

HB

316

HB 316 "An Act making an appropriation to the Department of Education for K - 12 support; and providing for an effective date."

1. Fairbanks North Star Borough Resolution
2. Fairbanks North Star Borough Impact Statement
3. Proposed Committee Substitute
4. ALASKA COUNCIL OF SCHOOL ADMINISTRATORS POSITION STATEMENT

CS FOR HOUSE BILL NO. 316 ()

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Funding Information:	General Fund	\$757,039,536
	Other Funds	<u>45,624,000</u>
		\$802,663,536

Sponsor(s): REPRESENTATIVES ELLIS, Kubina

A BILL

FOR AN ACT ENTITLED

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

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

5 * Section 1. The sum of \$675,152,500 is appropriated from the general fund and from other funds
6 in the amount listed to the Department of Education for the purposes expressed and allocated in the
7 amounts listed for operating expenditures for the fiscal year ending June 30, 1993:

8	FUND SOURCE	AMOUNT
9	General fund	\$629,528,500
10	Public school fund (AS 37.14.110)	7,500,000
11	School fund (AS 43.50.140)	2,500,000
12	Federal receipts	35,624,000
13	PURPOSE	ALLOCATION AMOUNT
14	Foundation program	\$610,337,500

WORK DRAFT

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1	Student lunch program	15,000,000
2	Cigarette tax distribution	2,500,000
3	Tuition students	13,878,500
4	Boarding home grants	357,000
5	Youth in detention	800,000
6	Schools for the handicapped	3,077,500
7	Pupil transportation	28,572,000
8	Community Schools	630,000

9 * Sec. 2. The sum of \$127,511,036 is appropriated from the general fund to the Department of
10 Education for the school construction account for the fiscal year ending June 30, 1993.

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

FY93 PROJECTED FOUNDATION ENTITLEMENTS IF UNIT VALUE IS ADJUSTED.

12-10-91 File:FOUND93.XLS

PREPARED FOR
REP. ELLIS

FOUNDATION ENTITLEMENTS UNIT VALUE OF		\$63,000 LESS \$60,000
\$60,000	\$63,000	

ADAK	\$2,343,590	\$2,571,020	\$227,430
ALASKA GATEWAY	4,352,910	4,595,520	242,610
ALEUTIAN REGION	636,614	673,284	36,750
ALEUTIANS EAST	3,884,804	4,095,884	211,080
ANCHORAGE	176,971,882	187,880,592	10,908,930
ANNETTE ISLANDS	1,192,263	1,324,223	131,970
BERING STRAIT	13,182,733	14,024,663	861,930
BRISTOL BAY	1,896,486	2,028,585	132,080
CHATHAM	2,715,084	2,898,584	181,500
CHUGACH	1,748,910	1,840,600	93,780
COPPER RIVER	5,252,592	5,521,242	268,650
CORDOVA	2,383,793	2,533,343	149,550
CRAIG	2,070,013	2,185,273	115,260
DELTA/GREELY	4,714,888	4,996,188	281,220
DILLINGHAM	3,889,035	3,890,735	221,700
FAIRBANKS	62,247,271	65,997,271	3,750,000
GALENA	1,345,779	1,426,809	81,030
HAINES	2,236,367	2,372,717	136,350
HOONAH	1,539,888	1,624,798	85,110
HYDABURG	1,054,433	1,108,553	64,120
IDITAROD	4,858,558	4,924,448	265,890
JUNEAU	20,492,222	21,813,482	1,321,260
KAKE	1,138,238	1,204,428	68,190
KASHUNAMIUT	1,621,669	1,723,639	101,970
KENAI	40,543,658	43,278,488	2,734,830
KETCHIKAN	9,788,999	10,459,839	672,840
KLAWOCK	1,410,349	1,488,409	78,060
KODIAK	12,189,553	12,936,923	767,370
KUSPUK	5,107,998	5,385,828	277,830
LAKE AND PENINSULA	5,588,704	5,885,414	316,710
LOWER KUSKOKWIM	28,342,526	30,034,526	1,692,000
LOWER YUKON	10,641,779	11,374,379	732,600
MAT-SU	49,104,183	51,924,963	2,820,780
NENANA	1,518,737	1,597,907	79,170
NOME	5,004,802	5,283,232	278,430
NORTH SLOPE	8,740,719	9,441,159	700,440
NORTHWEST ARCTIC	12,012,703	12,844,783	832,080
PELICAN	562,798	593,668	30,870
PETERSBURG	3,082,048	3,272,898	190,850
PRIBILOF	1,482,713	1,557,183	94,470
RAILBELT	3,150,512	3,309,032	158,520
SITKA	6,882,972	7,331,892	448,920
SKAGWAY	847,639	902,629	54,990
SOUTHEAST	4,936,640	5,219,870	283,230
SOUTHWEST	5,388,978	5,701,418	334,440
ST. MARY'S	1,240,055	1,304,845	64,590
TANANA	1,089,218	1,130,088	60,870
UNALASKA	1,879,250	1,803,270	124,020
VALDEZ	3,202,342	3,438,012	233,670
WRANGELL	2,446,344	2,595,854	149,310
YAKUTAT	1,098,482	1,158,002	59,520
YUKON FLATS	4,810,400	4,867,470	257,070
YUKON/KOYUKUK	5,801,252	6,150,152	348,900
YUPIIT	3,874,218	3,905,968	231,750
SUB - TOTALS	564,382,132	599,429,422	35,047,290
STATE CORR. STUDY	5,469,360	5,743,080	273,720
MT. EDGE CUMBE SCHOOL	1,709,384	1,787,744	78,360
VALDEZ CONTRACT	600,000	600,000	0
4 MILL PHASE-IN (SUBSIDY)	0	0	0
PLB1-874 PASS THRU	1,277,192	1,277,192	0
EST. PRIOR YEAR ADJ.	1,500,000	1,500,000	0
FY93 EST. INCREASES			

ALASKA DEPARTMENT OF EDUCATION

PROJECTED FY93 STATE PROGRAM ENTITLEMENTS

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

	11	12	13			14				
	FULL ENTITL. FOUNDATION	PUPIL TRANS.	TUITION	CIGARETTE TAX DISTRIB.	DEBT RETIREMENT	COMMUNITY SCHOOLS	HANDICAP. SCHOOLS	YOUTH & DETENTION	BOARDING HOME	PROJ. FY93 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	14,469	525,624	3,968	0	0	0	4,486,703
ANCHORAGE	176,971,662	8,189,460	5,942,140	994,111	39,201,704	181,569	122,335	365,000	0	231,967,981
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	12,115	971,544	2,125	0	0	0	3,026,921
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	2,383,793	49,877	182,904	16,958	740,461	2,656	0	0	0	3,376,649
CRAIG	2,070,013	5,703	12,123	13,193	0	2,125	0	0	2,731	2,105,888
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	17,539	286,413	3,516	0	0	0	4,225,950
FAIRBANKS	62,247,271	4,712,733	5,564,684	346,669	12,173,770	65,149	111,200	225,000	0	85,446,476
HEALENA	1,345,779	33,833	23,417	9,257	187,496	2,125	0	0	0	1,601,907
HELVES	2,236,367	157,468	30,284	16,252	200,866	2,545	0	0	0	2,643,782
HOONAH	1,539,688	11,125	16,444	11,378	0	2,125	0	0	0	1,580,760
HYDABURG	1,054,433	5,094	6,141	8,724	0	2,125	0	0	0	1,076,517
DI, AROD	4,658,556	42,192	0	0	0	4,783	0	0	36,097	4,741,628
UNEAU	20,492,222	1,135,185	110,541	126,108	7,245,585	22,431	70,622	85,000	0	29,287,694
LAKE	1,136,238	24,575	6,063	10,236	0	2,125	0	0	0	1,179,237
LASHUNAMIUT	1,621,669	3,305	0	0	0	2,125	0	0	0	1,627,099
LENAI	40,543,658	2,956,137	250,930	222,289	23,167,252	41,610	0	0	13,530	67,195,406
LETCHIKAN	9,786,999	643,005	57,328	66,966	4,216,178	10,389	0	0	8,374	14,789,239
LAWOCK	1,410,349	0	76,287	10,849	0	2,125	0	0	0	1,499,610
LODIAK	12,169,553	514,537	542,855	64,018	2,404,599	13,281	15,010	0	13,865	15,737,718
LUSPUK	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	16,225	214,075	6,083	0	0	0	5,864,088
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
 PROJECTED FY93 STATE PROGRAM ENTITLEMENTS

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

	11	12	13			14				
	FULL ENTTL. FOUNDATION	PUPIL TRANS.	TUITION	CIGARETTE TAX DISTRIB.	DEBT RETIREMENT	COMMUNITY SCHOOLS	HANDICAP. SCHOOLS	YOUTH & DETENTION	BOARDING HOME	PROJ. FY93 TOTALS
MAT-SU	49,104,183	5,091,214	59,275	238,130	20,169,701	48,513	163,720	0	0	74,874,73
NENANA	1,516,737	72,515	51,443	10,337	148,022	2,125	0	0	0	1,803,17
NOME	5,004,802	188,911	19,999	23,762	667,155	5,301	0	0	0	5,909,93
NORTH SLOPE	8,740,719	252,667	0	39,475	5,132,619	8,785	0	0	0	14,174,26
NORTHWEST ARCTIC	12,012,703	0	0	43,611	0	12,980	0	0	10,993	12,080,28
PELICAN	562,796	0	0	7,051	0	2,125	0	0	0	571,97
PETERSBURG	3,082,048	118,626	31,092	22,076	796,302	3,197	0	0	0	4,053,34
PRIBILOF	1,462,713	0	0	0	0	2,125	0	0	28,439	1,493,27
RAILBELT	3,150,512	181,919	0	0	0	3,202	0	0	0	3,335,63
SITKA	6,882,972	406,433	42,005	46,898	2,160,900	7,044	133,912	0	0	9,680,16
SKAGWAY	847,639	3,347	0	9,319	0	2,125	0	0	0	862,43
SOUTHEAST	4,936,640	141,819	0	0	0	5,000	0	0	0	5,083,45
SOUTHWEST	5,366,976	63,388	0	0	0	5,353	0	0	40,939	5,476,65
ST. MARY'S	1,240,055	0	0	8,415	0	2,125	0	0	0	1,250,59
TANANA	1,069,218	17,042	38,391	8,289	0	2,125	0	0	0	1,135,06
UNALASKA	1,679,250	118,302	0	12,638	1,294,446	2,125	0	0	0	3,106,76
VALDEZ	3,202,342	277,714	281,762	25,542	4,457,343	3,245	0	0	0	8,247,94
VRANGELL	2,446,344	53,540	6,140	18,103	1,148,981	2,727	0	0	0	3,675,83
AKUTAT	1,098,482	53,494	52,389	8,998	0	2,125	0	0	0	1,215,48
UKON FLATS	4,610,400	59,565	0	0	0	5,203	0	0	48,914	4,724,08
UKON/KOYUKUK	5,801,252	44,904	0	0	0	6,408	0	0	26,118	5,878,68
UPIIT	3,674,216	0	0	0	0	4,175	0	0	0	3,678,39
OTHER	10,555,936	365,650	459,102	0	0	0	2,460,701	0	0	13,841,38
TOTALS	\$574,938,068	\$28,572,000	\$13,878,500	\$2,500,000	\$127,511,036	\$600,000	\$3,077,500	\$800,000	\$230,000	\$752,107,104

01-21-92 15:03
 DEPT OF EDUCATION
 DIVISION OF BUDGETING
 REPORT

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.

OTHER: INCLUDES CONTRACTS AND INFLATION.

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

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

SCHOOL CONSTRUCTION DEBT RETIREMENT - FY93 ESTIMATED STATE AID

UPDATED 10/91

SCHOOL DISTRICTS	100% BOND SALES PRE 7/1/77 2YR LAG	90% BOND SALES 7/1/77 TO 1/1/82 2YR LAG	80% ESTIMATED CASH PAYMENTS 2YR LAG	90% BOND SALES 1/1/82 TO 7/1/83 CURRENT PAY	80% BOND SALES 7/1/83 TO PRESENT CURRENT PAY	80% NEW BONDS APPROVED PRIOR TO 3/28/90	LESS CIG. TAX PAID IN FY91	ESTIMATED TOTAL DEBT RETIREMENT BY DISTRICT FOR FY93
ALUTSIANS EAST	\$0	\$0	\$485,039	\$0	\$55,533	\$0	(\$14,948) !	\$525,624
ANCHORAGE	\$5,925,705	\$0	\$9,850,089	\$12,096,597	\$10,659,150	\$1,705,600	(\$1,035,437) !	\$39,201,704
BRISTOL BAY	\$0	\$371,358	\$612,623	\$0	\$0	\$0	(\$12,437) !	\$971,544
CORDOVA	\$0	\$0	\$757,690	\$0	\$0	\$0	(\$17,229) !	\$740,461
DILLINGHAM	\$0	\$0	\$304,205	\$0	\$0	\$0	(\$17,792) !	\$286,413
FAIRBANKS	\$1,083,309	\$0	\$136,847	\$8,042,540	\$3,272,280	\$0	(\$361,205) !	\$12,173,770
GALENA	\$0	\$0	\$197,051	\$0	\$0	\$0	(\$9,555) !	\$187,496
HAINES	\$91,138	\$0	\$126,145	\$0	\$0	\$0	(\$16,416) !	\$200,866
JUNEAU	\$311,799	\$274,609	\$0	\$3,863,061	\$830,878	\$2,099,537	(\$134,298) !	\$7,245,585
KENAI	\$0	\$0	\$877,825	\$13,852,097	\$8,665,986	\$0	(\$228,656) !	\$23,167,252
KETCHIKAN	\$430,568	\$0	\$0	\$2,404,926	\$1,455,360	\$0	(\$74,675) !	\$4,216,178
KODIAK	\$0	\$0	\$382,920	\$1,088,699	\$999,880	\$0	(\$66,899) !	\$2,404,599
LAKE & PENNINSULA	\$0	\$0	\$230,762	\$0	\$0	\$0	(\$16,688) !	\$214,075
MAT-SU	\$1,848,100	\$0	\$0	\$7,258,102	\$11,301,013	\$0	(\$237,514) !	\$20,169,701
NEENANA	\$0	\$0	\$158,889	\$0	\$0	\$0	(\$10,867) !	\$148,022
NONE	\$0	\$0	\$0	\$114,781	\$578,156	\$0	(\$25,783) !	\$667,155
NORTH SLOPE	\$0	\$0	\$0	\$0	\$5,172,774	\$0	(\$40,155) !	\$5,132,619
PETERSBURG	\$286,000	\$0	\$57,975	\$265,068	\$211,234	\$0	(\$23,975) !	\$796,302
SITKA	\$365,580	\$0	\$0	\$0	\$1,745,140	\$100,000	(\$49,820) !	\$2,160,900
UNALASKA	\$0	\$237,504	\$0	\$0	\$1,068,300	\$0	(\$11,358) !	\$1,294,446
VALDEZ	\$997,550	\$1,607,875	\$0	\$1,877,927	\$0	\$0	(\$26,008) !	\$4,457,343
WRANGELL	\$0	\$124,812	\$195,361	\$848,155	\$0	\$0	(\$19,347) !	\$1,148,981
TOTALS	\$11,339,747	\$2,616,158	\$14,373,421	\$51,711,951	\$46,015,685	\$3,905,137	(\$2,451,063)	\$127,511,036

THESE ENTITLEMENTS ARE SUBJECT TO ADJUSTMENTS BASED ON ACTUAL BOND PAYMENTS.

TOTAL BOND OUTLAYS	\$111,683,541
PLUS: CASH PAYMENTS	\$14,373,421
SUB TOTAL	\$126,056,962
NEW BONDS FY91 EST	\$3,905,137
SUB TOTAL	\$129,962,099
LESS: CIG. TAX	(\$2,451,063)
EST. STATE AID-FY93	\$127,511,036

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SEVENTEENTH LEGISLATURE - SECOND SESSION

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10	Education for the school construction account for the fiscal year ending June 30, 1993.	
11	* Sec. 3. This Act takes effect July 1, 1992.	

FAIRBANKS NORTH STAR BOROUGH BOARD OF EDUCATION

Resolution 91-26

Increase Instructional Unit Value

WHEREAS, education is an essential ingredient in the quality of life and the economic well-being of Alaska and the United States, and

WHEREAS, most of the money to operate public schools in Alaska comes from the state's foundation formula, and

WHEREAS, the instructional unit value has not increased since 1986, and

WHEREAS, inflation continues to raise the cost of textbooks, fuel, insurance, freight, etc., and

WHEREAS, the district is required to provide an increasing number of state and federally mandated programs and services, and

WHEREAS, the Fairbanks North Star Borough's local contribution to education is virtually at the maximum allowed by state statute, and

WHEREAS, the Fairbanks School District has made a conscientious effort to control the cost of education by streamlining administration, eliminating or reorganizing programs and services and taking other cost-saving steps, and

WHEREAS, the district had to cut 3.5 million dollars worth of programs from its proposed 1991-92 maintenance level budget, and

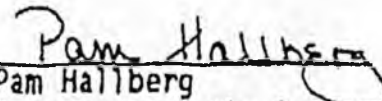
WHEREAS, cuts of this magnitude cannot be made without adversely impacting the classroom learning environment,

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Board of Education strongly urges the Alaska State Legislature to increase the foundation formula's instructional unit value to \$66,000 in order to maintain educational programs and class sizes at their current level.

PASSED AND APPROVED SEPTEMBER 17, 1991.


Andy Warwick, President
Board of Education

ATTEST:


Pam Hallberg
Secretary to the Board

For HB 316
Committee files

Fairbanks North Star Borough School District

January 20, 1992

TEACHER RETIREMENT SYSTEM (TRS) IMPACT

The current public school foundation program was adopted in 1987, establishing the instructional unit value of \$60,000. At that time, the state's contribution to the Teacher Retirement System (TRS) was shifted to school district budgets.

In 1990, the Legislature passed Senate Bill 53 (Chapter 97, 1990 SLA) which changed many TRS benefit provisions. This was done for long term cost containment but, in the short term, it has very detrimental effects on school district budgets.

As a result of this legislation:

- ▶ Our TRS payment for the current year (FY 1992) increased 13%.
- ▶ Our TRS payment for FY 1993 will increase 32% (from 11.87% to 15.69%)

In Fairbanks, TRS payments are applied to a \$48 million payroll:

- ▶ In FY 1992, the increased cost to our district was \$600,000
- ▶ In FY 1993, the increased cost to our district will be over \$1.8 million.

The new legislation will cost districts across Alaska in excess of \$15 million in FY 1993 alone.

The table below shows the two year impact for Fairbanks, using our current year TRS payroll for comparative purposes:

	FY 91	FY 92	FY 93
TRS Rate	10.64%	11.87%	15.69%
Total TRS Payroll	\$48,619,177	\$48,619,177	\$48,619,177
Total Employer Contribution	\$5,124,481	\$5,771,098	\$7,626,349
Annual Increase		\$646,617	\$1,857,253

Based on our projection of 1201.92 instructional units, increased TRS payments will cost the district...

- ▶ \$1,645 per instructional unit for FY 1993 and..
- ▶ \$2,083 per instructional unit over the two year

*For HB 316
Committee Files*



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

• ALASKA COUNCIL OF SCHOOL ADMINISTRATORS •
326 Fourth St., Suite 408, Juneau, AK 99801-1101 (907) 586-9702 FAX (907) 586-5879

Position Statement

HB 316 "An Act making an appropriation to the Department of Education for K - 12 support; and providing for an effective date"

The Alaska Council of School Administrators supports HB 316 as it represents total funding of the foundation program at \$63,000 as well as providing early notification of the total funding program for school district in a timely fashion to allow an orderly development of individual budgets and planning for the coming school year.

As in the past early funding legislation, it has contributed to the total welfare of local school districts.

We express our appreciation to the sponsors of this legislation and urge the legislature to pass HB 316 in a timely fashion.

ASSOCIATION OF ALASKA SCHOOL BOARDS

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

Advocates for Alaska's Youth



In support of HB 316—An Act making an appropriation to DOE for K-12 support; and providing an effective date

January 23, 1992

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

Dear Rep. Carney, Rep. Lincoln and Committee Members:

The Association of Alaska School Board (AASB) enthusiastically supports HB 316 with its increase in the foundation program instructional unit value. The membership of AASB recently went on record in support of an increase in the unit value from \$60,000 to \$66,000. HB 316, with its unit value of \$63,000, would go a long way toward relieving some of the devastating program cutbacks that we have witnessed, especially over the past few years.

The education of our youth is an expensive proposition. State laws, regulations and other fixed costs, in addition to inflationary pressures, make it extremely difficult for schools to provide an adequate educational program under the current \$60,000 unit value.

The Association of Alaska School Boards has gone on record as supporting a number of legislative proposals to increase foundation funding. As you are well aware, many of our municipal districts depend heavily on the debt retirement portion of the foundation program. AASB believes that HB 316 addresses a critical issue facing education, and would ask that you include full funding of debt retirement along with the increased instructional unit value. We encourage your active support of this bill on behalf of Alaska's youth.

Sincerely,

Carl F.N. Rose,
Executive Director

OFFICERS

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Hydaburg

PRESIDENT-ELECT
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EXECUTIVE
DIRECTOR
Carl F.N. Rose

ANCHORAGE SCHOOL DISTRICT
 General Fund
 Budget Increases (Decreases) Summary
 Fiscal Year 1992-93

Enrollment - Teachers, Nurses, and Counselors (85 Staff), Teacher Assistants (20), Other Staff (8)	\$ 4,750,000	25.1 %
School Supplies and Equipment	200,000	1.1
TRS Retirement Rate Increase	5,025,000	26.6
Retirement Incentive Programs	(505,000)	(2.7)
Inflation - Utilities and telephone \$260,000; contracted transportation \$140,000; other contracted services \$260,000; school and office supplies \$280,000; transportation, custodial and maintenance fuel and supplies \$130,000; and equipment \$100,000	1,170,000	6.2
Facility Maintenance Projects in Elementary and Secondary Schools	250,000	1.3
Equipment	250,000	1.3
VAX Computer Upgrade	(685,000)	(3.6)
Data Processing Equipment	185,000	1.0
Textbook Adoptions - Elementary and secondary textbook replacements in the areas of greatest need	950,000	5.0
Vocational Education - the second year funding of a three year vocational education updating and enhancement program	259,000	1.4
Relocatable Classrooms - An additional 35 classrooms which is 5 fewer than 40 provided in the current year	(220,000)	(1.2)
Salaries and Wages - Projected salary and wage increases for employees in the bargaining groups which have completed contracted negotiations plus an amount for pending negotiations in the current year	7,000,000	37.0
Other net increases and rounding	273,810	1.5
TOTAL GENERAL FUND INCREASE	\$ <u>18,902,810</u>	<u>100.0 %</u>

ANCHORAGE SCHOOL DISTRICT
Financial Planning Scenarios
Fiscal Year 1992-93

	(A)	(B)	(C)	(D)	(E)
Amount per Unit	\$60,000	\$60,000	\$61,800	\$63,000	\$66,000
Foundation Program Basis	Per Current Foundation Formula	Per Current Foundation Formula	3% Per Unit More Than (A)	5% Per Unit More Than (A)	10% Per Unit More Than (A)
In Millions					
Taxes	\$ 61.10	\$ 64.38	\$ 64.38	\$ 64.38	\$ 64.38
Other Sources	18.39	18.39	18.39	18.39	18.39
Foundation Program	<u>176.89</u>	<u>176.88</u>	<u>183.43</u>	<u>187.79</u>	<u>198.69</u>
Total Revenues	256.38	259.65	266.20	270.56	281.46
Total Expenditures (A)	<u>273.00</u>	<u>273.00</u>	<u>273.00</u>	<u>273.00</u>	<u>273.00</u>
Revenues (Under)/Over	\$ <u>(16.62)</u>	\$ <u>(13.35)</u>	\$ <u>(6.80)</u>	\$ <u>(2.44)</u>	\$ <u>8.46</u>

(A) Total Expenditures does not include funding for increases for employee bargaining group contracts which are not settled for FY 1992-93. Additional contract settlement funding could increase Total Expenditures to more than \$283 million and the projected operating deficit under Scenarios A and B to approximately \$25 million.

FROM TAX HEAVEN IN ALASKA TO HELL IN NEW YORK

This is the first year property tax is included in our table that ranks taxes in the 50 states and the District of Columbia. And what a difference that addition made. New Hampshire dropped from second place in 1991 to 10th this year. Lesson: beware a state whose low-tax image belies steep property taxes. Other demotions for this reason: California from 23 to 32, Michigan from 21 to 33, Montana from 19 to 36, Vermont from 20 to 34. States that improved their ranking because of low property taxes: Hawaii from 48 to 35, Kentucky from 38 to 22, Louisiana from 14 to 9, Missouri from 27 to 13, New Mexico from 24 to 15, West Virginia from 38 to 20.

The table measures the burden on the typical two-income family of four that subscribes to Money. In 1991, the family earned \$89,275, plus \$2,683 in interest, \$435 in dividends and \$1,409 in capital gains. They spent \$28,938 on such items as food, clothing, prescription drugs, household goods and one new car. They also own a second car, and together the auto consumed 800 gallons of gas.

The first two columns show each state's rank and the family's combined bill for state and local income, sales, property and gasoline taxes. The third column grades each state on the likelihood of tax increases during the next two years, according to state tax experts. The grades: 21 As, for no major change; 6 Bs, moderate chance of increase; 13 Cs, strong probability of increase; and 11 Ds, a sure bet. Tax rates in the comments column are for married couples filing jointly in 1991.

All state income tax estimates were provided by the International Accounting and

Rank by size of tax bill State	Total annual tax on typical household	Grade for risk of future tax hikes	Tax on earned income				Sales tax		Death tax		Comments	
			Families earning \$25,000	For two-income married earning \$35,000	For two-income married earning \$75,000	For two-income married earning \$100,000	Statewide rate	Highest combined state and local	Property tax on typical household	On \$500,000 estate left to spouse		On \$500,000 estate left to child
1 Alaska	\$2,013	A	None	None	None	None	0.00	7.00	\$1,408	None	None	Most tax revenue from the oil and gas industry
2 Nevada	2,588	A	None	None	None	None	6.50	7.00	1,130	None	None	Most tax revenue from sales, gambling and gas tax
3 Wyoming	2,717	A	None	None	None	None	3.00	5.00	1,395	None	None	Most tax revenue from oil-company and sales taxes
4 Florida	3,185	D	None	None	None	None	6.00	7.00	1,788	None	None	Most tax revenue from sales, use, admissions taxes
5 Tennessee	3,354	C	None	None	None	None	6.50	8.25	1,103	0	0	Certain interest and dividend income taxed at 6%
6 South Dakota	3,470	A	None	None	None	None	4.00	8.00	2,268	0	\$41,250	Primary source of tax revenue: sales and gas taxes
7 Texas	3,625	B	None	None	None	None	6.25	8.25	2,167	None	None	Tax revenue mainly from sales and oil-company tax
8 Washington	3,845	A	None	None	None	None	7.00	8.20	1,849	None	None	Revenue mostly from sales, property, corporate tax
9 Louisiana	4,254	C	\$875	\$1,045	\$1,745	\$2,085	4.00	10.00	885	0	\$17,050	Top rate: 6% on taxable income over \$50,000
10 New Hampshire	4,299	D	None	None	None	None	0.00	0.00	3,879	0	0	Dividends and interest over \$2,400 taxed at 6%
11 North Dakota	4,530	C	\$788	\$713	\$1,510	\$2,244	5.00	6.00	1,878	None	None	Top rate: 12% on taxable income over \$50,000
12 Delaware ¹	4,753	A	1,424	1,848	3,380	4,775	0.00	0.00	1,181	0	\$31,250	Top rate: 7.7% on taxable income over \$40,000
13 Missouri ¹	5,185	A	1,283	1,623	2,503	3,321	4.225	7.725	1,113	None	None	Top rate: 6% on taxable income over \$9,000
14 Mississippi	5,185	C	1,185	1,228	2,288	3,258	8.00	6.25	1,158	0	0	Top rate: 5% on taxable income over \$10,000
15 New Mexico	5,332	B	1,374	1,520	3,033	4,822	5.125	8.813	871	None	None	Top rate: 8.5% on taxable income over \$41,600
16 Alabama ¹	5,343	C	1,483	1,878	2,924	3,748	4.00	9.00	590	None	None	Top rate: 6% on taxable income over \$8,000
17 West Virginia	5,374	B	1,280	1,897	3,230	4,855	6.00	6.00	504	None	None	Top rate: 6.6% on taxable income over \$80,000
18 Arkansas	5,585	A	1,831	2,264	3,742	5,103	4.60	7.50	869	None	None	Top rate: 7% on taxable income over \$25,000
19 Pennsylvania ¹	5,678	A	910	1,300	1,950	2,600	6.00	7.00	1,999	\$35,880	\$35,880	Rate: a flat 2.8% on a broad base of taxable income
20 Oklahoma	5,684	A	1,885	2,019	3,500	4,881	4.60	9.50	1,028	0	17,725	Top rate: 7% on taxable income over \$21,000
21 Illinois	5,830	D	1,020	1,330	2,038	2,720	6.25	8.00	2,273	None	None	Rate: a flat 3% of modified federal AGI; 2.75% in 15
22 Kansas ¹	5,871	A	1,772	2,100	3,370	4,540	6.00	6.00	1,095	0	\$45,350	Top rate: 6% on taxable income over \$8,000
23 Arizona	5,892	B	1,278	1,420	2,406	3,427	5.00	8.50	1,722	None	None	Top rate: 7% on taxable income over \$300,000
24 Indiana ¹	6,084	D	1,158	1,684	2,414	3,284	5.00	5.00	1,547	0	\$24,950	Rate: a flat 3.4% of federal AGI, with modifications
25 Kansas	6,144	D	1,386	1,249	2,305	3,121	4.25	8.25	1,858	0	21,760	Top rate: 5.95% on taxable income over \$27,500
26 Connecticut	6,201	A	469	357	1,013	1,600	6.00	6.00	3,123	0	37,895	Rate: 1.5% of federal AGI, rising to 4.5% in 1992
27 Colorado	6,289	D	1,473	1,723	2,780	3,753	3.00	8.00	1,821	None	None	Rate: a flat 6% of modified federal taxable income
28 Georgia	6,417	D	1,678	1,914	3,158	4,107	4.00	6.00	1,585	None	None	Top rate: 6% on taxable income over \$10,000
29 South Carolina	6,480	C	1,761	2,112	3,592	4,954	5.00	6.00	1,327	0	\$21,000	Top rate: 7% on taxable income over \$10,350
30 North Carolina	6,507	A	1,973	2,241	3,722	5,084	6.00	6.00	1,184	0	7,000	Top rate: 7.75% on taxable income over \$100,000
31 New Jersey	6,597	A	697	992	1,780	2,927	7.00	7.00	3,638	0	0	Top rate: 7% on taxable income over \$150,000
32 California	6,610	B	1,573	1,182	2,907	4,716	7.25	8.25	1,927	None	None	Top rate: 11% on taxable income over \$400,000
33 Michigan ¹	6,635	C	1,513	1,914	3,084	4,214	4.00	4.00	2,754	0	\$34,300	Rate: a flat 4.6% of all taxable income
34 Vermont	6,843	A	1,634	1,435	3,087	4,700	5.00	5.00	2,650	None	None	Top rate: 34% of federal income tax above \$13,100
35 Hawaii	6,893	A	2,525	2,422	4,480	6,240	4.00	4.00	1,033	None	None	Top rate: 10% on taxable income over \$41,000
36 Montana	6,700	C	1,564	2,189	3,769	5,151	0.00	0.00	2,229	0	0	Top rate: 11% on taxable income over \$57,600
37 Ohio ¹	6,849	D	1,088	1,750	3,050	4,489	5.00	7.00	1,479	\$2,100	\$30,100	Top rate: 6.9% on taxable income over \$100,000
38 Idaho	6,863	A	2,162	2,343	4,055	5,650	5.00	5.00	1,442	None	None	Top rate: 0.2% on taxable income over \$40,000
39 Virginia	6,888	C	1,537	2,034	3,250	4,369	4.50	4.60	2,066	None	None	Top rate: 5.75% on taxable income over \$17,000
40 Iowa ¹	7,018	A	2,000	2,274	3,994	5,456	4.00	5.00	1,978	0	\$39,825	Top rate: 9.98% on taxable income over \$48,710
41 Nebraska	7,052	C	1,389	1,489	2,821	3,915	5.00	6.50	2,620	0	5,850	Top rate: 6.92% on taxable income over \$46,000
42 Utah	7,121	A	1,853	2,238	3,548	4,752	5.75	7.25	1,888	None	None	Top rate: 7.2% on taxable income over \$7,500
43 Minnesota	7,145	A	2,088	2,374	4,086	5,623	6.50	7.50	1,958	None	None	Top rate: 8.5% on taxable income over \$79,120
44 Maine	7,673	A	2,059	1,948	3,834	5,672	6.00	6.00	2,404	None	None	Top rate: 9.89% on taxable income over \$75,000
45 Rhode Island	7,716	D	1,542	1,439	3,066	4,684	7.00	7.00	2,859	\$7,900	\$12,400	Rate: 27.5% of modified federal tax liability
46 Wisconsin	7,762	B	2,013	2,459	3,925	5,432	5.00	5.50	2,721	0	11,250	Top rate: 6.93% on taxable income over \$20,000
47 Massachusetts	7,830	C	1,755	2,503	4,035	5,529	5.00	5.00	2,622	\$23,500	\$5,500	Rate on earned income is 6.25%; unearned, 12%
48 District of Columbia	7,947	C	2,505	2,741	4,653	6,428	6.00	6.00	2,213	None	None	Top rate: 9.6% on taxable income over \$20,000
49 Maryland ^{1,2}	7,986	D	2,295	3,100	4,967	6,840	5.00	5.00	2,023	\$5,000	\$6,000	Top rate, with local surtax: 7.5% over \$3,000
50 Oregon	8,168	C	2,578	3,325	5,229	6,980	0.00	0.00	2,813	None	None	Top rate: 9% on taxable income over \$10,000

3111 C STREET, SUITE 455
ANCHORAGE, ALASKA 98503
(907) 561-7628

WHILE IN SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE



CHAIR
RULES COMMITTEE

JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

MEMORANDUM

TO: Members of the House HESS Committee

FROM: Rep. Johnny Ellis *JE*

RE: HB 316

DATE: January 23, 1992

SPONSOR STATEMENT

Thank you for your consideration of HB 316. This bill is nearly identical to HB 5, the early, full funding bill for K-12 education which passed into law without the Governor's signature last session. HB 316 is the FY 93 version of HB 5, with some modification.

The figure for the foundation program in HB 316 represents full funding at a \$63,000 unit value. Funding for community schools has been increased by 5% to \$630,000. All other figures in the bill represent funding at full entitlement.

Attached with this memo are printouts from the Department of Education which show the spread for the various programs among the various school districts.

Thanks again for your consideration.



HEALTH. EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

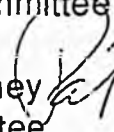


P.O. BOX V, JUNEAU 99811
(907) 465-3759

February 4, 1992

MEMORANDUM

TO: Representative Mike Navarre
Representative Eileen MacLean
Co-Chairs, House Finance Committee

FROM: Representative Patrick J. Carney 
Co-chair, House HESS Committee

RE: CSHB 316 (HES)

The House HESS Committee today considered and passed out with individual recommendations CS HB 316 (HES). The members present at today's Committee hearing urge the Finance Committee to consider the single site issue as the committee considers this legislation.

Amendment

Section 1(a)
 Additional district support \$3,433,721

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

School District	Allocation Amount
Galena	\$156,031
Hoonah	\$163,296
Hydaburg	\$103,824
Kake	\$132,524
Kashunamiut	\$190,275
Klawock	\$150,767
Nenana	\$158,371
Pelican	\$58,553
Skagway	\$113,400
St. Mary's	\$121,399
Tanana	\$115,409
Yakutat	\$112,519
Annette Island	\$168,096
Cordova	\$198,308
Craig	\$158,208
Dillingham	\$261,579
Unalaska	\$171,480
Wrangell	\$194,640
Adak	\$237,333
Nome	\$274,389
Petersburg	\$193,320

Small Single Site School Districts

Funding Analysis

TABLE I

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

TABLE II

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

TABLE III

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

HOUSE COMMITTEE REPORT

(7) Date Referred: May 7, 1991 FURTHER REFERRALS: Finance

Date of Committee Action: 2/4/92

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 316

HOUSE BILL NO. 316 FY 93 FUNDING FOR K-12 EDUCATION

"An Act making an appropriation to the Department of Education for K - 12 support; and providing for an effective date."

- RECOMMENDATIONS:** the same title
 be replaced with _____ a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

- ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)
 fiscal impact _____ fiscal note(s) _____
 zero fiscal note _____ zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Patricia Lane</i>	✓				
<i>Betty Davis</i>	✓				
<i>Cheri Davis</i>	✓				
		<i>J. L. Gonzalez</i>		✓	
		<i>Mary Miller</i>		✓	

Patricia Lane
 CHAIRMAN'S SIGNATURE

Small Single Site School District Funding

Issue

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

Background

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

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

Analysis

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

Analysis (continued)

The procedure that was used for analysis purposes was to:

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

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

Findings

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

Recommendation

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

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

Small Single Site School District Funding Proposal

Fiscal Note*

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

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

Proposed Legislative Wording

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

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

Small Single Site School Districts

Funding Analysis

TABLE I

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

TABLE II

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

TABLE III

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

Column Explanation Tables I-III

School District Size In ADM:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Column S: Local Mill Effort Greater Than 4 Mills.

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

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

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

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

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

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

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

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

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

TABLE A

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

SCHOOL DISTRICT	A	B	C	D	E	F	G	H	I
	FY 1990 FOUNDATION ADM	FY90 SUPPLE SUPPORT PER ADM	SS DIST PROPOSED F93 \$/ADM	TOTAL EXP LESS FND PER ADM	TOTAL EXP LESS FND PER ADM	TOTAL EXP LESS FND PER ADM	MAT-SU/KENAI ADMIN EXP PER ADM	MAT-SU EXP LESS FND PER ADM	KENAI EXP LESS FND PER ADM
Total ADM 1-250	1735.35	\$845	\$873	\$4,097	\$3,800	\$2,510	\$1,500	\$2,300	\$1,010
Total ADM 251-525	2250.05	\$197	\$425	\$2,813	\$2,880	\$2,700	\$1,500	\$1,380	\$1,200
Total ADM 526-1000	2135.55	\$28	\$510	\$2,501	\$1,530	\$3,570	\$1,500	\$30	\$2,070
AVERAGE			\$510						

TABLE B

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

SCHOOL SITES	J	K	L	M	N	O	P	Q
	ADM	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS	FUND COMM UNITS
BERYOZARA	8.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TRAPPER CREEK	42.50	6.81	6.81	6.81	6.81	6.81	6.81	6.81
SUTTON	68.00	9.67		9.67	9.67	9.67	9.67	9.67
TALKEETNA	102.25	12.52			12.52	12.52	12.52	12.52
WILLOW	125.48	14.37				14.37	14.37	14.37
BUTTE	358.72	24.58					24.58	24.58
BIG LAKE	558.48	37.90						37.90
TOTAL	1263.43	107.85	8.81	18.48	31.00	45.37	69.95	107.85
UNITS AS SINGLE FUNDING COMMUNITY			7.81	13.875	20.72	29.08	53.00	74.32
DIFF IN K-12 UNITS MULT VS. SNGL			1.00	4.61	10.28	16.29	16.95	31.07
% OF K-12 UNITS GAIN MULT VS. SNGL			12.77%	33.19%	49.64%	56.01%	31.99%	41.81%
ADM AS SINGLE FUNDING COMMUNITY			50.5	118.5	220.75	346.23	704.95	1263.43
DIFF \$/ADM MULT VS. SINGLE			\$1,185	\$2,332	\$2,795	\$2,823	\$1,443	\$1,476

this point utilizing the 7 schools in Mat-Su that have been granted separate funding community status. These schools are shown in different groupings with the K-12 instructional units they will receive as separate funding communities (columns K-Q Total line) and the number of K-12 instructional units they would have received had they been only one funding community (columns K-Q units as single funding community line) The remaining lines in columns K-Q show the difference in units, the percent increase and the dollars per ADM increase produced by multiple funding communities over single funding communities of the same ADM.