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FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CS HB 314 (FINANCE)

Revision Date: 3-10-92
Title: An Act establishing a cooperative arrangement grant program for school districts.
Sponsor: Representative Jacko
Requestor: (H) Rules

Department Affected: Education
BRU: Educational Finance and Support Services
Component: District Support

COMPONENT SERIAL NO.

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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						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

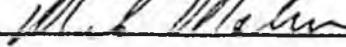
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

This zero fiscal note assumes the department would establish specific criteria to evaluate district grant proposals and would then request requisite funding from the Legislature for those approved cooperative agreements. It is unclear if the intent is to capitalize the grant program in advance.

Prepared by: Mike Maher Phone: 465-2800
Division: Commissioner's Office Date: 3-10-92

Approved by Commissioner:  Jerry Covey
Agency: Education Date: 3-10-92

House of Representatives

While in Session:

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

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

Interim Office: 561-6154



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Rep. George Jacko, Jr.

Sponsor Statement

Representative George Jacko, Jr.
March 10, 1992

House Bill 314, "An Act establishing a cooperative arrangement grant program for school districts; and providing for an effective date".

As we ask Alaska's school districts to tighten their belts from year to year, I believe the Alaska Legislature must find ways to assist them. This is particularly true because inflation has caused a significant increase in operating costs, yet budgets have been cut by the decreasing value of the dollar. HB 314 is an attempt to partially address this need.

Aleutian Region School District as one of Alaska's smallest school districts has had a difficult time absorbing increasing costs. This is partially because they are very small yet they must still provide administrative and related educational support services. These functions are necessary but do not provide teachers or materials for Alaska's students.

Within the last year, Aleutian Region has taken the initiative to contract with a neighboring school district for its administrative services in an attempt to reduce costs. I believe the Legislature should support such efforts and encourage all of Alaska's school districts to find ways to live within their means.

This is why I have introduced House Bill 314, which would provide an incentive grant to school districts willing to enter into cooperative arrangements to reduce costs. Under the program established in this bill, applications would be made to the Department of Education for a one-time only "cooperative arrangement" grant of up to \$100,000.

Thank you for your consideration of this legislation. House Bill 314 has a zero Fiscal Note from the Department of Education and the support of the Alaska Association of School Boards.

FAX COVER SHEET

Date: 27 March 92

To: Legal Services

From: Melissa Fouse

Senator Arliss Sturgulewski
State Capitol, Room 427
Juneau, Alaska 99801

Please send HESS CS in final form
incorporating the following
amendment.

(907) 465-3818
Fax (907) 465-3810

Cover Sheet Plus 1 Pages

Amendment

TO: House Bill 314

BY: Representative George Jacko

Page 1

Line 8

DELETE: (.)

INSERT: ", for agreements effective for Fiscal Year 1992 or later."

NEW "Section 2. This act is retroactive to July 1, 1991 and applies to cooperative arrangements entered into on or after that date."

*Adopted
as amended*

ASSOCIATION OF ALASKA SCHOOL BOARDS

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

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POSITION PAPER IN SUPPORT OF HB 314

Establishing a Cooperative Arrangement Grant Program for School Districts

The Association of Alaska School Boards supports and encourages favorable consideration HB 314 awarding cooperative services incentive grants to school districts that enter an agreement for shared administrative services.

A one-time cooperative services grant will help offset initial costs of relocation, transfer of staff, and realignment of roles and responsibilities of staff. While long term cost savings may be substantial, these short term costs can prohibit districts from entering into agreements for shared services. These grant would help alleviate the adverse impact and encourage other school districts to look more favorably on cooperative arrangements.

The Association of Alaska School Boards supported passage of HB 282 (Cooperation Between School Districts) last year because it ensured local autonomy and decision making by local school districts considering shared services. Since that time a number of districts have explored shared services, but find that, in some instances, short term costs of implementing are prohibitive. We believe an incentive grant program is the missing piece of the puzzle, and will indicate to districts the seriousness of the Legislature's intent to encourage cooperative services.

5/7/91

Alaska Association of
School Boards/Support Letter