

HB

351



Quality Schools & Foundation Formula

HB 351 & SB 257



Governor's Revised Quality School Bill

Purpose

The purpose of this bill is three-fold: to raise the bar for each Alaskan student in reading, writing, and mathematics; to provide the school the financial and technical assistance to ensure each student can meet these higher expectations; and to hold schools/communities accountable.

Accountability/Accreditation Section

- **Provides standards in the basics.** The State Board of Education has adopted content standards in reading, writing, and mathematics. The Department of Education will develop student performance standards in reading, writing, and mathematics for adoption and implementation by all public schools.
- **Implement comprehensive assessment system.** The proposal requests the resources to create a comprehensive system of student assessments, composed of multiple indicators of proficiency in reading, writing, and mathematics at key age levels.
- **Changes Report Card to school based information.** Collects and disseminates student performance data on an individual public school basis rather than an aggregated district basis. Requires schools to conduct parent and community meetings to discuss the school's information. Adds public comments to the Report Card.
- **Provides designation for each school.** Beginning in August 2002, the department will designate each school as distinguished, successful, deficient, or in crisis. This designation will be based on multiple student measures, including student achievement data.
- **Creates an Alaska State Accreditation process.** Accreditation is a school improvement process, and schools will only be granted accreditation when they are identified as successful or distinguished. The State Board of Education will adopt this process in regulation by July 1, 1999.
- **Recognizes successful schools.** Distinguished and successful schools will be granted state accreditation. Schools receiving a deficient or in crisis designation will go through the state accreditation process based on school standards adopted by the State Board of Education. Once a school moves to a successful or distinguished designation, it will be granted state accreditation.
- **Mandates accountability for struggling schools.** Deficient or in crisis schools, in partnership with parents and communities, must create and submit to the department a school improvement plan based on state school standards leading to accreditation. The department monitors school improvement.

Maintains local control. Local control is preserved while technical assistance by the department in creating and/or implementing these plans is made available.

Continued low performance. If a school has been deficient or in crisis for two consecutive years, the commissioner, in consultation with parents and the community, will manage a school's fiscal and/or academic affairs, or implement other emergency measures. The commissioner will rely on appropriate experts within Alaska (e.g., educators, business leaders, school board members) to help determine and solve the school problem(s), which is leading to low student performance.

- **Provides new money for support/technical assistance to schools.** This proposal includes a fiscal note of \$3.6 million to create the capacity to support schools in meeting the state's school standards before 2002.

Foundation Formula Section: Instructional Unit not Student Allocation

- **Closes loopholes in special education funding.** Adopts 1994 Special Education Task Force funding proposal. Allocates funds based on a percentage of total students enrolled, 14 percent for resource/self-contained students and 4 percent for gifted students. Continue to identify students requiring intensive services and fund at the current level. Reduces labeling of students for funding as well as simplifies formula.
- **Incorporates single site table into foundation program.** Eliminates single site as a separate budget component.
- **Equalizes district correspondence funding.** All district correspondence programs are funded on an equal basis without inclusion of an area cost differential.
- **Amends school size adjustment to begin at 8 students.** Allows districts one year of funding when a school falls below 8 students.
- **Provides hold harmless provision.** Transition provision so that no district can fall below FY99 funding levels of existing foundation and single site programs.
- **Provides new money to districts.** \$20 million in new money to support implementation of standards based instruction and assessment. 4.1 million to ensure fair funding in special and gifted education and correspondence programs, and to ensure a one-year hold harmless provision (\$250,697).
- **Annually increases formula.** Annually increases the instructional unit value after year one to help keep pace with increasing expenses to maintain high standards and assess student performance.

TONY KNOWLES
GOVERNOR



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January 23, 1998

The Honorable Mike Miller
Senate President
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Miller:

We have the responsibility to ensure every child in the state receives the educational opportunities to succeed. When our children can read, write and compute they not only are better able to enter the work force, but they can become full participants in tomorrow's society. On the other hand, children not meeting success in our schools are far more likely to fail in other ways, contributing to future costs to the public.

Meeting this responsibility requires providing schools appropriate funding and support while holding them accountable for student performance. I am pleased to send you my Quality Schools initiative today – a comprehensive bill proposing a new system of school accountability, and a revamping of the foundation formula to make our funding system more equitable. This bill replaces the school funding bills (SB 85 and HB 126) and the education competency testing bills (SB 200 and HB 275) I proposed last year.

The "Quality Schools," or "accountability" portion of this legislation launches a three-part plan to improve Alaska's schools: mandatory standards in the basics of reading, writing and math; mandatory assessment and testing to ensure students are making the grade; and mandatory consequences for schools that are failing.

The State Board of Education will develop student performance standards in reading, writing and mathematics for all public schools. Students will then be assessed and tested throughout their school years to ensure they are meeting the performance standards. Last year, the Legislature required a high school "exit exam." This bill I am presenting today provides the structure to ensure that students are ready for the exam and have the skills to receive a high school diploma.

The Honorable Mike Miller

January 23, 1998

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In order to determine whether schools are providing an adequate education for all students, this legislation will establish a state accreditation system based on a school's performance. Beginning in 2002, the Department of Education will designate each public school in the state as distinguished, successful, deficient, or in crisis based on measures of student performance. Successful and distinguished schools will automatically receive state accreditation.

Schools designated deficient or in crisis will work with parents, their communities and the Department of Education, if desired, to design an improvement plan to earn state accreditation. If after two years a school does not earn a successful designation, intervention by the state, in consultation with the community and parents, is authorized. While direct intervention by the state is not expected nor desired, it would be irresponsible to not take action to overcome failing schools.

Adequate funding is necessary if schools are to meet the expectations laid out in this plan. In revising the foundation formula, this bill makes a long overdue increase in the instructional unit value, from \$61,000 to \$62,550 and establishes automatic adjustments in the future to help schools keep up with increased costs. The unit value increase will result in \$20 million more for formula funding in fiscal year 1999. An additional \$4.1 million in foundation formula support will ensure equitable funding in special and gifted education and correspondence programs and provide hold harmless dollars so that no district experiences decreased funding under the new formula.

Other changes to the foundation formula are based on implementing the Quality Schools initiative and making the funding system as equitable as possible, and include:

- Closing loopholes in special education and gifted funding.
- Holding districts harmless from loss of state aid under the new program on a sliding scale for the first three years.
- Incorporating single site tables into the foundation program.
- Equalizing district correspondence funding.

With the introduction of these new dollars to the formula, I have asked business leaders to meet with school administrators to discuss best business practices. The public deserves to know we are spending our education dollars wisely, and I am committed to assist districts to that end.

The Honorable Mike Miller
January 23, 1998
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I want to thank the State Board of Education and all the groups in the education community for their work on crafting this bill. We have agreed it is time to raise the bar for schools in Alaska, provide schools the funds to ensure each student can jump that bar, and hold schools accountable if students do not. We know all children can learn, and all schools can be successful. But, we also know all Alaskan children are not learning, and not all our schools are successful. This legislation sets forth a system for high expectations and high results. I urge your prompt consideration and passage of this proposal.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

SENATE BILL NO. 257

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/26/98
Referred: HESS, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to academic performance and accreditation of public schools;
2 relating to state aid to school districts and regional educational attendance areas;
3 and providing for an effective date."

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

- 5 • Section 1. FINDINGS AND INTENT. (a) The legislature finds that
- 6 (1) it is in the best interests of the people of the state to provide a quality
- 7 education that prepares all public school students for a successful and productive future;
- 8 (2) students can be expected to learn certain basic skills no matter where they
- 9 attend public school in the state;
- 10 (3) public schools in the state are expected to meet or exceed required
- 11 academic standards in the basic skills of reading, writing, and mathematics;
- 12 (4) students who are not learning the basic skills must be identified as early
- 13 as possible through frequent and meaningful testing in public schools;
- 14 (5) public schools are required to assist students who are not learning the basic

1 skills:

2 (6) the people of this state expect their public schools to be accountable and
3 each public school to provide student performance information based on student test scores,
4 graduation and dropout rates, and other accurate and reliable indicators of performance;

5 (7) public schools that are successful in preparing students in the basic skills
6 are to be granted state accreditation;

7 (8) public schools that are not successful in teaching students the basic skills
8 of reading, writing, and mathematics are required to make necessary changes to improve
9 student performance;

10 (9) state aid to school districts and regional educational attendance areas must
11 be revised to provide public schools with the flexibility to implement these findings; and

12 (10) public schools need increasing financial support to maintain high standards
13 and assess student performance.

14 (b) It is the intent of the statutory changes made by this Act to require that students
15 in all public schools meet high academic standards in reading, writing, and mathematics and
16 to finance those schools in a manner that is fair, efficient, and proper to provide public school
17 students in this state with the best possible public education.

18 • Sec. 2. AS 14.03.120(d) is repealed and reenacted to read:

19 (d) Annually, but before the date set by the district under (e) of this section,
20 each public school shall provide, in a public meeting of parents, students, and
21 community members, a report on the school's performance and the performance of the
22 school's students. The report shall be prepared on a form prescribed by the
23 department and must include

24 (1) information on accreditation;

25 (2) results of norm-referenced achievement tests;

26 (3) results of state standards-based assessments in reading, writing, and
27 mathematics;

28 (4) a description, including quantitative and qualitative measures, of
29 student, parent, community, and business involvement in student learning;

30 (5) a description of the school's attendance, retention, dropout, and
31 graduation rates as specified by the state board; and

1 (6) the annual percent of enrollment change, regardless of reason, and
 2 the annual percent of enrollment change due to student transfers into and out of the
 3 school district.

4 • Sec. 3. AS 14.03.120(e) is repealed and reenacted to read:

5 (e) By a date set by the district, each public school in the district shall provide
 6 the report described in (d) of this section to the chief school administrator of the
 7 district. Along with the report, each public school shall submit a summary of
 8 comments made on the report by parents, students, and community members. By
 9 July 1 of each year, beginning in 2000, each district shall provide to the department
 10 a report on the performance of each public school and the public school students in the
 11 district. The district's report must

12 (1) be entitled "School District Report Card to the Public"; and

13 (2) include

14 (A) copies of the reports and summaries of comments submitted
 15 under this section by each public school in the district; and

16 (B) a compilation of the material described in (A) of this
 17 paragraph by each public school in the district.

18 • Sec. 4. AS 14.03.120(f) is repealed and reenacted to read:

19 (f) By January 15 of each year, beginning in 2001, the department shall
 20 provide to the governor and make available to the public and the legislature a report
 21 on the performance of public schools in this state. The report must be entitled
 22 "Alaska's Public Schools: A Report Card to the Public." The report must include

23 (1) comprehensive information on each public school compiled,
 24 collected, and reported under (d) and (e) of this section for the prior school year;

25 (2) a summary of the information described in (1) of this subsection;
 26 the summary must be prepared in a manner that allows school performance to be
 27 measured against established state education standards; and

28 (3) for a report due by or after January 15, 2003, the performance
 29 designation under AS 14.03.123(b) received by each public school during the prior
 30 school year.

31 • Sec. 5. AS 14.03 is amended by adding a new section to read:

1 **Sec. 14.03.123. School accreditation and accountability.** (a) Each public
2 school in this state must become accredited by the department. By July 1, 1999, the
3 state board shall establish in regulation a process for accreditation under this section.
4 The accreditation process must be based on multiple student measures, including
5 student achievement data.

6 (b) Beginning in August 2002, and during each of the following 12-month
7 periods, the department shall assign each public school in each district the performance
8 designation of distinguished, successful, deficient, or in crisis using the process
9 established under (a) of this section. The department shall accredit each public school
10 that is assigned a performance designation of distinguished or successful. A public
11 school assigned a performance designation of deficient or in crisis shall develop a
12 school improvement plan under (e) of this section. The department shall inform the
13 chief school administrator of each district of the performance designation assigned to
14 each public school in the district.

15 (c) The state board shall adopt regulations to allow a district to appeal the
16 performance designation assigned to a public school in that district.

17 (d) The department may establish a program of special recognition for those
18 public schools that achieve the performance designation of distinguished.

19 (e) A public school that fails to become accredited under (b) of this section
20 shall prepare a school improvement plan to improve student performance based on the
21 process established under (a) of this section and provide that plan to the district to
22 submit to the department. The public school shall undertake an improvement process
23 under that plan to lead to a designation of successful or distinguished. The school
24 improvement plan must be prepared with the maximum feasible public participation
25 of the community, including, if appropriate, interested individuals, teachers, parents,
26 parent organizations, students, tribal organizations, local government representatives,
27 and other community groups. The school board of a district and the chief school
28 administrator of the district shall consult with and assist the public school in the
29 preparation of the school improvement plan. The commissioner may provide technical
30 assistance to a public school or the district at any time during the preparation and
31 implementation of the school improvement plan, upon the request of any interested

1 person and the approval of the district.

2 (f) Beginning August 1, 2002, and periodically during each of the following
3 12-month periods, the department shall monitor the progress of the implementation of
4 each school improvement plan prepared under (e) of this section for each public school
5 that is not accredited under this section.

6 (g) The department may use existing staff or contract with one or more
7 qualified persons to assist a public school that is not accredited under this section to
8 improve student performance. Qualified persons to provide assistance under this
9 section may include educators, business leaders, school board members, and
10 community leaders. The provisions of AS 36.30 do not apply to a contract awarded
11 under this subsection.

12 (h) Notwithstanding any contrary provisions in this title, if the performance
13 designation of a public school has continued to be deficient or in crisis for two
14 consecutive school years, the commissioner, after consultation with parents and the
15 community, shall manage the school's fiscal or academic affairs, or both. The
16 commissioner may implement other emergency measures determined by the
17 commissioner to be a necessary and appropriate intervention. If the commissioner
18 assumes a public school's duties under this subsection, the commissioner may withhold
19 the disbursement of money under AS 14.17 to the district, in an amount sufficient to
20 operate that school, and may use that money to operate the school.

21 (i) The state board shall develop, in regulation, measures that may be
22 progressively implemented by the commissioner to assist a public school to improve
23 student performance in accordance with this section.

24 (j) In this section, "district" has the meaning given in AS 14.17.250.

25 • Sec. 6. AS 14.07.020 is amended by adding a new subsection to read:

26 (c) In implementing its duties under (a)(2) of this section, the department shall

27 (1) develop

28 (A) performance standards in reading, writing, and mathematics
29 to be met at designated age levels by each student in the public schools in the
30 state; and

31 (B) a comprehensive system of student assessments, composed

1 of multiple indicators of proficiency in reading, writing, and mathematics: this
 2 comprehensive system must be made available to all districts and regional
 3 educational attendance areas and shall include a developmental profile for
 4 students entering kindergarten or first grade, and performance standards in
 5 reading, writing, and mathematics for students in age groups five - seven,
 6 8 - 10, and 11 - 14; and

7 (2) provide

8 (A) technical assistance to school districts and regional
 9 educational attendance areas to meet and maintain statewide standards for
 10 student performance;

11 (B) adequate and timely information to parents and students
 12 about student progress toward meeting state performance standards in reading,
 13 writing, and mathematics; and

14 (C) technical assistance to school districts and regional
 15 educational attendance areas to develop comprehensive procedures to enable
 16 them to monitor student progress, in order that the district or regional
 17 educational attendance area is able to intervene and assist students who are not
 18 meeting state performance standards.

19 • Sec. 7. AS 14.17.021(c) is amended to read:

20 (c) The basic need of a school district is determined by multiplying the area
 21 cost differential of the district under AS 14.17.051 by the number of instructional units
 22 in the district under AS 14.17.031, adding to that product the district's
 23 correspondence instructional units as calculated under AS 14.17.048, and then
 24 multiplying that sum [PRODUCT] by the instructional unit value in AS 14.17.056.

25 • Sec. 8. AS 14.17.022 is amended to read:

26 **Sec. 14.17.022. Money for centralized correspondence study.** Money for
 27 providing centralized correspondence study programs for students not enrolled in an
 28 approved school district correspondence study program includes an allocation from the
 29 public school foundation account in an amount calculated by multiplying the
 30 instructional unit value in AS 14.17.056 by the total number of instructional units, as
 31 determined by applying the number of correspondence students to the formula for

1 elementary schools in AS 14.17.041(b)(1), then multiplying that product by 70 [65]
2 percent.

3 * Sec. 9 AS 14.17.031(a) is amended to read:

4 (a) The department shall adopt regulations defining funding communities
5 within each district that reflect geographic and attendance area factors. For the
6 purpose of determining instructional units, students are counted in the district and the
7 funding community from which they receive educational services. The total number
8 of instructional units in a school district is the sum of the following units for each
9 funding community within the district, as determined by the department:

10 (1) the number of units for elementary and secondary students
11 determined under AS 14.17.041(a), [OR] (b), or (e), whichever is greatest:

12 (2) the number of units for vocational education determined under
13 AS 14.17.043;

14 (3) the number of units for special education determined under
15 AS 14.17.045; and

16 (4) the number of units for bilingual education determined under
17 AS 14.17.047.

18 * Sec. 10. AS 14.17.041(a) is amended to read:

19 (a) For funding communities that have an average daily membership of less
20 than 200 in grades K-6 or less than 200 in grades 7-12, combined elementary and
21 secondary instructional units are determined under the following table:

22	ADM	No. Instructional Units
23	<u>1 - 7</u>	<u>as provided in (f) of this section</u>
24	<u>8 - 10</u> [1 - 10]	2
25	11 - 20	2 + ((ADM-10)/5)
26	21 - 60	4 + ((ADM-20)/8)
27	61 - 120	9 + ((ADM-60)/12)
28	121 - 525	14 + ((ADM-120)/15).

29 * Sec. 11. AS 14.17.041(c) is amended to read:

30 (c) Kindergarten students who attend school less than four hours a day are
31 counted as 0.5 ADM under [(a) AND (b) OF] this section.

1 * **Sec. 12.** AS 14.17.041(d) is repealed and reenacted to read:

2 (d) Notwithstanding any contrary provision of this chapter, students who attend
3 public school on a part-time basis are counted in the applicable school grade level and
4 funding community from which they are receiving educational services from a public
5 school as determined under regulations adopted by the state Board of Education.

6 * **Sec. 13.** AS 14.17.041 is amended by adding new subsections to read:

7 (e) The instructional unit calculation for a school district with an ADM of 900
8 or less that consists of one funding community is increased by multiplying the
9 instructional units calculated under (a) or (b) of this section by the appropriate factor
10 set out in the following table:

District ADM	Factor
1 - 250	1.12
251 - 525	1.08
526 - 900	1.06

15 (f) For a funding community that has a combined elementary and secondary
16 ADM of less than 8, the combined elementary and secondary instructional units are
17 2 for a final year of funding and the funding community is decertified as a funding
18 community under this chapter for the following school year.

19 * **Sec. 14.** AS 14.17.045 is repealed and reenacted to read:

20 **Sec. 14.17.045. Special education instructional units.** (a) Additional
21 instructional units for special education purposes are calculated as follows:

22 (1) for each exceptional child who receives intensive or
23 hospital/homebound services as those services are defined by the department by
24 regulation and who is enrolled in an approved special education program on the last
25 day of the counting period for which a determination is being made, 0.333 instructional
26 units;

27 (2) for each exceptional child who receives services not specified in (1)
28 of this subsection, multiply the ADM of the relevant funding community by

29 (A) a gifted and talented special needs factor of .001; and

30 (B) a resource and self-contained special needs factor of .00854.

31 (b) Notwithstanding (a) of this section, in a district that serves one or more

1 children under a special education program approved by the department, the district
 2 receives a minimum of 0.25 instructional units for special education for each funding
 3 community in which a child is served by the program or the district receives a
 4 minimum of 1.00 instructional units for special education, whichever is greater.

5 (c) Special education for exceptional children requiring intensive or
 6 hospital/homebound services is financed only under (a)(1) of this section. Nothing in
 7 this section restricts a district from providing intensive services for an exceptional
 8 child in an innovative manner and in the least restrictive environment.

9 (d) In this section, "exceptional child" has the meaning given "exceptional
 10 children" in AS 14.30.350.

11 * Sec. 15. AS 14.17 is amended by adding a new section to read:

12 **Sec. 14.17.048. District correspondence instructional units.** Instructional
 13 units for students enrolled in a district correspondence program approved by the
 14 department are calculated as the district correspondence ADM of the program divided
 15 by 13.

16 * Sec. 16. AS 14.17.051 is amended to read:

17 **Sec. 14.17.051. Area cost differential.** The area cost differential for a school
 18 district is as follows:

19	School District	Area Cost Differential
20	[ADAK	1.27]
21	Alaska Gateway	1.19
22	Aleutian Region	1.31
23	<u>Aleutians East</u>	<u>1.31</u>
24	Anchorage	1.00
25	Annette Island	1.03
26	Bering Strait	1.39
27	Bristol Bay	1.27
28	Chatham	1.03
29	Chugach	1.14
30	Copper River	1.14
31	Cordova	1.11

1	Craig	1.03
2	Delta/Greely	1.16
3	<u>Denali</u>	<u>1.23</u>
4	Dillingham	1.27
5	Fairbanks	1.04
6	Galena	1.30
7	Haines	1.05
8	Hoonah	1.08
9	Hydaburg	1.03
10	Iditarod	1.33
11	Juneau	1.00
12	Kake	1.03
13	Kashunamiut	1.33
14	Kenai	1.00
15	Ketchikan	1.00
16	[KING COVE	1.27]
17	Klawock	1.03
18	Kodiak	1.09
19	Kuspuk	1.33
20	Lake & Peninsula	1.31
21	Lower Kuskokwim	1.42
22	Lower Yukon	1.35
23	Matanuska-Susitna	1.00
24	Nenana	1.20
25	Nome	1.34
26	North Slope	1.45
27	Northwest Arctic	1.5
28	Pelican	1.08
29	Petersburg	1.00
30	Pribilof	1.30
31	[RAILBELT	1.23

1	SAND POINT	1.27]
2	Sitka	1.00
3	Skagway	1.05
4	Southeast Island	1.04
5	Southwest Region	1.31
6	St. Mary's	1.30
7	Tanana	1.30
8	Unalaska	1.27
9	Valdez	1.11
10	Wrangell	1.00
11	Yakutat	1.08
12	Yukon Flats	1.46
13	Yukon-Koyukuk	1.34
14	Yupitit	1.41

15 * Sec. 17. AS 14.17.056 is repealed and reenacted to read:

16 **Sec. 14.17.056. Instructional unit value.** (a) The instructional unit value for
17 the state fiscal year beginning July 1, 1998 is \$62,550.

18 (b) For a state fiscal year beginning on or after July 1, 1999, the instructional
19 unit value is equal to the previous year's instructional unit value multiplied by 1.01.

20 * Sec. 18. AS 14.17.250(2) is amended to read:

21 (2) "average daily membership" or "ADM" means the aggregate days
22 of membership of pupils, excluding correspondence pupils, divided by the actual
23 number of days in session for the counting period for which a determination is being
24 made;

25 * Sec. 19. AS 14.17.250 is amended by adding a new paragraph to read:

26 (9) "correspondence ADM" means the aggregate days of membership
27 of pupils enrolled in a district correspondence program divided by the actual number
28 of days in session for the counting period for which a determination is being made.

29 * Sec. 20. AS 36.30.850(b) is amended by adding a new paragraph to read:

30 (38) contracts of the Department of Education under AS 14.03.123.

31 * Sec. 21. TRANSITION: HOLD HARMLESS. (a) The Department of Education shall

1 determine the amount of state public school aid for which each school district would have
 2 qualified for the state fiscal year beginning July 1, 1998 under the provisions of AS 14.17 as
 3 those provisions existed on January 1, 1998, adjusted in accordance with AS 14.17.041(e),
 4 added by sec. 13 of this Act.

5 (b) Notwithstanding the provisions of secs. 7 - 19 and 24 of this Act, if for a fiscal
 6 year beginning July 1, 1998 through July 1, 2000, the amount of state public school aid for
 7 which a district qualifies under AS 14.17 is less than the amount calculated for that district
 8 under the following table, the district instead is eligible to receive the amount calculated under
 9 the following table:

10	For the fiscal year beginning	Percentage of amount determined
11		under (a) of this section
12	July 1, 1998	100
13	July 1, 1999	95
14	July 1, 2000	90

15 (c) For purposes of this section, "state public school aid" means all state financing of
 16 public education under AS 14.17.

17 * Sec. 22. TRANSITION: REGULATIONS. (a) Notwithstanding sec. 24 of this Act, the
 18 state Board of Education may proceed to adopt regulations necessary to implement this Act.
 19 The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before
 20 July 1, 1998.

21 (b) To the extent regulations relating to financing of public schools adopted by the
 22 state Board of Education under AS 14.17 and in effect before July 1, 1998 are not inconsistent
 23 with the changes made in this Act to AS 14.17, those regulations remain in effect as valid
 24 regulations interpreting and implementing that chapter.

25 * Sec. 23. Section 22(a) of this Act takes effect immediately under AS 01.10.070(c).

26 * Sec. 24. Except as provided in sec. 23 of this Act, this Act takes effect July 1, 1998.

FISCAL NOTE

STATE OF ALASKA

BILL NO _____

1998 LEGISLATIVE SESSION

Revision Date: _____

Department Affected: Education

Title: An act relating to academic performance and accreditation of public schools:

BRU: K-12 Support

Sponsor: Rules Committee

Component: Foundation Program

Requester: Governor

COMPONENT SERIAL NO. 141

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	24,146.4	32,390.9	40,714.5	49,117.1	57,598.7	66,172.5
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL EXPENDITURES	24,146.4	32,390.9	40,714.5	49,117.1	57,598.7	66,172.5
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CHANGE IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	24,146.4	32,390.9	40,714.5	49,117.1	57,598.7	66,172.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	24,146.4	32,390.9	40,714.5	49,117.1	57,598.7	66,172.5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY98) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

See attached schedule for fiscal note and sectional analysis.

Attached is a spreadsheet showing the fiscal impacts by district.

Prepared by: Eddy Jeans, School Finance Manager

Phone: 465-8678

Division: Education Support Services

Date: 1-23-98

Approved by Commissioner: Shirley Holloway, Ph. D., Commissioner

Agency: Education

Date: 1-23-98

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SB - Public School Funding Program

Fiscal Note Analysis

The following table lists the assumptions used to prepare the fiscal note.

Fiscal Year	Sec. 14.17.056 Unit Adjustment	Sec. 14.17.056 Unit Value	Change in unit value over previous year	Estimated Increase due to unit adjustment
FY99		\$62,550	\$1,550	\$20,192,679
FY00	1%	\$63,176	\$626	\$8,244,533
FY01	1%	\$63,808	\$632	\$8,323,558
FY02	1%	\$64,446	\$638	\$8,402,575
FY03	1%	\$65,090	\$644	\$8,481,598
FY04	1%	\$65,741	\$651	\$8,573,784

Sectional Analysis

Section 7 - Amends AS 14.17.021(c), defining basic need to include new calculations for correspondence programs.

Section 8 - Amends AS 14.17.022, money for centralized correspondence study, to increase the allocation from 65% to 70%.

Section 9 - Amends AS 14.17.031(a), to include single site units adjustment.

Section 10 - Amends AS 14.17.041(a), changing the combined K-12 instructional unit table to start at 8 ADM.

Section 11 - Amends AS 14.17.041(d), eliminating reference to district correspondence students.

Section 12 - Amends AS 14.17.041(d), counting of part-time students at applicable grade level.

Section 13 - Amends AS 14.17.041, to add single site table to foundation formula and provide transition for funding communities that fall below 8 ADM.

Section 14 - Amends AS 14.17.045, changing special education unit calculations. Gifted, resource and self-contained are based on an allocation percentage.

Section 15 - Adds AS 14.17.048, a new section for computing district correspondence funding units.

Section 16 - Amends AS 14.17.051, corrects area differentials for two school districts and eliminates four school districts.

Section 17 - Amends AS 14.17.056, increases instructional unit value by \$1,550 and provides an annual 1% adjustment to the instructional unit value.

SB - Public School Funding Program

Fiscal Note Analysis

Section 18 - Amends AS 14.17.250(2), ADM definition to exclude correspondence students.

Section 19 - Amends AS 14.17.250, to define correspondence students ADM.

Section 20 – Amends AS 36.30.850(b), to allow the Department of Education to contract with individuals to assist schools in meeting state accreditation.

Section 21 – Transition, provides hold harmless for school districts at the FY99 funding level. The hold harmless is phased out over three years by 5% a year.

Section 22 – Transition, allows State Board of Education to adopt regulations to implement the new law.

ALASKA DEPARTMENT OF EDUCATION

Governor's proposed amendments to the Foundation Program.

PROJECTED FY99 FOUNDATION PROGRAM - PROPOSED CHANGES

The enrollment and units are based on the FY99 projections received from school districts.

District's at 100%
Divisor is 13

New Unit Value
is \$62,550

Total of 24 M
New Money

	Existing State @ \$61,000	Single Site	Pupil Transportation	Projected FY99 State Aid	Change to Gifted/Talented Funding	Change to Resource & Self Contained Funding	Change to Correspondence Funding	Plus 20 Million New Money	Hold Harmless	Change in State Aid	Total State Aid with Changes
ALASKA GATEWAY	\$4,988,882		\$484,893	\$5,473,775	(\$8,610)	(\$138,375)	(\$5,460)	\$128,513	\$23,932	\$0	\$5,473,775
ALEUTIAN REGION	1,176,499	117,730		1,294,229	5,535	45,510	0	30,908	0	81,953	1,376,182
ALEUTIANS EAST	3,514,644		69,097	3,583,741	28,230	(84,790)	0	101,963	0	43,403	3,627,144
ANCHORAGE	188,038,815		11,449,797	199,488,612	(301,950)	198,860	0	6,269,509	0	6,166,419	205,655,031
ANNETTE ISLANDS	1,569,188	181,650	23,821	1,754,659	9,225	(112,545)	(75)	60,938	42,457	0	1,754,659
BERING STRAIT	17,449,778		39,474	17,489,252	73,800	(87,330)	0	517,240	0	503,710	17,992,962
BRISTOL BAY	1,854,521		228,488	1,882,007	(31,720)	35,380	0	67,052	0	70,712	1,953,719
CHATHAM	2,337,557		13,809	2,351,366	17,220	(14,145)	0	73,797	0	76,872	2,428,238
CHUGACH	1,515,697			1,515,697	(3,690)	39,380	(133,495)	35,374	62,451	0	1,515,697
COPPER RIVER	6,225,778		575,432	6,801,210	33,210	(103,935)	(69,655)	144,298	0	3,918	6,805,128
CORDOVA	2,702,072	166,530	55,644	2,924,246	(107,970)	42,700	0	83,884	0	18,614	2,942,860
CRAIG	2,322,242	179,950	22,165	2,524,357	8,540	(17,690)	13,420	67,437	0	71,707	2,596,064
DELTA/GREELY	4,790,289		902,298	5,692,587	(13,530)	(92,865)	(35,555)	136,228	5,722	0	5,692,587
DENALI	2,859,400		309,457	2,968,857	(7,320)	129,320	(1,220)	80,942	0	201,722	3,170,579
DILLINGHAM	3,757,667	220,200	347,293	4,325,160	(24,400)	(54,290)	0	112,328	0	33,638	4,358,798
FAIRBANKS	64,607,118		5,735,458	70,342,576	(552,050)	923,540	14,640	2,170,091	0	2,556,221	72,898,797
GALENA	6,649,592		40,312	6,689,904	5,490	(22,570)	840,580	155,124	0	978,624	7,668,528
HAINES	2,141,412		176,085	2,317,497	7,930	(3,050)	3,660	71,317	0	79,857	2,397,354
HOONAH	1,918,467	126,270	48,126	2,092,863	17,690	(17,080)	0	51,960	0	52,570	2,145,433
HYDABURG	1,083,657	107,970	2,819	1,194,446	7,930	45,750	0	28,338	0	82,016	1,276,462
IDITAROD	5,278,870		75,208	5,354,078	(16,605)	(47,970)	0	144,221	0	79,846	5,433,724
JUNEAU	20,166,492		1,435,272	21,601,764	(542,900)	575,840	(610)	745,408	0	777,736	22,379,500
KAKE	1,325,815	140,910	28,258	1,494,983	12,200	10,370	0	36,175	0	58,745	1,553,728
KASHUNAMIUT	2,235,575	159,820	3,277	2,398,672	20,295	78,105	0	64,973	0	163,373	2,562,045
KENAI	42,073,799		3,548,687	45,622,486	(8,540)	525,210	0	1,468,729	0	1,985,399	47,607,885
KETCHIKAN	8,752,133		973,623	9,725,756	112,850	226,920	0	342,434	0	682,204	10,407,960
KLAWOCK	1,427,412	153,110	7,868	1,588,190	4,270	(14,640)	0	39,208	0	28,838	1,617,028
KODIAK	13,878,822		771,058	14,647,880	57,950	98,820	15,860	457,611	0	630,241	15,278,121
KUSPUK	5,513,829		139,779	5,653,608	29,520	(15,990)	0	150,751	0	164,281	5,817,889
LAKE AND PENN.	6,743,387		104,107	6,847,494	36,600	10,980	(9,150)	181,566	0	219,996	7,067,490
LOWER KUSKOKWIM	38,671,330		286,031	38,957,361	73,185	35,670	0	1,080,541	0	1,189,396	40,146,757
LOWER YUKON	14,928,605			14,928,605	145,140	127,305	0	457,565	0	730,010	15,658,615
MAT-SU	58,161,852		6,309,283	64,471,135	(34,160)	370,880	212,890	1,717,824	0	2,267,434	66,738,569
NENANA	1,735,074	181,780	95,603	2,012,457	(6,710)	(2,440)	(31,720)	39,655	1,215	0	2,012,457

ALASKA DEPARTMENT OF EDUCATION

Governor's proposed amendments to the Foundation Program.

PROJECTED FY99 FOUNDATION PROGRAM - PROPOSED CHANGES

The enrollment and units are based on the FY99 projections received from school districts.

District's at 100%
Divisor is 13

New Unit Value
is \$62,550

Total of 24 M
New Money

Existing State @ \$61,000	Single Site	Pupil Transportation	Projected FY99 State Aid	Change to Gifted/Talented Funding	Change to Resource & Self Contained Funding	Change to Correspondence Funding	Plus 20 Million New Money	Hold Harmless	Change in State Aid	Total State Aid with Changes	
NOME	5,181,309	285,470	224,289	5,691,068	37,820	(201,910)	0	142,157	21,933	0	5,891,068
NORTH SLOPE	11,686,868		358,038	12,044,906	137,860	375,780	0	477,754	0	991,374	13,036,280
NORTHWEST ARCTIC	18,530,116			18,530,116	86,010	250,710	(32,940)	538,353	0	842,133	19,372,249
PELICAN	556,018	49,410		605,428	2,440	21,350	0	15,323	0	39,113	644,539
PETERSBURG	3,173,500	211,660	131,098	3,516,258	(5,490)	34,160	0	104,951	0	133,621	3,649,879
PRIBILOF	1,883,539			1,883,539	11,685	22,140	0	55,733	0	89,558	1,973,097
SITKA	6,142,485		401,291	6,543,776	41,480	103,700	0	221,822	0	387,002	6,910,778
SKAGWAY	683,840	112,850	4,347	801,037	8,540	71,370	0	27,350	0	107,260	908,297
SOUTHEAST	2,765,941		179,777	2,945,718	(3,075)	(11,070)	(8,535)	68,345	0	47,665	2,993,383
SOUTHWEST	7,597,531		101,518	7,699,049	43,665	51,660	0	214,414	0	309,739	8,008,788
ST. MARYS	1,414,706	140,910		1,555,616	3,660	25,010	0	36,313	0	64,983	1,620,599
TANANA	1,253,694	127,490	19,803	1,400,987	7,930	(15,250)	(20,740)	31,924	0	3,864	1,404,851
UNALASKA	1,913,136	198,250	180,946	2,292,332	9,150	68,930	0	74,413	0	152,493	2,444,825
VALDEZ	3,404,758	265,960	318,042	3,988,760	6,710	37,210	0	133,349	0	177,269	4,166,029
WRANGELL	2,312,953	196,420	145,027	2,654,400	9,150	(3,660)	0	74,505	0	79,995	2,734,395
YAKUTAT	1,429,670		59,974	1,489,644	9,150	(1,220)	0	40,194	0	48,124	1,537,768
YUKON FLATS	6,158,915		72,115	6,231,030	(13,530)	(191,265)	(45,010)	156,818	92,987	0	6,231,030
YUKON/KOYUKUK	6,788,379		123,015	6,911,394	21,525	(148,830)	0	186,941	0	59,636	6,971,030
YUPIIT	4,250,129			4,250,129	35,670	12,300	0	126,958	0	174,928	4,425,057
ALYESKA CORRES.*	3,996,324			3,996,324	0	0	307,226	109,353	0	416,579	4,412,903
MT. EDGECUMBE	1,717,150			1,717,150	0	0	0	41,811	0	41,811	1,758,961
OTHER	26,096,071	60		26,096,131	0	0	0	0	0	0	26,096,131
TOTALS	\$660,931,300	\$3,304,400	\$36,621,600	\$700,857,300	(\$504,995)	\$3,191,910	\$1,016,111	\$20,192,679	\$250,697	\$24,146,402	\$725,003,702

Proposed changes to the current foundation formula include: (1) incorporation of the single site table into law. (2) Adopt 1994 special education funding reform recommendations.

Recommendation includes Gifted/Talented allocation based on 4% of district ADM and Resource/Self Contained allocation based on 14% of ADM.

Change funding for correspondence programs to not include area differential. Includes increase for ACS (state) from 65% to 70% of elementary table.

Amend school size table to begin at 8 ADM with one grace year when a community falls below 8 ADM. This is consistent with regulation 4 AAC 05 040 to establish a new school

Annually increases instructional unit value by 1% to help keep pace with increasing expenses to maintain high standards and assess student performance.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. _____

Revision Date: _____ Dept. Affected: EDUCATIO
 Title: An act relating to academic performance and BRU: Teaching and Learning Support
accreditation of public schools Component: Quality Schools
 Sponsor: Rules Committee
 Requester: Governor COMPONENT SERIAL NO. 2147

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES	191.1	191.1	191.1	191.1	191.1	191.1
TRAVEL	147.0	147.0	67.0	67.0	67.0	67.0
CONTRACTUAL	3245.0	3245.0	2995.0	2995.0	2995.0	2995.0
SUPPLIES	10.0	10.0	10.0	10.0	10.0	10.0
EQUIPMENT	10.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3603.1	3598.1	3268.1	3268.1	3268.1	3268.1

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGES IN REVENUES						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	3603.1	3598.1	3268.1	3268.1	3268.1	3268.1
1005 GF/Program Receipts						
Other:						
TOTAL	3603.1	3598.1	3268.1	3268.1	3268.1	3268.1

Estimate of current year (FY98) cost: \$

POSITIONS:

FULL-TIME	3					
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Please see attached analysis

Prepared by: Barbara Thompson, Director Phone: 465-8727
 Division: Teaching and Learning Support Date: 1/23/98
 Approved by Commissioner: Shirley J. Holloway, Ph.D. *Shirley J. Holloway* Date: 1/23/98
 Agency: Department of Education

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Additional Analysis

This legislation is designed to make sure that all students learn the basics in reading, writing and mathematics. Schools will be required to complete developmental profiles for each entering kindergarten or first grade student. Standards in reading, writing, and mathematics will be mandated. A comprehensive assessment system will be provided to conduct frequent and meaningful testing at multiple age levels to prepare students for the High School Graduation Qualifying Exam and identify those students who need assistance. The legislation also requires that schools be held accountable for student performance. Each school will be classified as distinguished, successful, deficient, or in crisis. Distinguished or successful schools will receive state accreditation. A school determined to be deficient or in crisis will receive assistance from the state in preparing a locally developed and approved school improvement plan. If a school fails to improve after two years, the state will have the authority to implement emergency measures as necessary or appropriate to manage the school's academic or fiscal affairs.

This fiscal note is designed to provide schools with the tools they need to implement standards-based instruction and assessment to improve student learning in Alaska.

State Report Card - \$35.0

Contractual - \$35.0

The legislation makes changes to the existing *Report Card to the Public* that expands the requirements to report information at the individual school level and reporting on the measurement of school performance against state standards. This will require changes in the current data collection methodology, reformatting of the presentation of the data, and interaction between the department and the school districts to ensure that the required information is collected and reported. These funds will provide for professional resources necessary to modify existing data collection systems, communication between districts, and printing of materials.

State Accreditation Process - \$75.0

Travel - \$25.0

The legislation requires that the State Board of Education establish a state accreditation process in regulation by July 1, 1999. Development of this process will require involvement of parents, teachers, school district personnel and others from the education community. Travel costs associated with development of the state accreditation process are estimated at \$25.0. This funding will provide the resources for staff field travel and also support convening of non-employee advisory groups, such as parents and community leaders, to participate in developing the state accreditation process. Estimate staff travel: 6 trips @ \$850 each X 2 = \$10.2. Estimate advisory group cost \$14.8.

Contractual - \$50.0

This funding will provide the resources for successful development of the state accreditation processes including access to national experts, research, curriculum and models supporting accreditation, audio conferences, communication with advisory groups, printed materials, mailing and fax costs.

Multiple Age-Level Assessment - S2,064.7

Personal Services - S116.7

This will provide funding for two full-time positions: an Education Specialist II, Range 21, at \$74.4 and an Education Assistant, Range 12, at \$42.3. The Education Specialist II position will work closely with the testing contractor in developing multiple age level assessments. Major duties include monitoring and reviewing the work of the contractor and providing an interface between the contractor and the department. The Education Specialist II will also be responsible for managing the assessment system, record keeping, training district personnel, scheduling, data analysis, reporting results, test review and revision, and public information relating to the assessment program. The Education Assistant will primarily provide support and take a lead role in arranging the meetings of the assessment evaluation committees, dissemination of information regarding the High School Graduation Qualifying Exam, and preparation of periodic status reports on the development of the comprehensive assessment system.

Travel - S90.0

The legislation requires development of a statewide student assessment system based on Alaska standards in reading, writing, and math. The assessment system will be developed in three phases. The first phase, beginning in FY99, will include finalization of the student performance standards at four benchmark points, development of test items and tasks, item/task tryouts, and the field testing of the test forms. The department will work with three evaluation committees of Alaskans who will look at item bias, item content and technical characteristics of the items. Although the committee members have not been identified, the estimate of travel costs is based on three committees meeting three times per year at approximately \$10.0 per meeting.

Contractual - S1,850.0

The legislation requires development of a statewide student assessment system based on Alaska standards in reading, writing, and math. The comprehensive assessment system will include the High School Graduation Qualifying Exam and three additional benchmark assessments. Included in this fiscal note are the costs associated with the development of the three additional benchmark assessments. The assessment system will be developed in three phases. The first phase, beginning in FY99, will include finalization of the student performance standards at the three additional benchmark points, development of test items and tasks, item/task tryouts, and the field testing of the test forms. The three additional benchmarks are: (1) ages 5-7; (2) ages 8-10; and (3) ages 11-14. The fourth benchmark in the comprehensive assessment system is the High School Graduation Qualifying Exam. The department will seek professional services to develop the test for each of the three additional benchmark levels. The test will include a combination of multiple-choice and constructed-response questions. The first-year cost per the three additional benchmarks is estimated at \$600.0 each, for a total of \$1,800.0. An additional \$50.0 is requested for the department to secure expertise necessary to ensure that the benchmarks and assessments are consistent with the performance standards.

Equipment - \$8.0

These funds will be used to purchase the necessary computer equipment for the two new staff positions and ongoing upgrade and replacement costs.

Developmental Profile - \$50.0

Travel - \$15.0

The legislation requires that schools complete a developmental profile for each entering kindergarten or first grade student as part of the comprehensive assessment program. Development of the developmental profile for schools to use will require involvement of parents, teachers, school district personnel and others from the education community. Travel costs associated with development of the developmental profile are estimated at \$15.0. This funding will provide the resources for staff field travel and also support convening of non-employee advisory groups, such as parents and community leaders, to participate in developing the profile. Estimate staff travel: 6 trips @ \$850 each = \$5.1. Estimate advisory group cost \$9.9.

Contractual - \$35.0

Development of the developmental profile for schools to use will require involvement of parents, teachers, school district personnel and others from the education community. This funding will provide the resources to access national experts, research, curriculum and models, audio conferences, communication with advisory groups, printed materials, mailing and fax costs.

Technical Assistance - \$1,378.4

Personal Services - \$74.4

This will provide funding for a full-time Education Specialist II, Range 21, at \$74.4. This position will support school districts in implementing standards-based instruction and assessment through arranging for appropriate staff development, providing resources, curriculum support, and various technical assistance activities. This position will work with other DOE program staff to ensure that all available resources are provided in a coordinated, efficient manner.

Travel - \$17.0

The legislation requires that the department provide assistance to schools in meeting statewide student performance standards and to monitor student performance. These travel costs are associated with on-site support and training around the state. Staff will work directly with school district personnel, parents, and students in implementing standards-based instruction and assessment, and school improvement plans. Estimate staff travel: 10 trips @ \$850 each X 2 = \$17.0.

Contractual - \$1,275.0

The legislation requires that schools implement standards in reading, writing and mathematics and that schools be held accountable for their students performance in meeting the standards based on the comprehensive assessment system. Many schools and school districts do not have the expertise to review and align their current curriculum to the state standards, or to provide

professional development to help their teachers learn to teach to state standards. These funds will be used to secure expertise in a variety of areas depending upon the specific needs of the school in implementing standards-based instruction and assessment, revising curriculum, providing staff development, developing school improvement plans, and providing specific technical assistance. The Department may provide resources directly through contracts with school districts or may secure resources by contracting with individuals with particular expertise to provide services. The number of sites and the cost per site will vary depending upon the required services.

Supplies - \$10.0

Supplies include the purchase of educational materials and office supplies.

Equipment - \$2.0

These funds will be used to purchase the necessary computer equipment for the new staff position and ongoing upgrade and replacement costs.

FY00 Costs

The Alaska school accreditation process and the developmental profile should be completed by FY00. However, the ongoing costs of implementation and the level of support necessary to implement these processes are not known at this time. The equipment line is also projected to decline \$5.0 based on the ongoing upgrade and replacement costs of computer equipment for staff.

The continuing funding for Phase II of the comprehensive assessment program is critical to complete the technical studies of test bias, reliability and validity along with the procedures for administering, scoring and reporting the results of the assessments.

FY01-04 Costs

Although the ongoing costs of administering, scoring and reporting the results of the comprehensive student assessments based on state standards in reading, writing, and math will not be known until the assessments are actually developed, it is estimated that the costs will be approximately \$1,000.0 annually. In FY01, the fiscal note for assessment is reduced in the travel line by \$80.0 based on the assumption that the test will be fully developed and the review committees will no longer need to meet. Funding for assessment in the contractual line is reduced by \$250.0 based on test development being completed and the remaining funds will support test administration, scoring and reporting. \$600.0 in contractual funds will be redirected to technical assistance to support the school improvement process that will be in place for schools designated as deficient or in-crisis based on the assessment program.

NEA-ALASKA POSITION STATEMENT

PUBLIC SCHOOL FUNDING

NEA-Alaska has historically lobbied and attempted to present the case for funding Alaska's public schools. Preparation of children for the challenges of the new century is critical to the economic development of Alaska. Jobs of the future will demand that our people have special technical and academic skills to master new challenges. Public schools are attempting to teach those skills today.

In 2008, today's first graders will have completed twelve years of instruction. Some of those first graders are today children "at risk;" some come from secure loving families, some don't; some require special education, some don't; some suffer from Fetal Alcohol Syndrome, some don't; some come from dysfunctional families, some don't; and some experience domestic violence on a daily basis, some don't. The promise and responsibility of our public schools is to educate all the children. In educating the children, school employees see first hand that many of the problems of the public schools are societal and some of the them are systemic.

Both parents and school employees recognize that problems confronting children in 1997 don't compare to the problems we experienced as children. The school of 1997 has a totally different set of challenges than the school of 1977 or '67 or '57. The reality is that the pressures and the expectations demanded of our public schools, for the most part, go unfunded.

THE REALITY

For the ten-year period 1983-1993, school enrollment in Alaska grew by more than 25,000 or slightly less than 26 percent. Alaska has historically ranked in the top ten states nationally in the percent increase in student enrollment from one year to the next. In 1983 Alaska ranked 8th nationally, and in 1994 we ranked 2nd in the percent change in public school enrollment from the previous year. In 1994 22.4 percent of the state's population was 5-17 year olds.

From 1984 through 1993, public schools in Alaska employed 762 new teachers (FTE) to accommodate the growth and to address new instructional priorities - special education, alternative programs, etc. Even though districts hired more teachers (FTE), the pupil-teacher ratio increased from 15.2 in 1983 to 17.1 in 1993. During the period, teachers taught more children and at the same time implemented new programs to address the needs of a changing student population. Teachers and the staff that support them were doing more with diminishing state support.

At the same time the administration and legislature sent ominous messages about the health and welfare of public education. Since 1986, public education has suffered severe financial setbacks. Correlated with the drop in oil prices, state support for public education was severely cut back. Between the 1985-86 and 1986-87 school years the level of state support dropped by 15%.

During Alaska's first year as a state, the appropriation for supporting public education was 44% of the total operating budget. Ten years later, 1970-71, the level of state support was at 35% of the total operating budget. Even though the early years of statehood were financially difficult, the level of state support for public education was strong. Since these times, the level of state support for public education as a share of the total operating budget has steadily declined. During 1990-91 the total state share for K-12 public education was 17% of the operating budget, less than one-half of what it was in the first decade of statehood.

Even when local financial commitments are taken into consideration, the total Alaska level of spending for public education is poor. Again, this has not always been the case. During its first decade as a state, 30% to 38% of all state and local operating expenditures went to public education. In 1991-92 all education was only 23.1% of the total general expenditures from local and state government. Alaska's low effort ranked 49th in the nation.

During 1987-88 when the new funding formula was put in place the Instructional Unit value was set at \$60,000 -- a level that was itself 8% lower than the rate of state support in the 1985-86 school year. The unit has been adjusted only one time -- in 1992, an increase of 1.6%. However, this increase has not even begun to offset inflationary ravages. For instance, the current (1996-97 school year) value of the instructional unit, after being adjusted for the inflation that has occurred since 1987 is \$45,888 in 1987 purchasing power. For the instructional unit to have the same purchasing power that it had in 1987, it should have been, for this school year, at a value of \$79,759. Inflation has plundered the investment we make in our children.

Failure to invest in our children simply shortchanges their future. On a per child basis, Alaskan school district expenditures have increased a total of 21% in the decade from 1983 to 1993. At best our investment in our children increased by slightly more than 2% per year.

Alaska is a young state with many school aged children. From 1994 to 1995 public school enrollment increased an estimated 4.2%. This represents the second largest percentage increase in the nation. At the same time, our teachers and support staff were doing excellent jobs improving graduation rates. More children enroll annually, and our public schools succeed in graduating more students. Alaska leads the nation in improving student graduation rates. In 1993-94 Alaska's public schools graduated 5.6% more children than they did ten years earlier. This represented the 7th best performance by a state.

Children have not been the only ones to pay a price for inadequate funding. School employees, through cuts and freezes in compensation and benefits, have subsidized the cost of public education. From 1985 to 1995, the national average for salaries

increased 49.5%. In comparison, Alaska's teachers' average salary increased an estimated 20.9%. From 1994 to 1995 the percent change in the average salary for public school teachers was estimated at 0.1%. The statistics for school support personnel are not any better.

In comparison the relative financial well-being of individuals within Alaska improved more than the well-being of teachers. During roughly the same period of time increases in per capita income fared better than increases for teachers and school employees. From 1984 to 1994 the percent change in Alaska's per capita personal income was 32.7%. Generally the population at large also does better on an annual basis. From 1993 to 1994 the per capita personal income increased 3.7%

CHILDREN IN NEED

In 1991, an NEA-Alaska study found the following concerns and needs were present in our schools:

- a need for specific programs on parenting skills,
- a need for more parent involvement and support for their children's educational program,
- significantly increasing class sizes,
- inadequate supplies/material/textbooks,
- the absence of academic and vocational counseling,
- no meaningful programs for "at risk" students,
- teachers with increasing numbers of different preparations,
- reduction and elimination of critical programs,
- reduced library services,
- inadequate in-service and staff development programs,
- limited planning time,
- additional clerical responsibilities, and
- less teaching time.

Teachers and school employees want to teach and serve each and every child. We need to do more to help children in many areas, including:

- substance abuse education,
- "at risk" children,
- inclusion and needs of special education students,
- reducing student violence,
- teenage pregnancy prevention,
- suicide prevention, and
- drop out prevention.

State and local governments' continuing failure to deal with increasing class size and work load problems only serves to exacerbate these and other concerns unique to public education.

The task of preparing our students for today and for the challenges of the new century is expensive, but the cost of not preparing them is greater. Our public schools, teachers, and school district support employees must continue to be

successful in their efforts. By limiting the necessary resources, we are limiting the success potential for everyone, students in particular. Investment in our most precious resource - children - will cost a lot. However, if we don't spend our money on our public schools, we will be forced to spend even more on welfare, new prisons, jails, and public safety.

THE NEA-ALASKA POSITION

The NEA-Alaska Delegate Assembly in January approved the following position as its major priority for the 20th Alaska Legislature:

NEA-Alaska shall lobby the legislature to provide full forward funding for the base instructional unit of \$61,000 plus inflation proofing. NEA-Alaska shall lobby for legislation to secure inflation proof forward funding of the foundation program and legislative action that will correct the funding formula inequities, such as but not limited to, single site districts and PL-874.

Furthermore, NEA-Alaska supports these additional essential components:

- An early funding decision so that school districts may plan more realistically and so that the continuity of programs and services may be enhanced.
- A formula adjustment more accurately reflecting the needs of the small single site school districts which have been disadvantaged since 1987-88, not by year-to-year political decisions as has been the historical practice, but through genuine revision to the funding formula which makes all districts equal partners in access to critical financial resources.

It is time to re-establish funding for our public schools as the number-one priority at both the state and local levels. The needs of 126,000 students enrolled in our public schools is far too important to all of us.

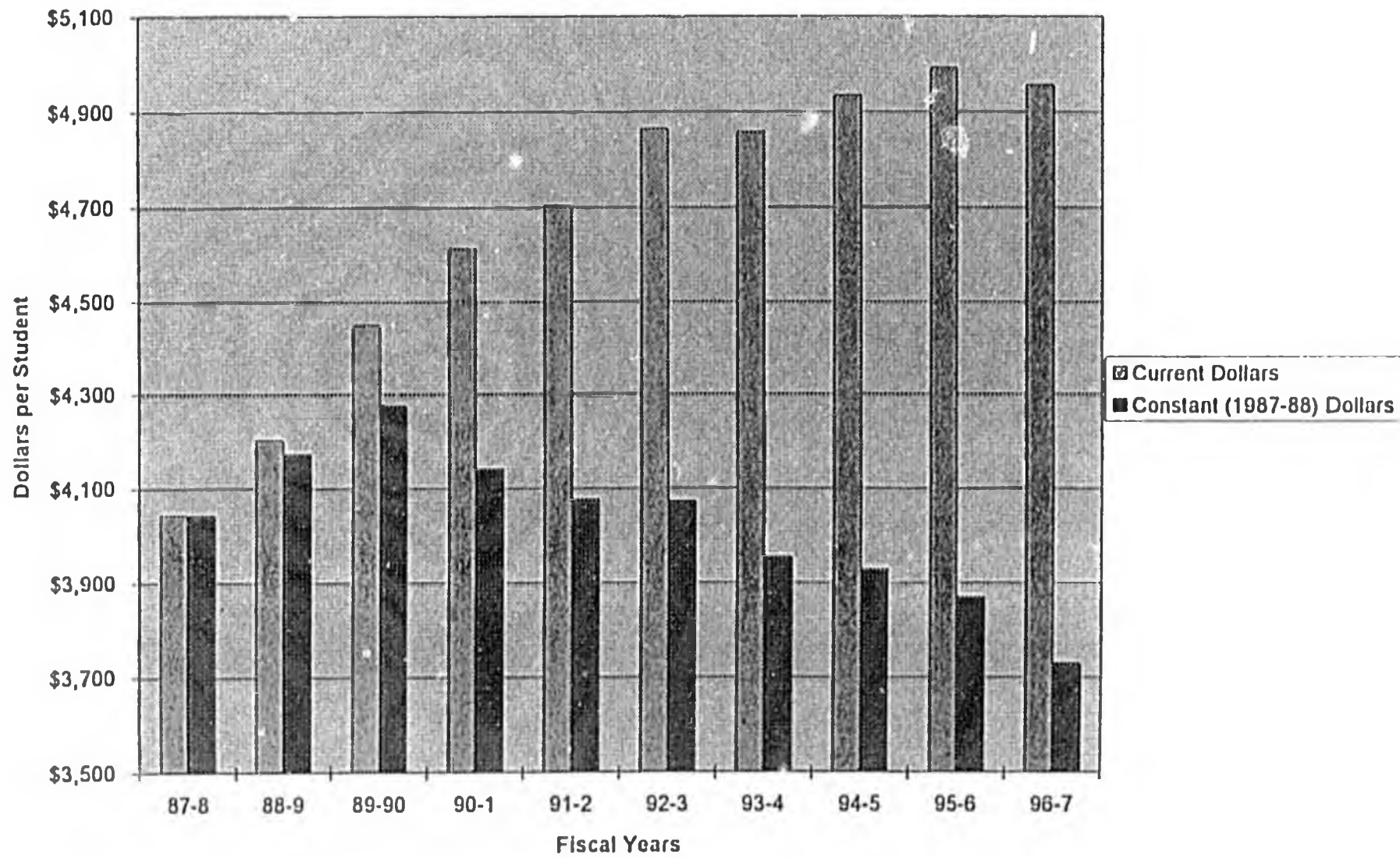
fund97

FOUNDATION PROGRAM FUNDING					
Year	Foundation Program (in millions of dollars)	CPI-U Anchorage	ADM	Dollars per ADM	Constant (1987-88) Dollars per ADM
87-8	\$409.0	108.1	101142	\$4,044	\$4,044
88-9	\$426.4	108.9	101442	\$4,203	\$4,173
89-90	\$462.8	112.5	104035	\$4,449	\$4,275
90-1	\$498.8	120.4	108168	\$4,611	\$4,140
91-2	\$532.9	124.7	113348	\$4,701	\$4,076
92-3	\$567.4	129.1	116652	\$4,864	\$4,073
93-4	\$581.2	132.8	119673	\$4,857	\$3,953
94-5	\$595.8	135.8	120752	\$4,934	\$3,928
95-6	\$613.5	139.5	122897	\$4,992	\$3,868
96-7	\$617.2	143.7	124544	\$4,956	\$3,728

@ 322

Consumer Price Index

ERODING VALUE OF FOUNDATION FUNDING (Per Student)





ALASKA COUNCIL OF SCHOOL ADMINISTRATORS

326 Fourth St., Suite 404 Juneau, AK 99801-1101 • (907) 586-9702 • (800) 478-9702 • FAX (907) 586-5879
E-mail: acsa@ptalaska.net • Home Page: <http://puffin.ptalaska.net/~acsa>

POSITION PAPER

HB 351

"An Act relating to academic performance and accreditation of public schools; relating to state aid to school districts and regional educational attendance areas; and providing for an effective date."

The Alaska Council of School Administrators is supportive of HB 351 with the provision that all parts of the legislation be enacted.

Over the past three years, we have supported the efforts of the legislature to hold schools and school districts accountable for the education they provide to Alaska's children. The legislature passed legislation for closer evaluation of school personnel, a more open involvement of parents and community in the operation of the schools. We have supported testing progressively through the grades culminating with the test to graduate for an Alaskan high school. The Department of Education is imposing a more rigorous certification program for teachers to teach in Alaska's schools.

HB 351 is a very complex bill which requires the necessary financial resources to insure success. It requires public schools to align their curriculum to the required academic standards in reading, writing and mathematics. It also sets up an accreditation program which is quite different from the N.W. Accreditation which is currently used in Alaska's schools.

This legislation also requires the direct involvement of the Department of Education which will need financial resources they do not currently have to meet their responsibilities. This would include on-site evaluating and assessing a school district, providing intervention services and monitoring compliance.

The reporting responsibility placed on the school district will be significant. If not funded, we are concerned that, in this time of cut backs and reduced administration, it will place a tremendous unfunded mandate on the shoulders of the administrators responsible for the report.

The funding portion of HB 351 is significant. It will allow school districts to address the growing concern for the quality of current offerings. The formula addressing the single site issue. Limits correspondence programs offered by the state and districts. It provides for a very small annual adjustment for inflation. Finally, it retains the instructional unit base for funding which has continued to be the most equitable manner to fund schools yet found.

Should the legislature decide to separate the issues, and concentrate only on the Quality Schools part, that this legislation be shelved for a later date to allow existing mandates (testing in reading, writing and math, graduation testing, evaluation of employees, public involvement, Charter schools, part-time student enrollment) be fully developed before any new school reform legislation is enacted.

Stephen McPhetres
ACSA Executive Director



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House HESS
 Committee on HB 351 + HB 294 Committee Name Dated 2/24/98
Bill / Subject

Dear Chairman Burde and members of the Committee:

Please consider the attached notes for public testimony ~~to~~ as you continue to address the challenge of how to improve state funding for public education. I have also attached a copy of the 1997-98 Legislative Priorities developed by the Alaska PIA. The first two priorities listed are relevant to your discussion.

I appreciated the opportunity to listen to your entire hearing today. I do wish I had been able to give this testimony during your hearing.

Sincerely,
 Betsy Turner-Bogren
 Alaska PIA

SIGNED:

Betsy Turner-Bogren (Betsy Turner-Bogren)
 Testifier

Alaska PIA, Legislative V.P.
 Representing

P.O. Box 343, Ester, Alaska 99725 474-0235
 Address / Phone Number

Notes for Public Testimony

To: Alaska House HESS Committee
By: Betsy Turner-Bogren, Alaska PTA Legislative V.P.
Date: February 24, 1998
Re: Public School Funding, HB 351 & HB 294

- Members of the Alaska PTA applaud the Legislators and the Governor who have worked to improve both the level and the method our state provides funding for public education.
- Improving the way our state funds education is a very important issue. It is not an issue that belongs to Republicans, Democrats, the Governor or the Legislature, this issue belongs to all Alaskans.
- The Alaska PTA has an annual membership of over 16,000. Our association is organized to include representation from six geographic regions covering the entire state and four active councils representing Ketchikan, the Mat/Su Borough, Fairbanks and Anchorage.
- Delegates from across the State meet annually to review our Legislative program and adopt five or six legislative priorities. Supporting adequate state funding for public education has always been one of the Alaska PTA Legislative Priorities.
- Delegates to the 1997-98 Issues Conference last November adopted Legislative Priorities for the Alaska PTA that include support of:
 1. Legislation and funding of programs that will hold school districts accountable to high standards for educational programs, staff professionalism and student performance.
 2. The creation of a new funding mechanism that will meet all rising costs of public education including those associated with inflation and increased enrollment, and provide equitable distribution of those funds.
 3. Funding public education at a level sufficient to enable school districts to support a cap on the pupil-teacher ratio for each grade level and provide safe and adequate pupil transportation.
- During the debate, delegates to the November Issues Conference expressed concerns that efforts to find equitable distribution of state funds should not provide funding solutions for any school districts and the expense of other school districts.
- In the past the Alaska PTA has supported education funding reform measures that include:
 1. Legislation that would substantially increase the level of state funding for public education.
 2. Legislation that would protect the level of education funding from the negative impact of inflation.
- On behalf of the Alaska PTA I would like to express appreciation for the work of the ^{House HESS} ~~Senate Finance~~ Committee and encourage the committee members to support education funding reform that will address all the concerns identified by the Alaska PTA.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6-98

Central Microfilm Services
Department of Education
State of Alaska

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ALASKA PTA

Alaska PTA Legislative Priorities 1997-98

Alaska PTA is concerned about the need for renewed confidence in our public schools. We believe that every public school in the state should provide the highest quality of education. Alaska PTA supports legislation and funding of programs that will hold school districts accountable to high standards for educational programs, staff professionalism and student performance.

Alaska PTA is concerned about the inadequate state funding of public education. Alaska PTA supports the creation of a new funding mechanism that will meet all rising costs of public education, including those associated with inflation and increased enrollment, and provide equitable distribution of those funds. Funding should be sufficient to enable school districts to support a cap on the pupil teacher ratio (PTR) for each grade level and provide safe and adequate pupil transportation.

Alaska PTA is concerned about the health, safety and welfare of Alaska's children. We believe that every child deserves protection from neglect, violence and abuse. Alaska PTA supports legislation and increased funding of programs directed toward protection, prevention and intervention services to ensure the personal health and safety of every child. We urge the legislature to immediately focus on inadequacies in those services and to take emergency measures to increase funding necessary to cure those inadequacies.

Alaska PTA is concerned about the overcrowded and unsafe conditions in the public schools in our state. We believe that every child deserves a safe school. Alaska PTA supports legislation that would provide consistent and substantial state funding, including, but not limited to a debt reimbursement program for the renovation and repair of existing facilities, and for the construction of new schools.

The Alaska PTA believes that advanced communication and information technologies are fundamental to school curriculum. Alaska PTA supports legislation and the funding to provide the infrastructure and mandatory staff training necessary to provide access to technology for all students in Alaska's public schools.

STATE OF ALASKA

DEPARTMENT OF EDUCATION OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

GOLDBELT PLACE
801 WEST 10TH STREET, SUITE 200
JUNEAU, ALASKA 99801-1894

(907) 465-2800
FAX (907) 465-4156

January 29, 1998

The Honorable Con Bunde
Alaska State Legislature
Alaska State Capitol Room 104
Juneau AK 99801-1182

Dear Representative Bunde:

I am pleased to provide the enclosed packets of information on Governor Knowles' two recently introduced education bills: Quality Schools and Foundation Formula, HB 351, and Financing of Construction and Major Maintenance of Public School Facilities, HB 352. These bills are the result of work with the State Board of Education, many education groups, and much communication with the public.

Our Quality Schools and Foundation Formula legislation is an effort to hold schools accountable for student learning, and provide schools with funds to improve student learning. The bill includes mandatory standards in reading, writing and math, assessments of how well students are doing at meeting the standards at multiple age levels, and school accountability for student learning. Improving the quality of education in Alaska must be included in any discussion about revising the foundation formula.

The Governor's proposal for school facilities is an innovative approach that provides a long-term stable source of funding for statewide school construction and maintenance projects. The plan leverages cigarette tax revenues to fund the DOE maintenance and construction priority lists as quickly as possible. The plan also balances the needs of rural and urban school districts, with an emphasis in the early years on major maintenance.

I look forward to working with you on these proposals that will improve education for all Alaska's children. Please feel free to call my office for additional information at any time.

Sincerely,



Shirley J. Holloway, Ph.D.
Commissioner