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# *ALASKA STATE BOARD OF EDUCATION*

## *FOUNDATION FUNDING PROPOSAL*



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# ALASKA QUALITY SCHOOLS INITIATIVE

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## High Student Academic Standards & Assessment

- ★ School districts develop and adopt standards and assessments
- ★ State supports school districts by developing
  - content standards in ten core subject areas
  - student performance standards for basic skills
  - curriculum frameworks and benchmarks
- ★ State supports school districts through statewide assessment of standards
  - California Achievement Test: reading, mathematics, language arts
  - Direct writing assessment
  - National Assessment of Educational Progress

## Quality Professional Standards

- ★ Standards-based licensure
  - Initial preparation
  - Continuing professional development
  - National board certified
- ★ University preparation
- ★ Performance-based evaluation

## Family, School and Community Network

- ★ Research-based family, school and community partnerships
- ★ Collaborations among education organizations and parent organizations
- ★ Facilitating student transitions throughout their schooling
- ★ Business, agency, community partnerships

## School Excellence Standards

- ★ State school accreditation
  - State standards for successful schools
  - School profiling process
  - Northwest Association of Schools and Colleges partnership
- ★ State helps schools reach accreditation standards by providing technical assistance
- ★ Distinguished school recognition

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# **Public School Foundation Program**

- ◆ **Allocations made on a per student basis**
- ◆ **Eliminates unnecessary identification of students**
- ◆ **Increases local control for pupil transportation services**
- ◆ **Eliminates Alaska's requirement to comply with federal disparity test**
- ◆ **Incentive Grant provides for improved student performance ( Quality School Initiatives )**

# Public School Foundation Program

- ◆ Level I      Base Student Allocation
- ◆ Level II     Supplemental Equalization
- ◆ Level III    Incentive Grant

# **Level I**

## **Base Student Allocation**

- 1. Student Driven**
- 2. Adjustments**
  - **community size**
  - **transportation weight**
  - **20% special needs factor**
  - **intensive service allocation of \$22,500**
  - **single site school district**
- 3. 7 Area Cost Factors ( Study to validate factors )**
- 4. 3 Mill Required Local Effort**

# **Level II Supplemental Equalization**

- ◆ **Total Available = District ADM X  
(statewide assessed valuation per ADM X 5 mills)  
Equals \$1,719 in FY98**
- ◆ **shared between state and local revenues**
- ◆ **based on districts ability to contribute**
- ◆ **districts with an assessed value per ADM  
higher than the statewide value per ADM pay  
a greater share**

# Hold Harmless

- ◆ **Districts will not receive less than 100% of FY98 state support through Level I and II allocations, FY99 - 98%, FY2000 - 95% & FY01 - 90%**
  
- ◆ **Hold harmless base includes Foundation, Transportation and Single Site allocations**
  
- ◆ **Provided city/borough districts contribute:**
  - **4 mills in FY98**
  - **5 mills in FY99**
  - **6 mills in FY00**
  - **7 mills in FY01**

# **Level III Incentive Grant**

- ◆ **Quality school initiative plan submitted**
- ◆ **Requires local commitment by participating districts**
- ◆ **Maximum level of entitlement = ADM X \$150**
- ◆ **Maximum level is split 65% State & 35% Local**
- ◆ **Insufficient funding for the combined entitlements of Level I, II and III, Level III is reduced pro rata**

FY96 Current

| Foundation         | Additional District Support (Single Sites) | Pupil Trans      | Total State Aid   | Budgeted FY97 Local | Total State/Local  |                    |
|--------------------|--|------------------|-------------------|---------------------|--------------------|--------------------|
| ALASKA GATEWAY     | 5,250,257                                  | 0                | 461,483           | 5,711,740           | 60,000             | 5,771,740          |
| ALEUTIAN REGION    | 706,639                                    | 61,610           | 0                 | 768,249             | 5,050              | 773,299            |
| ALEUTIANS EAST     | 3,736,207                                  | 0                | 65,761            | 3,801,968           | 715,100            | 4,517,068          |
| ANCHORAGE          | 183,606,460                                | 0                | 10,897,003        | 194,503,463         | 85,454,418         | 279,957,881        |
| ANNETTE ISLANDS    | 1,600,553                                  | 161,040          | 22,671            | 1,784,264           | 50,000             | 1,834,264          |
| BERING STRAIT      | 17,162,573                                 | 0                | 37,568            | 17,200,141          | 1,031,000          | 18,231,141         |
| BRISTOL BAY        | 1,884,665                                  | 0                | 217,455           | 2,102,120           | 1,179,119          | 3,281,239          |
| CHATHAM            | 2,683,802                                  | 0                | 13,142            | 2,696,944           | 40,000             | 2,736,944          |
| CHUGACH            | 1,872,397                                  | 0                | 0                 | 1,872,397           | 21,000             | 1,893,397          |
| COPPER RIVER       | 5,995,153                                  | 0                | 547,650           | 6,542,803           | 85,000             | 6,627,803          |
| CORDOVA            | 2,716,894                                  | 166,530          | 52,958            | 2,936,382           | 766,297            | 3,702,679          |
| CRAIG              | 2,371,072                                  | 179,950          | 21,095            | 2,572,117           | 366,828            | 2,938,945          |
| DELTA/GREELY       | 4,681,434                                  | 0                | 858,735           | 5,540,169           | 49,000             | 5,589,169          |
| DENALI             | 2,931,468                                  | 0                | 294,516           | 3,225,984           | 825,093            | 4,051,077          |
| DILLINGHAM         | 3,741,308                                  | 207,390          | 330,526           | 4,279,224           | 814,500            | 5,093,724          |
| FAIRBANKS          | 66,604,010                                 | 0                | 5,458,551         | 72,062,561          | 27,080,000         | 99,142,561         |
| GALENA             | 1,720,646                                  | 171,410          | 38,366            | 1,930,422           | 338,533            | 2,268,955          |
| HAINES             | 2,186,523                                  | 0                | 167,584           | 2,354,107           | 1,288,455          | 3,642,562          |
| HOONAH             | 2,038,521                                  | 128,100          | 45,802            | 2,212,423           | 451,383            | 2,663,806          |
| HYDABURG           | 977,362                                    | 98,210           | 2,683             | 1,078,255           | 191,967            | 1,270,222          |
| IDITAROD           | 5,277,640                                  | 0                | 71,577            | 5,349,217           | 105,430            | 5,454,647          |
| JUNEAU             | 20,725,831                                 | 0                | 1,365,978         | 22,091,809          | 14,326,000         | 36,417,809         |
| KAKE               | 1,324,890                                  | 140,910          | 26,894            | 1,492,694           | 302,110            | 1,794,804          |
| KASHUNAMIUT        | 2,121,185                                  | 154,940          | 3,119             | 2,279,244           | 78,000             | 2,357,244          |
| KENAI              | 44,764,794                                 | 0                | 3,377,357         | 48,142,151          | 27,730,077         | 75,872,228         |
| KETCHIKAN          | 9,438,683                                  | 0                | 926,617           | 10,365,300          | 7,300,066          | 17,665,366         |
| KLAWOCK            | 1,530,359                                  | 155,550          | 7,298             | 1,693,207           | 126,852            | 1,820,059          |
| KODIAK             | 13,281,056                                 | 0                | 733,832           | 14,014,888          | 4,910,030          | 18,924,918         |
| KUSPUK             | 5,577,174                                  | 0                | 133,030           | 5,710,204           | 110,000            | 5,820,204          |
| LAKE AND PENINSULA | 6,778,065                                  | 0                | 99,080            | 6,877,145           | 1,258,500          | 8,135,645          |
| LOWER KUSKOKWIM    | 39,595,060                                 | 0                | 272,221           | 39,867,281          | 700,000            | 40,567,281         |
| LOWER YUKON        | 14,977,190                                 | 0                | 0                 | 14,977,190          | 375,000            | 15,352,190         |
| MAT-SU             | 58,008,515                                 | 0                | 6,004,672         | 64,013,187          | 20,754,732         | 84,767,919         |
| NENANA             | 1,487,031                                  | 152,500          | 90,988            | 1,730,519           | 74,124             | 1,804,643          |
| NOME               | 4,956,453                                  | 280,590          | 213,460           | 5,450,503           | 1,473,465          | 6,923,968          |
| NORTH SLOPE        | 11,951,605                                 | 0                | 340,752           | 12,292,357          | 28,090,000         | 40,382,357         |
| NORTHWEST ARCTIC   | 18,099,143                                 | 0                | 0                 | 18,099,143          | 3,034,920          | 21,134,063         |
| PELICAN            | 563,594                                    | 51,240           | 0                 | 614,834             | 56,794             | 671,628            |
| PETERSBURG         | 3,264,527                                  | 212,880          | 124,769           | 3,602,176           | 1,715,450          | 5,317,626          |
| PRIBILOF           | 2,039,134                                  | 0                | 0                 | 2,039,134           | 17,000             | 2,056,134          |
| SITKA              | 6,291,941                                  | 0                | 381,917           | 6,673,858           | 4,096,656          | 10,770,514         |
| SKAGWAY            | 734,653                                    | 112,850          | 4,138             | 851,641             | 618,953            | 1,470,594          |
| SOUTHEAST          | 3,252,406                                  | 0                | 171,098           | 3,423,504           | 75,100             | 3,498,604          |
| SOUTHWEST          | 7,439,476                                  | 0                | 96,616            | 7,536,092           | 526,000            | 8,062,092          |
| ST. MARY'S         | 1,433,744                                  | 145,790          | 0                 | 1,579,534           | 40,000             | 1,619,534          |
| TANANA             | 1,185,124                                  | 117,120          | 18,847            | 1,321,091           | 128,000            | 1,449,091          |
| UNALASKA           | 1,808,944                                  | 192,150          | 172,210           | 2,173,304           | 1,634,947          | 3,808,251          |
| VALDEZ             | 3,412,771                                  | 267,180          | 302,687           | 3,982,638           | 3,739,783          | 7,722,421          |
| WRANGELL           | 2,459,957                                  | 148,840          | 138,026           | 2,746,823           | 1,096,730          | 3,843,553          |
| YAKUTAT            | 1,320,398                                  | 139,080          | 57,079            | 1,516,557           | 338,000            | 1,854,557          |
| YUKON FLATS        | 6,379,085                                  | 0                | 68,634            | 6,447,719           | 366,927            | 6,814,646          |
| YUKON/KOYUKUK      | 6,725,649                                  | 0                | 117,076           | 6,842,725           | 65,000             | 6,907,725          |
| YUPIIT             | 4,279,034                                  | 0                | 0                 | 4,279,034           | 120,887            | 4,399,921          |
| ALYESKA CORRES.    | 4,022,889                                  | 0                | 0                 | 4,022,889           | 0                  | 4,022,889          |
| Mt. EDGE CUMBE     | 1,708,000                                  | 0                | 0                 | 1,708,000           | 0                  | 1,708,000          |
| OTHER              | 26,903,456                                 | 0                | 341,679           | 27,245,135          | 0                  | 27,245,135         |
| <b>TOTAL</b>       | <b>659,587,400</b>                         | <b>3,445,860</b> | <b>35,195,200</b> | <b>698,228,460</b>  | <b>246,198,276</b> | <b>944,426,736</b> |

FY98 Proposed

|                   | Proposed Level I | Proposed Level II | Hold Harmless | Proposed Level III | Total State Aid | Budgeted FY97 Local | Additional Required Local | Total State/Local |
|-------------------|------------------|-------------------|---------------|--------------------|-----------------|---------------------|---------------------------|-------------------|
| ALASKA GATEWAY    | 4,076,059        | 976,392           | 659,289       | 55,380             | 5,767,120       | 60,000              | 0                         | 5,827,120         |
| ALEUTIAN REGION   | 252,963          | 56,727            | 458,559       | 3,218              | 771,467         | 5,050               | 0                         | 776,517           |
| ALEUTIANS EAST    | 2,790,609        | 366,759           | 644,600       | 35,978             | 3,837,946       | 715,100             | 0                         | 4,553,046         |
| ANCHORAGE         | 147,634,300      | 44,036,996        | 2,832,167     | 4,562,074          | 199,065,537     | 85,454,418          | 0                         | 284,519,955       |
| ANNETTE ISLANDS   | 2,191,850        | 670,410           | 0             | 38,025             | 2,900,285       | 50,000              | 0                         | 2,950,285         |
| BERING STRAIT     | 13,977,855       | 3,062,158         | 160,128       | 173,683            | 17,373,824      | 1,031,000           | 0                         | 18,404,824        |
| BRISTOL BAY       | 2,012,473        | 204,386           | 0             | 31,298             | 2,248,157       | 1,179,119           | 0                         | 3,427,276         |
| CHATHAM           | 2,387,515        | 570,708           | 0             | 32,370             | 2,990,593       | 40,000              | 0                         | 3,030,593         |
| CHUGACH           | 1,251,892        | 275,040           | 345,465       | 15,600             | 1,887,997       | 21,000              | 0                         | 1,908,997         |
| COPPER RIVER      | 4,136,270        | 1,305,581         | 1,100,952     | 74,051             | 6,616,854       | 85,000              | 0                         | 6,701,854         |
| CORDOVA           | 2,114,889        | 476,490           | 345,003       | 51,675             | 2,988,057       | 766,297             | 204,328                   | 3,958,682         |
| CRAIG             | 1,817,263        | 508,215           | 246,639       | 43,583             | 2,615,700       | 366,828             | 177,062                   | 3,159,590         |
| DELTA/GREELY      | 4,326,056        | 1,442,241         | 0             | 81,803             | 5,850,100       | 49,000              | 0                         | 5,899,100         |
| DENALI            | 2,212,271        | 366,459           | 647,254       | 38,513             | 3,264,497       | 825,093             | 0                         | 4,089,590         |
| DILLINGHAM        | 3,084,327        | 594,124           | 600,773       | 56,550             | 4,335,774       | 814,500             | 140,962                   | 5,291,236         |
| FAIRBANKS         | 54,319,734       | 16,627,811        | 1,115,016     | 1,594,174          | 73,656,735      | 27,080,000          | 0                         | 100,736,735       |
| GALENA            | 1,382,654        | 240,574           | 307,194       | 17,550             | 1,947,972       | 338,533             | 0                         | 2,286,505         |
| HAINES            | 1,552,819        | 374,352           | 426,936       | 43,095             | 2,397,202       | 1,288,455           | 0                         | 3,685,657         |
| HOONAH            | 1,717,446        | 373,131           | 121,846       | 26,715             | 2,239,138       | 451,383             | 0                         | 2,690,521         |
| HYDABURG          | 700,655          | 159,365           | 218,235       | 10,481             | 1,088,736       | 191,967             | 0                         | 1,280,703         |
| IDITAROD          | 4,092,975        | 749,484           | 506,758       | 42,510             | 5,391,727       | 105,430             | 0                         | 5,497,157         |
| JUNEAU            | 15,688,259       | 4,610,362         | 1,793,188     | 545,919            | 22,637,728      | 14,326,000          | 0                         | 36,963,728        |
| KAKE              | 1,089,825        | 257,859           | 145,010       | 18,525             | 1,511,219       | 302,110             | 0                         | 1,813,329         |
| KASHUNAMIUT       | 1,991,703        | 462,411           | 0             | 26,228             | 2,480,342       | 78,000              | 0                         | 2,558,342         |
| KENAI             | 34,129,353       | 8,996,268         | 5,016,530     | 1,031,453          | 49,173,604      | 27,730,077          | 0                         | 76,903,681        |
| KETCHIKAN         | 7,426,171        | 2,296,821         | 642,308       | 276,120            | 10,641,420      | 7,300,066           | 0                         | 17,941,486        |
| KLAWOCK           | 1,281,487        | 312,150           | 99,570        | 21,450             | 1,714,657       | 126,852             | 27,659                    | 1,869,168         |
| KODIAK            | 9,819,948        | 2,532,025         | 1,662,915     | 274,073            | 14,288,961      | 4,910,030           | 106,694                   | 19,305,685        |
| KUSPUK            | 4,271,889        | 888,723           | 549,592       | 50,408             | 5,760,612       | 110,000             | 0                         | 5,870,612         |
| LAKE AND PENINSUL | 4,827,675        | 631,304           | 1,418,166     | 49,725             | 6,926,870       | 1,258,500           | 0                         | 8,185,370         |
| LOWER KUSKOKWIM   | 23,266,258       | 6,053,459         | 10,547,564    | 343,346            | 40,210,627      | 700,000             | 0                         | 40,910,627        |
| LOWER YUKON       | 12,605,875       | 3,171,555         | 0             | 179,888            | 15,957,318      | 375,000             | 0                         | 16,332,318        |
| MAT-SU            | 46,495,179       | 14,069,029        | 3,448,979     | 1,228,988          | 65,242,175      | 20,754,732          | 0                         | 85,996,907        |
| NENANA            | 1,108,418        | 227,793           | 394,308       | 16,575             | 1,747,094       | 74,124              | 49,205                    | 1,870,423         |
| NOME              | 3,889,436        | 838,813           | 722,254       | 75,173             | 5,525,676       | 1,473,465           | 0                         | 6,999,141         |
| NORTH SLOPE       | 9,367,444        | 191,188           | 0             | 198,608            | 9,757,240       | 28,090,000          | 0                         | 37,847,240        |
| NORTHWEST ARCTIC  | 13,699,883       | 2,556,522         | 1,542,738     | 199,290            | 18,298,433      | 3,034,920           | 0                         | 21,333,353        |
| PELICAN           | 319,661          | 32,248            | 262,925       | 3,900              | 618,734         | 56,794              | 26,418                    | 701,946           |
| PETERSBURG        | 2,706,608        | 731,411           | 164,157       | 76,245             | 3,678,421       | 1,715,450           | 0                         | 5,393,871         |
| PRIBILOF          | 1,782,732        | 362,709           | 0             | 20,573             | 2,166,014       | 17,000              | 0                         | 2,183,014         |
| SITKA             | 4,917,895        | 1,527,289         | 228,674       | 170,625            | 6,844,483       | 4,096,656           | 0                         | 10,941,139        |
| SKAGWAY           | 546,085          | 58,214            | 247,342       | 12,675             | 864,316         | 618,953             | 86,435                    | 1,569,704         |
| SOUTHEAST         | 2,203,730        | 453,816           | 765,956       | 25,740             | 3,449,244       | 75,100              | 0                         | 3,524,344         |
| SOUTHWEST         | 5,629,095        | 1,268,622         | 638,375       | 71,955             | 7,608,047       | 526,000             | 0                         | 8,134,047         |
| ST. MARY'S        | 1,124,558        | 220,300           | 234,676       | 13,650             | 1,593,184       | 40,000              | 3,706                     | 1,636,890         |
| TANANA            | 851,252          | 146,717           | 323,122       | 9,750              | 1,330,841       | 128,000             | 0                         | 1,458,841         |
| UNALASKA          | 1,795,063        | 173,017           | 205,224       | 36,563             | 2,209,867       | 1,634,947           | 0                         | 3,844,814         |
| VALDEZ            | 2,740,358        | 378,885           | 863,395       | 87,750             | 4,070,388       | 3,739,783           | 0                         | 7,810,171         |
| WRANGELL          | 1,898,311        | 518,382           | 330,130       | 51,188             | 2,798,011       | 1,096,730           | 0                         | 3,894,741         |
| YAKUTAT           | 1,117,545        | 194,628           | 204,384       | 16,965             | 1,533,522       | 338,000             | 0                         | 1,871,522         |
| YUKON FLATS       | 4,580,377        | 794,178           | 1,073,164     | 45,045             | 6,492,764       | 366,927             | 0                         | 6,859,691         |
| YUKON/KOYUKUK     | 5,234,323        | 948,888           | 659,514       | 53,820             | 6,896,545       | 65,000              | 0                         | 6,961,545         |
| YUPIIT            | 2,926,836        | 715,104           | 637,094       | 40,560             | 4,319,594       | 120,887             | 0                         | 4,440,481         |
| ALYESKA CORRES.   | 3,201,957        | 0                 | 820,932       | 0                  | 4,022,889       | 0                   | 0                         | 4,022,889         |
| MI. EDGE CUMBE    | 1,412,460        | 0                 | 295,540       | 0                  | 1,708,000       | 0                   | 0                         | 1,708,000         |
| OTHER             | 27,245,135       | 0                 | 0             | 0                  | 27,245,135      | 0                   | 0                         | 27,245,135        |

TOTAL 521,225,659 130,058,093 46,974,542 12,301,099 710,559,393 246,198,276 822,469 957,580,138

Compare

|                    | Proposed<br>Total<br>State/Local | Existing<br>Total<br>State/Local | State/Local<br>Difference<br>Proposed less<br>Existing | Proposed<br>Total<br>State Aid | Existing<br>Total<br>State Aid | State Aid<br>Difference<br>Proposed less<br>Existing |
|--------------------|----------------------------------|----------------------------------|--|--------------------------------|--------------------------------|--|
| ALASKA GATEWAY     | 5,827,120                        | 5,771,740                        | 55,380   | 5,767,120                      | 5,711,740                      | 55,380   |
| ALEUTIAN REGION    | 776,517                          | 773,299                          | 3,218  | 771,467                        | 768,249                        | 3,218  |
| ALEUTIANS EAST     | 4,553,046                        | 4,517,068                        | 35,978   | 3,837,946                      | 3,801,968                      | 35,978   |
| ANCHORAGE          | 284,519,955                      | 279,957,881                      | 4,562,074  | 199,065,537                    | 194,503,463                    | 4,562,074  |
| ANNETTE ISLANDS    | 2,950,285                        | 1,834,264                        | 1,116,021  | 2,900,285                      | 1,784,264                      | 1,116,021  |
| BERING STRAIT      | 18,404,824                       | 18,231,141                       | 173,683  | 17,373,824                     | 17,200,141                     | 173,683  |
| BRISTOL BAY        | 3,427,276                        | 3,281,239                        | 146,037  | 2,248,157                      | 2,102,120                      | 146,037  |
| CHATHAM            | 3,030,593                        | 2,736,944                        | 293,649  | 2,990,593                      | 2,696,944                      | 293,649  |
| CHUGACH            | 1,908,997                        | 1,893,397                        | 15,600   | 1,887,997                      | 1,872,397                      | 15,600   |
| COPPER RIVER       | 6,701,854                        | 6,627,803                        | 74,051   | 6,616,854                      | 6,542,803                      | 74,051   |
| CORDOVA            | 3,958,682                        | 3,702,679                        | 256,003  | 2,988,057                      | 2,936,382                      | 51,675   |
| CRAIG              | 3,159,590                        | 2,938,945                        | 220,645  | 2,615,700                      | 2,572,117                      | 43,583   |
| DELTA/GREELY       | 5,899,100                        | 5,589,169                        | 309,931  | 5,850,100                      | 5,540,169                      | 309,931  |
| DENALI             | 4,089,590                        | 4,051,077                        | 38,513   | 3,264,497                      | 3,225,984                      | 38,513   |
| DILLINGHAM         | 5,291,236                        | 5,093,724                        | 197,512  | 4,335,774                      | 4,279,224                      | 56,550   |
| FAIRBANKS          | 100,736,735                      | 99,142,561                       | 1,594,174  | 73,656,735                     | 72,062,561                     | 1,594,174  |
| GALENA             | 2,286,505                        | 2,268,955                        | 17,550   | 1,947,972                      | 1,930,422                      | 17,550   |
| HAINES             | 3,685,657                        | 3,642,562                        | 43,095   | 2,397,202                      | 2,354,107                      | 43,095   |
| HOONAH             | 2,690,521                        | 2,663,806                        | 26,715   | 2,239,138                      | 2,212,423                      | 26,715   |
| HYDABURG           | 1,280,703                        | 1,270,222                        | 10,481   | 1,088,736                      | 1,078,255                      | 10,481   |
| IDITAROD           | 5,497,157                        | 5,454,647                        | 42,510   | 5,391,727                      | 5,349,217                      | 42,510   |
| JUNEAU             | 36,963,728                       | 36,417,809                       | 545,919  | 22,637,728                     | 22,091,809                     | 545,919  |
| KAKE               | 1,813,329                        | 1,794,804                        | 18,525   | 1,511,219                      | 1,492,694                      | 18,525   |
| KASHUNAMIUT        | 2,558,342                        | 2,357,244                        | 201,098  | 2,480,342                      | 2,279,244                      | 201,098  |
| KENAI              | 76,903,681                       | 75,872,228                       | 1,031,453  | 49,173,604                     | 48,142,151                     | 1,031,453  |
| KETCHIKAN          | 17,941,486                       | 17,665,366                       | 276,120  | 10,641,420                     | 10,365,300                     | 276,120  |
| KLAWOCK            | 1,869,168                        | 1,820,059                        | 49,109   | 1,714,657                      | 1,693,207                      | 21,450   |
| KODIAK             | 19,305,685                       | 18,924,918                       | 380,767  | 14,288,961                     | 14,014,888                     | 274,073  |
| KUSPUK             | 5,870,612                        | 5,820,204                        | 50,408   | 5,760,612                      | 5,710,204                      | 50,408   |
| LAKE AND PENINSULA | 8,185,370                        | 8,135,645                        | 49,725   | 6,926,870                      | 6,877,145                      | 49,725   |
| LOWER KUSKOKWIM    | 40,910,627                       | 40,567,281                       | 343,346  | 40,210,627                     | 39,867,281                     | 343,346  |
| LOWER YUKON        | 16,332,318                       | 15,352,190                       | 980,128  | 15,957,318                     | 14,977,190                     | 980,128  |
| MAT-SU             | 85,996,907                       | 84,767,919                       | 1,228,988  | 65,242,175                     | 64,013,187                     | 1,228,988  |
| NENANA             | 1,870,423                        | 1,804,643                        | 65,780   | 1,747,094                      | 1,730,519                      | 16,575   |
| NOME               | 6,999,141                        | 6,923,968                        | 75,173   | 5,525,676                      | 5,450,503                      | 75,173   |
| NORTH SLOPE        | 37,847,240                       | 40,382,357                       | (2,535,117)  | 9,757,240                      | 12,292,357                     | (2,535,117)  |
| NORTHWEST ARCTIC   | 21,333,353                       | 21,134,063                       | 199,290  | 18,298,433                     | 18,099,143                     | 199,290  |
| PELICAN            | 701,946                          | 671,628                          | 30,318   | 618,734                        | 614,834                        | 3,900  |
| PETERSBURG         | 5,393,871                        | 5,317,626                        | 76,245   | 3,678,421                      | 3,602,176                      | 76,245   |
| PRIBILOF           | 2,183,014                        | 2,056,134                        | 126,880  | 2,166,014                      | 2,039,134                      | 126,880  |
| SITKA              | 10,941,139                       | 10,770,514                       | 170,625  | 6,844,483                      | 6,673,858                      | 170,625  |
| SKAGWAY            | 1,569,704                        | 1,470,594                        | 99,110   | 864,316                        | 851,641                        | 12,675   |
| SOUTHEAST          | 3,524,344                        | 3,498,604                        | 25,740   | 3,449,244                      | 3,423,504                      | 25,740   |
| SOUTHWEST          | 8,134,047                        | 8,062,092                        | 71,955   | 7,608,047                      | 7,536,092                      | 71,955   |
| ST. MARY'S         | 1,636,890                        | 1,619,534                        | 17,356   | 1,593,184                      | 1,579,534                      | 13,650   |
| TANANA             | 1,458,841                        | 1,449,091                        | 9,750  | 1,330,841                      | 1,321,091                      | 9,750  |
| UNALASKA           | 3,844,814                        | 3,808,251                        | 36,563   | 2,209,867                      | 2,173,304                      | 36,563   |
| VALDEZ             | 7,810,171                        | 7,722,421                        | 87,750   | 4,070,388                      | 3,982,638                      | 87,750   |
| WRANGELL           | 3,894,741                        | 3,843,553                        | 51,188   | 2,798,011                      | 2,746,823                      | 51,188   |
| YAKUTAT            | 1,871,522                        | 1,854,557                        | 16,965   | 1,533,522                      | 1,516,557                      | 16,965   |
| YUKON FLATS        | 6,859,691                        | 6,814,646                        | 45,045   | 6,492,764                      | 6,447,719                      | 45,045   |
| YUKON/KOYUKUK      | 6,961,545                        | 6,907,725                        | 53,820   | 6,896,545                      | 6,842,725                      | 53,820   |
| YUPIIT             | 4,440,481                        | 4,399,921                        | 40,560   | 4,319,594                      | 4,279,034                      | 40,560   |
| ALYESKA CORRES.    | 4,022,889                        | 4,022,889                        | 0  | 4,022,889                      | 4,022,889                      | 0  |
| MT. EDGE CUMBE     | 1,708,000                        | 1,708,000                        | 0  | 1,708,000                      | 1,708,000                      | 0  |
| OTHER              | 27,245,135                       | 27,245,135                       | 0  | 27,245,135                     | 27,245,135                     | 0  |

TOTAL 957,580,138 944,426,736 13,153,402 710,559,393 698,228,460 12,330,933

12/2/96

### District Qualification for Incentive Level Foundation Funding

The following represent the examples of indicators which would be used to determine whether Districts qualify for Incentive Level Foundation Funding:

#### Quality Student Standards

- The district has adopted standards at the exit (graduate) level and at least one other level (e.g. elementary) which clearly state what students will know and be able to do in Language Arts, Mathematics, Science, Social Studies and other areas as determined by the School Board
- The district has prioritized curriculum content areas, and has developed exit and at least one other level of standards in Language Arts and Mathematics, and has plans to carry this forward into other key content areas
- The district has an assessment system clearly aligned to standards in one or more areas, and uses the assessment system to review student progress and set instructional priorities
- The district has procedures in place to assist students with special needs to achieve standards
- Clear statements of what students are expected to know and be able to do are communicated to students and parents in every class, at every grade level, in every subject area
- Students achieve credit in high school classes based upon competence and mastery, rather than time in class
- An inclusive process is in place to obtain and revise curriculum for students based upon broad agreement about what students should know and be able to do
- Community, business, parents are involved in review of student progress through exhibitions of attainment of standards
- Students are able to report their own progress and parents clearly identify the progress of their student(s) on district student standards

#### Quality School Standards

- The district uses the School Improvement Process of the Northwest Association of Schools and Colleges, in conjunction with a local process involving staff, students, parents and other community members, to evaluate schools
- The results of the School Improvement Accreditation process are used to make meaningful plans for school and district level improvement
- Schools have a plan for improvement developed through a school profiling process and including elements described in the state's draft accreditation system or the elements of effective schools as published by Northwest Regional Educational Laboratory
- Schools measure their success by the success of all students, feedback from parents and community, and credible follow-up data about students who leave the school

#### Quality Professional Standards

- A professional development plan is articulated for individual teachers and for the staff as a whole
- Supervision is a demonstrated priority, and involves multiple models depending upon teacher needs
- High performance standards are articulated and monitored for all staff
- Staff development is clearly related to student success, the district planning process, and school improvement plans
- A culture of collaboration exists in the schools

#### Quality Parent, Family and Community Involvement

- Each school has a plan for comprehensive involvement of parents and community
- Schools welcome parents and community members through multiple methods and can document success beyond numbers of parents volunteering in schools
- National PTA standards for Parent Involvement are met
- Parents and community members are involved in site councils and other decisionmaking structures



# FISCAL NOTE

STATE OF ALASKA

BILL NO. \_\_\_\_\_

1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_

Department Affected: Education

Title: An act relating to the public school funding program; repealing the public school foundation program; relating

BRU: K-12 Support

Sponsor: Rules Committee \_\_\_\_\_

Component: Foundation Program

Requester: Governor \_\_\_\_\_

COMPONENT SERIAL NO. 141

**Expenditures/Revenues:**

(Thousands of Dollars)

| OPERATING              | FY 98           | FY 99           | FY 00           | FY 01           | FY 02           | FY 03           |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| PERSONAL SERVICES      |                 |                 |                 |                 |                 |                 |
| TRAVEL                 |                 |                 |                 |                 |                 |                 |
| CONTRACTUAL            | 498.6           |                 |                 |                 |                 |                 |
| SUPPLIES               |                 |                 |                 |                 |                 |                 |
| EQUIPMENT              |                 |                 |                 |                 |                 |                 |
| LAND & STRUCTURES      |                 |                 |                 |                 |                 |                 |
| GRANTS, CLAIMS         | 12,322.4        | 11,017.8        | 11,452.9        | 11,277.2        | 14,121.0        | 10,180.3        |
| MISCELLANEOUS          |                 |                 |                 |                 |                 |                 |
| <b>TOTAL OPERATING</b> | <b>12,821.0</b> | <b>11,017.8</b> | <b>11,452.9</b> | <b>11,277.2</b> | <b>14,121.0</b> | <b>10,180.3</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                           |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES</b> |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|

**FUND SOURCE**

(Thousands of Dollars)

| FUND SOURCE              | FY 98           | FY 99           | FY 00           | FY 01           | FY 02           | FY 03           |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1002 Federal Receipts    |                 |                 |                 |                 |                 |                 |
| 1003 GF Match            |                 |                 |                 |                 |                 |                 |
| 1004 GF                  | 12,821.0        | 11,017.8        | 11,452.9        | 11,277.2        | 14,121.0        | 10,180.3        |
| 1005 GF/Program Receipts |                 |                 |                 |                 |                 |                 |
| 1006 GF/MHTLA            |                 |                 |                 |                 |                 |                 |
| Other                    |                 |                 |                 |                 |                 |                 |
| <b>TOTAL</b>             | <b>12,821.0</b> | <b>11,017.8</b> | <b>11,452.9</b> | <b>11,277.2</b> | <b>14,121.0</b> | <b>10,180.3</b> |

**POSITIONS:**

| POSITIONS | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL-TIME |       |       |       |       |       |       |
| PART-TIME |       |       |       |       |       |       |
| TEMPORARY |       |       |       |       |       |       |

Estimate of current year (FY97) impact: -0-

**ANALYSIS: (Attach a separate page if necessary.)**

See attached schedule for fiscal note and sectional analysis.

Prepared by: Eddy Jeans, School Finance Manager

Phone: 465-8679

Division: Education Support Services

Date: \_\_\_\_\_

Approved by Commissioner: [Signature]

Shirley Holloway, Ph. D., Commissioner

Agency: Education

Date: 1-8-97

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**Public School Funding Program - 12-31-96**

**Fiscal Note Analysis**

**CONTRACTUAL:** The department is requesting a one time appropriation of \$498,600 in FY98 to commission an educational cost study. The department believes it will take approximately 18 months to complete the study. Placeholder area cost and transportation factors have been placed in transition sections 18 and 19 of this bill. It is the intent of the department to commission the study and adopt the results in regulation. Elements to consider in an educational cost study may included but are not limited to, certified and classified salaries, benefits, geographic location, transportation, fuel, utilities and supplies.

- \* The Department of Administration has requested funding for a geographic differential study for state employees. Should both proposals pass, funding could be coordinated to reduce the total cost of the combined legislation.

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

| Bill Reference | Sec. 14.19.275     | Sec. 14.19.210(2) | Sec. 20 Transition |                   |
|----------------|--------------------|-------------------|--------------------|-------------------|
| Fiscal Year    | Student Allocation | Required Local    | Hold Harmless      | Enrollment Growth |
| FY98           | \$2,950            | 3.00 mills        | 100%               | FY98 Projections  |
| FY99           | \$3,150            | 3.25 mills        | 98%                | 1.5%              |
| FY00           | \$3,250            | 3.50 mills        | 95%                | 1.5%              |
| FY01           | \$3,325            | 3.75 mills        | 90%                | 1.5%              |
| FY02           | \$3,400            | 4.00 mills        | 0%                 | 1.5%              |
| FY03           | \$3,400            | 4.00 mills        | 0%                 | 1.5%              |

**Sectional Analysis**

**Section 1-** Defines the purpose of the proposed public school funding program.

**Section 2 -** Amends Alaska statute by adding a new chapter. Chapter 19 is the proposed Public School Funding Program. Listed under Section 2 are sections 14.19.100 through 14.19.900 that outline the proposed Public School Funding Program. Following is a list of the proposed sections and their titles.

- Sec. 14.19.100. Public school account.
- Sec. 14.19.200. State funding for districts.
- Sec. 14.19.210. Equalization funding.
- Sec. 14.19.215. Incentive funding.
- Sec. 14.19.220. Special needs and intensive services funding.
- Sec. 14.19.230. State funding for centralized correspondence study.
- Sec. 14.19.235. State funding for state boarding school.
- Sec. 14.19.240. Local contribution.
- Sec. 14.19.250. Funding communities.
- Sec. 14.19.260. Funding community size factor.
- Sec. 14.19.270. Area cost and transportation factors.
- Sec. 14.19.275. Base student allocation.
- Sec. 14.19.300. Student count estimate.
- Sec. 14.19.305. Fund balance in school operating fund.
- Sec. 14.19.310. Determination of full and true value by Department of Community and Regional Affairs.
- Sec. 14.19.400. Student counting periods.

**Public School Funding Program - 12-31-96****Section 2- Cont.**

- Sec. 14.19.410. Distribution of public school funding.
- Sec. 14.19.900. Construction and implementation of chapter.
- Sec. 14.19.910. Restrictions governing receipt and expenditure of district money.
- Sec. 14.19.920. Regulations.
- Sec. 14.19.990. Definitions.

**Section 3** - amends AS 14.03.120(g), new reference of district from AS 14.17.250 to AS.14.19.990.

**Section 4** - amends AS 14.03.125(e), new reference of district from AS 14.17.250 to AS.14.19.990.

**Section 5** - amends AS 14.03.15(c), new reference of public school funding from State Foundation Aid.

**Section 6** - repeals and reenacts AS 14.09.010, Transportation of students. Eliminates state reimbursement program for pupil transportation. Allow districts to receive an adjustment in the public school funding program for transportation cost.

**Section 7** - amends AS 14.11.008(b), new reference of full and true property value from AS 14.17.025(a)(1) to AS 14.19.310 and district average daily membership from AS.14.17.250 to AS 14.19.990.

**Section 8** - amends AS 14.14.115(c)(2), new reference of district from AS 14.17.250 to AS.14.19.990.

**Section 9** - amends AS 14.16.050(a)(2), new reference of public school funding from state financial assistance for education. Corrects reference of student count estimates from AS 14.17.080 to AS 14.19.300, school operating fund balance from AS 14.17.082 to AS 14.19.305 and public school funding from AS 14.17.160 - 14.17.220 to AS 14.19.300 - 14.19.910.

**Section 10** - amends AS 14.16.080(a), new reference of public school funding from AS 14.17.024 to AS 14.19.235.

**Section 11** - amends AS 14.20.177(a), changes reference of basic need to level I need from AS 14.17.021(b) to AS 14.19.210(b)(1). Adds a new sub-section 3 addressing tenure layoff if the districts equalization funding decreased by 3% or more due to proration.

**Section 12** - amends AS 14.30.347, clarifies the districts responsibility to provide transportation services for exceptional children. The district is responsible for cost associated with the transportation of exceptional children.

**Section 13** - repeals and reenacts AS 14.30.650, changes the funding mechanism for the Special Education Service Agency (SESA). The allocation will be based on 18% of the statewide ADM multiplied by \$85. Currently the allocation is based on 2% of the total foundation special education allocation or \$85 per special education child whichever is greater.

**Section 14** - amends AS 29.45.020(a), for the purpose of taxpayer notice, new reference of public school funding from AS 14.17. to AS 14.19.

**Section 15** - amends AS 44.47.305(c), for the purpose of day care assistance program, change reference of instructional unit allotments to funding communities from AS 14.17.051 to AS 14.19.270. (area cost differentials)

**Public School Funding Program - 12-31-96**

**Section 16** - repeals all references to AS 14.17 (Fondation Program), AS 14.09.020 (Transportation of Nonpublic Students) and AS 14.30.010(b)(7) (Compulsory Attendance for children living more than two miles from a school or a bus route).

**Section 17 - Transition: Incentive Funding**, sets the criteria for which a district may apply for an incentive grant for the first two years. Establishes the minimum standards for student achievement, districtwide school improvement or performance-based assessment systems for teachers.

**Section 18 - Transition: Area Cost Factors**, establishes the area cost factors by funding community for a two year period. By the end of the two year period the department shall establish in regulation the area cost factors based on the results of the cost factor study.

**Section 19 - Transition: Student Transportation**, establishes the transportation factors by district for a two year period. By the end of the two year period the department shall establish in regulation the transportation factors based on the results of the cost factor study.

**Section 20 - Transition: Hold Harmless**, establishes the programs and entitlements to be included in the hold harmless base. Establishes the hold harmless percentage year and is eliminated in year 5.

**Section 21 - Transition: Regulations**, allows the department to utilize existing regulation that conform with the language and purpose of this act.

**Section 21** - Establishes July 1, 1997 as the effective date.

## School Funding Analysis

| Current Foundation Formula  | SB 36  | Proposed Funding Formula  |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Allocations are based on instructional units</li> <li>• Categorical revenue based on identification and types of service for students, 4 levels for Special Education, 3 levels for Bilingual Education and 1 level for Vocational Education</li> <li>• Funding for students identified with intensive needs within the 4 levels of Special Education</li> <li>• Community size adjustment, allows funding for schools serving as few as 1 student</li> <li>• No adjustment for single site school districts within formula</li> <li>• Area cost differentials are assigned at the district level</li> <li>• 23 area cost differentials</li> <li>• Area cost differential are based on 1985 state employee salary adjustments and have not been updated</li> <li>• Equalization based on 4 mills local effort</li> <li>• Allows additional local contributions capped at 23% of Basic Need</li> <li>• No incentive for quality schools initiatives</li> <li>• Considers federal impact aid in formula</li> <li>• Pupil transportation reimbursed under separate program</li> </ul> | <ul style="list-style-type: none"> <li>• Allocations are based on instructional units</li> <li>• Categorical revenue for gifted and talented is an allocation based on 4.5% of total students funded separate from Special Education, consolidates Bilingual to 1 level still requiring identification, all other categories remain the same</li> <li>• Funding for students identified with intensive needs within the 3 levels of Special Education</li> <li>• Community size adjustment, minimum size for funding set at 10 ADM</li> <li>• Adds adjustment for single site school districts</li> <li>• Area cost differentials are assigned at the district level</li> <li>• 23 area cost differentials</li> <li>• Area cost differential are based on 1985 state employee salary adjustments and have not been updated</li> <li>• Equalization based on 4.5 mills plus supplemental equalization formula and has recapture of revenue that 4.5 mills generates above Basic Need</li> <li>• Allows additional local contributions capped at 23% of Basic Need</li> <li>• No incentive for quality schools initiatives</li> <li>• Considers federal impact aid in formula</li> <li>• Pupil transportation reimbursed under separate program</li> </ul> | <ul style="list-style-type: none"> <li>• Allocations are based on weighted students</li> <li>• Categorical revenue is an allocation based on 20% of total students enrolled</li> <li>• Funding for students identified with intensive needs in addition to the 20% allocation</li> <li>• Community size adjustment, minimum size for funding set at 10 ADM</li> <li>• Adds adjustment for single site school districts</li> <li>• Area cost differentials are assigned at the funding community level</li> <li>• 7 area cost differentials</li> <li>• Requires area cost differential study to be completed in three years</li> <li>• Equalization based on 3 mills plus supplemental equalization formula</li> <li>• Allows additional local contributions without cap</li> <li>• Additional \$12 million incentive grants for quality schools initiatives</li> <li>• Does not consider federal impact aid in formula</li> <li>• Pupil transportation funds are allocated within proposed program based on weight factors</li> </ul> |

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An act relating to the public school funding program;  
repealing the public school foundation program; relating  
Sponsor: Rules Committee \_\_\_\_\_  
Requestor: Governor \_\_\_\_\_

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

COMPONENT SERIAL NO. 141

**Expenditures/Revenues:**

(Thousands of Dollars)

| OPERATING              | FY 98           | FY 99           | FY 00           | FY 01           | FY 02           | FY 03           |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| PERSONAL SERVICES      |                 |                 |                 |                 |                 |                 |
| TRAVEL                 |                 |                 |                 |                 |                 |                 |
| CONTRACTUAL            | 498.6           |                 |                 |                 |                 |                 |
| SUPPLIES               |                 |                 |                 |                 |                 |                 |
| EQUIPMENT              |                 |                 |                 |                 |                 |                 |
| LAND & STRUCTURES      |                 |                 |                 |                 |                 |                 |
| GRANTS, CLAIMS         | 12,322.4        | 11,017.8        | 11,452.9        | 11,277.2        | 14,121.0        | 10,180.3        |
| MISCELLANEOUS          |                 |                 |                 |                 |                 |                 |
| <b>TOTAL OPERATING</b> | <b>12,821.0</b> | <b>11,017.8</b> | <b>11,452.9</b> | <b>11,277.2</b> | <b>14,121.0</b> | <b>10,180.3</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                           |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES</b> |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|

**FUND SOURCE**

(Thousands of Dollars)

|                          |                 |                 |                 |                 |                 |                 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1002 Federal Receipts    |                 |                 |                 |                 |                 |                 |
| 1003 GF Match            |                 |                 |                 |                 |                 |                 |
| 1004 GF                  | 12,821.0        | 11,017.8        | 11,452.9        | 11,277.2        | 14,121.0        | 10,180.3        |
| 1005 GF/Program Receipts |                 |                 |                 |                 |                 |                 |
| 1006 GF/MHTIA            |                 |                 |                 |                 |                 |                 |
| Other                    |                 |                 |                 |                 |                 |                 |
| <b>TOTAL</b>             | <b>12,821.0</b> | <b>11,017.8</b> | <b>11,452.9</b> | <b>11,277.2</b> | <b>14,121.0</b> | <b>10,180.3</b> |

**POSITIONS:**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

Estimate of current year (FY97) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

See attached schedule for fiscal note and sectional analysis.

Prepared by: Eddy Jeans, School Finance Manager  
Division: Education Support Services  
Approved by Commissioner: *[Signature]*  
Agency: Education

Phone: 465-8679  
Date: \_\_\_\_\_  
Shirley Holloway, Ph. D., Commissioner  
Date: 1-8-97

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**Public School Funding Program - 12-31-96****Fiscal Note Analysis**

**CONTRACTUAL:** The department is requesting a one time appropriation of \$498,600 in FY98 to commission an educational cost study. The department believes it will take approximately 18 months to complete the study. Placeholder area cost and transportation factors have been placed in transition sections 18 and 19 of this bill. It is the intent of the department to commission the study and adopt the results in regulation. Elements to consider in an educational cost study may include but are not limited to, certified and classified salaries, benefits, geographic location, transportation, fuel, utilities and supplies.

- The Department of Administration has requested funding for a geographic differential study for state employees. Should both proposals pass, funding could be coordinated to reduce the total cost of the combined legislation.

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

| Bill Reference | Sec. 14.19.275     | Sec. 14.19.210(2) | Sec. 20 Transition |                   |
|----------------|--------------------|-------------------|--------------------|-------------------|
| Fiscal Year    | Student Allocation | Required Local    | Hold Harmless      | Enrollment Growth |
| FY98           | \$2,950            | 3.00 mills        | 100%               | FY98 Projections  |
| FY99           | \$3,150            | 3.25 mills        | 98%                | 1.5%              |
| FY00           | \$3,250            | 3.50 mills        | 95%                | 1.5%              |
| FY01           | \$3,325            | 3.75 mills        | 90%                | 1.5%              |
| FY02           | \$3,400            | 4.00 mills        | 0%                 | 1.5%              |
| FY03           | \$3,400            | 4.00 mills        | 0%                 | 1.5%              |

**Sectional Analysis**

**Section 1-** Defines the purpose of the proposed public school funding program.

**Section 2 -** Amends Alaska statute by adding a new chapter. Chapter 19 is the proposed Public School Funding Program. Listed under Section 2 are sections 14.19.100 through 14.19.900 that outline the proposed Public School Funding Program. Following is a list of the proposed sections and their titles.

- Sec. 14.19.100. Public school account.
- Sec. 14.19.200. State funding for districts.
- Sec. 14.19.210. Equalization funding.
- Sec. 14.19.215. Incentive funding.
- Sec. 14.19.220. Special needs and intensive services funding.
- Sec. 14.19.230. State funding for centralized correspondence study.
- Sec. 14.19.235. State funding for state boarding school.
- Sec. 14.19.240. Local contribution.
- Sec. 14.19.250. Funding communities.
- Sec. 14.19.260. Funding community size factor.
- Sec. 14.19.270. Area cost and transportation factors.
- Sec. 14.19.275. Base student allocation.
- Sec. 14.19.300. Student count estimate.
- Sec. 14.19.305. Fund balance in school operating fund.
- Sec. 14.19.310. Determination of full and true value by Department of Community and Regional Affairs.
- Sec. 14.19.400. Student counting periods.

**Public School Funding Program - 12-31-96****Section 2 - Cont.**

- Sec. 14.19.410. Distribution of public school funding.
- Sec. 14.19.900. Construction and implementation of chapter.
- Sec. 14.19.910. Restrictions governing receipt and expenditure of district money.
- Sec. 14.19.920. Regulations.
- Sec. 14.19.990. Definitions.

**Section 3 - amends AS 14.03.120(g), new reference of district from AS 14.17.250 to AS 14.19.990.**

**Section 4 - amends AS 14.03.125(e), new reference of district from AS 14.17.250 to AS 14.19.990.**

**Section 5 - amends AS 14.03.15(c), new reference of public school funding from State Foundation Aid.**

**Section 6 - repeals and reenacts AS 14.09.010, Transportation of students. Eliminates state reimbursement program for pupil transportation. Allow districts to receive an adjustment in the public school funding program for transportation cost.**

**Section 7 - amends AS 14.11.008(b), new reference of full and true property value from AS 14.17.025(a)(1) to AS 14.19.310 and district average daily membership from AS 14.17.250 to AS 14.19.990.**

**Section 8 - amends AS 14.14.115(c)(2), new reference of district from AS 14.17.250 to AS 14.19.990.**

**Section 9 - amends AS 14.16.050(a)(2), new reference of public school funding from state financial assistance for education. Corrects reference of student count estimates from AS 14.17.080 to AS 14.19.300, school operating fund balance from AS 14.17.082 to AS 14.19.305 and public school funding from AS 14.17.160 - 14.17.220 to AS 14.19.300 - 14.19.910.**

**Section 10 - amends AS 14.16.080(a), new reference of public school funding from AS 14.17.024 to AS 14.19.235.**

**Section 11 - amends AS 14.20.177(a), changes reference of basic need to level I need from AS 14.17.021(b) to AS 14.19.210(b)(1). Adds a new sub-section 3 addressing tenure layoff if the districts equalization funding decreased by 3% or more due to proration.**

**Section 12 - amends AS 14.30.347, clarifies the districts responsibility to provide transportation services for exceptional children. The district is responsible for cost associated with the transportation of exceptional children.**

**Section 13 - repeals and reenacts AS 14.30.650, changes the funding mechanism for the Special Education Service Agency (SESA). The allocation will be based on 18% of the statewide ADM multiplied by \$85. Currently the allocation is based on 2% of the total foundation special education allocation or \$85 per special education child whichever is greater.**

**Section 14 - amends AS 29.45.020(a), for the purpose of taxpayer notice, new reference of public school funding from AS 14.17. to AS 14.19.**

**Section 15 - amends AS 44.47.305(c), for the purpose of day care assistance program, change reference of instructional unit allotments to funding communities from AS 14.17.051 to AS 14.19.270. (area cost differentials)**

**Public School Funding Program - 12-31-96**

**Section 16** - repeals all references to AS 14.17 (Fondation Program). AS 14.09.020 (Transportation of Nonpublic Students) and AS 14.30.010(b)(7) (Compulsory Attendance for children living more than two miles from a school or a bus route).

**Section 17 - Transition: Incentive Funding.** sets the criteria for which a district may apply for an incentive grant for the first two years. Establishes the minimum standards for student achievement, districtwide school improvement or performance-based assessment systems for teachers.

**Section 18 - Transition: Area Cost Factors.** establishes the area cost factors by funding community for a two year period. By the end of the two year period the department shall establish in regulation the area cost factors based on the results of the cost factor study.

**Section 19 - Transition: Student Transportation,** establishes the transportation factors by district for a two year period. By the end of the two year period the department shall establish in regulation the transportation factors based on the results of the cost factor study.

**Section 20 - Transition: Hold Harmless,** establishes the programs and entitlements to be included in the hold harmless base. Establishes the hold harmless percentage year and is eliminated in year 5.

**Section 21 - Transition: Regulations,** allows the department to utilize existing regulation that conform with the language and purpose of this act.

**Section 21 - Establishes July 1, 1997 as the effective date.**

*Brain drain  
Retiring  
teachers*

*Pupil transportation decline by 50%*

RECEIVED

# Alaska State Legislature

FEB 19 1997

Please enter into the record my testimony to the SB 85 / HB 126  
(committee name)  
committee on School Funding Plan, dated Feb 19, 1997  
bill/subject

*I* My name is Chris Campbell I am a member of the Ketchikan Gateway Borough School Board. I want to address the fiscal

*Expect of this bill* *Good morning* *the picture is bleak*  
*initiating an* *(Speaking strictly for Ketchikan)* I want to  
note that the area cost differential study has is unnecessary  
*rely on* figures compiled by  
since we can talk directly with the State Dept of Labor

1996. This truly reflects costs in a region. Basing  
a proposed ACD on what it costs to operate a school or  
what it costs to educate a child will merely ratify

the status quo. Our ~~material~~ <sup>present educational</sup> cost for  
lower than other ~~states~~ <sup>districts</sup> because we have reduced/

elemental librarians, counselors, P.E., music, nurses,  
aides, art, and support staff. This ~~is a~~ <sup>is a</sup> ~~loss~~ <sup>loss</sup>  
equity with what ~~is~~ <sup>is</sup> ~~also~~ <sup>also</sup>, we are going to be

experiencing a steep local decline due to the closure of  
KPC. Unfortunately, the ACD study is proposed to occur  
in the year we can predict our local economy will be

reeling severely depressed. This will result in a  
negative impact on our district. The answer is  
to tie the ACD study to State Dept of Labor  
Statistics. T

Hold harmless provisions will not benefit our district  
in transitioning to new formula because we have consistently  
provided 7 mils + there is no reward or incentive for towns.  
I would suggest building in incentives to rebate local gov'ts who have  
the cap.

*I was born &  
raised in this  
state, too.*

*Increased PPE  
reduced supplies*

*They will  
impact us  
for the  
next  
4 yrs.*

*for pupil transportation will be reduced by 50%  
I cannot in a 9 me town we will be able to do this - Outlook very  
bleak.*

*Another concern is that our funding  
This m.m.o.i. district + our district*

# Alaska State Legislature

Please enter into the record my testimony to the HESS  
 (committee name)  
 committee on SB 85 / HB 126, dated 2-19-97  
 bill/subject

Support this effort to simplify funding to a per capita basis.

I also support the 20% block grant for Special Needs to reduce classification and allow for more flexibility while maintaining coverage for intensive students.

The major oversight I see that impacts Ketchikan is that this current proposal perpetuates an inequitable ACD factor which, <sup>even</sup> the transition ACD does not address. Therefore, I strongly support the ACD study. The key is equity and fairness. Ketchikan, arguably, has lost more students services over <sup>recent</sup> the ~~past~~ years than comparable districts. We now face a severe financial crisis with the closure of the pulp mill with associated loss of tax base and stumpage fees. ∴ so this inequity is compounded.

Finally, I like the concept of level III funding, Quality Schools initiative if for no other reason it allows for new funding rather than the mere redistribution of ~~more~~ inadequate existing funds.

Signed:

Diane Gubatayao, Member Phone: 907-225-7851 <sup>students.</sup>

Testifier

KGB School Board

Representing (Optional)

Po 5915 / Ketchikan

Address

Fax transmitted from Ketchikan Legislative Information Office  
 Phone: 225-9675 Fax: 225-8546

## Alaska State Legislature

Please enter into the record my testimony to the Senate Hess  
 committee on SB 85 (committee name) dated 2/19/97  
 bill/subject

The area cost differential study time line is not adequate. The study should take no longer than one year. I would recommend that a request be made to start the study this month and complete by January of 1998. The Dept of labor information is also presently available without the need for a lengthy study. The Dept. of labor presently employs experts to clearly identify area cost differentials. Please shorten the time line and use existing expertise available.

Signed:

Keith W. Tobin Sup't Phone: 225-2118  
 Ketchikan School District  
 Representing (Optional)  
Box 7, Ketchikan 99901  
 Address

Fax transmitted from Ketchikan Legislative Information Office  
 Phone: 225-9675 Fax: 225-8546



TELECOPY COVER SHEET  
Ketchikan Legislative Information Office  
Office - (907) 225-9675 Fax - (907) 225-8546

TO: Senator Hess

ATTN: \_\_\_\_\_ FAX: 465-4714 PHONE: 465-3709

FROM: LIO - Ketchikan PHONE: \_\_\_\_\_

INSTRUCTIONS: Send written testimony

SENT: Date Feb. 19, 1997 Time \_\_\_\_\_

DISPOSAL OF ORIGINAL: Discard \_\_\_\_\_ Hold for Pickup \_\_\_\_\_

NUMBER OF PAGES: 3 (NOT counting cover sheet)

TRANSMITTED BY: \_\_\_\_\_

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**HOW THE PROPOSED FUNDING FORMULA WORKS - TWO PAGES**  
**(SB 85 - Governor) (reviewed by DOE for accuracy) (2/11/97)**

**"Level I - Equalization Formula"**

The number of actual students would be multiplied by a variety of "factors" to create an "adjusted" student count (ADM) that would be multiplied times a per student \$ amount to determine Level I funding. Under the formula, each actual student could be counted as up to 6.2 students for the "adjusted" student count. ("ADM" - Average Daily Membership = student count)

**Formula:**

# of actual students

(X times)

"Community Size Factor" (1.00 for over 1000students to 2.75 for 10-20students)

(X times)

"Area Cost Factor" (1.00 urban to 1.55 distant)

(X times)

"Single Site Factor" (only for districts with under 900students) (1.06 to 1.12)

(X times)

"Special Needs Factor" (all students multiplied by 1.20)

(X times)

"Transportation Factor" (1.00 to 1.08)

(= equals)

"Adjusted" Student Count

---

**To determine "Level I" base funding:**

|   |                                  |
|---|----------------------------------|
| "Adjusted" Student Count" (ADM) (X times) | FY 98 \$2,950 per ADM            |
|   | FY 99 \$3,150 per ADM            |
|   | FY 00 \$3,250 per ADM            |
|   | FY 01 \$3,325 per ADM            |
|   | FY 02 and beyond \$3,400 per ADM |

(Note: Although it might appear that more money will go for students each year, the FY 98 projected funding level starts out \$46,197,604 **Below** actual FY 97 state funding. The increases above essentially bring the state funding level back to the FY 97 level per student in the year 2002, then keep it there indefinitely. There is no provision to increase funding for inflation. )

---

**"Level II - Equalization Funding"**

The value of 5 mills of property tax is determined based on the statewide "full and true assessed value". This AV is broken down to a per student AV by dividing by the statewide actual student count. This amount is **added to the "Level I" funding.**

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**"Level III - Local Match Incentive Funding"**

The state may authorize up to an additional \$97.50 times the actual student count if districts agree to implement "quality school initiatives".

---

**Local Taxpayer Contribution (increases from 4 mills to approximately 6.50 mills) as shown below:**

Level I - "Equalization" - 3 mills this year, increased back to 4 mills over the next four years (not including REAA's)

**PLUS +**

Level II - "Equalization" - Each municipality (not including REAA's) pays a portion of an additional 5 mills. (The municipal portion of 5 mills is determined by comparing the local per student full and true Assessed Value (AV) to the statewide AV. The local taxpayers pay part of the 5 mills based on the ratio of the local AV to the statewide AV. For example, Juneau's additional contribution would be 52.1% of 5 mills (2.605 mills) because Juneau's AV is a little higher than the statewide average. Kake's share would be 21.05% of 5 mills (1.05 mills) because its AV is considerably lower than the statewide average.)

**PLUS +**

Level III - "Local Match Incentive" - Each Municipality and REAA **must match at least 35% of "incentive funding"** up to a state/local total of \$97.50 times the adjusted student count. Alternatively, a district may reallocate existing resources to meet the match.

Note: It is critical for municipalities to understand that the legislation provides that:

- the formula amount is reduced pro rata if the state fails to appropriate enough money
- the draft legislation states, "Nothing in this section prohibits a city or borough from contributing to its district amounts in excess of the local contribution required under this section."

---

Note: A new feature of the proposal is funding by "funding community", instead of by district. This allows a district with both urban and remote schools to utilize different area cost differential factors.

---

Note: The proposal has a "hold harmless" to avoid any big losses the first three years. The minimum contribution to be eligible for the hold harmless is:

FY 98 - four mills  
FY 99 - five mills  
FY 00 - six mills  
FY 01 - seven mills

---

### **Five year State/Local Contribution Projection**

The State Board of Education **declined to make five year projections.** However, according to DOE figures, the state contribution per student will indefinitely stay approximately the same as FY 97 with no provision for inflation, **IF** the state "fully funds" the formula.

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## ONE PAGE OVERVIEW

### Long Range Municipal Property Tax Impacts of SB 85 Governor's School Foundation Funding Proposal (2/14/97)

#### Current:

- **Minimum Required Mill Contribution - 4 mills.**

**Note:** Due to the fact that municipalities have been required to absorb inflation on the entire school budget, (nearly 30% in the last ten years) the actual mill contribution among the larger school districts has risen to: (Kodiak 5.64; Anchorage 5.99; Ketchikan 6.86; Juneau 7.06; Fairbanks 7.31; Kenai 7.56; Sitka 8.07; Mat-Su 8.10); up to a 33 mill equivalent in the smaller districts.

#### Proposed:

- **New Minimum Required Mill Contribution - approximately 6.50 mills average**

**New Funding Formula:** Municipal funding requirements are contained in three complex "levels". Each municipality has a 3 mill requirement which increases to 4 mills over four years under "Level I", plus a "Level II" local requirement to pay approximately half of 5 mills based on the ratio of your municipalities' assessed value vs. the statewide average, plus a discretionary "Level III Incentive" (proposed at \$97.50 per student) of which municipalities pay at least 35%. (A district may also reallocate current resources to meet the Level III match requirement).

#### Projected Long Term Financial Impacts on Local Taxpayers:

- Although the Department of Education (DOE) has declined to make five year projections, according to DOE figures, at best, the new proposal would permanently keep the total base state contribution per student at approximately the FY 97 dollar level, without any increases for inflation.
- The state proposal would remove any "local funding cap" for schools. impacts:
  1. There would be more local pressure on councils and assemblies to fill state education funding gaps;
  2. The purpose of the "funding cap" is to avoid the creation of "have" and "have-not" school districts. According to the DOE, under the new proposal, the quality of schools would depend more on the ability and willingness of individual communities to pay.
  3. The proposal calls for \$500,000 to re-establish areas cost differentials

#### Summary:

Over the past ten years, due to the failure of the state to fund the cost of inflation, the local taxpayer contribution for schools has risen twice as fast as state funding increases.

This proposal would likely accelerate the transfer of funding responsibility for schools from the state to local taxpayers.

The proposed changes could create "have and have-not" school districts which could deprive some students of a quality education.