there was much discussion concerning the adequacy of the funding formula for small single site school districts i.e. districts of up to 1,000 (750, 525, 100-525) in enrollment that were a single funding community. No one was sure of the impact of the new formula on these districts and an appropriation of two million dollars was made to the State Department of Education to address unique and emergency circumstances substantiated by school districts to the Department. Subsequent fiscal year appropriations were made to the Department for specific school districts, the majority of which were single site school districts.

A review of testimony on HB 126, and the discussions in subsequent years on supplemental appropriations for single site school districts, shows that the Legislature believes there is a need for some adjustment in the foundation program for single site school districts. Certainly the passage of supplementals for FY90, 91 and 92 shows there is a continuing need for additional support to single site districts. The major questions concerning the issue are: what size districts should receive additional support, how much support, and how to incorporate the adjustments into the foundation program?

Analysis

There has been general agreement that single site districts as large as the Nome School District need some adjustment. For purposes of analysis single site school districts of 1000 or fewer in ADM will be divided into three groups, i.e. districts of 1-250 ADM, 251-525 ADM and 526-1,000 ADM. These groups are selected for analysis because they generally follow breakpoints in the present formula for K-12 instructional units. These districts were analyzed on a per ADM basis for changes that have occurred in state funding, local effort, P.L. 81-874 funds, fund balances, property values, supplemental support and pupil teacher ratios (PTR) since FY86. FY86 was selected as the base year because it had the highest state support for public education in the history of the State. The Aleutian Region REAA and the schools in the Aleutian East Borough were excluded from the analysis because of a lack of comparable data, and the North Slope Borough and Valdez City districts were excluded because of extremely high local property values.

Analysis (continued)

The procedure that was used for analysis purposes was to:

- accumulate the changes in each area listed above incorporating the changes required by the FY88 Foundation Act, and
- dividing the cumulative changes per ADM by the K-12 instructional unit basic need for FY91.

This determined the percentage of gain or loss by group as if there had been no supplemental support, allowing a comparison between what has been appropriated for supplementals and what the analysis shows as needed.

Findings

1. Single site school districts of 1-250 had a loss of 19.96%.
2. Single site districts of 251-525 had a loss of 10.00%.
3. Single site districts of 526-1000 had a loss of 5.06%.
4. The rest of the school districts as a group had a loss of 1.87%.
5. The data would suggest that single site school districts of 1-250 should receive an additional 18.09% (19.96% - 1.87%) of K-12 units, single site districts of 251-525 an addition of 8.13%, and single site districts of 526-1,000 an addition of 3.19%.
6. However, the 1-250 group of single site school districts received about a 4.50% more in supplemental support and exceeded the required 4 mill local effort by about 1 mill more than the other two groups, yielding about another 1.5% advantage, leaving that group at about a 12% adjusted loss. The 526-1,000 group of single site school districts started with a significantly higher pupil teacher ratio and increased it by almost one-fifth, which means that the group cut their programs beyond what the other groups did, reflecting about a 3% lower loss than they should have, had they received a higher level of supplemental support.

Recommendation

The above analysis and findings support the following recommendation for increased support to single site school districts of 1,000 or fewer in ADM except Valdez, which receives a considerable state support break because of the 35% rule.

ADM	Percent of K-12 Units
1-250	12
251-525	8
526-1000	6

Small Single Site School District Funding Proposal

Fiscal Note*

SCHOOL DISTRICT	PROJECTED FY 93 ADM	PROJECTED FY93 K-12 UNITS	ADJUSTMENT FACTOR	INCREASED UNITS	AREA DIFFERENTIAL	SMALL SINGLE SITE PROPOSAL
Galena	160	16.67	12.00%	2.00	1.30	\$156,031
Hoonah	225	21.00	12.00%	2.52	1.08	\$163,296
Hydaburg	120	14.00	12.00%	1.68	1.03	\$103,824
Kake	178	17.87	12.00%	2.14	1.03	\$132,524
Kashumamiut	208	19.87	12.00%	2.38	1.33	\$190,275
Klawock	215	20.33	12.00%	2.44	1.03	\$150,767
Nenana	185	18.33	12.00%	2.20	1.20	\$158,371
Pelican	48.2	7.53	12.00%	0.90	1.08	\$58,553
Skagway	135	15.00	12.00%	1.80	1.05	\$113,400
St. Mary's	105.5	12.97	12.00%	1.56	1.30	\$121,399
Tanana	100	12.33	12.00%	1.48	1.30	\$115,409
Yakutat	127	14.47	12.00%	1.74	1.08	\$112,519
Annette Island	420	34.00	8.00%	2.72	1.03	\$168,096
Cordova	487.75	37.22	8.00%	2.98	1.11	\$198,308
Craig	390	32.00	8.00%	2.56	1.03	\$158,208
Dillingham	553	42.91	8.00%	3.43	1.27	\$261,579
Unalaska	332	28.13	8.00%	2.25	1.27	\$171,480
Wrangell	527	40.55	8.00%	3.24	1.00	\$194,640
Adak	718	51.91	6.00%	3.11	1.27	\$237,333
Nome	773	56.88	6.00%	3.41	1.34	\$274,389
Petersburg	722	53.70	6.00%	3.22	1.00	\$193,320
TOTAL	6729.45	567.67		49.78		\$3,433,721

*The fiscal note is for \$3,433,722. However, when the FY 92 small school supplemental (HB 5: \$2,131,200 and the Petersburg and Wrangell FY91 supplementals HB 15: \$372,600, TOTAL \$2,503,800) are considered, the increase is \$929,400.

Proposed Legislative Wording

* Sec. _____ AS 14.17.041 is amended by adding a new subsection to read: (e) A district with an ADM of 1,000 or less that consists of one funding community and whose property evaluation per ADM is less than \$1,000,000.00 shall increase the elementary and secondary instructional units to which it is entitled under (a) or (b) of this section by a percentage determined under the following table:

District ADM	Percentage
1-250	1.12
251-525	1.08
526-1000	1.06

Small Single Site School Districts

Funding Analysis

TABLE I

Sch Dist. Size in ADM	A ACTUAL FY91 ADM	B AV. SUPP. PER ADM	C FY90 LOCAL EFF ≥ 4 MILLS PER ADM	D ADJ LOC EFF CNG PER ADM	E F90-F86 FND BAL PER ADM	F F88-91 LO EF/ADM CNG @ 4 MIL	G ST FND/ADM F86-F91	H PL874/ADM F88-F91	I C&B PL874 ADJUST/ADM
Total ADM 1-250	2046.1	500	517	-420	-986	-35	-1766	-209	802
Total ADM 251-525	2095.45	142	430	-235	-325	3	-928	532	200
Total ADM 526-1000	2171.15	116	331	-47	-512	-33	-1014	1022	46
Total Other Districts	99321.25		646	-22	-102	-618	123	212	56

TABLE II

Sch Dist. Size in ADM	J CUM CNGS/ADM	K CUM CNGS/ADM PER YEAR	L F91 K-12 BASIC ND PER ADM	M CUM CNG AS % OF F91 BN INC SUPP	N AV SUPP AS % OF F91 BN	O CUM % CNG WITHOUT SUPP	P CNG LOC EFF C&B ≥ 4 MILLS IN F90
Total ADM 1-250	-2613	-523	7226	-7.23%	-6.92%	-14.15%	-5.81%
Total ADM 251-525	-754	-151	5284	-2.85%	-2.69%	-5.55%	-4.45%
Total ADM 526-1000	-537	-107	5343	-2.01%	-2.17%	-4.18%	-0.88%
Total Other Districts	-351	-70	4913	-1.43%	0.00%	-1.43%	-0.44%

TABLE III

Sch Dist. Size in ADM	Q GRAND TOTAL % CNG/ADM	R ONE MILL PER ADM	S LOCAL MILL EFFORT ≥ 4 MILLS	T PTR F86	U PTR F90	V % INC PTR F90VS86
Total ADM 1-250	-19.96%	151	3.43	7.13	8.96	25.66%
Total ADM 251-525	-10.00%	187	2.30	9.59	10.92	13.83%
Total ADM 526-1000	-5.06%	138	2.39	11.62	13.82	18.90%
Total Other Districts	-1.87%	219	2.94	13.05	13.73	5.25%

Column Explanation Tables I-III

School District Size In ADM:

Total ADM 1-250 : Is single site school districts with average daily memberships (ADM) of 1-250.

Total ADM 251-525: Is single site school districts of 251-525 ADM.

Total ADM 526-1000: Is single site school districts of 526-1000 ADM.

Total Other Districts: Is all other school districts except Valdez, North Slope , Aleutian East and Aleutian Region as noted in the analysis section of the report.

Column A: Actual FY 91 ADM: Foundation ADM for fiscal year 1991

Column B: Average Supplementals Per ADM: Total supplemental support FY 86-91 divided by the number of supplementals received divided the FY 91 ADM.

Column C: F 90 Local Effort Greater Than 4 Mills Per ADM: Shows the per ADM local effort of school districts greater than the 4 mills required by the foundation act in effect in FY 88.

Column D: Adjusted Local Effort Change Per ADM: Shows the difference in local effort per ADM in FY 86 minus FY 90. This represents the local effort change made by school districts over the 5 year period FY 86- FY90. Negative represents more local effort and positive less local effort.

Column E: F 90- F 86 Fund Balance Per ADM: Shows the loss(-) or gain (+) in fund balance per ADM between FY 86 and FY 90.

Column F: FY 88_FY91 Local Effort Per ADM change at 4 Mills: Shows the increase (-) or decrease (+) in required local effort resulting from the change in local property valuations per ADM between FY 88 and FY 90. That is the change in state foundation funding (Column G) would have been greater or lesser had the property values remained the same.

Column G: State Foundation Per ADM FY 86 less FY 91: Shows the loss (-) or gain (+) in state foundation payments per ADM between FY 86 and FY 91. Columns F, H and I are adjustments to this number for required local effort (F) and P. L. 874 (H,I).

Column H: P. L. 874 per ADM FY 88 less FY 91: Shows the gain (-) or loss (+) in P. L. 874 from FY 88 to FY 91. A gain reduced state aid and a loss increased state aid compared to no change.

Column I: City and Borough P. L. 874 payments that were first taken into consideration in FY 88 and which adjusts positively to the foundation change (Column G). That is the loss in state funds for city and borough school districts due to the 874 payments was an intentional adjustment and should show as a reduction in the change in Column G.

Column J: Cumulative Changes Per ADM: Shows the net result of the changes in Columns D through I.

Column K: Cumulative Changes Per ADM Per Year: Column J divided by the five years FY 86 through FY 90 to get the average change to apply to FY 91 K-12 Basic Need.

Column L: FY 91 K-12 Basic Need Per ADM: Shows the FY 91 dollars per ADM that represents the amount of K-12 Basic Need. This is the number that the changes from FY 86 to FY 91 are compared to determine the needed percent change in the K-12 Instructional Units for the single site school districts.

Column M: Cumulative Changes AS A Percent Of FY 91 Basic Need Including Supplementals: Shows the average adjusted changes per year brought about by changes in local effort up to 4 mills, change in fund balance, change in P. L. 874 and state foundation change. It also includes the supplemental support shown in Column B which when relating to foundation payments must be adjusted out to show how districts foundation payments are affected without the supplementals.

Column N: Average Supplemental AS A Percent Of FY 91 Basic Need: Shows the effects of not having the supplementals in Column B.

Column O: Cumulative Percent Change Without The Supplemental: Shows the sum of Columns M and O.

Column P: Change In Local Effort With City And Borough's Local Effort Greater Than 4 Mills In FY 90 FY86 Less FY 90: Shows the local effort increase (-) above 4 mills in FY 90.

Column Q: Grand Total Percent Change Per ADM: Shows the total changes as a percent of FY 91 K-12 Basic Need.

Column R: One Mill Per ADM: Shows the dollars per ADM generated by one mill.

Column S: Local Mill Effort Greater Than 4 Mills.

Column T: PTR FY 86: Shows the pupil teacher ratio for FY 86.

Column U: PTR FY 90: Shows the pupil teacher ratio for FY 90.

Column V: Percent Increase In PTR FY 90 Verses FY 86.



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

February 11, 1991

To: **Representatives Carney and Lincoln, Co-Chairs
Members, House HESS Committee**

Re: **HB 25; "An Act relating to the instructional
unit value in the public school foundation
formula."**

NEA-Alaska strongly supports the concept of increasing the Instructional Unit value in the funding formula and encourages the expeditious attention of the Committee to HB 25.

Over the past five years the state level of funding has been cut, it has been under-funded, the former state contribution to TRS of approximately \$25-30 million has been "passed along" to local districts, funding has been vetoed, and inflation has clearly had an adverse impact. It is time to increase the Instructional Unit value substantially.

The Instructional Unit value was set at \$60,000 in 1987-88 and has not since been changed. In "1987-88 dollars" it is now worth only \$52,361 as a result of inflation. If it were to keep pace with the US-Urban Consumer Price Index for 1991-92, the Instructional Unit value should be set at \$74,550.

During this same five-year period we have seen the reduction and elimination of many critical programs and services for students. Employees have subsidized public education with salary and benefit cuts and freezes and increased workloads. Critical maintenance goes undone and many school buildings are below basic safety codes. Student enrollment is at an all time high and is projected to increase again next year. Specific data with has been provided to the Committee by the Alaska Association of School Administrators emphasizes these critical needs.

We are also asking public education to take on even more responsibility in terms of finding solutions to our increasing societal problems. We cannot do more with less.

We commend the sponsor for the provisions in Sec. 2 of the bill which provide for annual "inflation proofing" of the Instructional Unit value and encourage favorable consideration by the Committee. If we can "inflation proof" the Permanent Fund, we can do no less for public education.

Thank you for your consideration of our position.

Respectfully submitted,

Bob Manners
Executive Director

Don Oberg
President

cc: **Representative Carney**

ASSOCIATION OF ALASKA SCHOOL BOARDS

316 West 11th Street, Juneau, Alaska 99801-1510 • Tel. (907) 586-1083 • Fax (907) 586-2995

Serving Alaskan Education



OFFICERS

PRESIDENT
Gene Redden
Fairbanks

PRESIDENT-ELECT
Percy Frisby
Hydaburg

PAST-PRESIDENT
Jean Buchanan
Anchorage

SECRETARY/TREASURER
Carole Huntington
Galena

DIRECTORS

ANCHORAGE
Carol Stolpe

ANNETTE ISLANDS
Paul Brendible

IDITAROD
Arnold Hamilton

KETCHIKAN
Pamela Hjorteset

KLAWOCK
Jelf Nickerson

MATANUSKA-SUSITNA
Diana Herschbach

NENANA
Terrie Irwin

NORTH SLOPE
Roy Nageak

SITKA
Sandi Hicks

YUKON-KOYUKUK
Luke Titus

YUPIIT
Michael Williams

EX-OFFICIO DIRECTOR
Dick Anderson
Delta-Greely

EXECUTIVE
DIRECTOR
Carl F.N. Rose

February 14, 1991

The Honorable Pat Carney
The Honorable Georgianna Lincoln
Co-chairs, House HESS Committee
House of Representatives
Alaska State Legislature
Juneau, Alaska 99811

**Re: In support of CS HB 25—An Act relating to the instructional unit value
in the public school foundation formula.**

Dear Reps. Carney and Lincoln:

The Association of Alaska School Boards enthusiastically supports CS HB 25 with its increase in the instructional unit value which includes an annual cost of living adjustment.

The legislature has not increased the instructional unit value for five years, the result of which has been five years of serious cost-cutting measures by school districts.

The educational expectation that has been created by the governor, political and business leaders fails to recognize the lack of financial commitment required to reach the national goals set by the National Governors' Association, the educational outcomes adopted by the Alaska's State Board of Education, and the legislative recommendations of the Joint Committee on School Performance.

Schools across the state are experiencing serious difficulty dealing with program cuts as a result of the inflationary loss of buying power of the educational dollar coupled with former Governor Cowper's cuts to the FY 91 budgets. Schools have critical needs that will not be addressed if adequate levels of funding are not established for FY 92 and beyond.

The Association of Alaska School Boards has gone on record as supporting a number of legislative proposals to increase foundation funding, including HB 53 which also has as one of its components an increase in the instructional unit value. AASB believes that CS HB 25 addresses a critical issue facing education. We encourage your active support of this bill on behalf of Alaska's children.

Respectfully submitted

Carl F.N. Rose,
Executive Director



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, AK 99801-1101 (907) 586-9702 FAX (907) 586-5879

POSITION PAPER

HOUSE BILL 25

"AN ACT RELATING TO THE INSTRUCTIONAL UNIT VALUE IN THE PUBLIC SCHOOL FOUNDATION FORMULA."

The Alaska Council of School Administrators has gone on record supporting an increase in the foundation instructional unit for reasons addressed in previous testimony. House Bill 25 speaks to the increase and a continual increase for years to come through the adjustment according to the Consumer Price Index.

It also addresses the concept of early funding with an automatic instructional unit funding increase.

Because of these two important elements found in the bill, The Alaska Council of School Administrators expresses their appreciation to the sponsor for recognizing the need for increased funding and further, we support HB 25.

Alaska State Legislature

Co-Chair
Health, Education and
Social Services Committee

Resources Committee

Legislative Budget and Audit

Special Committee
on Oil and Gas

During Session:
State Capitol
P.O. Box V
Juneau, Alaska 99811
(907) 465-2186


During Interim:
P.O. Box 87-1746
Wasilla, Alaska 99687
(907) 373-2518

Representative Patrick J. Carney

February 11, 1991

MEMORANDUM

TO: House Finance Committee

FROM: Representative Pat Carney 

RE: CSHB 25, (HES) "An Act relating to the instructional unit value in the public school foundation formula."

The proposed CS for HB 25 increases the instructional unit value (IUV) from \$60,000 to \$65,300, which is proportional to the cost of inflation from the end of 1986 through mid-year 1990. It also 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 \$65,300 amount was determined as follows. Section 9, Chapter 91, SLA 1987, established the IUV at \$60,000. (HB 126 was the enacting legislation for this law and 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 the 1987 - 88 school year (FY 1988). Thus, for the purposes of calculating inflation since that time, \$60,000 is the base IUV amount, 1987 - 88 is the initial school year, and 1988 is the initial fiscal year.

The Consumer Price Index for urban consumers (CPI-U) for the Anchorage metropolitan area, is the mechanism used to calculate the rate of inflation. The standard reference base period used by the Bureau of Labor Statistics to calculate the CPI-U is 1982 - 84 = 100. The CPI-U annualized reference base for 1986 is 107.4. The calculation for each year since 1986 follows:

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
1989	90-91	1991	112.5	62,849
1990	91-92	1992	116.9	65,307

The proposed CS for HB 25 assumes the index of 116.9 and the IUV of \$65,300 as bases for the calculation of future changes in the IUV as prescribed in the bill.

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.