

Overview

Dept. of

Education

1-29-92

STATE OF ALASKA  
THE LEGISLATURE

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Mary Van Nimwegen

1/27/92 Senate Finance

DEPARTMENT OF EDUCATION

FY93 OVERVIEW

HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES

JANUARY 29, 1992

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## Department of Education Functions

Statutes governing operation of the Department of Education are included within AS 14, 23, 43 and 44.

### Duties of the Department (AS 14.07.020)

- \* Exercise general supervision over public schools  
Study conditions/needs of the schools and adopt or recommend plans for improvement
- \* Provide advisory/consultative services to public school personnel
- \* Prescribe by regulation a minimum course of study
- \* Provide services to children in detention facilities
- \* Supervise pre-elementary schools receiving state or federal funds
- \* Provide elementary and secondary correspondence study programs
- \* Provide educational opportunities in vocational education and training, and basic education for individuals over 16
- \* Administer grants awarded under certain programs
- \* Establish school bus driver training and bus inspection programs

### Additional statutory responsibilities include:

- \* Teacher Certification
- \* Administration of grants to school districts
  - Foundation
  - Tuition
  - Pupil Transportation
  - School Construction (Debt Retirement & Capital Account)
- \* Vocational Education
- \* Vocational Rehabilitation
- \* State Museums
- \* State Library
- \* Mt. Edgecumbe
- \* Alaska Vocational Technical Center (AVTEC)
- \* State Archives and Records Management
- \* State Correspondence Study

# Alaska Department of Education

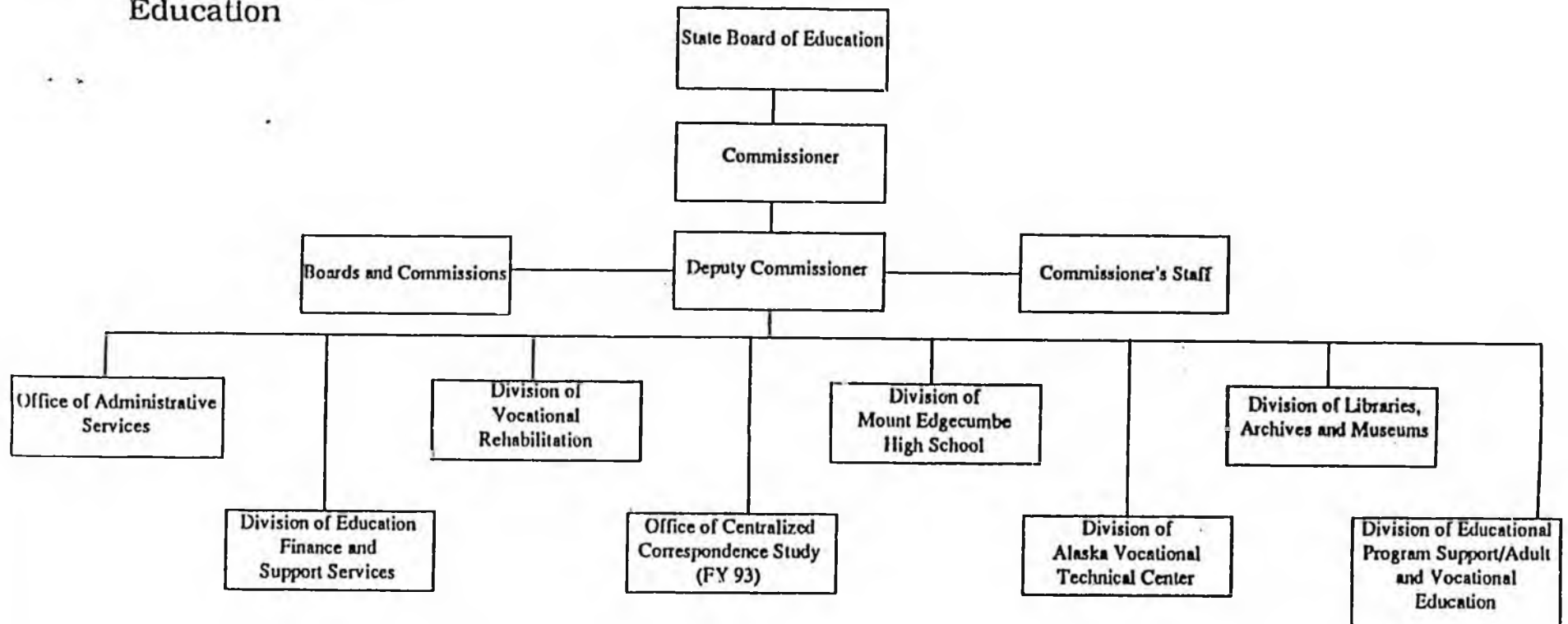
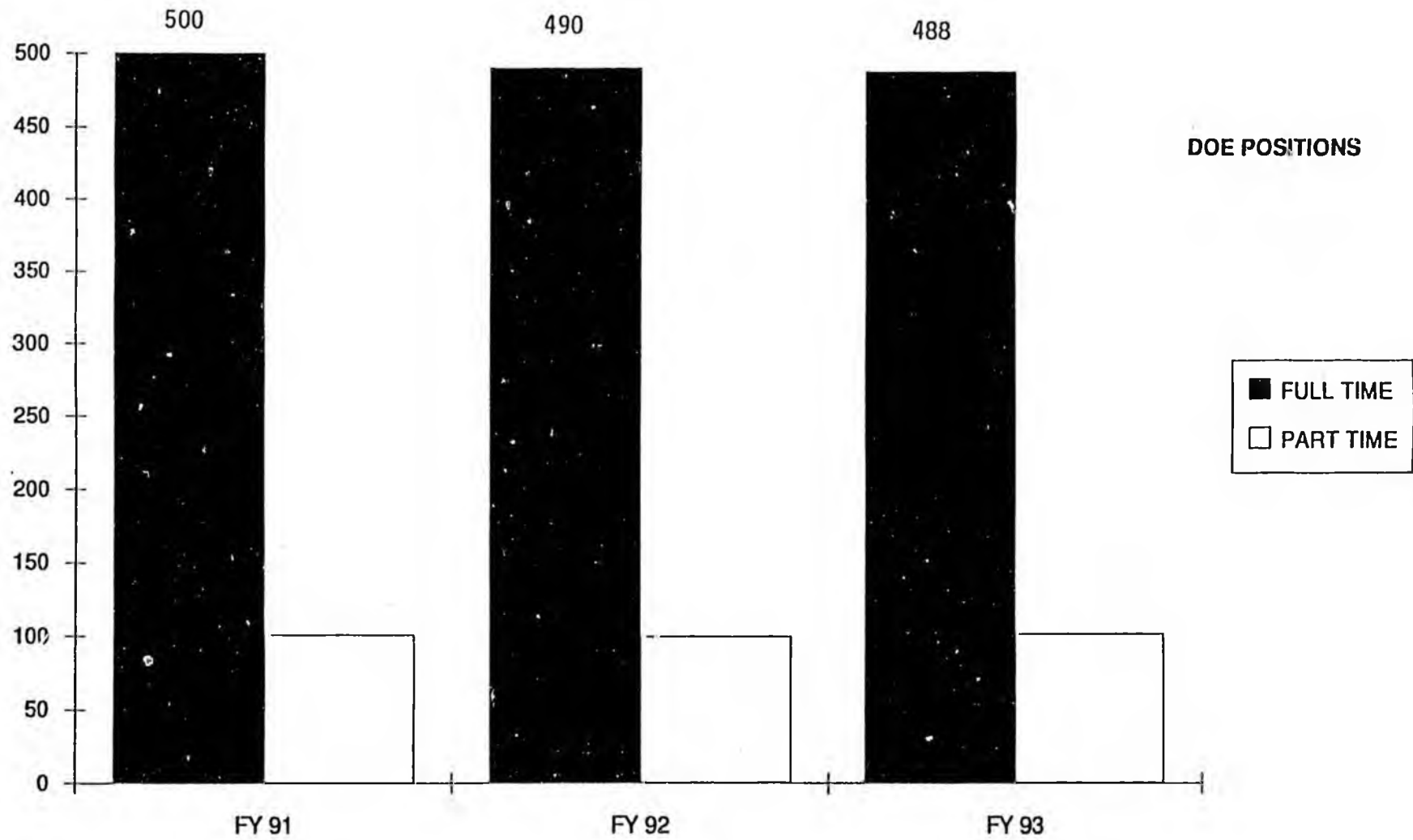


Chart 1



## Budget Synopsis

The Department's proposed FY93 budget totals \$858.2 million, an increase of \$24.3 million over FY92 authorized.

This includes:   \$607.5 million General Fund  
                  \$ 74.9 million Federal  
                  \$175.8 million Other

General Funds are used to support the following:

- \* 96.0% of DOE budget flows through as support for public education
- \* 1.2% of the budget is allocated to Mt. Edgecumbe and Alaska Vocational Technical Center in Seward
- \* 2.2% is allocated to departmental operations (administrative and support functions)
- \* .6% is allocated to Boards and Commissions (Arts Council, K-12 Licensing Standards/PTPC and Postsecondary Education Commission)

## Highlights of Governor's Proposed Budget

|   | GF          | Other      |
|---|-------------|------------|
| * Alaska 2000                             | \$ 2,300.0  |            |
| * Foundation increase                     | \$10,024.3* |            |
| * PL81-874 Legal Counsel                  | \$ 200.0    |            |
| * Mt. Edgecumbe new dormitory             | \$ 448.0    |            |
| * 5% COLA                                 | \$ 681.8    | \$ 654.5   |
| * increase in Fed. Grants                 | \$ 4,662.0  |            |
| * K-12 student lunch Fed. increase        |             | \$ 3,100.0 |
| * AVTEC contracts to 11 months (\$ 175.1) |             |            |

\* School Debt Reimbursement reduction (\$ 1,382.9)\*\*

\* The original projection of 2% student population growth equated to \$10,024.3. This projection was necessary at the beginning of the budget process and was developed prior to the October count from the school districts. Revised calculations of full funding indicate \$22,357.6 will be required in addition to the Governor's requested GF increment of \$10,024.3, and \$810.0 in Public School Funds, for an increase of \$33,191.9 over FY92 authorized. The Office of Management and Budget has been apprised of this situation.

\*\* Please note fund source change from General Fund to the Alaska Debt Retirement Fund enacted by CH 96, SLA 91, Sections 168 and 171.

## Significant Program Changes

\* The Educational Program Support (EPS) division has been reorganized and now includes the Office of Adult and Vocational Education. In addition, the Centralized Correspondence Study Component has been transferred to its own BRU.

\* Mt. Edgecumbe Boarding School. The new dormitory is scheduled to come online during the summer of 1992 with an increase of 40-48 students.

\* Refocus staff and programs to the development and support of AK 2000

## FY92 Supplementals

Foundation: \$19,067.8

## FY93 Budget Amendments

Additional District Support: HB 5, CH5, Sec 1, appropriated \$2,131.2 in general funds for single site school districts operating expenses for FY92. The department in conjunction with OMB considered deleting these funds as a one-time-item in the FY93 budget, or rolling the total into the foundation program to partially offset the \$22,357.6 shortfall. A decision will be made on this issue before the February 26, budget amendment deadline. In addition, \$372.6 was appropriated by SCS CSHB 15 (Fin) am S, CH 96, Sec. 131, for the same purpose, which is not included in the department's FY93 budget.

## Capital Budget

The top six Departmental projects are as follows:

|   |           |
|---|-----------|
| 1) Completion of Mt. Edgecumbe Dormitory Construction | \$ 545.0  |
| 2) Regional Boarding School Design and Planning       | \$ 850.0  |
| 3) Library Materials, Equipment and Furniture         | \$ 300.0  |
| 4) School District Electronic Networking              | \$2,250.0 |
| 5) Micrographics Lab Ventilation                      | \$ 77.7   |

**A REVIEW**  
**THE ALASKA SCHOOL FOUNDATION FUNDING**  
**PROGRAM**

**JANUARY 1992**

**ALASKA'S PUBLIC SCHOOL FOUNDATION PROGRAM, AS 14.17** enables the state to meet fiscal equalization criteria outlined in the federal PL-874 law, commonly known as the "disparity test." Alaska must meet the guidelines in order to utilize approximately \$33 million in PL-874 funds within the state foundation plan as general revenues.

**PL 81-874 DISPARITY TEST** - The federal PL-874 disparity test measures the disparity in local school district expenditures. The test takes into consideration designated state and local revenues. Under guidelines of the disparity test, the range of revenues may not vary more than 25 percent between the school district that raises the lowest amount of revenue per instructional unit and the school district that raises the greatest amount. Since federal regulations allow states to eliminate five percent of the weighted

instructional units at the top of the scale and five percent at the bottom, Alaska eliminates both of its oil rich school districts, Valdez and North Slope Borough, which contribute considerably more than 25 percent beyond the lowest amount. Since REAAs are not authorized to raise local taxes, five percent of the units at the bottom of the scale can be from any REAA. The disparity test uses \$60,000 per instructional unit as the base.

**THE FOUNDATION PROGRAM** is based on the "instructional unit" method of funding.

**THE DEFINITIONS** printed on page 2, when used with the two mathematical formulas below and the numerical data on page 4, provide for understanding the foundation law.



**THE FORMULA USED TO CALCULATE BASIC NEED:**

**BASIC NEED = (INSTRUCTIONAL UNITS) x (AREA COST DIFFERENTIAL) x (\$60,000)**

**THE FORMULA USED TO CALCULATE STATE FOUNDATION AID:**

**STATE FOUNDATION AID = (BASIC NEED) - (LOCAL EFFORT) - (90% ELIGIBLE PL-874)**

# TERMS AND CONCEPTS:

**ADM (AVERAGE DAILY MEMBERSHIP)** - The average of the number of students enrolled in a school district or specific school program (vocational education, bilingual education, special education) over a specified fall or spring report period. The more students a district has in Average Daily Membership, the more funding it receives through the foundation program.

**AREA COST DIFFERENTIAL** - A factor multiplied by a school district's instructional units to adjust for costs - primarily personnel costs - in various school districts. Factors vary between 1.0 and 1.46, depending usually on remoteness of the district.

**BASIC NEED** - An amount of money determined by multiplying the area cost differential by the number of a school district's allowable instructional units times the instructional unit value, set annually by the legislature. The foundation program sets the instructional unit value at \$60,000. (See page 4, column A)

**INSTRUCTIONAL UNIT** - A number represented by a group of students identified by grade levels and whether the students are enrolled in vocational, special or bilingual education programs.

**INSTRUCTIONAL UNIT VALUE** - The amount under the new foundation formula is \$60,000 per instructional unit. That amount was established by the regulation when the law was passed.

**PL-874** - Federal Law PL-874, impact aid to education, provides federal funds to school districts for children of parents living and/or working on federal property as an "in lieu of local tax" revenue. Under the foundation program 90 percent of each school district's eligible PL-874 receipts is subtracted from the district's basic need. (See page 4, column E)

**REQUIRED LOCAL EFFORT** - Under the law, city and borough school districts are required to contribute the lesser amount of:

- (1) the equivalent of funds generated by a four mill tax levy based on the full and true value of the taxable real and personal property in the school district in the second preceding year; or
- (2) 35 percent of a school district's basic need for the preceding school year.

In addition to the required local effort school districts are allowed to contribute the greater of an equivalent of 2.0 mills or \$13,800 per adjusted unit to hold disparities in funding per instructional unit among school districts to no more than 25 percent. The amount of local effort, either in the 4 mill equivalent or 35 percent basic need, is subtracted from a school district's basic need. Since Regional Education Attendance Areas do not have authority to collect taxes, there is no deduction for the local contribution portion of basic need in these districts. (See page 4, column B)

**STATE FOUNDATION AID** - The amount of state money school districts are entitled to receive under the Public School Foundation Program, after local and federal shares are deducted. (See page 4, column F)

## OTHER ISSUES:

**CENTRALIZED CORRESPONDENCE SCHOOL** - The law provides a formula for computing funds for the state Centralized Correspondence School. Instructional units are computed under the same formula used by elementary schools with more than 200 students and multiplied by 0.65.

**DECLINING ENROLLMENT** - The law contains language that protects districts from losing more than 10 percent of the prior year's K-12 instructional units.

**DISTRIBUTION PROCEDURES** - The Department of Education will make payment of foundation aid through monthly payments to school districts. The payments for the first nine months of each fiscal year will be based on actual instructional units for the prior school year. Payments for the last three months will be adjusted by current year instructional units. Any overpayments or underpayments made during the first nine months will be adjusted in the final three payments of the fiscal year. The first counting period will be during a 20-day period ending on the fourth Friday in each October. An optional 20-day count period ending the second Friday of February may be used to calculate foundation funding, if the February counting period yields more instructional units.

**FUND BALANCE LIMITATION** - The law prohibits districts from accumulating an unreserved fund balance of more than 10 percent of their operating expenditures and other uses for the year. The Department of Education must deduct the amount exceeding 10 percent from a school district's succeeding year's foundation entitlement.

**FULL AND TRUE VALUE** - The Department of Community and Regional Affairs will determine the full value of the taxable real and personal property in each city and borough school district for the purpose of calculating a school district's required local effort.

**GATHERING/ REPORTING STUDENT DATA** - The statute requires districts to report to the Department of Education by October 15 of each school year an estimate of its student population for the next school year. The Department of Education will use the estimates to determine the amount of state foundation aid to seek from the Legislature for the following school year.

|                    | A                      | B                      | C                    | D                      | E                      | F   |
|--------------------|------------------------|------------------------|----------------------|------------------------|------------------------|---|
|                    | BASIC NEED<br>\$60,000 | FY93 REQUIRED<br>LOCAL | ELIGIBLE<br>PL81-874 | PL81-874<br>PERCENTAGE | DEDUCTIBLE<br>PL81-874 | PROJECTED FY93<br>FOUNDATION<br>STATE AID |
| ADAK               | \$4,548,600            | \$0                    | \$2,450,011          | 100.00%                | \$2,205,010            | \$2,343,594                               |
| ALASKA GATEWAY     | 4,852,200              | 0                      | 554,767              | 100.00%                | 499,290                | 4,352.91                                  |
| ALEUTIAN REGION    | 735,000                | 0                      | 109,429              | 100.00%                | 98,488                 | 636.51                                    |
| ALEUTIANS EAST     | 4,221,600              | 338,798                | 0                    | 100.00%                | 0                      | 3,884.80                                  |
| ANCHORAGE          | 218,178,600            | 41,066,140             | 241,721              | 64.72%                 | 140,798                | 176,971.66                                |
| ANNETTE ISLANDS    | 2,639,400              | 0                      | 1,607,941            | 100.00%                | 1,447,147              | 1,192.25                                  |
| BERING STRAIT      | 17,238,600             | 0                      | 4,528,741            | 100.00%                | 4,075,867              | 13,162.73                                 |
| BRISTOL BAY        | 2,841,600              | 710,144                | 325,275              | 83.68%                 | 244,971                | 1,886.48                                  |
| CHATHAM            | 3,630,000              | 0                      | 1,016,573            | 100.00%                | 914,918                | 2,715.08                                  |
| CHUGACH            | 1,875,600              | 0                      | 142,989              | 100.00%                | 128,690                | 1,746.91                                  |
| COPPER RIVER       | 5,373,000              | 0                      | 133,787              | 100.00%                | 120,408                | 5,252.59                                  |
| CORDOVA            | 2,991,000              | 595,203                | 21,858               | 61.02%                 | 12,004                 | 2,383.79                                  |
| CRAIG              | 2,305,200              | 203,178                | 37,337               | 95.26%                 | 32,011                 | 2,070.01                                  |
| DELTA/GREELY       | 5,624,400              | 0                      | 1,010,482            | 100.00%                | 909,434                | 4,714.96                                  |
| DILLINGHAM         | 4,434,000              | 495,388                | 454,763              | 65.87%                 | 269,597                | 3,669.03                                  |
| FAIRBANKS          | 75,000,000             | 12,700,033             | 106,341              | 55.08%                 | 52,698                 | 62,247.27                                 |
| GALENA             | 1,620,600              | 79,860                 | 397,839              | 54.45%                 | 194,961                | 1,345.77                                  |
| HAINES             | 2,727,000              | 377,711                | 32,014               | 44.85%                 | 12,922                 | 2,236.36                                  |
| HOONAH             | 1,702,200              | 91,252                 | 352,370              | 22.47%                 | 71,260                 | 1,539.68                                  |
| HYDABURG           | 1,082,400              | 22,945                 | 18,308               | 30.48%                 | 5,022                  | 1,054.43                                  |
| ITAROD             | 5,317,800              | 0                      | 732,493              | 100.00%                | 659,244                | 4,658.55                                  |
| JUNEAU             | 26,425,200             | 5,918,964              | 30,060               | 51.80%                 | 14,014                 | 20,482.22                                 |
| KAKE               | 1,363,800              | 67,806                 | 382,708              | 48.94%                 | 159,757                | 1,136.23                                  |
| KASHUNAMIUT        | 2,039,400              | 0                      | 464,145              | 100.00%                | 417,731                | 1,621.66                                  |
| KENAI              | 54,696,600             | 14,099,527             | 108,580              | 54.68%                 | 53,415                 | 40,543.65                                 |
| KETCHIKAN          | 13,456,800             | 3,663,260              | 12,798               | 56.80%                 | 6,541                  | 9,786.99                                  |
| KLAWOCK            | 1,561,200              | 47,975                 | 353,125              | 32.37%                 | 102,876                | 1,410.34                                  |
| KODIAK             | 15,347,400             | 2,949,874              | 293,243              | 86.39%                 | 227,973                | 12,169.55                                 |
| KUSPUK             | 5,556,600              | 0                      | 498,447              | 100.00%                | 448,602                | 5,107.99                                  |
| LAKE AND PENINSULA | 6,334,200              | 265,408                | 1,269,774            | 43.76%                 | 500,088                | 5,568.70                                  |
| LOWER KUSKOKWIM    | 33,840,000             | 0                      | 6,108,304            | 100.00%                | 5,467,474              | 28,342.52                                 |
| LOWER YUKON        | 14,652,000             | 0                      | 4,455,801            | 100.00%                | 4,010,221              | 10,641.77                                 |
| MAT-SU             | 56,415,600             | 7,302,396              | 24,689               | 40.60%                 | 9,071                  | 49,104.18                                 |
| NENANA             | 1,583,400              | 60,603                 | 5,227                | 86.31%                 | 4,060                  | 1,518.73                                  |
| NOME               | 5,568,600              | 523,094                | 58,229               | 77.67%                 | 40,704                 | 5,004.80                                  |
| NORTH SLOPE        | 14,008,800             | 4,603,410              | 3,347,795            | 22.06%                 | 664,871                | 8,740.71                                  |
| NORTHWEST ARCTIC   | 16,641,600             | 1,491,134              | 3,486,403            | 100.00%                | 3,137,763              | 12,012.70                                 |
| PELICAN            | 617,400                | 54,604                 | 0                    | 95.78%                 | 0                      | 562.79                                    |
| PETERSBURG         | 3,813,000              | 720,681                | 18,412               | 61.99%                 | 10,271                 | 3,082.04                                  |
| PRIBILOF           | 1,889,400              | 0                      | 474,097              | 100.00%                | 426,687                | 1,462.71                                  |
| RAILBELT           | 3,170,400              | 0                      | 22,098               | 100.00%                | 19,888                 | 3,150.51                                  |
| SITKA              | 8,978,400              | 1,970,796              | 226,572              | 61.12%                 | 124,633                | 6,882.97                                  |
| SKAGWAY            | 1,099,800              | 252,161                | 0                    | 51.24%                 | 0                      | 847.63                                    |
| SOUTHEAST          | 5,664,600              | 0                      | 808,844              | 100.00%                | 727,960                | 4,936.64                                  |
| SOUTHWEST          | 6,688,800              | 0                      | 1,468,693            | 100.00%                | 1,321,924              | 5,366.97                                  |
| ST. MARY'S         | 1,291,800              | 17,837                 | 196,918              | 19.23%                 | 33,908                 | 1,240.05                                  |
| TANANA             | 1,217,400              | 44,982                 | 272,755              | 42.04%                 | 103,200                | 1,069.21                                  |
| UNALASKA           | 2,430,400              | 801,150                | 0                    | 87.32%                 | 0                      | 1,679.25                                  |
| VALDEZ             | 4,673,400              | 1,458,450              | 39,474               | 35.49%                 | 12,608                 | 3,202.34                                  |
| WRANGELL           | 2,988,200              | 538,187                | 2,874                | 64.51%                 | 1,669                  | 2,446.34                                  |
| YAKUTAT            | 1,190,400              | 86,192                 | 12,908               | 49.30%                 | 5,726                  | 1,098.48                                  |
| YUKON FLATS        | 5,141,400              | 0                      | 590,000              | 100.00%                | 531,000                | 4,610.40                                  |
| YUKON/KOYUKUK      | 6,978,000              | 0                      | 1,307,498            | 100.00%                | 1,176,748              | 5,801.25                                  |
| YUPIIT             | 4,635,000              | 0                      | 1,067,538            | 100.00%                | 960,784                | 3,674.21                                  |

|   |                      |                      |                     |  |                     |   |                      |
|---|----------------------|----------------------|---------------------|--|---------------------|---|----------------------|
| <b>TOTALS</b>                                 | <b>\$700,946,800</b> | <b>\$103,717,117</b> | <b>\$41,662,042</b> |  | <b>\$32,846,551</b> | <b>\$564,382,132</b>                    |                      |
| <b>BASIC FORMULA</b>                          |                      |                      |                     |  |                     | <b>STATE CORR. STUDY</b>                | <b>\$5,469,360</b>   |
| <b>STATE FOUNDATION AID = (A) - (B) - (E)</b> |                      |                      |                     |  |                     | <b>MT. EDGE CUMBE SCHOOL</b>            | <b>\$1,709,384</b>   |
|   |                      |                      |                     |  |                     | <b>VALDEZ CONTRACT</b>                  | <b>\$600,000</b>     |
|   |                      |                      |                     |  |                     | <b>4 MILL PHASE-IN (SUBSIDY)</b>        | <b>\$0</b>           |
|   |                      |                      |                     |  |                     | <b>PL81-874 PASS THRU</b>               | <b>\$1,277,192</b>   |
|   |                      |                      |                     |  |                     | <b>ESTIMATED PRIOR YEAR ADJUSTMENTS</b> | <b>\$1,500,000</b>   |
|   |                      |                      |                     |  |                     | <b>EST. FY93 FOUNDATION ENTITLEMENT</b> | <b>\$574,938,068</b> |

ALASKA DEPARTMENT OF EDUCATION  
PROJECTED FY93 STATE PROGRAM ENTITLEMENTS

CORRECTED COPY. VERSION DATED 1-21-92 IS INCORRECT, PLEASE DESTROY.

ALL PROGRAMS ARE BASED UPON THE GOVERNOR'S BUDGET, EXCEPT FOUNDATION. (SEE NOTE 1)

|                    | 1                          | 2               | 3         |                           |                    |                      | 4                    |                      |                  |                      |
|--------------------|----------------------------|-----------------|-----------|---------------------------|--------------------|----------------------|----------------------|----------------------|------------------|----------------------|
|                    | FULL ENTITL.<br>FOUNDATION | PUPIL<br>TRANS. | TUITION   | CIGARETTE<br>TAX DISTRIB. | DEBT<br>RETIREMENT | COMMUNITY<br>SCHOOLS | HANDICAP.<br>SCHOOLS | YOUTH &<br>DETENTION | BOARDING<br>HOME | PROJ. FY93<br>TOTALS |
| ADAK               | \$2,343,590                | \$166,248       | \$0       | \$0                       | \$0                | \$2,416              | \$0                  | \$0                  | \$0              | \$2,512,254          |
| ALASKA GATEWAY     | 4,352,910                  | 374,309         | 0         | 0                         | 0                  | 4,673                | 0                    | 0                    | 0                | 4,731,892            |
| ALEUTIAN REGION    | 636,514                    | 0               | 0         | 0                         | 0                  | 2,125                | 0                    | 0                    | 0                | 638,639              |
| ALEUTIANS EAST     | 3,884,804                  | 57,838          | 0         | 15,205                    | 525,624            | 3,968                | 0                    | 0                    | 0                | 4,487,439            |
| ANCHORAGE          | 176,971,662                | 8,189,460       | 5,942,140 | 1,079,959                 | 39,201,704         | 181,569              | 122,335              | 365,000              | 0                | 232,053,829          |
| ANNETTE ISLANDS    | 1,192,253                  | 11,486          | 0         | 0                         | 0                  | 2,125                | 0                    | 0                    | 0                | 1,205,864            |
| BERING STRAIT      | 13,162,733                 | 33,524          | 0         | 0                         | 0                  | 13,897               | 0                    | 0                    | 0                | 13,210,154           |
| BRISTOL BAY        | 1,886,485                  | 154,652         | 0         | 12,646                    | 971,544            | 2,125                | 0                    | 0                    | 0                | 3,027,452            |
| CHATHAM            | 2,715,084                  | 23,271          | 0         | 0                         | 0                  | 2,772                | 0                    | 0                    | 0                | 2,741,127            |
| CHUGACH            | 1,746,910                  | 0               | 0         | 0                         | 0                  | 2,125                | 0                    | 0                    | 0                | 1,749,035            |
| COPPER RIVER       | 5,252,592                  | 495,818         | 0         | 0                         | 0                  | 5,468                | 0                    | 0                    | 0                | 5,753,878            |
| CORDOVA            | 2,373,793                  | 49,877          | 182,904   | 17,910                    | 740,461            | 2,656                | 0                    | 0                    | 0                | 3,377,601            |
| CRAIG              | 2,070,013                  | 5,703           | 12,123    | 13,818                    | 0                  | 2,125                | 0                    | 0                    | 2,731            | 2,106,513            |
| DELTA/GREELY       | 4,714,966                  | 611,592         | 0         | 0                         | 0                  | 4,953                | 0                    | 0                    | 0                | 5,331,511            |
| DILLINGHAM         | 3,669,035                  | 234,686         | 14,761    | 18,541                    | 286,413            | 3,516                | 0                    | 0                    | 0                | 4,226,952            |
| FAIRBANKS          | 62,247,271                 | 4,712,733       | 5,564,684 | 376,266                   | 12,173,770         | 65,149               | 111,200              | 225,000              | 0                | 85,476,073           |
| GALENA             | 1,345,779                  | 33,833          | 23,417    | 9,540                     | 187,496            | 2,125                | 0                    | 0                    | 0                | 1,602,190            |
| HAINES             | 2,236,367                  | 157,468         | 30,284    | 17,143                    | 200,866            | 2,545                | 0                    | 0                    | 0                | 2,344,673            |
| HOONAH             | 1,539,688                  | 11,125          | 16,444    | 11,845                    | 0                  | 2,125                | 0                    | 0                    | 0                | 1,581,227            |
| HYDABURG           | 1,054,433                  | 5,094           | 6,141     | 8,961                     | 0                  | 2,125                | 0                    | 0                    | 0                | 1,076,754            |
| IDITAROD           | 4,658,556                  | 42,192          | 0         | 0                         | 0                  | 4,783                | 0                    | 0                    | 36,097           | 4,741,628            |
| JUNEAU             | 20,492,222                 | 1,135,185       | 110,541   | 136,543                   | 7,245,585          | 22,431               | 70,622               | 85,000               | 0                | 29,298,129           |
| KAKE               | 1,136,238                  | 24,575          | 6,063     | 10,604                    | 0                  | 2,125                | 0                    | 0                    | 0                | 1,179,605            |
| KASHUNAMIUT        | 1,621,669                  | 3,305           | 0         | 0                         | 0                  | 2,125                | 0                    | 0                    | 0                | 1,627,099            |
| KENAI              | 40,543,658                 | 2,956,137       | 250,930   | 241,081                   | 23,167,252         | 41,610               | 0                    | 0                    | 13,530           | 67,214,198           |
| KETCHIKAN          | 9,786,999                  | 643,005         | 57,328    | 72,263                    | 4,216,178          | 10,389               | 0                    | 0                    | 8,374            | 14,794,536           |
| KLAWOCK            | 1,410,349                  | 0               | 76,287    | 11,270                    | 0                  | 2,125                | 0                    | 0                    | 0                | 1,500,031            |
| KODIAK             | 12,169,553                 | 514,537         | 542,855   | 69,058                    | 2,404,599          | 13,281               | 15,010               | 0                    | 13,865           | 15,742,758           |
| KUSPUK             | 5,107,998                  | 76,026          | 0         | 0                         | 0                  | 5,369                | 0                    | 0                    | 0                | 5,189,393            |
| LAKE AND PENINSULA | 5,568,704                  | 59,001          | 0         | 17,113                    | 214,075            | 6,083                | 0                    | 0                    | 0                | 5,864,976            |
| LOWER KUSKOKWIM    | 28,342,526                 | 261,076         | 0         | 0                         | 0                  | 29,694               | 0                    | 125,000              | 0                | 28,758,296           |
| LOWER YUKON        | 10,641,779                 | 17,194          | 0         | 0                         | 0                  | 11,270               | 0                    | 0                    | 0                | 10,670,243           |

## ALASKA DEPARTMENT OF EDUCATION

CORRECTED COPY. VERSION DATED 1-21-92 IS INCORRECT, PLEASE DESTROY.

## PROJECTED FY93 STATE PROGRAM ENTITLEMENTS

ALL PROGRAMS ARE BASED UPON THE GOVERNOR'S BUDGET, EXCEPT FOUNDATION. ( SEE NOTE 11 )

|                  | 11                         | 12                  | 13                  |                           |                      |                      | 14                   |                      |                  |                      |
|------------------|----------------------------|---------------------|---------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|------------------|----------------------|
|                  | FULL ENTITL.<br>FOUNDATION | PUPIL<br>TRANS.     | TUITION             | CIGARETTE<br>TAX DISTRIB. | DEBT<br>RETIREMENT   | COMMUNITY<br>SCHOOLS | HANDICAP.<br>SCHOOLS | YOUTH &<br>DETENTION | BOARDING<br>HOME | PROJ. FY93<br>TOTALS |
| MAT-SU           | 49,104,183                 | 5,091,214           | 59,275              | 258,297                   | 20,169,701           | 48,513               | 163,720              | 0                    | 0                | 74,894,903           |
| NENANA           | 1,518,737                  | 72,515              | 51,443              | 10,714                    | 148,022              | 2,125                | 0                    | 0                    | 0                | 1,803,556            |
| NOME             | 5,004,802                  | 188,911             | 19,999              | 25,305                    | 667,155              | 5,301                | 0                    | 0                    | 0                | 5,911,473            |
| NORTH SLOPE      | 8,740,719                  | 252,667             | 0                   | 42,383                    | 5,132,619            | 8,785                | 0                    | 0                    | 0                | 14,177,173           |
| NORTHWEST ARCTIC | 12,012,703                 | 0                   | 0                   | 46,879                    | 0                    | 12,980               | 0                    | 0                    | 10,993           | 12,083,555           |
| PELICAN          | 562,796                    | 0                   | 0                   | 7,142                     | 0                    | 2,125                | 0                    | 0                    | 0                | 572,063              |
| PETERSBURG       | 3,082,048                  | 118,626             | 31,092              | 23,473                    | 796,302              | 3,197                | 0                    | 0                    | 0                | 4,054,738            |
| PRIBILOF         | 1,462,713                  | 0                   | 0                   | 0                         | 0                    | 2,125                | 0                    | 0                    | 28,439           | 1,493,277            |
| RAILBELT         | 3,150,512                  | 181,919             | 0                   | 0                         | 0                    | 3,202                | 0                    | 0                    | 0                | 3,335,633            |
| SITKA            | 6,882,972                  | 406,433             | 42,005              | 50,452                    | 2,160,900            | 7,044                | 133,912              | 0                    | 0                | 9,683,718            |
| SKAGWAY          | 847,639                    | 3,347               | 0                   | 9,607                     | 0                    | 2,125                | 0                    | 0                    | 0                | 862,718              |
| SOUTHEAST        | 4,936,640                  | 141,319             | 0                   | 0                         | 0                    | 5,000                | 0                    | 0                    | 0                | 5,083,459            |
| SOUTHWEST        | 5,366,976                  | 63,388              | 0                   | 0                         | 0                    | 5,353                | 0                    | 0                    | 40,939           | 5,476,656            |
| ST. MARY'S       | 1,240,055                  | 0                   | 0                   | 8,625                     | 0                    | 2,125                | 0                    | 0                    | 0                | 1,250,805            |
| TANANA           | 1,069,218                  | 17,042              | 38,391              | 8,488                     | 0                    | 2,125                | 0                    | 0                    | 0                | 1,135,264            |
| UNALASKA         | 1,679,250                  | 118,302             | 0                   | 13,215                    | 1,294,446            | 2,125                | 0                    | 0                    | 0                | 3,107,338            |
| VALDEZ           | 3,202,342                  | 277,714             | 281,762             | 27,240                    | 4,457,343            | 3,245                | 0                    | 0                    | 0                | 8,249,646            |
| WRANGELL         | 2,446,344                  | 53,540              | 6,140               | 19,154                    | 1,148,981            | 2,727                | 0                    | 0                    | 0                | 3,676,886            |
| YAKUTAT          | 1,098,482                  | 53,494              | 52,389              | 9,260                     | 0                    | 2,125                | 0                    | 0                    | 0                | 1,215,750            |
| YUKON FLATS      | 4,610,400                  | 59,565              | 0                   | 0                         | 0                    | 5,203                | 0                    | 0                    | 48,914           | 4,724,082            |
| YUKON/KOYUKUK    | 5,801,252                  | 44,904              | 0                   | 0                         | 0                    | 6,408                | 0                    | 0                    | 26,118           | 5,878,682            |
| YUPIIT           | 3,674,216                  | 0                   | 0                   | 0                         | 0                    | 4,175                | 0                    | 0                    | 0                | 3,678,391            |
| OTHER            | 10,555,936                 | 365,650             | 459,102             | 0                         | 0                    | 0                    | 2,460,701            | 0                    | 0                | 13,841,389           |
| <b>TOTALS</b>    | <b>\$574,938,068</b>       | <b>\$28,572,000</b> | <b>\$13,878,500</b> | <b>\$2,700,000</b>        | <b>\$127,511,036</b> | <b>\$600,000</b>     | <b>\$3,077,500</b>   | <b>\$800,000</b>     | <b>\$230,000</b> | <b>\$752,307,104</b> |

11 OTHER: INCLUDES CCS, MT EDGE CUMBE, VALDEZ CONTRACT AND OTHER ADJUSTMENTS. THE GOVERNOR'S FY93 FOUNDATION FUNDING IS SHORT BY \$22,357,600. OMB MAY SUBMIT A BUDGET AMENDMENT FOR THIS ADDITION.

12 OTHER: INCLUDES CONTRACTS AND INFLATION.

13 OTHER: INCLUDES CONTRACTS FOR HYDER STUDENTS AND VARIOUS SCHOOL BUILDING INSURANCE.

14 OTHER: INCLUDES ALLOCATIONS TO ( SESA ), ( API ), PROVIDENCE HEIGHTS SCHOOL AND ALASKA SCHOOL FOR THE DEAF.

**OPERATIONS AND FORMULA-FUNDED PROGRAMS**

**ALL FUNDS BY BRU AND COMPONENT**

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 01/14/92  
TIME: 14:24:43  
PROG: SPLITCUT

AGENCY OPERATIONS & FORMULA-FUNDED PROGRAMS, ALL FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: Department of Education

| BUDGET REQUEST UNIT/COMPONENT                 | FY91 ACT  | FY92 AUTH | FY93 GOV                  |             |                          |             | TOTAL     |
|---|-----------|-----------|---------------------------|-------------|--------------------------|-------------|-----------|
|   |           |           | --- AGENCY OPERATIONS --- |             | --- FORMULA PROGRAMS --- |             |           |
|   |           |           | GENERAL FUND              | OTHER FUNDS | GENERAL FUND             | OTHER FUNDS |           |
| <b>K-12 Support</b>                           |           |           |                           |             |                          |             |           |
| Foundation Program                            | 526,382.6 | 541,746.2 | 0.0                       | 0.0         | 523,647.5                | 28,933.0    | 552,580.5 |
| Additional District Support                   | 0.0       | 2,131.2   | 2,131.2                   | 0.0         | 0.0                      | 0.0         | 2,131.2   |
| Student Lunch Program                         | 13,814.4  | 15,000.0  | 0.0                       | 0.0         | 0.0                      | 18,100.0    | 18,100.0  |
| Cigarette Tax Distribution                    | 2,600.0   | 2,500.0   | 0.0                       | 0.0         | 0.0                      | 2,700.0     | 2,700.0   |
| Tuition Students                              | 13,878.5  | 13,878.5  | 0.0                       | 0.0         | 13,878.5                 | 0.0         | 13,878.5  |
| Boarding Home Grants                          | 223.2     | 230.0     | 0.0                       | 0.0         | 230.0                    | 0.0         | 230.0     |
| Youth in Detention                            | 794.9     | 800.0     | 0.0                       | 0.0         | 800.0                    | 0.0         | 800.0     |
| Schools for the Handicapped                   | 2,772.6   | 3,077.5   | 0.0                       | 0.0         | 2,977.5                  | 100.0       | 3,077.5   |
| Pupil Transportation                          | 24,737.0  | 28,572.0  | 0.0                       | 0.0         | 28,572.0                 | 0.0         | 28,572.0  |
| *** BRU Totals ***                            | 585,203.2 | 607,935.4 | 2,131.2                   | 0.0         | 570,105.5                | 49,833.0    | 622,069.7 |
| <b>School Debt Reimbursement</b>              |           |           |                           |             |                          |             |           |
| School Debt Reimbursement                     | 116,688.6 | 128,986.1 | 0.0                       | 0.0         | 0.0                      | 127,603.2   | 127,603.2 |
| *** BRU Totals ***                            | 116,688.6 | 128,986.1 | 0.0                       | 0.0         | 0.0                      | 127,603.2   | 127,603.2 |
| <b>Education Finance and Support Services</b> |           |           |                           |             |                          |             |           |
| District Support Services                     | 1,784.3   | 1,786.2   | 678.6                     | 1,427.5     | 0.0                      | 0.0         | 2,106.1   |
| CIP Overhead and Associated Costs             | 113.7     | 537.1     | 0.0                       | 548.5       | 0.0                      | 0.0         | 548.5     |
| Teacher Certification                         | 0.0       | 589.8     | 603.7                     | 0.0         | 0.0                      | 0.0         | 603.7     |
| *** BRU Totals ***                            | 1,898.0   | 2,913.1   | 1,282.3                   | 1,976.0     | 0.0                      | 0.0         | 3,258.3   |
| <b>Data Management and Processing</b>         |           |           |                           |             |                          |             |           |
| Data Processing                               | 595.9     | 0.0       | 0.0                       | 0.0         | 0.0                      | 0.0         | 0.0       |
| Data Management                               | 450.0     | 0.0       | 0.0                       | 0.0         | 0.0                      | 0.0         | 0.0       |
| *** BRU Totals ***                            | 1,045.9   | 0.0       | 0.0                       | 0.0         | 0.0                      | 0.0         | 0.0       |
| <b>Education Program Support</b>              |           |           |                           |             |                          |             |           |
| Community Schools                             | 579.0     | 600.0     | 0.0                       | 0.0         | 600.0                    | 0.0         | 600.0     |

AGENCY: Department of Education (Cont'd)

| BUDGET REQUEST UNIT/COMPONENT             | FY91 ACT | FY92 AUTH | FY93 GOV                  |             |                          |             | TOTAL    |
|---|----------|-----------|---------------------------|-------------|--------------------------|-------------|----------|
|   |          |           | --- AGENCY OPERATIONS --- |             | --- FORMULA PROGRAMS --- |             |          |
|   |          |           | GENERAL FUND              | OTHER FUNDS | GENERAL FUND             | OTHER FUNDS |          |
| Special and Supplemental Services         | 24,211.8 | 24,794.6  | 272.2                     | 29,651.4    | 0.0                      | 0.0         | 29,923.6 |
| Basic Education and Instructional Improve | 8,246.1  | 8,753.7   | 1,710.3                   | 7,674.5     | 0.0                      | 0.0         | 9,384.8  |
| Instructional Delivery and Support        | 5,610.3  | 0.0       | 0.0                       | 0.0         | 0.0                      | 0.0         | 0.0      |
| Education Special Projects                | 366.6    | 301.1     | 301.1                     | 200.0       | 0.0                      | 0.0         | 501.1    |
| Director's Office                         | 689.4    | 776.2     | 0.0                       | 0.0         | 0.0                      | 0.0         | 0.0      |
| Data Management                           | 0.0      | 936.9     | 800.0                     | 121.7       | 0.0                      | 0.0         | 921.7    |
| *** BRU Totals ***                        | 39,703.2 | 36,162.5  | 3,083.6                   | 37,647.6    | 600.0                    | 0.0         | 41,331.2 |
| <b>Adult and Vocational Education</b>     |          |           |                           |             |                          |             |          |
| Adult Basic Education                     | 2,694.3  | 2,324.6   | 1,736.8                   | 1,085.0     | 0.0                      | 0.0         | 2,821.8  |
| Employment Training Grants                | 247.8    | 350.0     | 0.0                       | 350.0       | 0.0                      | 0.0         | 350.0    |
| Federal Vocational Education Grants       | 3,967.9  | 4,272.3   | 0.0                       | 4,272.3     | 0.0                      | 0.0         | 4,272.3  |
| Adult and Vocational Education Administra | 1,154.9  | 1,034.1   | 379.3                     | 672.0       | 0.0                      | 0.0         | 1,051.3  |
| Alaska Career Information System          | 294.5    | 335.5     | 215.1                     | 126.7       | 0.0                      | 0.0         | 341.8    |
| Rural School Vocational Education Program | 200.0    | 200.0     | 200.0                     | 0.0         | 0.0                      | 0.0         | 200.0    |
| Vocational Education Special Projects     | 195.7    | 0.0       | 0.0                       | 0.0         | 0.0                      | 0.0         | 0.0      |
| *** BRU Totals ***                        | 8,755.1  | 8,516.5   | 2,531.2                   | 6,506.0     | 0.0                      | 0.0         | 9,037.2  |
| <b>Executive Administration</b>           |          |           |                           |             |                          |             |          |
| State Board of Education                  | 98.4     | 59.9      | 61.4                      | 21.3        | 0.0                      | 0.0         | 82.7     |
| Commissioner's Office                     | 0.0      | 0.0       | 659.6                     | 38.5        | 0.0                      | 0.0         | 698.1    |
| Executive Administration                  | 623.7    | 874.1     | 0.0                       | 0.0         | 0.0                      | 0.0         | 0.0      |
| Administrative Services                   | 765.8    | 1,499.3   | 1,283.5                   | 497.5       | 0.0                      | 0.0         | 1,781.0  |
| Department Overhead Expenses              | 127.0    | 110.5     | 110.5                     | 0.0         | 0.0                      | 0.0         | 110.5    |
| *** BRU Totals ***                        | 1,614.9  | 2,543.8   | 2,115.0                   | 557.3       | 0.0                      | 0.0         | 2,672.3  |
| <b>Educational System Reforms</b>         |          |           |                           |             |                          |             |          |
| Alaska 2000                               | 0.0      | 0.0       | 2,300.0                   | 0.0         | 0.0                      | 0.0         | 2,300.0  |
| *** BRU Totals ***                        | 0.0      | 0.0       | 2,300.0                   | 0.0         | 0.0                      | 0.0         | 2,300.0  |
| <b>Correspondence Study-State</b>         |          |           |                           |             |                          |             |          |
| Correspondence Study-State                | 0.0      | 4,683.9   | 142.7                     | 4,656.6     | 0.0                      | 0.0         | 4,799.3  |
| *** BRU Totals ***                        | 0.0      | 4,683.9   | 142.7                     | 4,656.6     | 0.0                      | 0.0         | 4,799.3  |
| <b>K-12 Licensing Standards</b>           |          |           |                           |             |                          |             |          |
| Licensing and Standards                   | 0.0      | 0.0       | 35.1                      | 0.0         | 0.0                      | 0.0         | 35.1     |

AGENCY: Department of Education (Cont'd)

| BUDGET REQUEST UNIT/COMPONENT             | FY91 ACT | FY92 AUTH | FY93 GOV                  |             |                          |             | TOTAL    |
|---|----------|-----------|---------------------------|-------------|--------------------------|-------------|----------|
|   |          |           | --- AGENCY OPERATIONS --- |             | --- FORMULA PROGRAMS --- |             |          |
|   |          |           | GENERAL FUND              | OTHER FUNDS | GENERAL FUND             | OTHER FUNDS |          |
| *** BRU Totals ***                        | 0.0      | 0.0       | 35.1                      | 0.0         | 0.0                      | 0.0         | 35.1     |
| <b>Commissions and Boards</b>             |          |           |                           |             |                          |             |          |
| Professional Teaching Practices           | 183.6    | 35.0      | 0.0                       | 0.0         | 0.0                      | 0.0         | 0.0      |
| Alaska State Council on the Arts          | 1,960.2  | 1,869.5   | 1,194.5                   | 675.0       | 0.0                      | 0.0         | 1,869.5  |
| *** BRU Totals ***                        | 2,143.8  | 1,904.5   | 1,194.5                   | 675.0       | 0.0                      | 0.0         | 1,869.5  |
| <b>Kotzebue Technical Center</b>          |          |           |                           |             |                          |             |          |
| Kotzebue Technical Center Operations Gran | 965.7    | 914.5     | 914.5                     | 0.0         | 0.0                      | 0.0         | 914.5    |
| *** BRU Totals ***                        | 965.7    | 914.5     | 914.5                     | 0.0         | 0.0                      | 0.0         | 914.5    |
| <b>Alaska Vocational Technical Center</b> |          |           |                           |             |                          |             |          |
| Alaska Vocational Technical Center Operat | 4,801.1  | 4,878.6   | 4,728.4                   | 141.1       | 0.0                      | 0.0         | 4,869.5  |
| *** BRU Totals ***                        | 4,801.1  | 4,878.6   | 4,728.4                   | 141.1       | 0.0                      | 0.0         | 4,869.5  |
| <b>Mt. Edgecumbe Boarding School</b>      |          |           |                           |             |                          |             |          |
| Instruction Program                       | 1,616.7  | 1,605.3   | 30.6                      | 1,811.3     | 0.0                      | 0.0         | 1,841.9  |
| Residential Program                       | 1,872.3  | 1,944.5   | 2,390.1                   | 40.0        | 0.0                      | 0.0         | 2,430.1  |
| *** BRU Totals ***                        | 3,489.0  | 3,549.8   | 2,420.7                   | 1,851.3     | 0.0                      | 0.0         | 4,272.0  |
| <b>Vocational Rehabilitation</b>          |          |           |                           |             |                          |             |          |
| Counseling and Placement                  | 4,235.9  | 4,225.4   | 1,866.4                   | 3,053.1     | 0.0                      | 0.0         | 4,919.5  |
| Federal Training Grant                    | 40.5     | 41.1      | 4.1                       | 37.0        | 0.0                      | 0.0         | 41.1     |
| Services to Clients                       | 3,509.5  | 3,832.1   | 1,570.2                   | 2,769.0     | 0.0                      | 0.0         | 4,339.2  |
| Vocational Rehabilitation Administration  | 1,024.3  | 1,031.6   | 445.1                     | 699.2       | 0.0                      | 0.0         | 1,144.3  |
| Independent Living Rehabilitation         | 1,499.8  | 1,593.3   | 637.6                     | 1,175.6     | 0.0                      | 0.0         | 1,813.2  |
| Specialized Facilities                    | 326.5    | 155.8     | 106.7                     | 399.1       | 0.0                      | 0.0         | 505.8    |
| Services for the Blind and Deaf           | 650.5    | 725.5     | 353.0                     | 297.5       | 0.0                      | 0.0         | 650.5    |
| Disability Determination                  | 1,810.0  | 2,414.2   | 0.0                       | 2,496.5     | 0.0                      | 0.0         | 2,496.5  |
| Supported Employment                      | 476.6    | 309.1     | 0.0                       | 309.1       | 0.0                      | 0.0         | 309.1    |
| Assistive Technology                      | 493.8    | 609.1     | 0.0                       | 647.1       | 0.0                      | 0.0         | 647.1    |
| *** BRU Totals ***                        | 14,067.5 | 14,937.2  | 4,983.1                   | 11,883.2    | 0.0                      | 0.0         | 16,866.3 |
| <b>Alaska State Museums and Libraries</b> |          |           |                           |             |                          |             |          |

AGENCY: Department of Education (Cont'd)

| BUDGET REQUEST UNIT/COMPONENT             | FY91 ACT  | FY92 AUTH | FY93 GOV                  |             |                          |             | TOTAL     |
|---|-----------|-----------|---------------------------|-------------|--------------------------|-------------|-----------|
|   |           |           | --- AGENCY OPERATIONS --- |             | --- FORMULA PROGRAMS --- |             |           |
|   |           |           | GENERAL FUND              | OTHER FUNDS | GENERAL FUND             | OTHER FUNDS |           |
| Library Operations                        | 4,975.8   | 5,340.3   | 4,068.9                   | 1,165.3     | 0.0                      | 0.0         | 5,234.2   |
| Blue Book                                 | 54.4      | 15.1      | 54.8                      | 0.0         | 0.0                      | 0.0         | 54.8      |
| Archives                                  | 648.9     | 710.5     | 577.0                     | 160.6       | 0.0                      | 0.0         | 737.6     |
| *** BRU Totals ***                        | 5,679.1   | 6,065.9   | 4,700.7                   | 1,325.9     | 0.0                      | 0.0         | 6,026.6   |
| Alaska State Museums                      |           |           |                           |             |                          |             |           |
| Museum Operations                         | 1,389.9   | 1,434.9   | 1,498.5                   | 0.0         | 0.0                      | 0.0         | 1,498.5   |
| Specific Cultural Programs                | 358.2     | 179.1     | 179.1                     | 0.0         | 0.0                      | 0.0         | 179.1     |
| *** BRU Totals ***                        | 1,748.1   | 1,614.0   | 1,677.6                   | 0.0         | 0.0                      | 0.0         | 1,677.6   |
| Alaska Postsecondary Education Commission |           |           |                           |             |                          |             |           |
| Program Administration                    | 736.9     | 753.4     | 0.0                       | 746.6       | 0.0                      | 0.0         | 746.6     |
| Student Loan Operations                   | 3,934.2   | 4,043.9   | 0.0                       | 4,119.1     | 0.0                      | 0.0         | 4,119.1   |
| Western Interstate Commission For Higher  | 70.3      | 73.4      | 73.4                      | 0.0         | 0.0                      | 0.0         | 73.4      |
| Western Interstate Commission for Higher  | 1,159.6   | 951.1     | 951.1                     | 0.0         | 0.0                      | 0.0         | 951.1     |
| WAMI Medical Education                    | 1,150.6   | 1,207.5   | 1,207.5                   | 0.0         | 0.0                      | 0.0         | 1,207.5   |
| Federal Student Aid                       | 496.9     | 505.0     | 370.0                     | 135.0       | 0.0                      | 0.0         | 505.0     |
| Governor's Council on Vocational and Care | 139.1     | 148.8     | 0.0                       | 148.8       | 0.0                      | 0.0         | 148.8     |
| Data and Word Processing                  | 196.5     | 356.5     | 0.0                       | 621.7       | 0.0                      | 0.0         | 621.7     |
| *** BRU Totals ***                        | 7,884.1   | 8,039.6   | 2,602.0                   | 5,771.2     | 0.0                      | 0.0         | 8,373.2   |
| Student Loan Corporation                  |           |           |                           |             |                          |             |           |
| Student Loan Program                      | 280.6     | 291.7     | 0.0                       | 272.3       | 0.0                      | 0.0         | 272.3     |
| *** BRU Totals ***                        | 280.6     | 291.7     | 0.0                       | 272.3       | 0.0                      | 0.0         | 272.3     |
| *** Agency Totals ***                     | 795,967.9 | 833,937.1 | 36,842.6                  | 73,263.5    | 570,705.5                | 177,436.2   | 858,247.8 |
| AGENCY FUNDING SUMMARY                    |           |           |                           |             |                          |             |           |
| Federal Funds                             | 80,613.1  | 85,432.7  | 0.0                       | 56,802.6    | 0.0                      | 38,824.0    | 95,626.6  |
| General Fund                              | 691,445.3 | 594,057.1 | 36,842.6                  | 0.0         | 570,705.5                | 0.0         | 607,548.1 |
| Other Funds                               | 23,909.5  | 154,447.3 | 0.0                       | 16,460.9    | 0.0                      | 138,612.2   | 155,073.1 |

**OPERATING BUDGET FORMULA-FUNDED PROGRAMS**

**ALL FUNDS BY BRU AND COMPONENT**

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 01/14/92  
TIME: 14:56:09  
PROG: FLEXCUTD

OPERATING BUDGET FORMULA-FUNDED PROGRAMS, ALL FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: DEPARTMENT OF EDUCATION

| BUDGET REQUEST UNIT/COMPONENT    | FY91 ACT  | FY92 AUTH | FY93 ADJB | FY93 AGY  | FY93 GOV  | FY92 AUTH --> FY93 GOV<br>DOLLAR CHNGE | % CHANGE |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|--|----------|
| <b>K-12 SUPPORT</b>              |           |           |           |           |           |  |          |
| FOUNDATION PROGRAM               | 526,382.6 | 541,746.2 | 541,746.2 | 552,580.5 | 552,580.5 | 10,834.3                               | 2.0      |
| FOUNDATION SUPPLEMENTAL PRGMS    | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0                                    | 0.0      |
| STUDENT LUNCH PROGRAM            | 13,814.4  | 15,000.0  | 15,000.0  | 18,100.0  | 18,100.0  | 3,100.0                                | 20.7     |
| CIGARETTE TAX DISTRIBUTION       | 2,600.0   | 2,500.0   | 2,500.0   | 2,700.0   | 2,700.0   | 200.0                                  | 8.0      |
| TUITION STUDENTS                 | 13,878.5  | 13,878.5  | 13,878.5  | 13,878.5  | 13,878.5  | 0.0                                    | 0.0      |
| BOARDING HOME GRANTS             | 223.2     | 230.0     | 230.0     | 230.0     | 230.0     | 0.0                                    | 0.0      |
| STATE CONTRACT PROGRAMS          | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0                                    | 0.0      |
| YOUTH IN DETENTION               | 794.9     | 800.0     | 800.0     | 800.0     | 800.0     | 0.0                                    | 0.0      |
| SCHOOLS FOR THE HANDICAPPED      | 2,772.6   | 3,077.5   | 3,077.5   | 3,077.5   | 3,077.5   | 0.0                                    | 0.0      |
| TEACHER RETIREMENT STATE MATCH   | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0                                    | 0.0      |
| PUPIL TRANSPORTATION             | 24,737.0  | 28,572.0  | 28,572.0  | 28,572.0  | 28,572.0  | 0.0                                    | 0.0      |
| SECONDARY FORMULA ACCOUNT        | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0                                    | 0.0      |
| *** BRU TOTALS ***               | 585,203.2 | 605,804.2 | 605,804.2 | 619,938.5 | 619,938.5 | 14,134.3                               | 2.3      |
| <b>SCHOOL DEBT REIMBURSEMENT</b> |           |           |           |           |           |  |          |
| SCHOOL DEBT REIMBURSEMENT        | 116,688.6 | 128,986.1 | 128,986.1 | 127,603.2 | 127,603.2 | -1,382.9                               | -1.1     |
| *** BRU TOTALS ***               | 116,688.6 | 128,986.1 | 128,986.1 | 127,603.2 | 127,603.2 | -1,382.9                               | -1.1     |
| <b>EDUCATION PROGRAM SUPPORT</b> |           |           |           |           |           |  |          |
| COMMUNITY SCHOOLS                | 579.0     | 600.0     | 600.0     | 600.0     | 600.0     | 0.0                                    | 0.0      |
| *** BRU TOTALS ***               | 579.0     | 600.0     | 600.0     | 600.0     | 600.0     | 0.0                                    | 0.0      |
| *** AGENCY GRAND TOTALS ***      | 702,470.8 | 735,390.3 | 735,390.3 | 748,141.7 | 748,141.7 | 12,751.4                               | 1.7      |
| <b>AGENCY FUNDING SUMMARY</b>    |           |           |           |           |           |  |          |
| FEDERAL FUNDS                    | 34,438.4  | 35,724.0  | 35,724.0  | 38,824.0  | 38,824.0  | 3,100.0                                | 8.7      |
| GENERAL FUND                     | 658,417.2 | 560,681.2 | 560,681.2 | 570,705.5 | 570,705.5 | 10,024.3                               | 1.8      |
| OTHER FUNDS                      | 9,615.2   | 138,985.1 | 138,985.1 | 138,612.2 | 138,612.2 | -372.9                                 | -0.3     |

**OPERATING BUDGET NON-FORMULA PROGRAMS**

**ALL FUNDS BY BRU AND COMPONENT**

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 01/14/92  
TIME: 15:05:48  
PROG: FLEXCUTD

OPERATING BUDGET NON-FORMULA-FUNDED PROGRAMS, ALL FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: DEPARTMENT OF EDUCATION

| BUDGET REQUEST UNIT/COMPONENT             | FY91 ACT | FY92 AUTH | FY93 ADJB | FY93 AGY | FY93 GOV | FY92 AUTH --> FY93 GOV<br>DOLLAR CHNGE | FY93 GOV<br>% CHANGE |
|---|----------|-----------|-----------|----------|----------|--|----------------------|
| <b>K-12 SUPPORT</b>                       |          |           |           |          |          |  |                      |
| ADDITIONAL DISTRICT SUPPORT               | 0.0      | 2,131.2   | 2,131.2   | 2,131.2  | 2,131.2  | 0.0                                    | 0.0                  |
| *** BRU TOTALS ***                        | 0.0      | 2,131.2   | 2,131.2   | 2,131.2  | 2,131.2  | 0.0                                    | 0.0                  |
| <b>ED FINANCE &amp; SUPPORT SERVICES</b>  |          |           |           |          |          |  |                      |
| DISTRICT SUPPORT SERVICES                 | 1,784.3  | 1,786.2   | 1,821.1   | 2,106.1  | 2,106.1  | 319.9                                  | 17.9                 |
| CIP OVERHEAD AND ASSOCIATED COSTS         | 113.7    | 537.1     | 548.5     | 548.5    | 548.5    | 11.4                                   | 2.1                  |
| TEACHER CERTIFICATION                     | 0.0      | 589.8     | 603.7     | 603.7    | 603.7    | 13.9                                   | 2.4                  |
| *** BRU TOTALS ***                        | 1,898.0  | 2,913.1   | 2,973.3   | 3,258.3  | 3,258.3  | 345.2                                  | 11.8                 |
| <b>DATA MANAGEMENT &amp; PROCESSING</b>   |          |           |           |          |          |  |                      |
| DATA PROCESSING                           | 595.9    | 0.0       | 0.0       | 0.0      | 0.0      | 0.0                                    | 0.0                  |
| DATA MANAGEMENT                           | 450.0    | 0.0       | 0.0       | 0.0      | 0.0      | 0.0                                    | 0.0                  |
| *** BRU TOTALS ***                        | 1,045.9  | 0.0       | 0.0       | 0.0      | 0.0      | 0.0                                    | 0.0                  |
| <b>EDUCATION PROGRAM SUPPORT</b>          |          |           |           |          |          |  |                      |
| SPECIAL AND SUPPLEMENTAL SERVICES         | 24,211.8 | 24,794.6  | 24,961.6  | 29,923.6 | 29,923.6 | 5,129.0                                | 20.7                 |
| BASIC EDUCATION AND INSTRUCTIONAL IMPROVE | 8,246.1  | 8,753.7   | 9,130.7   | 9,384.8  | 9,384.8  | 631.1                                  | 7.2                  |
| INSTRUCTIONAL DELIVERY AND SUPPORT        | 5,610.3  | 0.0       | 0.0       | 0.0      | 0.0      | 0.0                                    | 0.0                  |
| EDUCATION SPECIAL PROJECTS                | 366.6    | 301.1     | 501.1     | 501.1    | 501.1    | 200.0                                  | 66.4                 |
| DIRECTOR'S OFFICE                         | 689.4    | 776.2     | 372.3     | 0.0      | 0.0      | -776.2                                 | -100.0               |
| DATA MANAGEMENT                           | 0.0      | 936.9     | 896.2     | 921.7    | 921.7    | -15.2                                  | -1.6                 |
| *** BRU TOTALS ***                        | 39,124.2 | 35,562.5  | 35,861.9  | 40,731.2 | 40,731.2 | 5,168.7                                | 14.5                 |
| <b>ADULT AND VOCATIONAL EDUCATION</b>     |          |           |           |          |          |  |                      |
| ADULT BASIC EDUCATION                     | 2,694.3  | 2,324.6   | 2,324.6   | 2,821.8  | 2,821.8  | 497.2                                  | 21.4                 |
| EMPLOYMENT TRAINING GRANTS                | 247.8    | 350.0     | 350.0     | 350.0    | 350.0    | 0.0                                    | 0.0                  |
| FEDERAL VOCATIONAL EDUCATION GRANTS       | 3,967.9  | 4,272.3   | 4,272.3   | 4,272.3  | 4,272.3  | 0.0                                    | 0.0                  |
| ADULT AND VOCATIONAL EDUCATION ADMINISTRA | 1,154.9  | 1,034.1   | 1,071.9   | 1,051.3  | 1,051.3  | 17.2                                   | 1.7                  |
| ALASKA CAREER INFORMATION SYSTEM          | 294.5    | 335.5     | 341.8     | 341.8    | 341.8    | 6.3                                    | 1.9                  |
| RURAL SCHOOL VOCATIONAL EDUCATION PROGRAM | 200.0    | 200.0     | 200.0     | 200.0    | 200.0    | 0.0                                    | 0.0                  |

AGENCY: DEPARTMENT OF EDUCATION (CONT'D)

| BUDGET REQUEST UNIT/COMPONENT             | FY91 ACT | FY92 AUTH | FY93 ADJB | FY93 AGY | FY93 GOV | FY92 AUTH --> FY93 GOV<br>DOLLAR CHNGE | FY93 GOV<br>% CHANGE |
|---|----------|-----------|-----------|----------|----------|--|----------------------|
| VOCATIONAL EDUCATION SPECIAL PROJECTS     | 195.7    | 0.0       | 0.0       | 0.0      | 0.0      | 0.0                                    | 0.0                  |
| *** BRU TOTALS ***                        | 8,755.1  | 8,516.5   | 8,560.6   | 9,037.2  | 9,037.2  | 520.7                                  | 6.1                  |
| EXECUTIVE ADMINISTRATION                  |          |           |           |          |          |  |                      |
| STATE BOARD OF EDUCATION                  | 98.4     | 59.9      | 71.9      | 82.7     | 82.7     | 22.8                                   | 38.1                 |
| COMMISSIONER'S OFFICE                     | 0.0      | 0.0       | 0.0       | 698.1    | 698.1    | 698.1                                  | 100.0                |
| EXECUTIVE ADMINISTRATION                  | 623.7    | 874.1     | 698.1     | 0.0      | 0.0      | -874.1                                 | -100.0               |
| ADMINISTRATIVE SERVICES                   | 765.8    | 1,499.3   | 1,637.0   | 1,781.0  | 1,781.0  | 281.7                                  | 18.8                 |
| DEPARTMENT OVERHEAD EXPENSES              | 127.0    | 110.5     | 110.5     | 110.5    | 110.5    | 0.0                                    | 0.0                  |
| *** BRU TOTALS ***                        | 1,614.9  | 2,543.8   | 2,517.5   | 2,672.3  | 2,672.3  | 128.5                                  | 5.1                  |
| EDUCATIONAL SYSTEM REFORMS                |          |           |           |          |          |  |                      |
| ALASKA 2000                               | 0.0      | 0.0       | 0.0       | 2,300.0  | 2,300.0  | 2,300.0                                | 100.0                |
| *** BRU TOTALS ***                        | 0.0      | 0.0       | 0.0       | 2,300.0  | 2,300.0  | 2,300.0                                | 100.0                |
| CORRESPONDENCE STUDY-STATE                |          |           |           |          |          |  |                      |
| CORRESPONDENCE STUDY-STATE                | 0.0      | 4,683.9   | 4,799.3   | 4,799.3  | 4,799.3  | 115.4                                  | 2.5                  |
| *** BRU TOTALS ***                        | 0.0      | 4,683.9   | 4,799.3   | 4,799.3  | 4,799.3  | 115.4                                  | 2.5                  |
| K-12 LICENSING STANDARDS                  |          |           |           |          |          |  |                      |
| LICENSING AND STANDARDS                   | 0.0      | 0.0       | 0.0       | 35.1     | 35.1     | 35.1                                   | 100.0                |
| *** BRU TOTALS ***                        | 0.0      | 0.0       | 0.0       | 35.1     | 35.1     | 35.1                                   | 100.0                |
| COMMISSIONS AND BOARDS                    |          |           |           |          |          |  |                      |
| PROFESSIONAL TEACHING PRACTICES           | 183.6    | 35.0      | 35.1      | 0.0      | 0.0      | -35.0                                  | -100.0               |
| ALASKA STATE COUNCIL ON THE ARTS          | 1,960.2  | 1,869.5   | 1,879.1   | 1,869.5  | 1,869.5  | 0.0                                    | 0.0                  |
| *** BRU TOTALS ***                        | 2,143.8  | 1,904.5   | 1,914.2   | 1,869.5  | 1,869.5  | -35.0                                  | -1.8                 |
| KOTZEBUE TECHNICAL CENTER                 |          |           |           |          |          |  |                      |
| KOTZEBUE TECHNICAL CENTER OPERATIONS GRAN | 965.7    | 914.5     | 914.5     | 914.5    | 914.5    | 0.0                                    | 0.0                  |
| *** BRU TOTALS ***                        | 965.7    | 914.5     | 914.5     | 914.5    | 914.5    | 0.0                                    | 0.0                  |
| ALASKA VOCATIONAL TECHNICAL CENTER        |          |           |           |          |          |  |                      |
| ALASKA VOCATIONAL TECHNICAL CENTER OPERAT | 4,801.1  | 4,878.6   | 5,044.6   | 4,869.5  | 4,869.5  | -9.1                                   | -0.2                 |
| *** BRU TOTALS ***                        | 4,801.1  | 4,878.6   | 5,044.6   | 4,869.5  | 4,869.5  | -9.1                                   | -0.2                 |
| MT. EDGE CUMBE BOARDING SCHOOL            |          |           |           |          |          |  |                      |
| INSTRUCTION PROGRAM                       | 1,616.7  | 1,605.3   | 1,659.9   | 1,841.9  | 1,841.9  | 236.6                                  | 14.7                 |

AGENCY: DEPARTMENT OF EDUCATION (CONT'D)

| BUDGET REQUEST UNIT/COMPONENT             | FY91 ACT | FY92 AUTH | FY93 ADJB | FY93 AGY | FY93 GOV | FY92 AUTH --> FY93 GOV<br>DOLLAR CHNGE | FY93 GOV<br>% CHANGE |
|---|----------|-----------|-----------|----------|----------|--|----------------------|
| RESIDENTIAL PROGRAM                       | 1,872.3  | 1,944.5   | 1,982.1   | 2,430.1  | 2,430.1  | 485.6                                  | 25.0                 |
| PRIVATE AND FEDERAL GRANTS                | 0.0      | 0.0       | 0.0       | 0.0      | 0.0      | 0.0                                    | 0.0                  |
| *** BRU TOTALS ***                        | 3,489.0  | 3,549.8   | 3,642.0   | 4,272.0  | 4,272.0  | 722.2                                  | 20.3                 |
| VOCATIONAL REHABILITATION                 |          |           |           |          |          |  |                      |
| COUNSELING AND PLACEMENT                  | 4,235.9  | 4,225.4   | 4,463.8   | 4,919.5  | 4,919.5  | 694.1                                  | 16.4                 |
| FEDERAL TRAINING GRANT                    | 40.5     | 41.1      | 41.1      | 41.1     | 41.1     | 0.0                                    | 0.0                  |
| SERVICES TO CLIENTS                       | 3,509.5  | 3,832.1   | 3,832.1   | 4,339.2  | 4,339.2  | 507.1                                  | 13.2                 |
| VOCATIONAL REHABILITATION ADMINISTRATION  | 1,024.3  | 1,031.6   | 1,065.5   | 1,144.3  | 1,144.3  | 122.7                                  | 10.9                 |
| INDEPENDENT LIVING REHABILITATION         | 1,499.8  | 1,593.3   | 1,597.0   | 1,813.2  | 1,813.2  | 219.9                                  | 13.8                 |
| SPECIALIZED FACILITIES                    | 326.6    | 155.8     | 155.8     | 505.8    | 505.8    | 350.0                                  | 224.6                |
| SERVICES FOR THE BLIND AND DEAF           | 650.5    | 725.5     | 650.5     | 650.5    | 650.5    | -75.0                                  | -10.3                |
| DISABILITY DETERMINATION                  | 1,810.0  | 2,414.2   | 2,461.7   | 2,496.5  | 2,496.5  | 82.3                                   | 3.4                  |
| SUPPORTED EMPLOYMENT                      | 476.6    | 309.1     | 309.1     | 309.1    | 309.1    | 0.0                                    | 0.0                  |
| ASSISTIVE TECHNOLOGY                      | 493.8    | 609.1     | 618.1     | 647.1    | 647.1    | 38.0                                   | 6.2                  |
| *** BRU TOTALS ***                        | 14,067.5 | 14,937.2  | 15,194.7  | 16,866.3 | 16,866.3 | 1,929.1                                | 12.9                 |
| ALASKA STATE LIBRARY                      |          |           |           |          |          |  |                      |
| LIBRARY OPERATIONS                        | 4,975.8  | 5,340.3   | 5,234.2   | 5,234.2  | 5,234.2  | -106.1                                 | -2.0                 |
| BLUE BOOK                                 | 54.4     | 15.1      | 15.8      | 54.8     | 54.8     | 39.7                                   | 262.9                |
| ARCHIVES                                  | 648.9    | 710.5     | 737.6     | 737.6    | 737.6    | 27.1                                   | 3.8                  |
| *** BRU TOTALS ***                        | 5,679.1  | 6,065.9   | 5,987.6   | 6,026.6  | 6,026.6  | -39.3                                  | -0.6                 |
| ALASKA STATE MUSEUMS                      |          |           |           |          |          |  |                      |
| MUSEUM OPERATIONS                         | 1,389.9  | 1,434.9   | 1,476.4   | 1,498.5  | 1,498.5  | 63.6                                   | 4.4                  |
| SPECIFIC CULTURAL PROGRAMS                | 358.2    | 179.1     | 179.1     | 179.1    | 179.1    | 0.0                                    | 0.0                  |
| *** BRU TOTALS ***                        | 1,748.1  | 1,614.0   | 1,655.5   | 1,677.6  | 1,677.6  | 63.6                                   | 3.9                  |
| ALASKA POSTSECONDARY EDUCATION COMMISSION |          |           |           |          |          |  |                      |
| PROGRAM ADMINISTRATION                    | 736.9    | 753.4     | 776.2     | 746.6    | 746.6    | -6.8                                   | -0.9                 |
| STUDENT LOAN OPERATIONS                   | 3,934.2  | 4,043.9   | 4,187.7   | 4,119.1  | 4,119.1  | 75.2                                   | 1.9                  |
| WESTERN INTERSTATE COMMISSION FOR HIGHER  | 70.3     | 73.4      | 73.4      | 73.4     | 73.4     | 0.0                                    | 0.0                  |
| WESTERN INTERSTATE COMMISSION FOR HIGHER  | 1,159.6  | 951.1     | 951.1     | 951.1    | 951.1    | 0.0                                    | 0.0                  |
| WAMI MEDICAL EDUCATION                    | 1,150.6  | 1,207.5   | 1,207.5   | 1,207.5  | 1,207.5  | 0.0                                    | 0.0                  |
| FEDERAL STUDENT AID                       | 496.9    | 505.0     | 505.0     | 505.0    | 505.0    | 0.0                                    | 0.0                  |
| GOVERNOR'S COUNCIL ON VOCATIONAL AND CARE | 139.1    | 148.8     | 153.0     | 148.8    | 148.8    | 0.0                                    | 0.0                  |
| DATA AND WORD PROCESSING                  | 196.5    | 356.5     | 670.7     | 621.7    | 621.7    | 265.2                                  | 74.4                 |

AGENCY: DEPARTMENT OF EDUCATION (CONT'D)

| BUDGET REQUEST UNIT/COMPONENT | FY91 ACT | FY92 AUTH | FY93 ADJB | FY93 AGY  | FY93 GOV  | FY92 AUTH --> FY93 GOV<br>DOLLAR CHNGE | FY93 GOV<br>% CHANGE |
|-------------------------------|----------|-----------|-----------|-----------|-----------|--|----------------------|
| *** BRU TOTALS ***            | 7,884.1  | 8,039.6   | 8,524.6   | 8,373.2   | 8,373.2   | 333.6                                  | 4.1                  |
| STUDENT LOAN CORPORATION      |          |           |           |           |           |  |                      |
| STUDENT LOAN PROGRAM          | 280.6    | 291.7     | 291.7     | 272.3     | 272.3     | -19.4                                  | -6.7                 |
| *** BRU TOTALS ***            | 280.6    | 291.7     | 291.7     | 272.3     | 272.3     | -19.4                                  | -6.7                 |
| *** AGENCY GRAND TOTALS ***   | 93,497.1 | 98,546.8  | 100,013.2 | 110,106.1 | 110,106.1 | 11,559.3                               | 11.7                 |
| AGENCY FUNDING SUMMARY        |          |           |           |           |           |  |                      |
| FEDERAL FUNDS                 | 46,174.7 | 49,708.7  | 49,969.3  | 56,802.6  | 56,802.6  | 7,093.9                                | 14.3                 |
| GENERAL FUND                  | 33,028.1 | 33,375.9  | 33,868.1  | 36,842.6  | 36,842.6  | 3,466.7                                | 10.4                 |
| OTHER FUNDS                   | 14,294.3 | 15,462.2  | 16,175.8  | 16,460.9  | 16,460.9  | 998.7                                  | 6.5                  |

DEPARTMENT OF EDUCATION  
OFFICE OF THE COMMISSIONERGOLDBELT PLACE  
801 WEST 10TH STREET, SUITE 200  
JUNEAU, ALASKA 99801-1894

January 10, 1992

The Honorable Pat Pourchot  
Alaska State Senate  
P.O. V, State Capitol  
Juneau, Alaska 99811

Dear Senator Pourchot:

Thank you for the opportunity to testify before the Senate Finance Committee on October 31, 1991 concerning the status of Impact Aid Funds, as reported by the Anchorage Daily News. At present, there are four issues related to Impact Aid which may have a negative effect on the future receipt of Federal funds and, in a worst case, require refunds of prior dollars received. I will describe them in order as, pass-through, disparity test, Mat-Su case, and Indian Lands.

The State receives about 74 million dollars annually in Impact Aid Funds. Of that amount, approximately 49 million is related to Indian Lands; 18 million is due to on-base military dependents in Anchorage, Fairbanks and Kodiak; and the balance is due to various classifications of federally impacted students throughout the state. As an "equalized state", ( there were 7 in 1989 ) a proportional deduction of 34 million dollars is allowed in calculating annual State Aid to impacted school districts. This results in an equal savings to the general fund.

An issue has been raised by the United States Department of Education, Office of Impact Aid, concerning the State Department of Education's compliance with the "pass-through" of Federal Impact Aid funds received on behalf of on-base military dependent students. The Department is currently working with the Office of Impact Aid, and the Alaska Attorney General's Office to resolve this dispute. From the inception of the program until 1976, the Department was the Impact Aid applicant for Anchorage, Fairbanks, Kodiak, Fort Greely and Adak military dependent students. When the Alaska State Operated Schools ( ASSOS ) were dissolved and individual Regional Education Attendance Areas were formed, Fort Greely and Adak became REAAs, and began filing separate applications for their students. In accordance with Chapter 13 SLA 1975, Anchorage, Fairbanks, and Kodiak military dependent students were not included in an REAA and continued to be claimed by the Department.

Senate Concurrent Resolution NO. 25 stated in part,  
"the State Board of Education and the Department of Education, are respectfully requested to develop appropriate cooperative arrangements, and with the consent of the affected city or borough school district, to require that contracts be entered into under which...schools on the remaining military reservations in the state would be operated...."

Based on the resolution, in April 1975, as an alternative to an REAA, a contract was signed with the Anchorage School District to provide the educational program for Anchorage area on-base students in exchange for state aid, 75% of tuition, and additional reimbursement. The following year a similar contract was signed with the North Star Borough School District. The contracts were funded in part by Impact Aid funds, in lieu of local contributions, and additional general fund support during the transition from ASSOS. These contracts were based on a similar arrangement that had been in place for 20 years for Kodiak military dependent secondary students.

Prior to being re-authorized for 1989-1993, the Impact Aid law was amended to allow a State Education Agency ( in Alaska, the Department of Education ) to continue to apply for Impact Aid funds on behalf of students under one of two conditions. The Department must either directly provide the educational program to the students or pass through all funds received to the serving school districts. The funds provided to each serving district, via the negotiated contracts, which exceed the Foundation Program allocation, are in excess of the amount received from Impact Aid.

Currently, the question concerns approximately 7 million dollars, the difference between the contracted tuition paid to the local districts and the Impact Aid funds received for the Federal Fiscal Year 1990 application. If the dispute is not resolved through an informal process, and it escalates to a hearing, then the entire 20 million dollars received on that application is at risk. In addition, if, as a result of the hearing, the Department is found out of compliance, the Impact Aid Office may determine that no local education agency ( school district ) would be allowed to receive dollars for those specific years. A refund of the total state allocation, about 74 million dollars, may be required for each year ruled out of compliance.

Upon research by the Attorney General's Office and documentation of the existing methodology, it is the AG's opinion and the Department's position, that the current pass through mechanism is in compliance with State and Federal law. Through the joint effort of the USDOE and the Department, this issue may soon be resolved with no fiscal impact.

The second issue is the annual disparity test. In order for the State to deduct a proportional amount of Federal Impact Aid received when distributing State Aid, as calculated by the Foundation Program, it must pass an annual disparity test. In other words, the State must provide an equalized education funding program. The test measures the percentage difference or disparity of the revenue or expenditures based on students or instructional units between the fifth and ninety fifth percentile at the district level. The law allows weighted dollars related to special handicapped and geographic conditions to be ignored in the calculation.

The disparity test prepared for the Alaska Foundation Program is based on revenue, as generated by instructional units rather than by individual students. The revenue per instructional units generated by the property rich districts of North Slope and Valdez are eliminated from the top five percent and because REAA units are all funded at basic need, any of the REAA units can be eliminated from the bottom five percent. The difference between the revenue generated by the remaining instructional units can not exceed 25%. The current funding formula was designed specifically to meet the disparity test, in order to deduct 34 million dollars from State Aid. On paper, the distribution of State Aid

works as intended and passes the test. However, each year one or more districts file an appeal asserting that the program fails to equalize revenues. If a District can prove that the funding formula fails to equalize revenue, the State does not qualify to make the proportional deduction. The State was successful in the FY88 appeal process.

In FY89 and FY90, the North Slope District filed an appeal in an attempt to block the proportional deduction. On March 30, 1990, the USDOE issued approval for the FY89 disparity test determination, subject to certain conditions. Those conditions have been met. Subsequently, on September 26, 1990, the USDOE issued a determination that the FY90 distribution was approved. Currently, the FY89 and FY90 tests are before an administrative law judge in Washington D.C. for final determination. If the State is successful, it most likely will end at that point, with no financial impact. If North Slope prevails, a refund of some, or all, of the amount previously withheld from the districts in distributing FY89 and 90 State Aid may be required. The sum of the two years exceeds 50 million dollars.

The North Slope Borough School District has filed a similar appeal for FY91. The Kashunamiut School District has also filed a challenge, but asserts a different claim. Their opposition is based on the additional appropriations made in FY91 and FY92 to small single site municipal and borough school districts. The District asserts that due to receipt of a greater amount of Impact Aid funds, REAAs were denied supplemental funds, and that such a system constitutes an "off-the-books" system of distributing State Aid which is not authorized by state law. This practice, in Kashunamiut's opinion, is a violation of federal law, which prohibits the deduction of Impact Aid Funds from State Aid.

The third issue is the Mat-Su case filed in the Superior Court, Third Judicial District at Palmer, Alaska on December 16, 1986. The Matanuska-Susitna Borough and School District join June Tull, Kenneth Fallon and Fred Lloyd, as individuals, in suing the State of Alaska, Governor Steve Cowper, Commissioner William Demmert and the State of Alaska Department of Education. The suit challenges both the foundation and school construction funding programs.

The plaintiffs assert that the funding schemes violate the equal protection clause of the state constitution and create unfair discrimination among school districts as follows: (1) the Mat-Su Borough must contribute the equivalent of a four mill property tax levy while (a) Regional Education Attendance Areas are not required to make any local contribution; and (b) other cities and boroughs with greater assessed valuation per student have to contribute the equivalent of a substantially smaller mill levy; and (2) the Mat-Su Borough must contribute property tax revenues to fund educational capital improvements, while no such contribution is required of REAAs. A motion for partial summary judgment was filed by the plaintiffs in December, 1990. The State's opposition to the motion for partial summary judgment and a cross motion for partial summary judgment were filed on June 26, 1991. The plaintiffs' response was submitted August 1, 1991 and both parties agreed that the State would reply by November 15. Oral arguments on the motions for summary judgment were heard in December, 1991. The Court has not rendered a decision.

Although this suit is not directly related to Federal Impact Aid, if the final court decision determines that the funding formula does create unfair discrimination among school districts, the State would fail the disparity test for all years of such formula. Failure of the test may

result in refunding all Impact Aid deducted from State Aid for FY88 and subsequent years. The existing funding formula is in its fifth year and has produced a benefit to the general fund in excess of 150 million dollars of proportional deductions.

The final issue relating to Impact Aid is Indian Lands. Impact Aid is federal assistance provided to local school districts that are affected by the presence of the federal government, either through federal ownership of real property or because a district provides education for children residing on, or whose parents are employed on, federal property. Students whose parents meet both the residence and work-place test ( "3a" student ) generate the highest funding. Impact Aid is provided at a significantly reduced level for students whose parents meet only one of the two tests ( "3b" student). However, in the case of Indian Lands, the residence test is sufficient to place the student in a "3a" category. Any resident on Indian Lands in attendance at a local school generates funding at 125% of the local contribution rate, ( base LCR about \$3,600 ) regardless of the parent's employment status. The State is not allowed to deduct any of the 25% Indian add-on in determining State Aid. Districts with a membership of 20% or more federally impacted students, are defined as "super a" and/or "super b" and receive more funding.

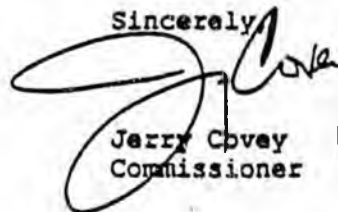
The USDOE, Office of Impact Aid, has announced that effective with the filing of the FY93 application, each district claiming students residing on Indian Lands must attach evidence of the current land title status. Research will require a tremendous commitment of resources at the local level. Some districts may decide the cost isn't worth the benefit. Others may find that the land no longer qualifies as Indian Land. Each parcel that is determined to be ineligible will reduce the entitlement and may cause many districts to lose their "super a" status. This will further reduce their entitlement.

On the average, each dollar of Impact Aid received at the local level reduces the State Aid General Fund obligation by 63 cents. The total deduction applied to FY92 State Aid, as a result of Impact Aid received, was 34 million. Federal Fiscal Year 1993 dollars will effect the State Fiscal Year 1994 distribution of foundation.

These four issues are the major fund disputes known to me at this time. All of these issues are complicated and difficult to present clearly in an abbreviated format. The Department is continuing to research each issue. If you need additional clarification, support documentation or prefer to discuss anything presented, please contact my office.

I apologize for the delay in responding to your initial inquiry. A number of discussions and meetings have taken place with U.S. Department of Education and I had hoped to have some resolution prior to this response.

Sincerely,



Jerry Covey  
Commissioner

cc: Senator Jay Kerttula

# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



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

907-483-3712

## Senate Finance Committee

November 5, 1991

Commissioner Gerald Covey  
Department of Education  
P.O. Box F  
Juneau, AK 99811

Dear Commissioner Covey:

I would like to thank Duane Guiley, Director of Education Finance and Support, for reporting to the Senate Finance Committee on the current situation concerning Federal Impact Funds. It is essential that the committee be kept informed of any potential changes to foundation allocations.

On behalf of the Senate Finance Committee, I would like to request that the Department provide us a one page summary of all current fund disputes, showing the amounts at risk. In addition, could you provide a back-up sheet for each case, which would summarize the issue and clarify what action is being taken by the Department to resolve the dispute.

Thank you for your assistance. Please contact either my Juneau office, 465-3879 or my Anchorage office, 561-7623, should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Pat".

Senator Pat Pourchot  
Co-Chair, Senate Finance

*Jim,  
PLEASE  
ATTACHED  
DRAFT  
DUNN*

cc: Senator Kerttula

## SENATE CONCURRENT RESOLUTION NO. 11

(SCR 11)

*Be It Resolved* by the Alaska State Legislature that it extends its heartiest congratulations to all participants, officials, and the myriad of other persons who contributed their time and effort to make the event a truly memorable one for all concerned; and be it

*Further Resolved* that the legislature congratulates those persons who were successful in being named to represent the United States in Sweden and wishes them every success.

## SENATE CONCURRENT RESOLUTION NO. 12

(SCR 12)

*Be It Resolved* by the members of the Alaska State Legislature that they lament the loss of their former colleague and one who was a true Alaskan in every sense of the word; and be it

*Further Resolved* that the collective membership of the legislature extends its most sincere and heartfelt condolences to Mrs. Bob Logan.

## SENATE CONCURRENT RESOLUTION NO. 14

(SCR 14 am)

*Be It Resolved* by the Alaska State Legislature that the Governor is respectfully requested to urge the Commissioner of the Department of Health and Social Services to undertake a comprehensive study to determine the feasibility of implementing a computer system in the Department of Health and Social Services, and to make recommendations regarding the use of the system by the department to the Governor and to the First Session of the Ninth State Legislature.

## SENATE CONCURRENT RESOLUTION NO. 24

(SCR 24)

*Be It Resolved* by the Alaska State Legislature that it extends, on behalf of itself and all other Alaskans, its dismay at the loss of one of the state's most loyal and devoted public servants who will be long remembered as truly a "cop's" cop; and be it

*Further Resolved* that the legislature conveys its very best wishes for success to Emery Chappie in all of his future endeavors.

## SENATE CONCURRENT RESOLUTION NO. 25

(HCSOCR 25 am H)

*Be It Resolved* by the Alaska State Legislature that the State Board of Education and the Department of Education, acting through the Commissioner of Education, are respectfully requested to develop appropriate cooperative arrangements, and with the consent of the affected city or borough school district, to require that contracts be

entered into under which (1) schools on Elmendorf Air Force Base and Fort Richardson would be operated by the Greater Anchorage Area School District, (2) schools on Eielson Air Force Base and Fort Wainwright would be operated by the Fairbanks North Star Borough School District, and (3) schools on the remaining military reservations in the state would be operated by contract with a city or borough school district that may exist at present or may be organized in the future, or in some other manner determined educationally and financially sound by the Department of Education under AS 14.14.110; and be it

*Further Resolved* that it is the sense of the Alaska State Legislature that these contracts should provide for: (1) representation for the residents of military reservations advisory to the contracting city or borough school district board; (2) a level of funding comparable to Public School Foundation Act support plus a differential determined by the Department of Education that will assure that no additional tax revenues of a city or borough school district will be required for the operation of schools on the military reservations, and that these districts will be fully compensated for all additional costs incurred; (3) an annual report from the department to the legislature and to the Governor concerning the operation of the military reservation schools; and (4) those other transitional provisions that may be required, including but not limited to, teacher tenure and teacher and administrator salary schedules, and employment and salaries of non-certificated personnel.

#### SENATE CONCURRENT RESOLUTION NO. 26

(SCR 26)

*Be It Resolved* by the Alaska State Legislature that it most sincerely laments the untimely passing of Trooper Dennis F. Cronin but at the same time expresses its most sincere belief that Dennis Cronin will long be remembered by his fellow Alaskans and especially by his fellow officers as one of those rare true-to-life police officers who paid the supreme penalty because he sincerely believed in what he was doing; and be it

*Further Resolved* that the Alaska State Legislature extends its most sincere condolences to his wife, Mrs. Patricia Lee Cronin.

#### SENATE CONCURRENT RESOLUTION NO. 33

(SS SCR 33 AND H)

*Be It Resolved* by the Alaska State Legislature that on the occasion of his relinquishment of episcopal duties, the members of this body salute the Rt. Rev. William Jones Gordon Jr., Bishop of the Episcopal Diocese of Alaska, and honor him for his services to Alaskans of every faith, creed and race; with humility and purpose, his leadership inspired us all; it has truly been: "One in the Spirit;" and be it