

**HB**

**45**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/25/93

FURTHER:

DATE TURNED INTO OFFICE: 3-10-93

The Finance Committee considered **CS FOR HOUSE BILL NO. 45(FIN)**

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

and recommends:

replace with 3 CS CS HB 45 (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**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

**DO PASS:**

[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

1. [Signature] Co-Chair: Signature/Recommendation

**OTHER RECOMMENDATIONS:**

[Signature]  
[Signature]  
[Signature]  
[Signature]

2. [Signature] Co-Chair: Signature/Recommendation

Adopted  
3-10-93  
Hand Vote 6-1

WORK DRAFT

WORK DRAFT

WORK DRAFT

8-LS0337K  
Utermohle  
3/9/93

SENATE CS FOR CS FOR HOUSE BILL NO. 45(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$723,067,970
	Other Funds	<u>51,259,100</u>
		\$774,327,070

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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

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

5 \* Section 1. (a) The sum of \$674,531,870 is appropriated from the general fund and from  
6 other funds in the amounts listed to the Department of Education for the purposes expressed  
7 and allocated in the amounts listed for operating expenditures for the fiscal year ending  
8 June 30, 1994:

	FUND SOURCE	AMOUNT
9		
10	General fund	\$615,783,070
11	General fund/mental health trust income account	
12	(AS 37.14.011)	7,489,700
13	Public school trust fund (AS 37.14.110)	8,452,700
14	School fund (AS 43.50.140)	2,721,000

WORK DRAFT

WORK DRAFT

WORK DRAFT

1	Interagency receipts	100,000
2	P.L. 81-874	21,885,400
3	Federal receipts other than	
4	P.L. 81-874	18,100,000.
5	PURPOSE	ALLOCATION AMOUNT
6	Foundation program	\$615,723,100
7	Child nutrition/student lunch program	18,100,000
8	Cigarette tax distribution	2,721,000
9	Tuition students	2,012,600
10	Boarding home grants	230,000
11	Youth in detention	800,000
12	Schools for the handicapped	3,077,500
13	Pupil transportation	28,975,900
14	Community schools	600,000
15	Additional district support	2,291,770.

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

18	SCHOOL DISTRICT	ALLOCATION AMOUNT
19	Adak Region School District	\$231,800
20	Annette Island School District	165,310
21	Cordova School District	214,110
22	Craig City School District	149,450
23	Dillingham City School District	238,510
24	Kashunamiut School District	182,390
25	Nenana City School District	167,750
26	Nome City School District	262,300
27	Petersburg City School District	192,760
28	St. Mary's School District	115,900
29	Unalaska City School District	173,240
30	Wrangell City School District	198,250.

31 \* Sec. 2. (a) The sum of \$99,795,200 is appropriated from the general fund to the Alaska

1 debt retirement fund (AS 37.15.011).

2 (b) The sum of \$99,795,200 is appropriated from the Alaska debt retirement fund  
3 (AS 37.15.011) to the Department of Education for state aid for costs of school construction  
4 under AS 14.11.100.

5 \* Sec. 3. This Act takes effect July 1, 1993.

1-6  
Failed  
3-10-93

SENATE FINANCE  
COMMITTEE

Amendment Number: 1  
Bill Number: HB 45  
Sponsor: Kutler Date: 3/8/93  
Logged In By: BR

AMENDMENT HB 45 (FIN)

Page one, Line 10, Increase general fund amount to \$653,385,337  
(increases Foundation \$36,506,700 to fund instructional unit at  
\$64,000)

Page 2, Line 6, Foundation Program, increase amount to  
\$652,229,800 (funds instructional unit at \$64,000 by adding  
\$36,506,700 in general funds)

Brings the total bill to \$760,670,230 general funds and  
\$811,929,330 total funds

CS FOR HOUSE BILL NO. 45(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$724,134,250
	Other Funds	<u>51,259,100</u>
		\$775,393,350

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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

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

5 \* Section 1. (a) The sum of \$675,598,150 is appropriated from the general fund and from  
 6 other funds in the amounts listed to the Department of Education for the purposes expressed  
 7 and allocated in the amounts listed for operating expenditures for the fiscal year ending  
 8 June 30, 1994:

9	FUND SOURCE	AMOUNT
10	General fund	\$616,849,350
11	General fund/mental health trust income account	
12	(AS 37.14.011)	7,489,700
13	Public school trust fund (AS 37.14.110)	8,452,700
14	School fund (AS 43.50.140)	2,721,000

1	Inter agency receipts	100,000
2	P.L. 81-874	21,885,400
3	Federal receipts other than	
4	P.L. 81-874	18,100,000.
5	PURPOSE	ALLOCATION AMOUNT
6	Foundation program	\$615,723,100
7	Child nutrition/student lunch program	18,100,000
8	Cigarette tax distribution	2,721,000
9	Tuition students	2,012,600
10	Boarding home grants	230,000
11	Youth in detention	800,000
12	Schools for the handicapped	3,077,500
13	Pupil transportation	28,975,900
14	Community schools	600,000
15	Additional district support	3,358,050.

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

18	SCHOOL DISTRICT	ALLOCATION AMOUNT
19	Adak Region School District	\$231,800
20	Annette Island School District	165,310
21	Cordova School District	214,110
22	Craig City School District	149,450
23	Dillingham City School District	238,510
24	Galena City School District	139,080
25	Hoonah City School District	125,660
26	Hydaburg City School District	103,090
27	Kake City School District	134,200
28	Kashunamiut School District	182,390
29	Klawock City School District	147,010
30	Nenana City School District	167,750
31	Nome City School District	262,300

WORK DRAFT

WORK DRAFT

WORK DRAFT

1	Pelican City School District	57,950
2	Petersburg City School District	192,760
3	St. Mary's School District	115,900
4	Skagway City School District	124,440
5	Tanana City School District	115,900
6	Unalaska City School District	173,240
7	Wrangell City School District	198,250
8	Yakutat City School District	118,950.

9 \* Sec. 2. (a) The sum of \$99,795,200 is appropriated from the general fund to the Alaska  
10 debt retirement fund (AS 37.15.011).

11 (b) The sum of \$99,795,200 is appropriated from the Alaska debt retirement fund  
12 (AS 37.15.011) to the Department of Education for state aid for costs of school construction  
13 under AS 14.11.100.

14 \* Sec. 3. This Act takes effect July 1, 1993.

# MEMORANDUM

## State of Alaska

TO: Sam Thomas  
Accountant IV  
Administrative Services

DATE: January 7, 1992

FILE NO: 0889C/PF/an

TELEPHONE NO: 465-4614

RU: SUBJECT: National Forest  
Receipts: Payments to  
Boroughs; School  
Payments to Cities &  
REAA's

OM: Peter Frider  
SERC Supervisor  
Municipal and Regional Assistance Division  
Department of Community and Regional Affairs

Sam, pursuant to AS 41.15.180, please prepare warrants in the following amounts to the following municipalities and Regional Education Attendance Areas (REAA's). Please notify me when the warrants are prepared so that we may send them by registered mail from the regional office.

The following back-up material is provided for your information: a copy of AS 41.15.180; a copy of the Department of Education's enrollment count for both municipalities and REAA's; a copy of the US Forest Service transmittal letter; and adding machine tapes calculating the amount of funds due to each qualifying city and REAA.

### TONGASS NATIONAL FOREST

<u>Borough</u>	<u>Amount</u>
Haines Borough	\$179,689.10
City and Borough of Juneau	\$323,835.62
Ketchikan Gateway Borough	\$146,123.34
City and Borough of Sitka	\$355,221.79
Yakutat Borough	\$240,153.26

Sam Thomas  
January 7, 1992  
Page Two

<u>City</u>	<u>Amount</u>
City of Petersburg	\$289,157.48
City of Wrangell	\$212,529.11
City of Craig	\$145,909.10
City of Hoonah	\$110,112.35
City of Hydaburg	\$47,401.52
City of Kake	\$72,453.10
City of Klawock	\$82,686.60
City of Pelican	\$19,034.29
City of Skagway	\$62,628.96

<u>REAA</u>	<u>Amount</u>
Annette	\$165,373.19
Chatham	\$142,839.05
Southeast Islands	\$171,103.95

CHUGACH NATIONAL FOREST

<u>Borough</u>	<u>Amount</u>
Municipality of Anchorage	\$3,582.04
Kenai Peninsula Borough	\$15,091.58
Kodiak Island Borough	\$308.54
Matanuska-Susitna Borough	\$576.10

<u>City</u>	<u>Amount</u>
Cordova	\$12,972.17
Valdez	\$23,411.86

<u>REAA</u>	<u>Amount</u>
Chugach	\$3,414.07

File Code: FFY 1992 National Forest Receipts

# Alaska State Legislature

Boo files  
A

Senate Majority Leader  
Chair, Judiciary Committee  
Vice Chair, Community &  
Regional Affairs



State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922

Member, State Affairs Committee  
Committee on Committees  
Western States Legislative Forestry Task Force  
Legislative Council

352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8008  
Fax: (907) 225-0713

**Senator Robin L. Taylor**

## MEMORANDUM

**TO: Senator Drue Pearce  
Senator Steve Frank  
Senate Finance Committee**

**FROM: Senator Robin L. Taylor** R.L.T.

**DATE: 3/5/93**

**REF: CSHB45 (FIN) - Hearing 3/8/93**

Please compare the attached work draft for CSHB 45 (FIN) and the version being distributed as passed by the House.

I have been informed that the draft committee substitute is the document actually passed out of the House Finance Committee and that an error was made in the version presented to the full House.

My concerns are in the amount of additional school support listed on page 2 line 15 of the original draft as compared to the the amount listed on page 2, line 15 of the document presented to the House.

The change in that dollar amount is carried into the allocation amounts established in both bills, beginning at page 2, line 18. There are differences that can have a relatively major impact, considering the size of the school districts involved.

I am especially concerned with the allocation amount listed for Wrangell in the document presented to the House. A nearly \$46,000 reduction between the work draft approved by the committee and the documents presented to the House is a major hit for a community this size. The fact that Petersburg shows a \$19,520 increase does not mitigate my concern. I believe the Senate Finance Committee should begin its work with the bill approved by the House Finance Committee, and not with an erroneous document submitted in error to the House.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

EXCERPT  
SENATE FINANCE COMMITTEE MEETING  
March 10, 1993  
11:05 a.m.

SFC-93, #35, Side 2 (365-425)

CS FOR HOUSE BILL NO. 45(FIN)

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

Co-chair Drue Pearce reconvened the meeting, with all members in attendance, at approximately 11:05 a.m. She then directed that CSHB 45 (Fin) be brought on for discussion.

A draft SCS CSHB 45 (Fin) dated 3/9/93 was distributed for committee review. Co-chair Pearce also noted a proposed amendment by Senator Kerttula. Directing attention to the draft Senate Finance version of the bill, Co-chair Pearce advised of two major changes. She then explained that the House-passed version of the bill mistakenly cited FY 94 numbers. Those were not the numbers contained in the bill passed by House Finance. For single site schools, the Senate Finance version utilizes Dept. of Education numbers for FY 93 ADM. Those are the numbers the House asked be used. Further, the twelve single sites listed in the draft reflect the list of single sites negotiated with the House majority caucus.

Co-chair Steve Frank MOVED for adoption of the draft SCS CSHB 45 (Fin). Senator Kerttula OBJECTED. He then inquired regarding single site schools included within the draft, asking if they were the sites highlighted in yellow on a tabulated handout (Attachment A) from the Alaska Department of Education. Co-chair Pearce answered affirmatively. She then read the following list of sites which she explained were included in the House bill but not in the Senate Finance draft: Galena, Hoonah, Hydaburg, Kake, Klawock, Pelican, Skagway, Tanana, and Yakutat. The new total for single sites is \$2,291,770. The House number, utilizing the correct FY 93 figures would be \$3,358,050.

Senator Kerttula inquired concerning the basis for removal of the above-listed sites. Co-chair Pearce said, "We worked with the House to negotiate a list, and those were the ones that dropped out." She further advised of original caucus discussion not to include any single sites within the bill. The House bill included all twenty-one. Negotiations between the House and Senate led to the compromise list. Senator Kerttula suggested that some of the poorest districts would be impacted by the cut, specifically noting

Klawock. Co-chair Pearce explained that, with one exception, those that were removed are receiving forest receipt moneys. Senator Kerttula noted that Wrangell and Petersburg both receive forest receipt funds as well. He observed that Craig is included in the Senate Finance bill and acknowledged that the district is in "desperate shape."

Senator Kerttula reiterated his opposition to adoption of SCS CSHB 45 (Fin). Co-chair Pearce called for a show of hands on the motion. The motion CARRIED on a vote of six to one, and SCS CSHB 45 (Fin) was ADOPTED.

Senator Kerttula MOVED for adoption of his amendment. He acknowledged that in light of corrected House funding, the \$760,670,230 and \$811,929,330 set forth in the third paragraph of the amendment would have to be adjusted to FY 93 numbers. He noted, however, that the basic purpose of the amendment, to increase the instructional unit from \$61,000 to \$64,000 would not change. OBJECTIONS to the motion and amendment were voiced. Senator Kerttula told members that the instructional unit was negotiated to \$61,000 during the past session. In light of the inflationary spiral, it should have been raised to \$65,000. The instructional unit had not been raised for five or six years. There is great support for the increase from the educational community and the public. The increase would approximate \$36 million. Given new, unplanned for, funding sources (\$1.4 billion), the legislature can afford to modestly increase the instructional unit. It would provide benefits across the board to both urban and rural districts. Senator Kerttula reiterated his support for the increase based on need.

Senator Kelly inquired concerning the funding level prior to last year's increase to \$61,000. Senator Kerttula answered that it was previously set at \$60,000.

Co-chair Pearce called for a show of hands on Senator Kerttula's amendment. The motion FAILED on a vote of one to six, and the amendment was NOT ADOPTED.

Senator Kelly MOVED that SCS CSHB 45 (Fin) pass from committee with individual recommendations. No objection having been raised, SCS CSHB 45 (Fin) was REPORTED OUT of committee. Co-chairs Pearce and Frank and Senators Jacko, Kelly, Rieger, and Sharp signed the committee report with a "do pass" recommendation. Senator Kerttula signed "increase inst. unit."

ALASKA DEPARTMENT OF EDUCATION  
 SUPPLEMENTAL FUNDING TO SCHOOL DISTRICTS FY90 THRU FY93  
 AND THE SCHOOL PORTION OF NATIONAL FOREST RECEIPTS.

	HB 420	HB 15	HB 5	School Portion	SB 483	HB 25	School Portion	Proposed FY94	Proposed FY94	TOTALS
	FY90 DIRECT APPROP.	FY91 DIRECT APPROP.	FY92 DIRECT APPROP.	FY92 Forest Receipts	FY93 DIRECT APPROP.	FY93 DIRECT APPROP.	FY93 Forest Receipts	Based on FY93 Actual Student Data	Based on FY94 Projected Student Data	
DATES PAID >>>	6-12-90	7-29-91	7-11-91		8-28-92	8-28-92				
ADAK					\$237,000			\$231,800	\$224,480	\$693,280
ALASKA GATEWAY										0
ALEUTIAN REGION					49,600					49,600
ALEUTIANS EAST										0
ANCHORAGE										0
ANNETTE ISLANDS				531,236	165,000		165,373	165,310	165,310	1,192,229
BERING STRAIT										0
BRISTOL BAY	133,200									133,200
CHATHAM				471,583			142,839			614,422
CHUGACH				2,726			3,414			6,140
COPPER RIVER										0
CORDOVA	66,600		187,800	10,177		187,800	12,972	214,110	214,110	893,569
CRAIG	108,000		165,600	393,822		165,600	145,909	149,450	149,450	1,277,831
DELTA/GREELY										0
DILLINGHAM	76,200		234,000			234,000		238,510	253,150	1,035,860
FAIRBANKS										0
GALENA	156,000		150,000			150,000		139,080	147,620	742,700
HAINES	94,800									94,800
HOONAH	113,400		165,600	294,442		165,600	110,112	125,660	126,270	1,101,084
HYDABURG	123,600		96,600	149,132		96,600	47,402	103,090	105,530	721,954
IDITAROD										0
JUNEAU										0
KAKE	123,600		129,600	231,907		129,600	72,453	134,200	134,200	955,560
KASHUNAMIUT					180,600			182,390	194,590	557,580
KENAI										0
KETCHIKAN										0
KLAWOCK	108,000		143,400	265,493		143,400	82,687	147,010	153,110	1,043,100
KODIAK										0
KUSPUK										0
LAKE AND PENINSULA										0
LOWER KUSKOKWIM										0
LOWER YUKON										0
MAT-SU										0

ALASKA DEPARTMENT OF EDUCATION  
 SUPPLEMENTAL FUNDING TO SCHOOL DISTRICTS FY90 THRU FY93  
 AND THE SCHOOL PORTION OF NATIONAL FOREST RECEIPTS.

DATES PAID >>>	IIB 428	IIB 15	HB 5	School Portion	SB 483	HB 25	School Portion	Proposed FY94	Proposed FY94	TOTALS
	FY90 DIRECT APPROP.	FY91 DIRECT APPROP.	FY92 DIRECT APPROP.	FY92 Forest Receipts	FY93 DIRECT APPROP.	FY93 DIRECT APPROP.	FY93 Forest Receipts	Based on FY93 Actual Student Data	Based on FY94 Projected Student Data	
	6-12-90	7-29-91	7-11-91		8-28-92	8-28-92				
NENANA	144,000		155,400			155,400		167,750	164,090	786,640
NOME					276,600			262,300	262,910	801,810
NORTH SLOPE										0
NORTHWEST ARCTIC										0
PELICAN	129,600		58,200	57,622		58,200	19,034	57,950	59,170	439,776
PETERSBURG	60,000	183,000		880,193	189,000		289,157	192,760	212,280	2,006,390
PRIBILOF										0
RAILBELT										0
SITKA										0
SKAGWAY	126,000		111,000	181,716		111,000	62,629	124,440	122,000	838,785
SOUTHEAST				521,085			171,104			692,189
SOUTHWEST										0
ST. MARY'S	156,000		127,800			127,800		115,900	117,120	644,620
TANANA	156,000		122,400			122,400		115,900	122,000	638,700
UNALASKA	133,200		157,800			157,800		173,240	187,270	809,310
VALDEZ				18,149			23,412			41,561
WRANGELL	60,000	189,600		662,635	193,200		212,529	198,250	152,500	1,668,714
YAKUTAT	129,600		126,000	164,171		126,000		118,950	120,170	784,891
YUKON FLATS										0
YUKON/KOYUKUK										0
YUPIIT										0
<b>TOTALS</b>	<b>\$2,197,800</b>	<b>\$372,600</b>	<b>\$2,131,200</b>	<b>\$4,836,089</b>	<b>\$1,291,000</b>	<b>\$2,131,200</b>	<b>\$1,561,026</b>	<b>\$3,358,050</b>	<b>\$3,387,330</b>	<b>\$21,266,295</b>

# Small Single Site School District Funding

## Issue

To revise Title 14, Chapter 17 Public School Foundation Program to include an increase for schools with one funding community (site) and 800 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 CSHB 126 (Fin) (Chapter 91 SLA 1987), 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 FY88 (2), 90, 91, 92 and 93 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.

From Wanda Cooksey  
Consortium of Single Site Sch. Dis

## 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 800 or fewer in ADM .

ADM	Percent of K-12 Units
1-250	12
251-525	8
526-800	6

*Analysis and Findings prepared for the Single Site School District Consortium by Dr. Nat Cole, January 28, 1992. Background updated and recommendation modified by Single Site School District Consortium February 1993.*

PREPARED BY THE ALASKA DEPARTMENT OF EDUCATION  
 FY94 FOUNDATION PROGRAM - Based on District Projections  
 SINGLE SITE LEGISLATIVE SUPPLEMENTAL

Unit Value  
 \$61,000

	PROJ. FY94 ADM	K-12 UNITS	Single Site Adjustment	Single Site K-12 Units	AREA DIFF.	Adjusted Single Site	Single Site
ADAK	662.00	48.36	1.06	2.90	1.27	3.68	\$224,480
ANNETTE ISLANDS	404.00	32.93	1.08	2.63	1.03	2.71	165,310
CORDOVA	502.50	39.50	1.08	3.16	1.11	3.51	214,110
CRAIG	356.45	29.76	1.08	2.38	1.03	2.45	149,450
DILLINGHAM	524.00	40.93	1.08	3.27	1.27	4.15	253,150
GALENA	142.00	15.47	1.12	1.86	1.30	2.42	147,620
HOONAH	270.00	24.00	1.08	1.92	1.08	2.07	126,270
HYDABURG	120.00	14.00	1.12	1.68	1.03	1.73	105,530
KAKE	178.00	17.87	1.12	2.14	1.03	2.20	134,200
KASHUNAMIUT	210.00	20.00	1.12	2.40	1.33	3.19	194,590
KLAWOCK	215.00	20.33	1.12	2.44	1.03	2.51	153,110
NENANA	190.00	18.67	1.12	2.24	1.20	2.69	164,090
NOME	724.00	53.74	1.06	3.22	1.34	4.31	262,910
PELICAN	48.00	7.50	1.12	0.90	1.08	0.97	59,170
PETERSBURG	715.00	53.67	1.06	3.22	1.08	3.48	212,280
SKAGWAY	148.00	15.87	1.12	1.90	1.05	2.00	122,000
ST MARY'S	100.00	12.33	1.12	1.48	1.30	1.92	117,120
TANANA	106.00	12.83	1.12	1.54	1.30	2.00	122,000
UNALASKA	363.00	30.20	1.08	2.42	1.27	3.07	187,270
WRANGELL	545.00	41.74	1.06	2.50	1.00	2.50	152,500
YAKUTAT	138.00	15.20	1.12	1.82	1.08	1.97	120,170
<b>TOTALS</b>	<b>6,660.95</b>	<b>564.90</b>		<b>48.02</b>		<b>55.53</b>	<b>\$3,387,330</b>

## Proposed Legislative Wording

\* Sec - AS 14.17.041 is amended by adding a new subsection to read :

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

District ADM	Percentage
1-250	1.12
251-525	1.08
526-800	1.06

\* Sec - This Act takes effect takes effect July 1, 1993.

## 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	-7.3%	-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 N.

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.

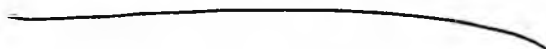
Column S: Local Mill Effort Greater Than 4 Mills.

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.

Back-up



## Petersburg City Schools

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P.O. Box 289  
Petersburg, Alaska 99833

Mary A. Francis, Ph.D.  
Superintendent

**\* \* P. O. M. \* \* P. O. M. \* \* P. O. M. \* \***

**TO:** Senator Robin Taylor  
**FROM:** Mary A. Francis, Superintendent  
**DATE:** March 9, 1993  
**SUBJECT:** CSHB 45

I understand that Senate Finance will be discussing CSHB 45 again tomorrow morning. As you deliberate, please note that timber receipts and single site supplemental funding should not be confused.

Timber receipts are monies that Petersburg should have been getting all those years that Juneau, Sitka, Haines and Ketchikan were receiving them. Are you contemplating reduced education funding to those districts because they receive timber receipts?

The single site supplemental is money that has been appropriated to offset equity problems in the foundation formula. The new foundation formula bill, which is supported by the Petersburg School District, demonstrates that Petersburg has not gotten its fair share from the existing formula.

Timber receipts in Petersburg do not come to the school district directly; rather, are used by the City as a portion of their local contribution to schools.

We need supplemental funds to maintain programs here. We are asking the City of Petersburg for the maximum it can give us, we are eliminating two teaching positions and our contract with teachers will be status quo for FY '94. Yet, in spite of all the cost-cutting measures, our costs continue to grow.

While our preference is a permanent change to the foundation formula, we urge you to pass CSHB 45 with supplemental funding for Petersburg. Please contact me if you would like additional information.

HB 45

## Statement on Forest Service Receipts

There has been some questions concerning the treatment of forest service receipts as a revenue to school districts. According to the official manual of the U. S. Department of Education, Financial Accounting for Local and State School Systems 1990, "shared revenue (revenue levied by another governmental unit, but shared in proportion to the amount collected within the LEA) is recorded as revenue from local sources." In response to an inquiry to the Alaska Department of Education, the Department indicated that forest receipts are treated as revenue from local sources.

*Prepared for the Single Site School District Consortium by Dr. Nat Cole, February 3, 1992*