

SB 4416

SENATE FINANCE COMMITTEE REPORT

DATE: 3/9/92

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered

SENATE BILL NO. 446

"An Act amending the formula providing state aid for education; and providing for an effective date."

DIED

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS _____ (_____)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

- adopts _____ Letter of Intent
- further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

NEW FISCAL NOTES: Dept/Date

- zero fiscal notes _____
- _____
- fiscal notes _____
- _____
- appropriation**--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

- zero fiscal notes _____
- _____
- fiscal notes _____
- _____

DO PASS:

OTHER RECOMMENDATIONS:

1. _____
Co-Chair: Signature/Recommendation

2. _____
Co-Chair: Signature/Recommendation

FISCAL NOTE

No. 1

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Bill Version: SB 446

(S) Publish Date: 3-9-92

Revision Date: _____
Title: An Act amending the formula providing state aid for education.
Sponsor: (S) HESS
Requestor: (S) HESS

Department Affected: Education
BRU: K-12
Component: Foundation

COMPONENT SERIAL NO.

	1	4	1
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	3,374.4	3,374.4	3,374.4	3,374.4	3,374.4	3,374.4
MISCELLANEOUS						
TOTAL OPERATING	3,374.4	3,374.4	3,374.4	3,374.4	3,374.4	3,374.4

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3,374.4	3,374.4	3,374.4	3,374.4	3,374.4	3,374.4
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	3,374.4	3,374.4	3,374.4	3,374.4	3,374.4	3,374.4

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

The increased cost is projected over the FY93 full entitlement projection of \$574,938,100. The foundation program is currently under funded in the Governor's budget by \$22,357,600. An FY93 budget amendment is being submitted to OMB for this amount. Analysis is based on \$60,000 unit value.

See attached

Prepared by: Eddy Jeans/Bill Wright
Division: Educational Finance and Support Services

Phone: 465-2865
Date: 2-27-92

Approved by Commissioner: *Jerry Covey*
Agency: Education

Date: 2-28-92

ALASKA DEPARTMENT OF EDUCATION
 FY93 PROJECTED FOUNDATION ENTITLEMENTS AS AMENDED BY SB446.

UNIT AT \$60,000 SINGLE SITE UNITS UNDER 800 ADM

ADAK	\$237,000
ALASKA GATEWAY	0
ALEUTIAN REGION	58,800
ALEUTIANS EAST	0
ANCHORAGE	0
ANNETTE ISLANDS	168,000
BERING STRAIT	0
BRISTOL BAY	0
CHATHAM	0
CHUGACH	0
COPPER RIVER	0
CORDOVA	198,600
CRAIG	158,400
DELTA/GREELY	0
DILLINGHAM	195,600
FAIRBANKS	0
GALENA	156,000
HAINES	0
HOONAH	163,200
HYDABURG	103,800
IDITAROD	0
JUNEAU	0
KAKE	132,000
KASHUNAMIUT	190,200
KENAI	0
KETCHIKAN	0
KLAWOCK	150,600
KODIAK	0
KUSPUK	0
LAKE AND PENINSULA	0
LOWER KUSKOKWIM	0
LOWER YUKON	0
MAT-SU	0
NENANA	158,400
NOME	274,200
NORTH SLOPE	0
NORTHWEST ARCTIC	0
PELICAN	58,200
PETERSBURG	193,200
PRIBILOF	0
RAILBELT	0
SITKA	0
SKAGWAY	113,400
SOUTHEAST	0
SOUTHWEST	0
ST. MARY'S	119,400
TANANA	115,200
UNALASKA	171,600
VALDEZ	0
WRANGELL	145,800
YAKUTAT	112,800
YUKON FLATS	0
YUKON/KOYUKUK	0
YUPIIT	0
SUB - TOTALS	3,374,400
STATE CORR. STUDY	0
MT. EDGE CUMBE SCHOOL	0
VALDEZ CONTRACT	0
4 MILL PHASE-IN (SUBSIDY)	0
PL81-874 PASS THRU	0
EST. PRIOR YEAR ADJ.	0
FY93 EST. INCREASES	\$3,374,400

Adds a single site district table to increase K-12 units by the following formula: 1-250 ADM = 12%, 251-525 ADM = 8%, 526-800 = 6%.

SENATE BILL NO. 446

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Introduced: 2/26/92

Referred: HES, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the formula providing state aid for education; and providing for an
2 effective date."

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

4 * Section 1. AS 14.17.041 is amended by adding a new subsection to read:

5 (e) In a district that consists of a single funding community with an average daily
6 membership of 800 or fewer students, the elementary and secondary instructional units received
7 under (a) or (b) of this section shall be multiplied by the factor determined under the following
8 table:

9	ADM	Factor
10	1 - 250	1.12
11	251 - 525	1.08
12	526 - 800	1.06.

13 * Sec. 2. This Act takes effect July 1, 1992.

To: Senate Finance Committee

Fm: Nels A. Anderson, Jr.

Subject: Support for SB 446

Date: 4-16-92

My name is Nels A. Anderson, Jr. and I am lobbying for Single Site Schools.

I wish to go on record in support of Senate Bill 446. The bill amends the foundation formula to provide additional support for single site districts.

The bill was introduced by the Senate HESS Committee. The proposed legislation changes the foundation formula by increasing funding for single site districts up to 250 ADM by 12%; districts with an ADM of 251-524 increase 8%; and for districts from 526-800 ADM increase 6%.

The fiscal note for that legislative change is \$3,374,000.00 according to the Department of Education.

This legislation would solve a problem that has plagued the legislature for six years. The legislation that revised the formula in 1986 did not treat single sites in the formula the way multi-site schools were. As a result, single sites were and still are underfunded.

Former Governor Cowper recognized this deficiency and allowed mitigating funds to be appropriated to help those districts that were negatively affected by HB 126 in 1986. Since then, the legislature has annually appropriated mitigating funds to bring equity to the single sites.

The Single Site schools are hoping that this legislation will pass so that all school districts can be treated equally.

Thank you.

UNDER 900 ADM

	FY91							
	Appropriation Excess Over 4 Mill Requirement	Earnings on Investments	Other Local Revenue	10% PL81-874 & Proportion	PL81-874 Indian Lands Add-on	FY92 Forest Receipts	FY91 Total	
ADAK	\$0	\$396,600	\$2,877	\$252,918	\$0	\$0	\$652,39	
ALASKA GATEWAY	0	211,554	20,775	56,765	130,571	0	419,66	
ALEUTIAN REGION	0	5,731	8,726	9,526	23,596	0	47,57	
ALEUTIANS EAST	0	0	21,078	66,796	152,838	0	240,71	
ANCHORAGE	25,601,619	0	664,801	94,946	0	2,126	26,363,49	
ANNETTE ISLAND	0	132,279	29,099	137,482	343,704	531,236	1,173,80	
BERING STRAIT	0	653,631	487,024	451,726	1,129,313	0	2,721,69	
BRISTOL BAY	154,127	0	30,162	126,391	61,693	0	372,37	
CHATHAM	0	141,886	2,625	104,031	259,638	471,583	979,76	
CHUGACH	0	25,556	77,426	19,891	42,790	2,726	168,38	
COPPER RIVER	0	109,340	47,698	25,740	67,989	0	250,76	
CORDOVA	285,339	0	11,678	6,863	0	10,177	314,05	
CRAIG	0	0	4,572	2,988	4,950	393,821	406,33	
DELTA GREELY	0	115,056	20,528	108,361	4,255	0	248,20	
DILLINGHAM	274,383	0	45,170	176,013	88,162	0	583,72	
FAIRBANKS	14,067,654	0	1,000,076	21,083	0	0	15,088,81	
GALENA	89,796	0	3,500	270,822	110,661	0	474,77	
HAINES	561,072	0	10,361	5,146	681	380,287	957,54	
HOONAH	348,450	0	28,384	130,102	53,697	294,442	855,07	
HYDABURG	34,068	0	37,337	27,590	6,794	149,132	254,92	
IDITAROD	0	148,809	94,843	85,987	199,330	0	528,96	
JUNEAU	5,757,940	0	124,337	19,142	0	685,381	6,586,80	
KAKE	56,731	0	26,592	192,711	84,142	231,907	592,08	
KASHUNAMIUT	0	26,771	32,882	50,756	126,890	0	236,89	
KENAI	11,195,217	0	76,179	106,832	68,459	8,839	11,455,52	
KETCHIKAN	2,984,840	0	51,822	9,539	0	391,753	3,437,95	
KLAWOCK	145,786	0	1,762	258,823	81,434	0	487,80	
KODIAK	442,615	0	36,763	12,702	26,916	180	519,17	
KUSPUK	0	57,192	0	56,457	153,156	0	266,80	
LAKE & PEN.	439,626	0	5,895	858,504	322,517	0	1,626,54	
LOWER KUSKOKWIM	0	520,822	225,164	618,871	1,477,890	0	2,842,74	
LOWER YUKON	0	659,169	17,516	437,990	1,094,973	0	2,209,64	
MAT-SU	9,408,168	0	70,004	304	0	336	9,478,81	
NENANA	73,492	0	8,846	3,363	414	0	86,11	
NOME	75,934	0	200,898	12,637	0	0	289,46	
NORTH SLOPE	13,440,007	0	37,382	2,509,929	783,995	0	16,771,31	
NW ARCTIC	257,990	0	128,145	1,087,591	845,228	0	2,318,95	
PELICAN	0	0	4,010	0	0	57,522	61,53	
PETERSBURG	306,996	0	20,259	7,780	0	880,193	1,215,22	
PRIBILOF	0	119,485	1,503	51,301	128,126	0	300,41	
RAILBELT	0	53,211	14,243	4,477	0	0	71,93	
SITKA	1,231,970	0	19,164	107,017	31,737	751,779	2,141,66	
SKAGWAY	154,895	0	500	0	0	181,716	337,11	
SOUTHEAST ISLAND	0	176,522	2,840	88,695	73,277	521,085	862,41	
SOUTHWEST REGION	0	395,933	163,760	147,984	369,960	0	1,077,63	
ST. MARY'S	92,459	0	9,189	155,400	51,666	0	308,71	
TANANA	3,731	0	89,160	145,942	51,032	0	289,86	
UNALASKA	126,865	0	49,804	2,193	2,729	0	181,59	
VALDEZ	2,130,054	0	69,009	22,488	0	18,149	2,239,70	
WRANGELL	408,708	0	3,840	1,861	0	662,635	1,077,04	
YAKUTAT	118,688	0	13,538	51,726	10,505	164,171	358,62	
YUKON FLATS	0	140,573	127,480	59,768	328,187	0	656,00	
YUKON-KOYUKUK	0	229,113	83,811	139,678	345,142	0	797,74	
YUPIIT	0	141,388	1,909	106,289	265,721	0	515,30	
Totals	\$90,269,220	\$4,460,221	\$4,366,946	\$9,509,917	\$9,404,758	\$6,791,176	\$124,802,23	

	FY90					
	<<<<	>>>>				
	Appropriation	Earnings on	Other Local	10% PL81-874	PL81-874	FY90
	Excess Over	Investments	Revenue	& Proportion	Indian Lands	Total
	4 Mill Requirement				Add-on	
ADAK	\$0	\$392,715	\$60,435	\$238,613	\$0	\$691,763
ALASKA GATEWAY	0	198,221	661	51,621	114,887	365,390
ALEUTIAN REGION	0	1,721	28,411	9,321	25,295	62,748
ALEUTIANS EAST	3,370	0	2,016	49,498	108,455	163,339
ANCHORAGE	27,512,047	0	615,212	255,646	1,552	28,384,457
ANNETTE ISLAND	0	151,897	12,260	133,052	332,629	629,838
BERING STRAIT	0	604,915	520,990	406,543	1,016,358	2,548,806
BRISTOL BAY	0	0	220,768	105,801	57,845	384,414
CHATHAM	0	151,643	5,381	86,716	216,125	459,865
CHUGACH	0	16,540	74,172	17,032	34,541	142,335
COPPER RIVER	0	76,886	61,237	24,490	45,129	207,742
CORDOVA	306,775	0	11,652	7,940	0	326,367
CRAIG	0	0	1,612	4,285	6,115	12,012
DELTA GREELY	0	169,384	26,486	100,678	4,806	301,354
DILLINGHAM	194,883	0	40,878	128,403	72,298	436,462
FAIRBANKS	12,558,445	0	297,157	46,598	0	12,902,200
GALENA	82,080	0	31,562	262,277	102,837	478,756
HAINES	471,390	0	18,144	5,602	1,132	496,268
HOONAH	61,856	0	18,039	45,853	28,110	153,858
HYDABURG	37,195	0	20,154	28,795	7,239	93,383
IDITAROD	0	144,290	55,093	81,161	184,782	465,326
JUNEAU	4,944,537	0	92,187	24,395	16	5,061,135
KAKE	52,729	0	15,370	190,309	87,563	345,971
KASHUNAMIUT	0	60,008	19,589	54,630	136,574	270,801
KENAI	9,485,651	0	77,938	120,996	9,676	9,694,261
KETCHIKAN	2,506,417	0	14,471	9,946	0	2,530,834
KLAWOCK	175,888	0	8,168	260,304	81,944	526,304
KODIAK	877,033	0	59,691	51,030	4,693	992,447
KUSPUK	0	102,099	0	55,374	131,760	289,233
LAKE & PENINSULA	0	0	92,217	106,377	265,940	464,534
LOWER KUSKOKWIM	0	417,515	114,817	589,251	1,410,860	2,532,443
LOWER YUKON	0	854,404	26,725	414,258	1,035,643	2,331,030
MAT-SU	7,052,953	0	44,799	24,429	0	7,122,181
NENANA	80,620	0	48,844	6,450	148	136,062
NOME	52,697	0	179,151	4,639	0	236,487
NORTH SLOPE	13,725,910	0	62,381	1,889,014	592,146	16,269,451
NORTHWEST ARCTIC	332,198	0	39,186	1,410,818	818,756	2,600,958
PELICAN	3,330	0	526	0	0	3,856
PETERSBURG	86,926	0	4,490	5,775	0	97,191
PRIBILOF	0	127,157	15,362	46,594	114,083	303,196
RAILBELT	0	70,871	0	4,475	484	75,830
SITKA	1,343,122	0	15,290	71,312	6,497	1,436,221
SKAGWAY	13,059	0	0	17	0	13,076
SOUTHEAST ISLAND	0	169,080	8,853	82,337	79,533	339,803
SOUTHWEST REGION	0	411,417	112,502	152,833	388,250	1,065,002
ST. MARY'S	118,949	0	0	199,880	63,039	381,868
TANANA	80,851	0	2,761	160,986	58,826	303,424
UNALASKA	46,419	0	140,362	1,385	3,900	192,066
VALDEZ	2,409,411	0	203,500	33,214	0	2,646,125
WRANGELL	337,182	0	463	5,221	0	342,866
YAKUTAT	128,433	0	23,356	42,353	17,668	211,810
YUKON FLATS	0	94,596	96,272	100,588	251,470	542,926
YUKON-KOYUKUK	0	258,607	21,624	131,827	329,404	741,462
YUPIIT	0	218,119	346	96,090	240,224	554,779
Totals	\$85,082,356	\$4,692,085	\$3,663,561	\$8,437,082	\$8,487,232	\$110,362,316

	FY90 Total	FY91 Total	FY90 & FY91 Average	Estimated Five Year Total
ADAK	\$691,763	\$652,395	\$672,079	\$3,360,395
ALASKA GATEWAY	365,390	419,665	392,528	1,962,638
ALEUTIAN REGION	62,748	47,579	55,163	275,817
ALEUTIANS EAST	163,339	240,712	202,026	1,010,128
ANCHORAGE	28,384,457	26,363,492	27,373,975	136,869,873
ANNETTE ISLAND	629,838	1,173,800	896,819	4,509,095
BERING STRAIT	2,548,806	2,721,694	2,635,250	13,176,251
BRISTOL BAY	384,414	372,373	378,394	1,891,968
CHATHAM	459,865	979,763	719,814	3,599,070
CHUGACH	142,335	168,389	155,362	776,810
COPPER RIVER	207,742	250,767	229,255	1,146,273
CORDOVA	326,367	314,057	320,212	1,601,060
CRAIG	12,012	406,331	209,172	1,045,858
DELTA GREELY	301,354	248,200	274,777	1,373,885
DILLINGHAM	436,462	583,728	510,095	2,550,475
FAIRBANKS	12,902,200	15,088,813	13,995,507	69,977,533
GALENA	478,756	474,779	476,768	2,383,838
HAINES	496,268	957,547	726,908	3,634,538
HOONAH	153,858	855,075	504,467	2,522,333
HYDABURG	93,383	254,921	174,152	870,760
IDITAROD	465,326	528,969	497,148	2,485,738
JUNEAU	5,061,135	6,586,800	5,823,968	29,119,838
KAKE	345,971	592,083	469,027	2,345,135
KASHUNAMIUT	270,801	236,899	253,850	1,269,250
KENAI	9,694,261	11,455,526	10,574,894	52,874,468
KETCHIKAN	2,530,834	3,437,954	2,984,394	14,921,970
KLAWOCK	526,304	487,805	507,055	2,535,273
KODIAK	992,447	519,176	755,812	3,779,058
KUSPUK	289,233	266,805	278,019	1,390,094
LAKE & PEN.	464,534	1,626,542	1,045,538	5,227,690
LOWER KUSKOKWIM	2,532,443	2,842,747	2,687,595	13,437,975
LOWER YUKON	2,331,030	2,209,648	2,270,339	11,351,695
MAT-SU	7,122,181	9,478,812	8,300,497	41,502,483
NENANA	136,062	86,115	111,089	555,443
NOME	236,487	289,469	262,978	1,314,890
NORTH SLOPE	16,269,451	16,771,313	16,520,382	82,601,910
NW ARCTIC	2,600,958	2,318,954	2,459,956	12,299,780
PELICAN	3,856	61,532	32,694	163,470
PETERSBURG	97,191	1,215,228	656,210	3,281,048
PRIBILOF	303,196	300,415	301,806	1,509,028
RAILBELT	75,830	71,931	73,881	-369,403
SITKA	1,436,221	2,141,667	1,788,944	8,944,720
SKAGWAY	13,076	337,111	175,094	875,468
SOUTHEAST ISLAND	339,803	862,419	601,111	3,005,555
SOUTHWEST REGION	1,065,002	1,077,637	1,071,320	5,356,598
ST. MARY'S	381,868	308,714	345,291	1,726,455
TANANA	303,424	289,865	296,645	1,483,223
UNALASKA	192,066	181,591	186,829	934,143
VALDEZ	2,646,125	2,239,700	2,442,913	12,214,563
WRANGELL	342,866	1,077,044	709,955	3,549,775
YAKUTAT	211,810	358,628	285,219	1,426,095
YUKON FLATS	542,926	656,008	599,467	2,997,335
YUKON-KOYUKUK	741,462	797,744	769,603	3,848,015
YUPIIT	554,779	515,307	535,043	2,675,215
Totals	\$110,362,316	\$124,802,238	\$117,582,277	\$587,911,397

SB446

UNIT AT \$61,000
 SINGLE SITE
 UNITS
 UNDER 800 ADM

ADAK	\$240,950
ALASKA GATEWAY	0
ALEUTIAN REGION	59,780
ALEUTIANS EAST	0
ANCHORAGE	0
ANNETTE ISLANDS	170,800
BERING STRAIT	0
BRISTOL BAY	0
CHATHAM	0
CHUGACH	0
COPPER RIVER	0
CORDOVA	201,910
CRAIG	161,040
DELTA/GREELY	0
DILLINGHAM	198,880
FAIRBANKS	0
GALENA	158,600
HAINES	0
HOONAH	166,920
HYDABURG	105,530
IDITAROD	0
JUNEAU	0
KAKE	134,200
KASHUNAMIUT	193,370
KENAI	0
KETCHIKAN	0
KLAWOCK	153,110
KODIAK	0
KUSPUK	0
LAKE AND PENINSULA	0
LOWER KUSKOKWIM	0
LOWER YUKON	0
MAT-SU	0
NENANA	161,040
NOME	278,770
NORTH SLOPE	0
NORTHWEST ARCTIC	0
PELICAN	59,170
PETERSBURG	198,420
PRIBILOF	0
RAILBELT	0
SITKA	0
SKAGWAY	115,290
SOUTHEAST	0
SOUTHWEST	0
ST. MARY'S	121,390
TANANA	117,120
UNALASKA	174,460
VALDEZ	0
WHANGELL	148,230
YAKUTAT	114,680
YUKON FLATS	0
YUKON/KOYUKUK	0
YUPIIT	0
SUB - TOTALS	3,430,640
STATE CORR. STUDY	0
MT. EDGE CUMBE SCHOOL	0
VALDEZ CONTRACT	0
4 MILL PHASE-IN (SUBSIDY)	0
PL81-874 PASS THRU	0
EST. PRIOR YEAR ADJ.	0
FY93 EST. INCREASES	\$3,430,640

Adds a single site district table to Increase K-12 units by the following formula: 1-250 ADM = 12%, 251-525 ADM = 8%, 526-800 = 6%.

ALASKA DEPARTMENT OF EDUCATION
 FY92 FOUNDATION PROGRAM AS REVISED BY SB 7
 PREPARED 4/28/81

FROM SB 7
 FILE

	PROJ. FY92 ADM	SUPPLEMENTAL SINGLE SITE FORMULA < 500 ADM	
ADAK	715.00		\$0
ALASKA GATEWAY	499.00		\$0
ALEUTIAN REGION	33.00		\$0
ALEUTIANS EAST	359.00		\$0
ANCHORAGE	42,070.00		\$0
ANNETTE ISLANDS	411.00		\$0
BERING STRAIT	1,398.00		\$0
BRISTOL BAY	265.00		\$0
CHATHAM	384.00		\$0
CHUGACH	110.00		\$0
COPPER RIVER	578.00		\$0
CORDOVA	437.90	\$187,800	
CRAIG	413.00	\$165,600	
DELTA/GREELY	870.00		\$0
DILLINGHAM	485.00	\$234,000	
FAIRBANKS	14,683.00		\$0
GALENA	150.00	\$150,000	
HAINES	441.00		\$0
HOONAH	230.00	\$165,600	
HYDABURG	108.00	\$96,600	
IDITAROD	394.00		\$0
JUNEAU	5,328.00		\$0
KAKE	172.00	\$129,600	
KASHUNAMIUT	192.00		\$0
KENAI	9,723.50		\$0
KETCHIKAN	2,796.00		\$0
KLAWOCK	200.00	\$143,400	
KODIAK	2,410.70		\$0
KUSPUK	413.45		\$0
LAKE AND PENN.	420.00		\$0
LOWER KUSKOKWIM	2,835.00		\$0
LOWER YUKON	1,352.00		\$0
MATSU	9,997.00		\$0
NENANA	180.00	\$155,400	
NOME	777.95		\$0
NORTH SLOPE	1,406.00		\$0
NORTHWEST ARCTIC	1,583.60		\$0
PELICAN	48.00	\$58,200	
PETERSBURG	707.00		\$0
PRIBILOF	153.00		\$0
RAILBELT	338.00		\$0
SITKA	1,745.00		\$0
SKAGWAY	130.00	\$111,000	
SOUTHEAST	557.10		\$0
SOUTHWEST	485.00		\$0
ST MARY'S	115.60	\$127,800	
TANANA	109.00	\$122,400	
UNALASKA	298.00	\$157,800	
VALDEZ	765.00		\$0
WRANGELL	520.00		\$0
YAKUTAT	152.00	\$126,000	
YUKON FLATS	371.00		\$0
YUKON/KOYUKUK	510.00		\$0
YUPIIT	330.00		\$0

TOTALS	111,439.80	\$2,131,200
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4-16-92
#36
JPC

National Forest Receipt Payments/Unorganized Borough

Community	Road Miles	ADM	Road Mile \$	School \$
Home Rule				
Petersburg		702.35		\$880,192.64
Wrangell		528.75		\$662,635.24
First Class				
Craig		314.25		\$393,621.51
Hoonah		234.95		\$294,441.89
Hydaburg		119.00		\$149,132.09
Kake		185.05		\$231,906.67
Klawock		211.85		\$265,492.72
Pelican		45.90		\$57,522.38
Skagway		145.00		\$181,715.57
Yakutat		131.00		\$164,170.62
Second Class				
Arigoon .		N/A		N/A
Coffman Cove		N/A		N/A
Kasaan		N/A		N/A
Kupreanof		N/A		N/A
Port Alexander		N/A		N/A
Tenakee Springs		N/A		N/A
Thorne Bay		N/A		N/A
Federal				
Mettlakalla		423.90		\$531,236.08
REAA'S				
Chatham		376.30		\$471,583.24
Southeast Island		415.80		\$521,085.07
TOTAL LOCAL		3834.1		\$4,804,935.71
STATE		N/A		N/A
GRAND TOTAL		3834.1		\$4,804,935.71

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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 adjustment 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 7.19%.
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

Prepared on behalf of Single Site SFC
School District Consortium #34
By Shari Johnson
Phone # 586-9073
4-16-92

Single Site School Districts

Impact of not receiving the Single Site Funding for FY 93 Samples From Survey

Copies of individual
survey forms available on
request

1. Pupil/Teacher ratio change.

- Cut 1 teacher and 1/2 time librarian from staff of 14
- Ratio could increase by 3-4 in a school of 475 students
- Classroom size at primary level will not be able to be reduced below 27 or 28
- Reduce 1 teacher
- Already reduced from 22 to 14, without Single Site funding will reduce 3 more
- Increase by 13%

2. Reduced student activities

- Student field and athletic trips reduced
- Will cut some activities
- Spring track program
- Reduce student travel
- Elimination of athletic activities and reduction in Native Cultural Activities
- Will cut track and cross-country, leaving only basketball
- Delete prom, graduation, year book
- Reduce academic and athletic travel
- Basketball road trips
- AFN Convention travel
- AASG (Student Government) travel
- Already at minimum

3. Teachers assigned out of their area of expertise

- Will have to assign teachers out of their area impacting the quality of the program
- Tenured secondary teachers will possibly be assigned at the elementary level
- Have only 2 non-tenured teachers left.
- Already have people assigned out of their area

Single Site School Districts
Budget Impacts

4. Staff laid off

- Aides for sure, 1 teacher
- Will be unable to retain 3 teachers, 15% of our staff
- Lay off 2 teachers and up to 7 classified in school of 450
- Will lay off clerk, janitor, cook and 2 classroom aides
- Principal laid off last year
- Lay off all aides and 1 teacher
- 2 teachers (190 students)

5. Programs reduced

- Yup'ik language and skills either reduced or curtailed
- Library development, computer networking, vocational programs
- Art and vocational education
- New equipment for band
- National and State Close Up, speech services (using an aide instead of therapist)
- Elementary special education, 1/2 time vs. 1 full time teacher
- Math, science, music art and career guidance
- Presently (before reduction) we do not have adequate counsel, have no art, no music and few vocational education offerings
- Business/computer program

Single Site School Districts
Budget Impacts

6. Programs eliminated

- Art
- Star schools, hot lunch, community library and library community shop, open gym and career education
- There is nothing left to eliminate and maintain accreditation
- Staff and administrative travel, music, preschool, community education
- Early childhood program
- 1/2 time library position
- 1 elementary teacher and combine grades 4 & 5
- Band and music by 2/3
- 1/2 position and combine grades 7 & 8
- 1/2 position from high school
- Cut to 1/2 — vocational education teacher, counselor, principal

7. Supplies, materials, equipment reduced

- First areas to cut
- Not much there now but will be cut
- This area has eroded with fund held constant
- Reduce approximately 75%
- Reduced in every area
- Delete all equipment purchases
- Reduce art supplies

Single Site School Districts
Budget Impacts

8. Impact on building operation, maintenance and insurance

- All areas, cut back
- Have cut 1 person and will have to cut more
- The last item to get attention when funding is reduced
- Reduce maintenance and operations by 20%
- Building closed all evening and weekends
- Will maintain minimum insurance and hope for capital appropriation for a collapsing wall
- Eliminate summer up keep of buildings and grounds

9. Budget deficit, if projected

- Deficit expected even with additional funding. Without the Single Site funding, operation for more than two years is questionable
- \$169,497 without Single Site funding
- Already at a deficit level
- With any mechanical breakdown or other non-budgeted expense we will be in deficit
- \$100,000
- Have a deficit in FY92. Will have to eliminate 3 teachers to be in the black
- \$140,000

10. Impact on local contribution, if applicable

- Maximum contribution allowed would be 15 mills, not reasonable
- Local contribution is double that required

Single Site School Districts
Budget Impacts

11. Other (address areas unique to your district or not addressed above)

- Question has become not where we can cut but can we continue to operate the school district.
- This is not new money. The Single Site districts have had supplemental funding annually since the present formula has been in law.
- Before any reductions we are already without a librarian, trained art personnel. The principal and superintendent also teach class.
- Salary is 82% of budget. Have only 2 non-tenured teachers.

REVISED 2/6/92

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
Kashunamiut	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	12.79	12.00%	1.38	1.30	\$107,640
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	478.75	37.22	8.00%	2.98	1.11	\$198,308
Craig	390	32.00	8.00%	2.56	1.03	\$158,208
Unalaska	332	28.13	8.00%	2.25	1.27	\$171,480
Adak	718	51.91	6.00%	3.11	1.27	\$237,333
Dillingham	553	42.91	6.00%	2.57	1.27	\$195,834
Nome	773	56.88	6.00%	3.41	1.34	\$274,389
Petersburg	722	53.70	6.00%	3.22	1.00	\$193,320
Wrangell	527	40.55	6.00%	2.43	1.00	\$145,800
TOTAL	6720.48	567.49		49.60		\$3,305,377

*The fiscal note is for \$3,305,377. 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 \$801,577.

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.

FY91 FOUNDATION ADM'S BY FUNDING COMMUNITY			
fy91adm.xls 11/8/91			
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT
REAA	ADAK	ADAK	712.00 712.00
REAA	ALASKA GATEWAY	DOT LAKE	18.00
		EAGLE	59.10
		MENTASTA	18.00
		NORTHWAY	88.85
		TANACROSS	18.00
		TOK	284.40
		TETLIN	27.40
		ALCAN BORDER	FY92
REAA	ALEUTIAN REGION	ATKA	28.00
		NIKOLSKI	7.00
C/B	ALEUTIAN EAST	AKUTAN	21.85
		COLD BAY	25.00
		FALSE PASS	16.00
		KING COVE	147.65
		NELSON LAGOON	12.00
		SAND POINT	148.50
C/B	ANCHORAGE	ANCHORAGE	35,014.71
		EAGLE RIVER	6,396.55
		GIRDWOOD	122.10
REAA	ANNETTE ISLAND	ANNETTE	381.00 381.00
REAA	BERING STRAIT	BREVIK MISSION	50.00
		ELIM	82.80
		DIOMEDE	58.00
		GOLOVIN	58.70
		KOYUK	73.00
		ST. MICHAEL	99.00
		SHAKTOOLIK	49.00
		SHISHMARF	158.00
		STEBBINS	128.45
		TELLER	88.55
		WALEB	35.00
		WHITE MOUNTAIN	44.05
		GAMBELL	130.85
		SAVOONGA	133.10
		UNALAKLEET	195.00
C/B	BRISTOL BAY	BRISTOL BAY	231.00
		S. NAKNEK	22.00
REAA	CHATHAM	ANGOON	184.50
		GUSTAVUS	72.00
		TENAKEE SPRINGS	10.00
		CUBE COVE	40.80
		KLUKWAN	35.00
		ELFIN COVE	9.00
		CORNER BAY	8.00
		FRESHWATER BAY	21.00

FY91 FOUNDATION ADM'S BY FUNDING COMMUNITY			
fy91adm.xls 11/8/91			
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT
REAA	CHUGACH	TATITLEK	20.10
		WHITTIER	85.80
		CHENEGA BAY	21.00
		ICY BAY	4.00
		TWO MOON BAY	FY92
STATE	CCB	CCB	1,984.74 1,984.74
REAA	COPPER RIVER	CHISTOCHINA	38.05
		COPPER CENTER	74.55
		GAKONA	30.00
		LOTTIE SPARKS	9.00
		PAXSON	3.00
		SIANA	22.00
		GLENNALLEN	306.50
		KENNY LAKE	99.85
C/B	CORDOVA	CORDOVA	437.00 437.00
C/B	CRAIG	CRAIG	303.40 303.40
REAA	DELTA/GREELEY	DELTA JUNCTION	841.00
		HEALY LAKE	FY92
C/B	DILLINGHAM	DILLINGHAM	480.50 480.50
C/B	FAIRBANKS	FAIRBANKS	9,508.30
		NORTH POLE	3,134.80
		SALCHA	102.80
		TWO RIVERS	112.50
		EIELSON	1,389.60
C/B	GALENA	GALENA	121.40 121.40
C/B	HAINES	HAINES	402.20
		MOSQUITO LAKE	15.95
		HOMESHORE	15.00
C/B	HOONAH	HOONAH	234.00 234.00
C/B	HYDABURG	HYDABURG	108.40 108.40
REAA	IDITAROD	ANVIK	21.00
		HOLY CROSS	60.10
		LIME VILLAGE	8.88
		TAKOTNA	8.00
		MCGRATH	140.85
		NIKOLAI	18.00
		SHAGELUK	30.35
		TELIDA	3.00
		GRAYLING	58.80
C/B	JUNEAU	JUNEAU	5,124.30 5,124.30

FY81 FOUNDATION ADM'S BY FUNDING COMMUNITY				
fy81adm.xls 11/8/81				
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT	
C/B	KAKE	KAKE	178.70	178.70
REAA	KASHUNAMUT	CHEVAK	181.70	181.70
C/B	KENAI PENINSULA	KENAI	1,388.33	8,188.90
		BOLDOTNA	2,001.20	
		ANCHOR POINT	211.12	
		MOOSE PASS	37.00	
		NIKIBKI	1,044.08	
		NIKOLAEVSK	180.95	
		NINLCHIK	189.38	
		PORT GRAHAM	34.00	
		SEWARD	750.20	
		SELDOVIA	97.48	
		TYONEK	42.00	
		COOPER LANDING	30.00	
		ENGLISH BAY	80.00	
		MCNEIL CANYON	195.00	
		HOMER	1,214.90	
		HOPE	23.45	
		RAZDOLNA	29.75	
		KASLOF	282.78	
		STERLING	289.85	
		VOZNESENKA	81.80	
		BELUGA	3.00	
		WINDY BAY	12.05	
		KACHEMAK SELD	FY92	
	DOLINA	FY92		
C/B	KETCHIKAN	KETCHIKAN	2,893.25	2,893.25
C/B	KLAWOCK	KLAWOCK	201.90	201.90
C/B	KODIAK ISLAND	KODIAK	2,127.43	2,403.88
		AKHIK	25.80	
		CHINIAK	30.50	
		KARLUK	22.00	
		LARBEN BAY	21.05	
		OLD HARBOR	84.30	
		OUZINKIE	38.75	
		PORT LIONS	62.25	
		DANGER BAY	17.50	
		BIG SANDY LAKE	8.70	
REAA		KUSPUK	ANIAK	
	CHUATHBALUK		36.15	
	CROOKED CREEK		22.70	
	RED DEVIL		8.00	
	BLEETMUTE		15.10	
	STONY RIVER		14.30	
	UPPER KALSKAG		73.95	
	LOWER KALSKAG	85.00		

FY81 FOUNDATION ADM'S BY FUNDING COMMUNITY						
fy81adm.xls 11/8/81						
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT			
C/B	LAKE & PENINSULA	CHIGNIK BAY	84.48	413.20		
		CHIGNIK LAGOON	16.30			
		CHIGNIK LAKE	32.30			
		EGEGIK	17.15			
		IGIUGIG	5.00			
		KOKHANOK	38.85			
		NEWHALEN	73.35			
		NONDALTON	58.00			
		PORT ALBOWORTH	19.00			
		PERRYVILLE	36.95			
		PILOT POINT	13.00			
		PORT HEIDEN	27.50			
		PEDRO BAY	12.00			
		IVANOF BAY	6.35			
		LEVELOK	23.00			
REAA		LOWER KUSKOKWIM	NAPASKIAK		98.05	2,710.75
			NEWTOK		72.00	
	TUNTUTULIAK		88.90			
	MUNAPITCHUK		96.25			
	QUINHAGAK		132.45			
	PLATINUM		10.25			
	TOKSOOK BAY		113.00			
	OSCARVILLE		13.00			
	TUNUNAK		91.00			
	BETHEL		999.90			
	ATMAUTLAUK		80.75			
	NIGHTMUTE		37.85			
	CHEFORNAK		85.80			
	EEK		60.75			
	GOODNEWS BAY		48.10			
	AKIUK		63.00			
	AKULA		70.25			
	KIPNUK	130.00				
	KONGGANAK	78.50				
	KWETHLUK	185.80				
	KWIGILLINGOK	80.90				
	MEKORYUK	54.00				
	NAPAKIAK	80.25				
REAA	LOWER YUKON	ALAKANAK	163.05	1,343.00		
		EMMONAK	180.65			
		MARSHALL	88.20			
		HOOPER BAY	238.75			
		KOTLUK	135.20			
		MOUNTAIN VILLAGE	202.40			
		PILOT STATION	121.30			
		PITKAS POINT	29.00			
		RUSSIAN MISSION	82.90			
		SCAMMON BAY	103.85			
	SHELDON POINT	32.80				

FY91 FOUNDATION ADM'S BY FUNDING COMMUNITY			
ly91adm.xls 11/8/91			
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT
STATE	MT EDGECEMBE	MT EDGECEMBE	212.50 212.50
C/B	MAT-SU	PALMER WABILLA HOUSTON BKWENTNA MAT-SU VALLEY GLACIER VIEW COLONY WILLOW TRAPPER CREEK TALKEETNA BUTTE BUTTON BERYOZAVA BIG LAKE	2,592.70 3,015.70 1,120.00 13.00 227.30 30.50 2,451.58 FY92 FY92 FY92 FY92 FY92 FY92 FY92
C/B	NENANA	NENANA	105.80 105.80
C/B	NOME	NOME	777.95 777.95
C/B	NORTH SLOPE	ANAKTUVUK PASS KAKTOVIK NUIQSUT POINT HOPE POINT LAY ATQASUK WAINWRIGHT BARROW	70.38 36.75 91.50 206.35 31.46 46.85 144.46 732.70
C/B	NORTHWEST ARCTIC	AMBLER DEERING KOBUK BHUNGNAK BUCKLAND KIANA KIVALINA KOTZEBUE NOATAK NOORVIK SELAWIK	94.45 49.25 28.00 48.75 107.25 129.65 95.50 819.85 90.00 158.85 182.45
C/B	PELICAN	PELICAN	48.20 48.20
C/B	PETERSBURG	PETERSBURG	681.20 681.20
REAA	PRIBILOF	ST. GEORGE ST. PAUL	30.00 113.10 143.10
REAA	RAILBELT	ANDERSON CANTWELL HEALY	114.60 24.00 164.60 333.20
C/B	SITKA	SITKA	1,723.59 1,723.59
C/B	SKAGWAY	SKAGWAY	144.75 144.75

FY91 FOUNDATION ADM'S BY FUNDING COMMUNITY			
ly91adm.xls 11/8/91			
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT
REAA	SOUTH/EAST ISLAND	LONG ISLAND (SMITH COVE PORT PROTECTION POLK INLET NAUKATI HOBART BAY JR GILDERSLEEVE EDNA BAY HOWARD VALENTINE BRUCE HILL LABOUCHERE BAY CRAIK KABAAN ROWAN BAY THORNE BAY WHALE PASS MEYERS CHUCK PORT ALEXANDER HOLLIS	24.00 14.00 8.00 8.00 20.00 38.00 24.00 17.50 44.00 7.00 33.00 16.00 9.00 16.30 183.85 15.60 4.00 23.50 19.25 521.80
REAA	SOUTHWEST REGION	ALEKNAGIK NORTH ALEKNAGIK SOUTH CLARKS POINT EKWOK KOLIGANEK MANOKOTAK NEW STUYAHOK TOGIK TWIN HILLS	33.00 5.50 10.00 12.00 43.55 98.20 88.00 147.45 7.00 442.80
C/B	ST. MARY'S	ST. MARY'S	115.50 115.50
C/B	TANANA	TANANA	109.00 109.00
C/B	UNALASKA	UNALASKA	258.06 258.06
C/B	VALDEZ	VALDEZ	781.50 781.50
C/B	WRANGELL	WRANGELL	508.90 508.90
C/B	YAKUTAT	YAKUTAT	150.00 150.00
REAA	YUKON FLATS	ARCTIC VILLAGE CENTRAL BIRCH CREEK CHALKYITSIK CIRCLE VENETIE FORT YUKON RAMPART STEVENS VILLAGE BEAVER	32.00 12.85 16.50 25.00 21.50 68.80 143.00 21.00 20.00 17.00 374.75

FY91 FOUNDATION ADM'S BY FUNDING COMMUNITY				
fy91adm.xls 11/6/91				
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT	
REAA	YUKON/KOYUKUK	ALLAKAKET	42.20	512.40
		BETYLES	12.25	
		HUGHES	13.90	
		HUSLIA	30.50	
		KALTAG	58.75	
		KOYUKUK	25.00	
		MANLEY HOT SPRINGS	16.8	
		MINTO	58.85	
		NULATO	189.38	
		RUBY	54.80	
REAA	YUPIIT	AKIACHAK	137.10	318.70
		AKIAK	84.00	
		TULUKBAK	97.60	
			TOTAL:	110,964.88

Note: ADM BY DISTRICT TOTAL includes: CCS of 1,984.74 and Mt. Edgecumbe of 212.5. School district ADM on the FY91 Foundation reports were 108,167.64.

The following districts submitted optional counts:

ALEUTIANS EAST
 COPPER RIVER
 CRAIG
 DILLINGHAM
 GALENA
 IDITAROD
 SITKA
 VALDEZ

Single site issue
Pages 72/73
SB 446

**EDUCATION EQUITY AND TAXPAYER EQUITY:
A REVIEW OF THE ALASKA PUBLIC SCHOOL
FOUNDATION FUNDING PROGRAM**

by

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prepared for

Alaska Legislature
Budget and Audit Committee

September 1991

The Cost of Small Districts

Alaska school districts vary greatly in size, ranging from the Anchorage School District, with over 80 different facilities and 40,000 students, to a number of small city and REAA districts with only one or two sites and as few as a hundred students. Together with the problem of assessing the effect of small schools on the spiralling cost of education comes the question of the added cost, measured on a per pupil basis, of running school districts containing only a handful of schools. We address this issue from two separate directions. First, we review what our equations estimating the effects of different factors on various components of education costs say about how the number of schools in the district affects costs. Then we compare these results to the way the public school foundation formula awards funds to multiple-site and single-site school districts.

Effect of Number of Schools on Types of Costs

The first column of numbers in Table 5 shows the estimated effects of a 100 percent increase in the number of schools in the district on the average number of various types of teachers per pupil, given average enrollment per school and a number of other factors. We calculated these numbers from the equations shown in Appendix Table C-3. The figures in Table 5 suggest that a district "A" with twice as many schools as district "B" but with the same average enrollment per school can save on the average about 4 percent of its total certificated teaching staff per ADM relative the district "B." The savings apparently come entirely from bilingual/bicultural teachers, vocational education teachers, and correspondence teachers. The results suggest that districts with few schools must hire more of these teachers per ADM relative to districts with a larger number of school sites, but relatively few teachers in most districts are involved in these programs.

Table 6 shows estimates for the effect of the number of schools on the total cost of various support and miscellaneous items. Total support costs actually increase approximately in proportion to the number of schools in a district. The estimated elasticity shows a 103 percent increase in total support costs with a 100 percent increase in the number of schools in the district, given average enrollment per school and the other factors shown in the equation in Appendix Table C-4. However, the standard error of 4 percent indicates that we cannot say with reasonable certainty that the effect differs from a 100 percent, or exactly proportional increase in costs.

The numbers shown in Table 6 show that on the average, both pupil support costs and the cost of school administration increase more than in proportion to the number of schools in the district. District administration costs, on the other hand, increase far less than in proportion to the number of schools in the district, given average enrollment per school. Since pupil support and school administration together add up to a somewhat greater dollar amount than district administration for the average district, the net effect of increasing the number of sites in the district is that total support expenditures increase slightly more than in proportion to the number of schools in the district. Table 6 shows that the same conclusions apply to the personnel components of the various types of support expenditures as apply to the total. This should not be surprising, since personnel costs represent the bulk of support costs (see Figure 24). For the nonpersonnel component of support costs, however, Table 6 suggests that the savings per school in district administration exceed the added cost per school for pupil support plus school administration. On the average, a school district "A" with twice as many school sites but the same average enrollment per school as district "B" needs to spend only 85 percent more on nonpersonnel items in support costs.

Table 6 also shows statistical evidence for the effects of the number of schools on miscellaneous costs. These results suggest that amount of transfers from the operating fund to special funds may increase slightly per school in districts with more schools. However, the standard error is high enough that we cannot say with confidence that the effect of the number of schools is other than proportional to the number of schools, given the other factors. On the other hand, districts with fewer schools do spend more per school for pupil activities. The figure in Table 6 suggests that a school district "A" with twice as many school sites but the same average enrollment per school as district "B" needs to spend only 74 percent more on pupil activities.

The findings for the effects of total area and area per building on the nonpersonnel component of operations and maintenance costs -- about one-half of all operations and maintenance costs -- can also be applied to the question of the effect of small districts on the cost of education. According to the numbers in Table 7, a school district "A" with twice as large a total square footage of building space but the same average square feet per facility as district "B" needs to spend only 88 percent more on nonpersonnel operations and maintenance costs. That result implies that the larger district can save about 12 percent of these costs per school relative to the smaller district.

Summary

Regional Education

The state takeover of Native education from the U.S. Bureau of Indian Affairs, and creation of Regional Education Attendance Areas (REAs) has had a large impact on the total cost of education in Alaska despite their relatively small ADM. In Fiscal Year 1990, REAs spent over \$12,000 per pupil on instruction, support, and operations and maintenance. This was about twice as much as the average per pupil spending for borough districts and nearly 50 percent more than the amount spent by city districts. We have noted that REAs spend nearly 40 percent more on instruction and pupil support than city districts do, but do not have lower pupil-teacher ratios. One reason we noted for the higher REA spending on instruction is that REAs spend more proportionately on special and bilingual education.

We have also noted that REAs spend more by far -- 160 percent more per pupil than borough districts and 60 percent more per pupil than city districts -- on general support and operations and maintenance. Although most Alaska city districts serve small communities with a population of less than 1,000, REAs serve even smaller communities which can only support very small schools. We have noted that non-teaching costs are higher in small schools. On the other hand, we found that operations and maintenance costs increased more rapidly in the 1980s in borough districts than in city districts, and more rapidly in city districts than in REAs. Operations and Maintenance costs for REAs have actually declined relative to inflation during the past decade. We concluded that state construction spending for new and more elaborate school buildings -- the main force driving up urban school district operations and maintenance costs -- has had as large an effect on the amount spent by all school districts on operations and maintenance costs as the REAs.

Small Schools

Our investigation of the structure of education costs found that the following comparisons apply on the average when the enrollment of the average school in a district is twice as large but nothing else differs:

1. Pupil-teacher ratios are 16 percent larger.¹⁶
2. Total support costs are 15 percent lower per ADM.
3. Pupil support and school administration are, if anything, larger, so savings in support costs are all derived from district administration.
4. Pupil activities costs are one-third less per ADM. In addition, we found that non-personnel operations and maintenance costs are almost 50 percent lower per square foot of school area when the size of the school building is twice as large.

It is more difficult to translate these results into conclusions about education equity for the state's school foundation program. In trying to determine whether the foundation formula adequately compensates districts with small schools, our analysis is inherently limited. The formula awards substantially more grant funds for smaller schools. Since districts will spend this money whether or not they really "need" it, we can't easily disentangle actual cost from the availability of revenues. We tried to correct for this problem as much as possible by estimating effects on individual components of the cost of education, but we can't pretend to have solved it completely.

Another way around this problem is to examine the relationship between foundation revenues and expenditures for districts with both small and large schools such as the Kenai Peninsula and Mat-Su School Districts, since these districts have the option of reallocating funds awarded for one school to pay for the cost of another school. We found that both districts spent much more than the foundation compensated them for schools which were not served by road, implying really that the formula would provide greater education equity if it could apply a higher area cost differential for non-road accessible areas of a basically roaded district. But we found conflicting results from these two districts about the adequacy of foundation support for small versus large schools. One cannot separate technical issues of the cost of education any more easily from local school board policy to fund certain types of schools than from state policy embedded in the foundation formula. In the same sense, the different instructional mix in REAAs than in urban districts -- in particular a greater emphasis on bilingual and vocational education -- is a local policy choice which has implications for the cost of instruction and administration in these districts.

The Single-Site Issue

Throughout most of its history, the school foundation formula calculated a larger basic need, with an associated larger grant award, to districts with a total ADM of less than 1,000. Beginning with the 1987-88 school year, the formula now calculates a larger basic need for schools in small communities but not specifically for small districts. A group of districts with one or two school sites protested that they were being unfairly treated under the new formula, alleging that their actual cost of administering districts with few sites is higher than those costs for districts with multiple sites (Anonymous, 1989). Our investigation of the structure of education costs found that the following effects occurred on the

average when the number of schools in a district doubles but total ADM in the district remains the same and nothing else changes:

1. About 4 percent fewer teachers are required (pupil-teacher ratios increase by 4 percent).
2. The savings in instructional costs comes entirely from bilingual, vocational, and correspondence education programs.
3. District administration cost falls by 21 percent.
4. But pupil support plus school administration increases by 18 percent for the district, completely offsetting the savings in district administration.
5. Pupil activities costs decline by 26 percent.
6. Nonpersonnel portion of operations and maintenance costs declines by 12 percent for the district.

These results imply that small districts spend more per pupil than larger districts for certain items, but the overall savings is slight. Total instruction costs increase little, since there are no apparent savings for regular instruction or special education. The pattern of spending on administration changes – small districts centralize more administrative support in the district headquarters rather than in individual schools – but there is no net change in costs. Districts with fewer sites do end up spending more per student on pupil activities, but this represents only 0.4% of operating fund expenditures for the typical school district. Overall, our analysis suggests that if two districts merge to create a new larger district, the combined school district can expect a savings of no more than about 5 percent of operating costs. On the basis of the data reviewed here, it is difficult to justify a significant increment to basic need for districts with a small number of sites.