

HB

105

HFIN

FILE



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance


Official Business

State Capitol
Juneau, Alaska 99801-1182

LETTER OF INTENT CS HB 105 (EDU)

It is the intent of the Legislature that any increases to the Foundation Formula will provide an opportunity to move Alaskan schools towards standards-based education. The Legislature intends that any increase in funding will pay for costs associated with improving student performance by developing standards-based programs, including implementation of standards, aligning student assessment to standards, adopting instructional models based on basic skills, performance tasks, and projects, and adopting a standards-based reporting system.

The Department of Education and Early Development will provide a summary report to the legislature by March 15, 2002, on actions taken toward implementation by school districts.


Representative Bill Williams
Co-Chair, House Finance Committee


Representative Eldon Mulder
Co-Chair, House Finance Committee

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1
 Bill Version: CSHB 105(EDU)
 (H) Publish Date: 4/23/01

Revision Date/Time (Note if correction): _____ Dept. Affected: DEED
 Title: An Act relating to the base student allocation BRU: K-12 Support
used in the formula for state funding of public education; ... Component: Foundation Program
 Sponsor: Representative Stevens
 Requester: House Special Committee on Education Component Number: 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	20,163.7	20,163.7	20,163.7	20,163.7	20,163.7	20,163.7
Miscellaneous						
TOTAL OPERATING	20,163.7	20,163.7	20,163.7	20,163.7	20,163.7	20,163.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	20,163.7	20,163.7	20,163.7	20,163.7	20,163.7	20,163.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	20,163.7	20,163.7	20,163.7	20,163.7	20,163.7	20,163.7

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 105 amends AS 14.17.470 to increase the base student allocation from \$3,940 to \$4,041, effective July 1, 2001. As a result there would be an increase in State Aid totalling \$20,163,700.

Prepared by: Eddy Jeans Phone 465-8679
 Division: Education Support Services Date/Time 4/23/01
 Approved by: Bruce Johnson, Deputy Commissioner of Education Date 4/24/01
 Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

3-8
Failed

Amendment

I

Offered in House Finance

CS HB 105 (EDU)

REPRESENTATIVE JOHN DAVIES

Page 1, line 6:

Delete "\$4,041"

Insert "\$4,091"

Intent
Language

II

by Rep. Moulder

Amendment for HB105:

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Miscellaneous						
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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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 Division: Education Support Services Date/Time 4/23/01
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COMMITTEE COPY

Department of Education and
 Early Development
 Foundation Program
 Additional \$20,000,000 to Entitlement
 \$101 Base Allocation Increase
 April 18, 2001

DISTRICT	FY 02 District Adjusted ADM	Current Basic Need at \$3940	MB105 revision \$4041 Basic Need for FY02	Increase in State Aid	Funding Floor Difference	Total Entitlement Difference
Alaska Gateway	1,172.57	4,619,926	4,738,355	118,429	(22,372)	96,057
Aleutian Region	310.25	1,222,385	1,253,720	31,335	(12,534)	18,801
Aleutians East Borough	948.76	3,730,234	3,825,857	95,623	0	95,623
Anchorage	67,080.62	264,297,843	271,072,785	6,775,142	0	6,775,142
Annette Island	616.62	2,429,483	2,491,761	62,278	0	62,278
Bering Strait	5,374.67	21,176,200	21,719,041	542,841	0	542,841
Bristol Bay Borough	597.46	2,353,992	2,414,336	60,344	0	60,344
Chatham	617.88	2,434,447	2,496,853	62,406	0	62,406
Chugach	314.78	1,240,233	1,272,026	31,793	(12,717)	19,076
Copper River	1,379.03	5,493,378	5,572,660	139,282	(15,984)	123,298
Cordova	832.94	3,281,784	3,365,911	84,127	(33,650)	50,477
Craig	906.80	3,568,852	3,660,338	91,486	0	91,486
Delta/Grady	1,032.16	4,088,710	4,170,958	104,249	0	104,249
Denali Borough	736.82	2,902,283	2,976,881	74,598	0	74,598
Dillingham	1,153.20	4,543,608	4,680,081	116,473	(48,588)	69,884
Fairbanks N. Star Borough	22,082.69	87,005,799	89,236,150	2,230,351	0	2,230,351
Galena	3,213.05	12,659,417	12,983,935	324,518	(189,807)	134,711
Haines Borough	693.76	2,722,414	2,809,484	70,070	(7,573)	62,497
Hoonah	481.46	1,896,952	1,945,580	48,628	(18,451)	29,177
Hydaburg	224.02	882,639	906,266	22,626	0	22,626
Iditarod Area	1,397.03	5,504,288	5,645,398	141,100	(56,440)	84,660
Juneau Borough	7,825.09	30,830,866	31,621,189	790,324	0	790,324
Kake	326.91	1,288,025	1,321,043	33,018	(6,615)	26,403
Kashunamiw	781.14	3,077,892	3,156,587	78,695	0	78,695
Kenai Peninsula Borough	14,826.33	58,415,740	59,913,200	1,497,460	0	1,497,460
Ketchikan Gateway Borough	3,543.70	13,982,178	14,320,082	337,904	0	337,904
Klawock	431.54	1,700,288	1,743,853	43,565	(17,434)	26,131
Kodiak Island Borough	4,639.24	18,278,806	18,747,189	468,383	0	468,383
Kuspuk	1,486.86	5,894,043	6,046,134	151,091	(60,438)	90,653
Lake & Peninsula Borough	1,633.22	6,434,887	6,599,842	164,955	(86,882)	78,073
Lower Kuskokwim	9,891.38	38,972,037	39,971,067	999,030	(399,612)	599,418
Lower Yukon	5,233.56	20,820,226	21,148,818	328,590	0	328,590
Mat-Su Borough	18,876.41	74,373,055	76,279,573	1,906,518	0	1,906,518
Nenana	1,550.06	6,107,236	6,263,782	156,546	0	156,546
Nome	1,444.62	5,681,803	5,837,708	145,906	(50,808)	95,098
North Slope Borough	5,207.59	20,517,906	21,043,871	525,966	0	525,966
Northwest Arctic Borough	5,884.44	23,578,684	24,183,122	604,438	0	604,438
Pelican	68.82	271,151	278,102	6,951	(2,780)	4,171
Petersburg	1,022.16	4,027,310	4,130,549	103,239	0	103,239
Pribilof	424.44	1,672,284	1,715,182	42,898	(6,855)	36,043
Sitka Borough	2,285.30	9,004,082	9,234,867	230,785	0	230,785
Skagway	309.09	1,217,616	1,249,033	31,218	(12,487)	18,731
Southeast Island	691.71	2,725,337	2,795,200	69,863	(27,945)	41,918
Southwest Region	2,211.33	8,712,640	8,935,986	223,345	0	223,345
St. Mary's	418.25	1,651,845	1,684,189	42,344	(16,937)	25,407
Tanana	331.94	1,307,844	1,341,370	33,526	0	33,526
Unalaska	734.86	2,894,521	2,968,721	74,200	(29,664)	44,536
Valdez	1,439.12	5,670,133	5,815,484	145,351	(31,086)	114,265
Wrangell	748.87	2,854,488	3,030,225	175,737	0	175,737
Yukon-Charley	369.84	1,457,170	1,494,523	37,353	(10,466)	26,887
Yukon Flats	1,145.11	4,511,733	4,627,390	115,657	(46,263)	69,394
Yukon/Koyukuk	1,577.72	6,218,217	6,375,567	157,350	0	157,350
Yupik	1,223.78	4,821,883	4,845,295	23,412	(48,441)	74,181
Alyeska Central School *	1,096.80	4,321,382	4,432,168	110,777	0	110,777
Mt. Edgecumbe High School	484.44	1,908,884	1,957,622	48,738	0	48,738
		26,088,100	0			
TOTAL	211,439.9	859,169,986	854,428,717	21,253,432	(1,181,738)	20,163,694

DRAFT

G:\Mindy\Requests\STEVENS20millionIncrease.xls Representative Stevens Request

Department of Education and
 Early Development
 Foundation Program
 CSHB 105(EDU)
 April 23, 2001

DISTRICT	FY02 Projected State Aid	Increase in State Aid	Funding Floor Difference	Total Entitlement Difference
Alaska Gateway	4,720,721	118,429	(22,372)	96,057
Aleutian Region	1,170,144	31,335	(12,534)	18,801
Aleutians East Borough	2,822,075	95,623	0	95,623
Anchorage	193,595,132	6,775,142	0	6,775,142
Annette Island	867,075	62,278	0	62,278
Bering Strait	15,583,586	542,841	0	542,841
Bristol Bay Borough	1,340,580	60,344	0	60,344
Chatham	2,148,172	62,406	0	62,406
Chugach	1,698,865	31,793	(12,717)	19,076
Copper River	5,324,548	139,282	(15,984)	123,298
Cordova	2,638,380	84,127	(33,650)	50,477
Craig	3,013,383	91,486	0	91,486
Delta/Greely	4,246,748	104,249	0	104,249
Denali Borough	2,422,605	74,398	0	74,398
Dillingham	3,870,502	116,473	(46,589)	69,884
Fairbanks N. Star Borough	63,086,196	2,230,351	0	2,230,351
Galena	14,450,362	324,518	(129,807)	194,711
Haines Borough	1,931,769	70,070	(7,573)	62,497
Hoonah	1,737,765	48,628	(19,451)	29,177
Hydaburg	909,539	22,626	0	22,626
Iditarod Area	5,765,716	141,100	(56,440)	84,660
Juneau Borough	20,427,809	790,334	0	790,334
Kake	1,140,552	33,018	(6,615)	26,403
Kashunamiut	2,037,788	78,895	0	78,895
Kenai Peninsula Borough	41,665,482	1,497,460	0	1,497,460
Ketchikan Gateway Borough	9,550,271	357,914	0	357,914
Klawock	1,636,402	43,585	(17,434)	26,151
Kodiak Island Borough	13,523,703	468,563	0	468,563
Kuspuk	4,679,476	151,091	(60,436)	90,655
Lake & Peninsula Borough	5,959,944	164,955	(65,982)	98,973
Lower Kuskokwim	35,139,517	999,030	(399,612)	599,418
Lower Yukon	14,605,616	528,590	0	528,590
Mat-Su Borough	61,647,537	1,906,518	0	1,906,518
Nenana	6,063,818	156,556	0	156,556
Nome	4,929,994	145,906	(50,608)	95,298
North Slope Borough	9,885,875	525,966	0	525,966
Northwest Arctic Borough	20,358,082	604,428	0	604,428
Pelican	420,585	6,951	(2,780)	4,171
Petersburg	3,025,635	103,239	0	103,239
Pribilof	1,064,937	42,668	(6,855)	36,013
Sitka Borough	6,400,649	230,615	0	230,615
Skagway	886,624	31,218	(12,487)	18,731
Southeast Island	2,941,152	69,663	(27,945)	41,918
Southwest Region	5,979,493	223,345	0	223,345
St. Mary's	1,747,266	42,344	(16,937)	25,407
Tanana	1,280,078	33,526	0	33,526
Unalaska	2,023,121	74,200	(29,664)	44,536
Valdez	3,672,455	145,351	(31,096)	114,255
Wrangell	2,364,305	75,737	0	75,737
Yakutat	1,448,203	37,353	(10,466)	26,887
Yukon Flats	4,087,475	115,657	(46,263)	69,394
Yukon/Koyukuk	5,492,033	159,350	0	159,350
Yupit	3,831,544	123,602	(49,441)	74,161
Alyeska Central School *	4,338,941	110,777	0	110,777
Mt. Edgecumbe High School	1,321,400	48,928	0	48,928
Other contracts	26,096,100	0	0	0
TOTAL	665,017,725	21,355,432	(1,191,738)	20,163,694

April 24, 2001

House Finance Committee


I am writing to you today in support of HB 105 Foundation Formula Increase.

Our schools are suffering because of the current lack of funding. We need to get more money to our schools so that they can reduce the student/teacher ratio. Our teachers are working with very little resources; much of what they do have is coming out of their own pockets.

My daughter is currently in a sixth grade class at K-Beach Elementary with 33 kids students, the other class has 32. It is almost impossible for a teacher to teach in this situation, most of their time is spent dealing with discipline issues and crowd control. This is unacceptable to me.

Please consider our future in our children's education first and foremost; it begins with quality education.

Thank you for your consideration,



Jackie Ansotegui
907-283-8405



KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

April 24, 2001

House Finance Committee
State Capitol
Juneau, AK 99801-1182

Dear Committee Members:

I received word of HB 105 this morning. The Ketchikan Gateway Borough School District is very much in favor of this bill passing. We are hoping for an increase of more than the proposed \$101, but are in full support of a substantial increase in the funding floor for education.

In 1997 our District had an enrollment of 2856 students. Because of a variety of economic problems in our region we now have only 2369 students. Needless to say we have cut programs (specifically in the areas of vocational classes, foreign language classes, middle school, and other elective areas that made education more relevant to students), teachers, and other educational paraprofessionals as our money decreased. Ketchikan did not receive hold harmless money as a result of the decreases in enrollment and our budget has continued to decrease each year.

We have currently built a District budget based on what we felt was the middle of the road increase as proposed by SB 1 (\$145 increase in per pupil expenditures). This may seem to be a much too liberal approach on the surface, but it is the only number that allowed us to even come close to keeping the same types of programs we have offered in the past for our students. Even using this amount we have decreased teaching staff as well as elective offerings at the high school level. We are now at the point that any less funding will have to be remedied by staff and program cuts as we have little else to take money from.

Again we support this bill, please support our request for a substantial funding increase.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry D. Martin".

HARRY D. MARTIN
Superintendent



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

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Representative Bill Williams
Co-Chair, House Finance Committee

Handwritten signature of Eldon Mulder in cursive.

Representative Eldon Mulder
Co-Chair, House Finance Committee

Alaska State Legislature



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Representative Gary Stevens

SPONSOR STATEMENT House Bill 105 Foundation Formula Increase

The State of Alaska's Public Education Funding Formula is based on a specific dollar amount per student. The base student allocation was established in 1998 (FY99) as \$3,940 per student and has not been increased since that time. House Bill 105 increases this allocation by \$101.00, increasing the per student dollar to \$4,041.

During the past 14 years, inflation has had an impact on public school funding and the purchasing power of the General Fund (GF) education dollars slowly eroded over time. Although the State's contribution to the 53 school districts has increased 54% since FY88, the effect of annual inflation, as well as an increase in student enrollment has negated this growth, and indeed the purchasing power of the student dollar has been diminished.

The public school foundation program has lost 13.9% on a student dollar basis since FY88 due to the cumulative effect of annual inflation. House Bill 105 proposes to recoup some of this loss.

Supporters of a world class educational system for Alaska must agree that, while at the same time inflation is eroding the purchasing power for the student dollar, we Alaskans are asking our public schools to take on more and more responsibility in three general areas. First, many parents today regularly drop off their children at school early in the morning and pick them up after work. School personnel today provide not only classroom instruction for these students but also offer the emotional, social, and moral support needed before and after regular school hours at a level unheard of a generation ago. The increased time that a child spends at school naturally increases the responsibility of the local teachers and administrators.

**Sponsor Statement for House Bill 105
Foundation Formula Increase**

Secondly, as performance standards and the corresponding assessments become a reality and are accepted as commonplace, each neighborhood school and classroom will be held more accountable for student learning. Children who need extra innovative instruction to master these standards will be identified and teachers will offer appropriate remedial learning opportunities. The added tutoring sessions necessary for some students may be offered within the regular school day or during a Saturday or summer school program. This added accountability is a step in the right direction, but it does have substantial impact on the financial resources of our local school districts.

Lastly, classroom teachers are on the frontline with our children and must be held accountable for their learning and performance. Alaska's young people deserve to be taught by the very best teachers possible. Alaska's school districts are faced with the responsibility of recruiting and retaining a highly qualified work force at a time when teachers are in short supply. This is not an easy task and, in some cases, the remoteness and isolation of an individual school make a difficult task even more difficult. The State has an obligation to provide adequate funding to all public school districts so that all school districts can hire and retain quality teachers

Public education is faced with the unenviable position-assuming greater responsibility with a reduction in the purchasing power of the student dollar. Alaska cannot continue to ask its 53 school district to meet all these additional responsibilities with a dwindling budget, therefore, additional funding is a necessity. The increase of \$101.00 per student as provided in House Bill 105 will assist our local school districts to meet, and hopefully exceed, the public's expectations and demands.

Please join me in endorsing House Bill 105.