SCOMM

125:1

Hearing to Discuss Dept. of Education's Report on the Funding Formula
January 24, 2001
8:00 - 10:00, House Finance

Making Presentations:

1) Senator Wilken 8:00 to8:30 Review of SB 36

2) Department of Education Presentation:
(They will go through the report section by section and take questions as they go.)
Karen Rehfeld, Director of Education Support Services
Eddy Jeans, Mgr. of School Finance and Facilities Section of Education Support Services
Elizabeth Sweeney, DoE Auditor

Available For Questions:

1) McDowell Group (to answer any questions regarding District Cost Factors, which is all they studied.)
Eric McDowell
Peter Crane

Teleconference:

Listen-Only to Anchorage, Fairbanks, Delta Junction and Mat-Su. Delta Junction and Mat-Su requested being added, as interest was expressed.

Please ask all speakers to identify their titles when they say their names for the record.

Please also let people know that the sign in sheet is on the counter by the coffee.

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON EDUCATION
January 24, 2001
8:00 a.m.

COMMITTEE CALENDAR

MEETING TO DISCUSS DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT'S REPORT ON FOUNDATION FORMULA

TAPES

01-2, SIDES A & B
01-3, SIDE A

CALL TO ORDER

REPRESENTATIVE CON BUNDE, Chair, convened the House Special Committee on Education at 8:00 a.m.

PRESENT

Committee members present were Representatives Bunde, Porter, Green Wilson, Stevens, Joule and Guess. Other legislators present were Representatives McGuire, Kapsner, Dyson, Fate, Senators Olson and Davis.

SUMMARY OF INFORMATION

SENATOR GARY WILKEN gave a presentation using overhead transparencies of Senate Bill 36, A proposal to bring Simplicity & Fairness to the way Alaska funds its public schools, A Review of the History of Senate Bill 36. He included a historical review, a school funding analysis, growth in categorical funding requirements, required local contribution, education funding reform, a summary of state aid increases under SB 36 and the effect of the SB 36 60/40 transition clause of the foundation formula. He also answered questions asked by the legislators present.

EDDY JEANS, Manager, School Finance and Facilities Section, Education Support Services, Department of Education and Early Development, presented Alaska's Public School Funding Formula: A Report to the Alaska State Legislature. He reviewed the following sections of the report: Executive Summary, Tab 1 - District Cost Factors and Tab 2 - Comparison of Old to New Funding Formula and Tab 3 - Educational Adequacy. He also answered questions asked by

the legislators present.

PETER CRANE, McDowell Group, answered questions regarding the District Cost Factors which was studied in the McDowell group report 1998 Alaska School Operating Cost Study.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

CHAIR BUNDE adjourned the House Special Committee on Education meeting at 9:55 a.m.

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Eric McDowell
Peter Crane

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Listen-Only to Anchorage, Fairbanks, Delta Junction and Mat-Su. Delta Junction and Mat-Su requested being added, as interest was expressed.

EDUCATION & EARLY DEVELOPMENT

Alaska Public School Funding Formula Overview

Presented by: Eddy Jeans
School Finance Manager, EED

Alaska's funding formula is totally discretionary. If they get $50, nobody asks what they spent it on.

$ goes directly into local GF, not to school districts.

This presentation provides an overview of:

1. Calculation of Adjusted Average Daily Membership (ADM)
2. Calculations of Basic Need
3. Components of Basic Need
4. Additional Funds above Basic Need
5. Components of State Aid

Base

Average Daily Membership

ADM Reporting Requirements

- Average Daily Membership - is the number of enrolled students during the 20-school-day count period ending on the fourth Friday of October.
- Reports are due within two weeks after the end of the 20-school-day count period.
- Projected student count reports are due November 5.

Collected electronically and audited. Auditing takes away the "fudge factor". Also helps to account for correspondence student & preventing duplicate counts.

EDUCATION & EARLY DEVELOPMENT

Public School Funding Formula Overview

Calculation of Basic Need
New vs. Old Formula

New:

Basic Need = District Adjusted ADM x $3,940

⇨ Adjusted ADM is calculated using the ADM of each school in the district. (AS 14.17.470 Base Student Allocation)

Old:

Instructional Units x $61,000

⇨ Instructional Units are derived from the ADM of funding communities.

5 Steps to District Adjusted ADM

Step 1. Adjust: ADM for School Size (table)
Step 2. Apply: District Cost Factor
Step 3. Apply: Special Needs Factor
Step 4. Add: Intensive Services Counts
Step 5. Add: Correspondence Student Counts
= District Adjusted ADM

ADM x DCF + Sp. Needs + Intensive Svcs + Correspondence.
Croft - interested in DCF.
Based on non-instructional costs.
DCF method. does not include special needs factor &

Step 1. Adjust the ADM for School Size Using the School Size Table

Efficiency Adjustment

Reference:	School Size:	Formula:
1.	10-19.99	39.60
2.	20-29.99	39.60 + (1.62 * (ADM - 20))
3.	30-74.99	55.80 + (1.49 * (ADM - 30))
4.	75-149.99	122.85 + (1.27 * (ADM - 75))
5.	150-249.99	218.10 + (1.08 * (ADM - 150))
6.	250-399.99	326.10 + (.97 * (ADM - 250))
7.	400-749.99	471.60 + (.92 * (ADM - 400))
8.	Over 750	793.60 + (.84 * (ADM - 750))

•Intensive services and correspondence student counts are not adjusted for size.

Larger the schools get, the less it costs per student to run a school. Eddie had advised against this. If you have ~~less than~~ 101-750 kids, but you have 3 schools, you're funded as if you have 2 schools. See next chart. Wrangell, Annette Island, Delta Greely, Petersburg, Delta Junction.

Public School Funding Formula Overview

Step 1. Adjust the ADM for School Size

ADM under 10:
Added to the smallest school with an ADM greater than 10

A Community with an ADM of 10 through 100:
Grades K-12 ADM is combined and adjusted once; adjusted as one school.

A Community with an ADM of 101 through 750:
ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.

A Community with an ADM greater than 750:
- The ADM of each facility administered separately as one school is adjusted.
- Alternative schools with an ADM of less than 200 shall be counted as a part of the school in the district with the highest ADM.
- If the ADM is greater than 200 and administered as a separate facility the ADM will be adjusted separately.

Once over 750 kids, this encourages you to have more schools → appearance. But in these districts each schools have 200 students. "We don't build small schools."
→ Wrangell did not receive less money - they got more money, under SB 36. I know for a fact* E.J.

Step 1. Example: Nome City Schools Projected ADM by School

Nome Elementary School	429.00
Nome-Beltz Jr/Sr High School	290.00
Anvil City Science Academy	20.00
Nome Youth Facility	6.00
Leonhard Seppala Alternative	20.00
Total ADM	765.00

Less than 200 ADM added to Nome El.'s numbers.

each facility funded separately as one school.

Alternative schools w/ less than 200 students are funded combined with another school. Discouraged lots of small alternative schools.

Step 1. Example: Nome City Schools Add Alternative ADM's to the School with the Highest ADM

School Size Adjustment

The alternative schools ADM are added to the high school before adjusting for size.

Nome - Beltz Jr/Sr High	290.00
Nome Elementary School	429+20+6+20 = 475.00
Total ADM	765.00

Public School Funding Formula Overview

Step 1. Summarized: Nome City Schools

Nome-Beltz Jr/Sr High is adjusted from **290.00** to **364.90** ADM

The Alternative Schools totaling **46.00** ADM, have been added to the Nome Elementary School ADM of **429.00** making the new total **475.00**. The ADM is then adjusted to ***540.60***

364.90 + 540.60 = 905.50

Step 1. Example: Nome City Schools

K-6 Adjusted ADM's	
*326.10 + (.97 * (290 – 250))*	364.90
7-12 Adjusted ADM's	
*471.60 + (.92 * (475.00 – 400))*	+ 540.60
School Size Adjusted ADM	**905.50**

efficiency adjustment

Nome High 290 – 250 = 40 x .97 = 38.8

326.10 + 38.8 = 369.90

Nome El

Step 2. District Cost Factors

The Department monitors District Cost Factors and submits a report to the Legislature on January 15th every other fiscal year, beginning January 2001.

- Cost factors are specific to each school district.
- Lowest District Cost Factor is 1.000 and the highest is 1.736.

Multiply the School Size Adjusted ADM by the District Cost Factor.

1.736 - is Aleutian Region S.D.

Step 2. Example: Nome City Schools

Multiply the School Size Adjusted ADM by the District Cost Factor

905.50 x 1.319 = 1,194.35

(Shown on Column G, Page 8)

Statewide, more categorical funding $. Some districts got more under SB36, some got less.

If you have a load of special needs kids you get the same 20% S.N. Funding as a district with one special needs kid. In the past, some districts padded their sp needs #s. A study in 1996 on sp ed that 18% of districts' population qualified for some sp. svcs. 2% was added for bilingual/bicult.

Step 3. Special Needs Funding

- All categorical programs; special education (except intensive), vocational education, gifted/talented and bilingual/bicultural are block funded at 20%.
- To qualify for funding under this section school districts must file a plan with the department indicating special needs services that will be provided.

AS 14.17.420 (b) (Required by SB76.)

20% of adjusted population.

There are no requirements to spend categorical funding entirely on sped kids.

Step 3. Example: Nome City Schools

Multiply the adjusted ADM (from Step 2) **by the Special Needs Factor**

1,194.35 x 1.20 = 1,433.22

?

(Shown on Column H, page 8)

Step 4. Intensive Services Funding

A school district will receive funding for intensive services students that:

1. Are receiving intensive services and are
2. enrolled on the last day of the 20 school-day count period and who have an
3. established Individual Education Plan (IEP) for each intensive services student.

An Intensive Services student generates $19,700.

(Intensive Student Count) * 5 = Intensive Student Funding

$3,940 x 5 = $19,700

in addition to federal funding?

Step 4. Example: Nome City Schools

Multiply the Intensive Student Count by 5 and add to the adjusted ADM (from Step 3)

~Nome City Schools has 1 Intensive Student~

1 x 5 = 5

1,433.22 + 5 = 1,438.22

(Shown on Column K, page 8)

Step 5. Correspondence Programs

Districts offering correspondence programs receive funding based on 80% of correspondence ADM.

Each correspondence student generates $3,152.

(Correspondence ADM) x .80 = **Level of Correspondence Funding**

Correspondence kids are not counted in ADM or w/ special needs.

A special needs correspondence student gets 80% of ADM money without extra 20% for sped.

Step 5. Example: Nome City Schools

Multiply the Correspondence Student ADM by 80% and add to the District Adjusted ADM. (from Step 4)

~Nome City Schools has 8 Correspondence Students~

8.00 x .80 = 6.40

District Adjusted ADM + Correspondence

1,438.22 + 6.40 = 1,444.62

(Shown on Column M, page 8)

Basic Need

Multiply the district adjusted ADM by the base student allocation = Basic Need

1,444.62 x $3,940 = $5,691,803

(Shown on Column O, page 9)

Starting point - what formula says districts need to operate. Legislature can adjust up or down.

Done after Basic Need, it comes down to who pays for what.

District Adjusted ADM & Basic Need

Projected ADM for Nome:	765.00
Step 1. Adjusted ADM for School Size:	905.50
Step 2. Apply the District Cost Factor:	x 1.319
	1,194.35
Step 3. Apply the Special Needs Factor:	x 1.20
	1,433.22
Step 4. Add Intensive Service Counts:	+ 5.00
(1.00 x 5 = 5)	1,438.22
Step 5. Add Correspondence Student Counts:	+ 41.60
(8.00 x .80 = 6.40)	
= District Adjusted ADM	1,444.62
Multiply by $3,940 the base student allocation	x $3,940.00
Basic Need: (from 11/29/00 spreadsheet)	$5,691,803.00

* Why is sped multiplied by 1.20 for a 20% add on?

Components of Basic Need

- ⇨ Required Local Contribution
- ⇨ Federal Impact Aid
- ⇨ State Aid

property tax base, not property tax collection.

Required Local Contribution
Example: Nome City Schools

The **Lesser** or minimum of 4 mills of the tax base prior year, but not to exceed 45% of the school districts prior year basic need.

.004 of Tax Base: — Nome

.004 x $211,123,500 = $844,494

4 mills

45% of Prior Year Basic Need:

.45 x $5,711,188 = $2,570,035

(Shown on Column P, page 9)

Nome is required to contribute.

Every time the locals raise their taxes, state educ. funding goes down. Mandatory ~~Thru. sharing~~ cuts

Title VIII Federal Impact Aid Payments

- Title VIII Federal Impact Aid Payments received from March 1 through the last day of February are used for calculations of state aid.
- The dates on the payment vouchers are used to indicate that a school district has received Title VIII Payments

Applies to lands taken off the tax rolls by feds — ANCSA lands, military installations.

Title VIII Federal Impact Aid Payments
***Example:* Nome City Schools**

Payments received by the Nome City Schools from March 1 through the end of February.

$58,608
(amount eligible for Deduction)

(Shown on Column Q, page 9)

Live & work on federal installations or ANCSA lands.

Impact Aid Percentage

Required Local Contribution
divided by
Budgeted Local Contribution

Budgeted Local Contribution, for the purposes of calculating the Impact Aid percentage is found in the Budgets submitted on July 15th of each year and may consist of:

- **Appropriations**
- **Investment Earnings**
- **In-Kind Services**
- **"Other Local"**

FOR MUNICIPALITIES ONLY

Title VIII Percentage
***Example:* Nome City Schools**

Required Local: $ 844,494 = 68.68%
Budgeted Local: $1,229,557
(This percentage is only derived for City & Boroughs)

(Shown on Column R, page 9)

Impact Aid
Example: Nome City Schools

90% of the Impact Aid received by a school district is multiplied by the Impact Aid Percentage

Nome's Deductible Impact Aid Calculation:

$58,608 x 68.68% x 90% = $36,227

Eligible Impact Aid x Title VIII % x 90% = Deductible Impact Aid

(Shown on Column Q, Column R, Column S, page 9)

deducted from state aid.

The more you pay locally, the

If you get lots from the feds

$75 mil from feds, but $50 mil deducted through formula, from state aid.

STATE AID
Nome City Schools

Nome's State Aid:

Basic Need	$ 5,691,803
Less Required Local	(844,494)
Less Impact Aid	(36,227)
State Aid	**$ 4,811,082**

(Shown on Column T, page 9)

Undeveloped, unconveyed ANCSA lands can't be taxed locally, but feds pay that tax.

Additional Funds
Above Basic Need

- **Additional Local Contribution**
- **Quality Schools Grant** $16/adj. ADM
- **Supplemental Funding Floor**

Last year $6.6 mil extra 1 time approp. for Learning Opportunity Grants. 30
Based on per-student 2002 29

In 1999, 32 districts qualified for Supplemental funding floor. Now it's 30. It's anticipated that by 2002 it will be down to 29.

Additional Local Contribution
Example: Nome City Schools

The **greater** of 2 mills of the tax base **or** 23% of the district's current year Basic Need can be contributed but not exceeded.

.002 of Tax Base:
.002 x $211,123,500 = **$422,247**

23% of Basic Need:
.23 x $5,691,803 = **$1,309,115**

Maximum Local Contribution
Example: Nome City Schools

Required local contribution plus additional local contribution

Required Local Contribution:	$ 844,494
Additional Local Contribution:	+$1,309,115
Maximum Local Contribution:	**$2,153,609**

Quality Schools Grant

AS 14.17.480 explains a district is eligible to receive a quality school funding grant not to exceed the district's adjusted ADM multiplied by $16.

Example: Nome City Schools
1,444.62 x $16 = **$23,114**

(Column M, page 8 and Column V, page 9)

Supplementary Funding Floor

- What is "The Floor"?
- How is it established?
- How is it adjusted?

"The Floor"

By providing additional funds "The Floor" bridges the transition between the Adjusted Student Formula and the Instructional Unit Formula for some Districts.

How "The Floor" was Established

"The Floor" was established in FY1999

Instructional Unit Formula State Aid – old way
= $1,100,000

Adjusted Student Formula State Aid – under SB 36
= $1,000,000

Supplementary Funding Floor – in FY 99 this is what you got.
= $100,000

Funded at same level as under old formula – every district.

Nome's Transition to New Formula

- Instructional Unit Formula State Aid:
  FY 99 = $5,206,292
- Adjusted Student Formula State Aid:
  FY 99 = $5,095,932
- Supplementary Funding Floor:
  FY 99 = $110,360

Adjustments to the "Floor"

All Adjustments to "The Floor" are reductions!

Decreases to "The Floor" occur because ...

1) an increase in Basic Need – more students

OR

2) a decrease in ADM. – of 5% or more

Supplementary Funding Floor - Adjustment # 1

EXAMPLE

Increase of Basic Need

Adjustment due to Increases in Basic Need began in FY2000

FY2002 Basic Need	$2,100,000
FY2001 Basic Need	$2,050,000
FY2002 increase over FY2001	$50,000
40% of the increase over prior year equals the amount the FY2000 floor is reduced	($20,000)
FY2001 Funding Floor	$100,000
Revised funding Floor for FY2002	$80,000

Is this the 60-40%?

Supplementary Funding Floor - Adjustment # 2

EXAMPLE

Decrease in ADM

In FY2001, if the ADM falls below 95% of the FY1999 ADM, "The Floor" is reduced by the same percentage.

Example: Floor equals $100,000

If

FY2001 ADM = 86% of FY1999 ADM

Then

$100,000 x 86% = $86,000

& becomes the new Floor amount

"The Floor" has received a 14% reduction.

1999 is "base year" - all changes compared to that year.

Districts are losing money at a slower rate than they would have under just a straight SB 36. The funding floor money acts as a cushion.

Is this right?

Nome City Schools Floor

Nome City Schools has yet to reduce/activate their "Floor".

FY 02 ADM 773.00

FY 99 ADM 776.25 = .9958

100% - 99.58% = 0.42%

less than 5% so floor is not activated and Nome retains last years Floor amount of $95,798

Supplementary Funding Floor

Remember:

- The floor is reduced by 40% of the **increase** in Basic Need over the prior year.

OR

- The floor is reduced if ADM **decreases** by more than 95% of FY1999 ADM.

Public School Funding Formula Overview

Components Of State Aid

A Permanent Funding Component of State Aid

Nome's Total State Aid equals:

Calculated State Aid	**$4,811,082**
***plus* the Funding Floor**	**$ 95,798**
***plus* the Quality Schools Grant**	**$ 23,114**
TOTAL STATE ENTITLEMENT	**$4,929,994**

Please Note:

Prorating the Public School Funding Formula

If insufficient funds are appropriated by the legislature to meet the total entitlement, then all components of the Public School Funding Formula Program will be reduced by the same percentage.

AS 14.17.400 (b)

Public School Funding Program Overview

January 2001

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- Example: Sitka School District 7

1/16/01 FY2002 Projected Entitlement 8-9

District Adjusted Average Daily Membership (ADM)

Step 1. Adjust: ADM for School Size
Step 2. Apply: District Cost Factor
Step 3. Apply: Special Needs Factor
Step 4. Add: Intensive Services Count
Step 5. Add: Correspondence Student Counts
= District Adjusted (ADM)

Basic Need

Multiply the district adjusted ADM by the base student allocation to determine basic need. The base student allocation is $3,940.

School Size Table

Reference:	School Size:	Formula:
1.	10-19.99	39.60
2.	20-29.99	39.60 + (1.62 * (ADM - 20))
3.	30-74.99	55.80 + (1.49 * (ADM - 30))
4.	75-149.99	122.85 + (1.27 * (ADM - 75))
5.	150-249.99	218.10 + (1.08 * (ADM - 150))
6.	250-399.99	326.10 + (.97 * (ADM - 250))
7.	400-749.99	471.60 + (.92 * (ADM - 400))
8.	Over 750	793.60 + (.84 * (ADM - 750))

Intensive services and correspondence student counts are not adjusted for size.

School Size Adjustment

For each school in the district subtract from the ADM all correspondence counts. Adjust the remaining ADM of each school using the school size factor table.

1. A community with an ADM under 10:
   Added to the smallest school with an ADM greater than 10.
2. A community with an ADM from 10 - 100:
   Grades K-12 ADM combined and adjusted once, adjusted as one school.
3. A community with an ADM from 101 - 750
   ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.
4. A community with an ADM greater than 750:
   - Each facility administered as one school, counted as one school, ADM is adjusted as one school.
   - Alternative schools with an ADM of less than 200 combined are adjusted with the school with the greatest ADM in the district.
   - If an alternative school ADM is greater than 200, the ADM will be adjusted once.
5. Using the proper formula from the school size factor table calculate the adjusted ADM for each school.

ADM Reporting Requirements

ADM – is the average number of enrolled students during the 20-school day count period. The 20-school day count ends the fourth Friday of October. Reports are due within two weeks after the end of the 20-school day count period.

District Cost Factors

- Cost factors are specific to each school district.
- District cost factors range from 1.000 to 1.736.
- The department monitors the district cost factors and submits a report to the legislature on January 15 every other fiscal year, beginning in FY01.
- The districts school size adjusted ADM is multiplied by the district cost factor.

Special Needs Funding

Vocational education, special education (except intensive special education), gifted/talented education and bilingual/bicultural education are block funded. A district must file a plan with the department indicating the special needs services that will be provided, Section 14.17.420(2)(b), to qualify for special needs funding.

The districts school size adjusted ADM is multiplied by the Special Needs factor of 1.20.

Intensive Services Funding

A school district receives funding for intensive special education students that:

- Are receiving intensive services and,
- Are enrolled on the last day of the 20 school day count period and,
- Have an established Individual Education Plan (IEP).

The districts intensive student count is multiplied by 5.

Special Education Service Agency

Each fiscal year the department shall allocate to the agency not less than $15.75 multiplied by the number of students in the state in ADM in the preceding fiscal year as determined under AS 14.17.600.

Correspondence Programs

Funding for correspondence programs is calculated by multiplying the correspondence ADM by 80%.

Public School Funding

The components of Public School Funding are state aid, required local contribution, and Title VIII Impact Aid.

State Aid

Basic need minus a required local contribution minus 90% eligible federal Impact Aid plus the amount of funding floor plus Quality School Grants equal state aid.

Basic Need

The adjusted district ADM multiplied by the base student allocation, $3,940.

Required Local Contribution

The equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district not to exceed 45% of the district's basic need for the preceding fiscal year.

Maximum Local Contribution

Maximum local contribution is the required local contribution plus 23% of basic need **or** a 2 mill equivalent of the full and true value of the taxable and real property within the district, whichever is greater.

Title VIII Impact Aid

Federal Impact Aid provides funds to school districts for children of parents living and/or working on federal property "in-lieu of local tax revenues." 90% of the eligible funds are used in the calculation of state aid.

Adjustments to the Funding Floor

The funding floor was established in FY 99 to provide funds for districts generating less state aid using the New Funding Formula and bridges the transition between the programs. All adjustments to the floor are reductions. There are two ways that the floor can be adjusted:

1) If the basic need in the current fiscal year is greater than the basic need in the prior fiscal year, find the difference, then multiply the difference by 40%. Subtract this number from the funding floor to arrive at the new floor, for the current fiscal year.
2) If the ADM decreases by 5% or more over FY99, then reduce the funding floor by that same percentage.

Please Note: No action is taken to the funding floor if:

1) The current fiscal year basic need is less than the prior year Basic Need or,
2) The ADM has not decreased by 5% or more since FY99.

Quality School Grants

The districts adjusted ADM multiplied by $16 generates the amount the school district is eligible to receive.

Example: Sitka School District

I. Basic Need		**Column**
Projected ADM	1,530.00	L
Adjusted ADM-School Size	1,812.75	O
Apply District Cost Factor	x 1.00	
	1,812.75	Q
Apply Special Needs Factor	x 1.20	
	2,175.30	R
Add Intensive Service Counts (14 x 5) = 70.00	70.00	T
	2,245.30	U
Add Correspondence Counts (50.00 * .80) = 40.00	40.00	V
District Adjusted ADM	**2,285.30**	W
Multiply by $3,940 base allocation	x $3,940.00	
Basic Need: 11/29/00 Spreadsheet	$9,004,082	B

II. Sitka's State Aid		
Basic Need	$9,004,082	B
FY2000 Adjusted Floor	0	C
Required Local Contribution	(2,633,192)	D
Impact Aid	(6,806)	G
State Aid	$6,364,084	H

III. Quality Schools Grant		
District adjusted ADM * $16	2,285.30	
	x $16.00	
	$36,565	I

State Aid	$6,364,084	H
Quality Schools Grant	36,565	I
Total State Aid	**$6,400,649**	J

November 29, 2000
FY 2002 Governor's Budget Request
Department of Education and Early Development
Foundation Program - Projected FY2002 Allocations

	A	B	C	D	E	F	G	H	I	J	K	L	M
1				B+C			E x F	G x 1.20		I x 5	H+J	C x .80	K + L
2	School District	Projected FY02 ADM	Projected Corresp. ADM	FY02 Projected Total ADM	Adj for School Size ADM	District Cost Factor	Adjusted for Cost Factor	Special Needs Factor 1.20	Special Ed Int.	Adjusted for Spec Ed Int *5.00	Students + Intensive Special Education	District Corresp. 80%	District Adjusted ADM
3	Alaska Gateway	426.00	39.00	465.00	720.61	1.29	930.31	1,116.37	5.00	25.00	1,141.37	31.20	1,172.57
4	Aleutian Region	74.00	-	74.00	148.93	1.74	258.54	310.25	-	-	310.25	-	310.25
5	Aleutians East	304.00	-	304.00	554.44	1.42	788.97	946.76	-	-	946.76	-	946.76
6	Anchorage	48,441.75	799.00	49,240.75	52,180.35	1.00	52,180.35	62,616.42	765.00	3,825.00	66,441.42	639.20	67,080.62
7	Annette Island	344.00	-	344.00	483.53	1.01	488.85	586.62	6.00	30.00	616.62	-	616.62
8	Bering Strait	1,813.00	-	1,813.00	2,904.19	1.53	4,428.89	5,314.67	12.00	60.00	5,374.67	-	5,374.67
9	Bristol Bay	239.00	-	239.00	378.01	1.26	477.05	572.46	5.00	25.00	597.46	-	597.46
10	Chatham	245.00	-	245.00	456.01	1.12	510.73	612.88	1.00	5.00	617.88	-	617.88
11	Chugach	72.00	100.00	172.00	151.20	1.29	195.65	234.78	-	-	234.78	80.00	314.78
12	Copper River	514.00	173.25	687.25	868.36	1.18	1,021.19	1,225.43	3.00	15.00	1,240.43	138.60	1,379.03
13	Cordova	477.00	-	477.00	625.71	1.10	685.78	822.94	2.00	10.00	832.94	-	832.94
14	Craig	412.40	200.00	612.40	557.59	1.01	563.17	675.80	14.00	70.00	745.80	160.00	905.80
15	Delta/Greely	493.00	202.00	695.00	644.64	1.11	712.97	855.56	3.00	15.00	870.56	161.60	1,032.16
16	Denali	291.00	-	291.00	467.52	1.31	613.85	736.62	-	-	736.62	-	736.62
17	Dillingham	580.00	-	580.00	729.80	1.25	915.17	1,098.20	11.00	55.00	1,153.20	-	1,153.20
18	Fairbanks	15,047.00	258.00	15,305.00	16,547.39	1.04	17,192.74	20,631.29	249.00	1,245.00	21,876.29	206.40	22,082.69
19	Galena	246.00	3,255.00	3,501.00	367.24	1.35	495.04	594.05	3.00	15.00	609.05	2,604.00	3,213.05
20	Haines	379.00	18.00	397.00	549.24	1.01	553.63	664.36	3.00	15.00	679.36	14.40	693.76
21	Hoonah	228.00	-	228.00	344.76	1.06	363.72	436.46	9.00	45.00	481.46	-	481.46
22	Hydaburg	98.00	-	98.00	168.22	1.09	182.52	219.02	1.00	5.00	224.02	-	224.02
23	Iditarod Area	359.55	300.00	659.55	647.41	1.47	951.69	1,142.03	3.00	15.00	1,157.03	240.00	1,397.03
24	Juneau	5,585.00	10.00	5,595.00	6,013.34	1.01	6,043.41	7,252.09	113.00	565.00	7,817.09	8.00	7,825.09
25	Kake	164.00	-	164.00	261.72	1.03	268.26	321.91	1.00	5.00	326.91	-	326.91
26	Kashunamiut	324.00	-	324.00	459.65	1.39	638.45	766.14	3.00	15.00	781.14	-	781.14
27	Kenai Peninsula	9,461.00	600.00	10,061.00	11,642.04	1.00	11,688.61	14,026.33	64.00	320.00	14,346.33	480.00	14,826.33
28	Ketchikan Gateway	2,422.00	40.00	2,462.00	2,801.42	1.00	2,801.42	3,361.70	30.00	150.00	3,511.70	32.00	3,543.70
29	Klawock	204.00	35.00	239.00	314.28	1.02	319.62	383.54	4.00	20.00	403.54	28.00	431.54
30	Kodiak Island	2,800.30	34.60	2,834.90	3,428.30	1.09	3,747.13	4,496.56	23.00	115.00	4,611.56	27.68	4,639.24
31	Kuspuk	501.30	-	501.30	866.43	1.43	1,242.46	1,490.95	1.00	5.00	1,495.95	-	1,495.95
32	Lake & Peninsula	465.53	2.00	467.53	872.71	1.56	1,359.68	1,631.62	-	-	1,631.62	1.60	1,633.22
33	Lower Kuskokwim	3,759.00	-	3,759.00	5,424.98	1.49	8,088.65	9,706.38	37.00	185.00	9,891.38	-	9,891.38
34	Lower Yukon	1,965.00	-	1,965.00	2,992.33	1.44	4,302.97	5,163.56	14.00	70.00	5,233.56	-	5,233.56
35	Mat-Su	12,426.00	500.00	12,926.00	14,093.57	1.01	14,234.51	17,081.41	279.00	1,395.00	18,476.41	400.00	18,876.41
36	Nenana	140.00	1,500.00	1,640.00	229.70	1.27	291.72	350.06	-	-	350.06	1,200.00	1,550.06
37	Nome	765.00	8.00	773.00	905.50	1.32	1,194.35	1,433.22	1.00	5.00	1,438.22	6.40	1,444.62
38	North Slope	2,160.00	-	2,160.00	2,874.33	1.50	4,322.99	5,187.59	4.00	20.00	5,207.59	-	5,207.59
39	Northwest Arctic	2,290.00	15.00	2,305.00	3,199.61	1.55	4,956.20	5,947.44	5.00	25.00	5,972.44	12.00	5,984.44
40	Pelican	23.00	-	23.00	44.46	1.29	57.35	68.82	-	-	68.82	-	68.82
41	Petersburg	680.00	-	680.00	826.80	1.00	826.80	992.16	6.00	30.00	1,022.16	-	1,022.16
42	Pribilof	141.00	-	141.00	243.39	1.42	345.37	414.44	2.00	10.00	424.44	-	424.44
43	Sitka	1,530.00	50.00	1,580.00	1,812.75	1.00	1,812.75	2,175.30	14.00	70.00	2,245.30	40.00	2,285.30
44	Skagway	136.00	2.00	138.00	224.18	1.14	256.24	307.49	-	-	307.49	1.60	309.09
45	Southeast Island	237.00	40.00	277.00	485.40	1.12	545.59	654.71	1.00	5.00	659.71	32.00	691.71
46	Southwest Region	778.00	-	778.00	1,280.35	1.42	1,821.94	2,186.33	5.00	25.00	2,211.33	-	2,211.33
47	Saint Mary's	152.00	-	152.00	243.18	1.35	328.54	394.25	5.00	25.00	419.25	-	419.25
48	Tanana	80.00	100.00	180.00	129.20	1.50	193.28	231.94	4.00	20.00	251.94	80.00	331.94
49	Unalaska	351.34	-	351.34	488.39	1.25	608.04	729.65	1.00	5.00	734.65	-	734.65
50	Valdez	854.20	-	854.20	1,060.97	1.10	1,161.77	1,394.12	9.00	45.00	1,439.12	-	1,439.12
51	Wrangell	467.00	-	467.00	616.56	1.00	616.56	739.87	2.00	10.00	749.87	-	749.87
52	Yakutat	163.25	-	163.25	282.69	1.05	295.70	354.84	3.00	15.00	369.84	-	369.84
53	Yukon Flats	307.00	-	307.00	569.60	1.67	950.09	1,140.11	1.00	5.00	1,145.11	-	1,145.11
54	Yukon/Koyukuk	455.00	25.00	480.00	864.25	1.50	1,296.10	1,557.72	-	-	1,557.72	20.00	1,577.72
55	Yupiit	427.00	-	427.00	691.39	1.47	1,015.65	1,218.78	1.00	5.00	1,223.78	-	1,223.78
56	ACS	-	1,371.00	1,371.00	-	1.00	-	-	-	-	-	1,096.80	1,096.80
57	Mt. Edgecumbe	330.00	-	330.00	403.70	1.00	403.70	484.44	-	-	484.44	-	484.44
58													
59	TOTALS:	123,627.62	9,676.85	133,304.47	147,142.33	-	162,548.71	195,058.44	1,728.00	8,640.00	203,698.44	7,741.48	211,439.92

November 29, 2000
FY 2002 Governor's Budget Request
Department of Education and Early Development
Foundation Program - Projected FY2002 Allocation

	N	O	P	Q	R	S	T	U	V	W
1		***Base Student Allocation AS 14.17.470***								
2	**School District**	$3,940 Basic Need	Required Local Effort	Federal Impact AID	Impact AID Percent	Deductible Impact AID 90.0%	State AID	FY2002 Adjusted Floor	Quality Schools	Total
3	Alaska Gateway	4,619,926	0	240,311	100.00%	216,280	4,403,646	298,314	18,761	4,720,721
4	Aleutian Region	1,222,385	0	237,366	100.00%	213,629	1,008,756	156,424	4,964	1,170,144
5	Aleutians East	3,730,234	388,672	1,123,371	52.88%	534,635	2,806,927	0	15,148	2,822,075
6	Anchorage	264,297,643	66,292,955	9,345,070	65.19%	5,482,846	192,521,842	0	1,073,290	193,595,132
7	Annette Island	2,429,483	0	1,746,971	100.00%	1,572,274	857,209	0	9,866	867,075
8	Bering Strait	21,176,200	0	6,309,565	100.00%	5,678,609	15,497,591	0	85,995	15,583,586
9	Bristol Bay	2,353,992	819,209	341,946	66.21%	203,762	1,331,021	0	9,559	1,340,580
10	Chatham	2,434,447	0	329,068	100.00%	296,161	2,138,286	0	9,886	2,148,172
11	Chugach	1,240,233	0	107,105	100.00%	96,395	1,143,838	549,991	5,036	1,698,865
12	Copper River	5,433,378	0	163,198	100.00%	146,878	5,286,500	15,984	22,064	5,324,548
13	Cordova	3,281,784	695,188	18,524	52.15%	8,694	2,577,902	47,151	13,327	2,638,380
14	Craig	3,568,852	412,600	320,232	54.60%	157,362	2,998,890	0	14,493	3,013,383
15	Delta/Greely	4,066,710	0	246,282	100.00%	221,654	3,845,056	385,177	16,515	4,246,748
16	Denali	2,902,283	486,572	12,248	44.38%	4,892	2,410,819	0	11,786	2,422,605
17	Dillingham	4,543,608	592,602	357,137	55.51%	178,422	3,772,584	79,467	18,451	3,870,502
18	Fairbanks	87,005,799	19,362,253	9,107,500	59.91%	4,910,673	62,732,873	0	353,323	63,086,196
19	Galena	12,659,417	72,175	642,145	5.27%	30,457	12,556,785	1,842,168	51,409	14,450,362
20	Haines	2,733,414	816,091	8,084	58.10%	4,227	1,913,096	7,573	11,100	1,931,769
21	Hoonah	1,896,952	100,240	656,454	17.33%	102,387	1,694,325	35,737	7,703	1,737,765
22	Hydaburg	882,639	32,566	396,778	23.60%	84,276	765,797	140,158	3,584	909,539
23	Iditarod Area	5,504,298	0	506,217	100.00%	455,595	5,048,703	694,661	22,352	5,765,716
24	Juneau	30,830,855	10,528,143	186	62.24%	104	20,302,608	0	125,201	20,427,809
25	Kake	1,288,025	70,572	436,428	38.88%	152,715	1,064,738	70,583	5,231	1,140,552
26	Kashunamiut	3,077,692	0	1,169,336	100.00%	1,052,402	2,025,290	0	12,498	2,037,788
27	Kenai Peninsula	58,415,740	16,987,479	0	55.83%	0	41,428,261	0	237,221	41,665,482
28	Ketchikan Gateway	13,962,178	4,467,695	1,709	59.21%	911	9,493,572	0	56,699	9,550,271
29	Klawock	1,700,268	126,102	280,398	39.56%	99,833	1,474,333	155,164	6,905	1,636,402
30	Kodiak Island	18,278,606	3,911,871	1,760,542	57.89%	917,260	13,449,475	0	74,228	13,523,703
31	Kuspuk	5,894,043	0	1,449,136	100.00%	1,304,222	4,589,821	65,720	23,935	4,679,476
32	Lake & Peninsula	6,434,887	276,124	1,905,392	24.54%	420,825	5,737,938	195,874	26,132	5,959,944
33	Lower Kuskokwim	38,972,037	0	9,268,539	100.00%	8,341,685	30,630,352	4,350,903	158,262	35,139,517
34	Lower Yukon	20,620,226	0	6,775,941	100.00%	6,098,347	14,521,879	0	83,737	14,605,616
35	Mat-Su	74,373,055	13,027,541	0	52.47%	0	61,345,514	0	302,023	61,647,537
36	Nenana	6,107,236	67,200	1,579	71.71%	1,019	6,039,017	0	24,801	6,063,818
37	Nome	5,691,803	844,494	58,608	68.68%	36,227	4,811,082	95,798	23,114	4,929,994
38	North Slope	20,517,905	9,020,829	5,731,515	32.85%	1,694,522	9,802,554	0	83,321	9,885,875
39	Northwest Arctic	23,578,694	1,524,744	4,517,103	44.07%	1,791,619	20,262,331	0	95,751	20,358,082
40	Pelican	271,151	50,487	0	97.73%	0	220,664	198,820	1,101	420,585
41	Petersburg	4,027,310	1,016,898	2,338	53.80%	1,132	3,009,280	0	16,355	3,025,635
42	Pribilof	1,672,294	0	713,723	100.00%	642,351	1,029,943	28,203	6,791	1,064,937
43	Sitka	9,004,082	2,633,192	12,874	58.74%	6,806	6,364,084	0	36,565	6,400,649
44	Skagway	1,217,815	547,130	0	66.58%	0	670,685	210,994	4,945	886,624
45	Southeast Island	2,725,337	0	280,901	100.00%	252,811	2,472,526	457,559	11,067	2,941,152
46	Southwest Region	8,712,640	0	3,076,142	100.00%	2,768,528	5,944,112	0	35,381	5,979,493
47	St. Mary's	1,651,845	18,143	1,101	45.36%	449	1,633,253	107,305	6,708	1,747,266
48	Tanana	1,307,844	23,085	74,560	14.89%	9,992	1,274,767	0	5,311	1,280,078
49	Unalaska	2,894,521	1,302,552	2,894	61.85%	1,611	1,590,358	421,009	11,754	2,023,121
50	Valdez	5,670,133	2,581,984	7,765	63.34%	4,427	3,083,722	565,707	23,026	3,672,455
51	Wrangell	2,954,488	601,886	720	45.47%	295	2,352,307	0	11,998	2,364,305
52	Yakutat	1,457,170	178,245	193,014	36.85%	64,013	1,214,912	227,374	5,917	1,448,203
53	Yukon Flats	4,511,733	0	1,328,212	100.00%	1,195,391	3,316,342	752,811	18,322	4,087,475
54	Yukon/Koyukuk	6,216,217	0	1,438,186	100.00%	1,294,367	4,921,850	544,939	25,244	5,492,033
55	Yupiit	4,821,693	0	1,631,610	100.00%	1,468,449	3,353,244	458,720	19,580	3,831,544
56	ACS*	4,321,392	0	0	0.00%	0	4,321,392	0	17,549	4,338,941
57	Mt. Edgecumbe	1,908,694	0	661,161	100.00%	595,045	1,313,649	0	7,751	1,321,400
58									**Military Flow Through and Other**	26,096,100
59	TOTALS:	633,073,286	159,877,519	74,997,185		50,817,466	622,378,301	13,160,288	3,383,036	665,017,725
60	(*)ACS @75%									
61										

Alaska Public School Funding Program

ADM Report

Projected FY2002

DUE: NOVEMBER 10, 2000

		D	E	D + E			F		
		Average Daily Membership		School Total	Schools < 10	Adj. Total	SPED Intensive	District Corres. Count	School Size Adjustment
District	School; Attendence Center:	K-6	7-12						
ALASKA GATEWAY									
1	Dot Lake School	6.00	6.00	12.00		12.00			39.60
1	Eagle Community School	9.00	12.00	21.00		21.00			41.22
1	Mentasta Lake School	13.00	20.00	33.00		33.00			60.27
1	Tanacross School	7.00	6.00	13.00		13.00			39.60
1	Tetlin School	14.00	13.00	27.00		27.00	2.00		50.94
2	Tok School	129.00	117.00	246.00		246.00	3.00		367.62
1	Walter Northway School	36.00	38.00	74.00		74.00			121.36
	TOTAL	214.00	212.00	426.00	0.00	426.00	5.00	39.00	720.61
ALEUTIAN REGION									
1	Adak School	20.00	15.00	35.00		35.00			63.25
1	Nikolski School	5.00	10.00	15.00		15.00			39.60
1	Yakov E. Nesvetov School	14.00	10.00	24.00		24.00			46.08
	TOTAL	39.00	35.00	74.00	0.00	74.00	0.00	0.00	148.93
ALEUTIANS EAST									
1	Akutan School	3.00	12.00	15.00		15.00			39.60
1	Cold Bay School	12.00	8.00	20.00		20.00			39.60
1	False Pass School	15.00	2.00	17.00		17.00			39.60
2	King Cove School	55.00	68.00	123.00		123.00			205.47
1	Nelson Lagoon School	14.00	2.00	16.00		16.00			39.60
2	Sand Point School	65.00	48.00	113.00		113.00			190.57
	TOTAL	164.00	140.00	304.00	0.00	304.00	0.00	0.00	554.44
ANCHORAGE									
1	Abbott Loop Elementary	429.00		429.00		429.00	8.00		498.28
1	Airport Heights Elementary	285.00		285.00		285.00	18.00		360.05
1	Alpenglow Elementary	551.00		551.00		551.00	5.00		610.52
1	Aurora Elementary	395.00		395.00		395.00	1.00		466.75
1	Bartlett High		1988.00	1988.00		1988.00	27.00		1833.52
1	Baxter Elementary	440.00		440.00		440.00	3.00		508.40
1	Bayshore Elementary	518.00		518.00		518.00			580.16
1	Bear Valley Elementary	439.00		439.00		439.00	4.00		507.48

Alaska Public School Funding Program

ADM Report

Projected FY2002

DUE: NOVEMBER 10, 2000

		D	E	D + E			F		
		Average Daily Membership		School Total	Schools < 10	Adj. Total	SPED Intensive	District Corres. Count	School Size Adjustment
District	School; Attendence Center:	K-6	7-12						
1	Birchwood ABC K-8	353.00	54.00	407.00		407.00	2.00		478.04
1	Bowman Elementary	488.00		488.00		488.00	26.00		552.56
1	Campbell Elementary	446.00		446.00		446.00			513.92
1	Central Middle		816.00	816.00		816.00			849.04
1	Chester Valley Elementary	319.00		319.00		319.00			393.03
1	Chinook Elementary	547.00		547.00		547.00	3.00		606.84
1	Chugach Optional Elementary	228.50		228.50		228.50			302.88
1	Chugiak Elementary	503.00		503.00		503.00	4.00		566.36
1	Chugiak High		2064.00	2064.00		2064.00	8.00		1897.36
1	Clark Middle		906.00	906.00		906.00	11.00		924.64
1	College Gate Elementary	432.00		432.00		432.00	3.00		501.04
1	Creekside Park	434.00		434.00		434.00	19.00		502.88
1	Denali Elementary	435.00		435.00		435.00	17.00		503.80
1	Dimond High		2176.00	2176.00		2176.00	30.00		1991.44
1	Eagle River Elementary	425.00		425.00		425.00	3.00		494.60
1	East High		2096.00	2096.00		2096.00	22.00		1924.24
1	Fairview Elementary	469.00		469.00		469.00			535.08
1	Fire Lake Elementary	289.00		289.00		289.00	3.00		363.93
1	Girdwood School K-8	130.00	35.00	165.00		165.00	1.00		234.30
1	Gladys Wood Elementary	516.00		516.00		516.00	6.00		578.32
1	Golden View Middle		902.00	902.00		902.00	8.00		921.28
1	Government Hill Elementary	475.00		475.00		475.00	1.00		540.60
1	Gruening Middle School		620.00	620.00		620.00	2.00		674.00
1	Hanshew Middle		882.00	882.00		882.00	7.00		904.48
1	Homestead Elementary	383.00		383.00		383.00	3.00		455.11
1	Huffman Elementary	490.00		490.00		490.00			554.40
1	Inlet View Elementary	258.00		258.00		258.00			333.86
1	Kasuun Elementary	526.00		526.00		526.00	3.00		587.52
1	Kincaid Elementary	500.00		500.00		500.00	18.00		563.60
1	Klatt Elementary	386.00		386.00		386.00	1.00		458.02
1	Lake Hood Elementary	472.00		472.00		472.00	4.00		537.84
1	Lake Otis Elementary	477.00		477.00		477.00	2.00		542.44
1	Mears Middle School		1005.00	1005.00		1005.00	8.00		1007.80
1	Mirror Lake Middle School	193.00	443.00	636.00		636.00	4.00		688.72

Alaska Public School Funding Program

ADM Report

Projected FY2002

DUE: NOVEMBER 10, 2000

		D	E	D+E			F		
		Average Daily Membership		School Total	Schools < 10	Adj. Total	SPED Intensive	District Corres. Count	School Size Adjustment
District	School; Attendence Center:	K-6	7-12						
1	Mountain View Elementary	409.00		409.00		409.00			479.88
1	Mt. Spurr Elementary	251.00		251.00		251.00	1.00		327.07
1	Muldoon Elementary	523.00		523.00		523.00	1.00		584.76
1	New Southeast Anchorage								No ADM Reported
1	North Star Elementary	518.00		518.00		518.00	4.00		580.16
1	Northern Lights ABC Elementary	507.50	168.00	675.50		675.50			725.06
1	Northwood Elementary	319.00		319.00		319.00	6.00		393.03
1	Nunaka Valley Elementary	353.00		353.00		353.00	1.00		426.01
1	Ocean View Elementary	516.00		516.00		516.00			578.32
1	O'Malley Elementary	365.00		365.00		365.00	10.00		437.65
1	Orion Elementary	375.00		375.00		375.00	2.00		447.35
1	Ptarmigan Elementary	459.00		459.00		459.00	4.00		525.88
1	Rabbit Creek Elementary	357.00		357.00		357.00	9.00		429.89
1	Ravenwood Elementary	330.00		330.00		330.00	5.00		403.70
1	Rogers Park Elementary	496.00		496.00		496.00	1.00		559.92
1	Romig Middle		838.00	838.00		838.00	10.00		867.52
1	Russian Jack Elementary	330.00		330.00		330.00	3.00		403.70
1	Sand Lake Elementary	550.50		550.50		550.50	1.00		610.06
1	Scenic Park Elementary	531.00		531.00		531.00	5.00		592.12
1	Service High		2441.00	2441.00		2983.25	8.00		2669.53
1	Spring Hill Elementary	361.00		361.00		361.00	4.00		433.77
1	Susitna Elementary	566.00		566.00		566.00	2.00		624.32
1	Taku Elementary	402.00		402.00		402.00	2.00		473.44
1	Trailside Elementary (new school)	443.00		443.00		443.00	1.00		511.16
1	Tudor Elementary	537.00		537.00		537.00	10.00		597.64
1	Turnagain Elementary	385.00		385.00		385.00	10.00		457.05
1	Ursa Major Elementary	430.00		430.00		430.00	2.00		499.20
1	Ursa Minor Elementary	265.00		265.00		265.00			340.65
1	Wendler Middle		896.00	896.00		896.00	7.00		916.24
1	West High		1841.00	1841.00		1841.00	13.00		1710.04
1	William Tyson Elementary	489.00		489.00		489.00	10.00		553.48
1	Williwaw Elementary	483.00		483.00		483.00			547.96
1	Willow Crest Elementary	492.00		492.00		492.00	4.00		556.24
1	Wonder Park Elementary	433.00		433.00		433.00	2.00		501.96

Alaska Public School Funding Program

ADM Report

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DUE: NOVEMBER 10, 2000

		D	E	D + E			F		
		Average Daily Membership		School Total	Schools < 10	Adj. Total	SPED Intensive	District Corres. Count	School Size Adjustment
District	School; Attendence Center:	K-6	7-12						
4	A.V.A.I.L.		68.00	68.00	68.00				
1	Aquarian Charter	240.00		240.00		240.00			315.30
4	Family Partnership Charter School								
4	Mt. Iliamna						15.00		
1	Polaris K-12	218.00	234.00	452.00		452.00			519.44
1	Steller Secondary		299.00	299.00		299.00			373.63
4	Village Charter	100.00	44.00	144.00	144.00				
4	Walden Pond Charter		154.00	154.00	154.00				
4	ACE/ACT (Alternative Career Ed)		66.00	66.00	66.00		44.00		
1	Alaska School for Deaf & Hearing Impaired	26.00	23.00	49.00		49.00	56.00		84.11
1	Benny Benson Secondary/S.E.A.R.C.H.		320.00	320.00		320.00			394.00
4	Booth Memorial Home		17.00	17.00	17.00		2.00		
4	Charter North Hospital	4.00	5.00	9.00	9.00		6.00		
4	Jesse Lee Home	8.00	2.00	10.00	10.00		6.00		
4	King Career Center (Part Time)		11.25	11.25	11.25				
4	Maplewood Group Home		6.00	6.00	6.00		3.00		
4	McKinley Heights		13.00	13.00	13.00				
1	McLaughlin Youth Center		190.00	190.00		190.00			261.30
4	North Star Hospital	10.00	14.00	24.00	24.00		5.00		
4	Outreach		14.00	14.00	14.00		5.00		
4	Providence Heights		6.00	6.00	6.00		1.00		
1	S.A.V.E.		270.00	270.00		270.00			345.50
1	Whaley Center	75.00	126.00	201.00		201.00	199.00		273.18
	TOTAL	26388.50	22053.25	48441.75	542.25	48441.75	765.00	799.00	52180.35
	ANNETTE ISLANDS								
3	Leask Middle School	33.00	49.00	82.00		82.00	2.00		266.70
3	Metlakatla High School		100.00	100.00		100.00	2.00		216.83
3	R. J. Elementary	162.00		162.00		162.00	2.00		
	TOTAL	195.00	149.00	344.00	0.00	344.00	6.00	0.00	483.53
	BERING STRAIT								
2	Aniguin School	60.00	45.00	105.00		105.00			178.65

Alaska Public School Funding Program

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DUE: NOVEMBER 10, 2000

District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
2	Anthony B. Andrews School	85.00	40.00	125.00		125.00	3.00		206.25
2	Brevig Mission School	70.00	31.00	101.00		101.00			172.69
1	Diomede School	28.00	23.00	51.00		51.00			87.09
2	Gambell School	120.00	75.00	195.00		195.00	1.00		302.85
1	Golovin School (Martin L. Olson)	30.00	20.00	50.00		50.00			85.60
1	James C. Isabell School	42.00	36.00	78.00		78.00	1.00		126.66
2	Koyuk Malemute School	70.00	41.00	111.00		111.00	1.00		187.59
2	Savoonga School (Hogarth Kingeekuk SR.)	125.00	64.00	189.00		189.00			292.81
1	Shaktoolik School	40.00	30.00	70.00		70.00			115.40
2	Shishmaref School	122.00	60.00	182.00		182.00			283.04
2	Stebbins School (Tukurngailnguq)	128.00	76.00	204.00		204.00	2.00		314.28
2	Unalakleet School	127.00	103.00	230.00		230.00	4.00		347.30
1	Wales School Kingikmiut)	31.00	25.00	56.00		56.00			94.54
1	White Mountain School	38.00	28.00	66.00		66.00			109.44
	TOTAL	1116.00	697.00	1813.00	0.00	1813.00	12.00	0.00	2904.19
BRISTOL BAY									
2	Bristol Bay School	113.00	110.00	223.00		223.00	5.00		338.41
1	South Naknek School	16.00		16.00		16.00			39.60
	TOTAL	129.00	110.00	239.00	0.00	239.00	5.00	0.00	378.01
CHATHAM									
2	Angoon School	78.00	79.00	157.00		157.00	1.00		254.59
1	Cube Cove School	11.00	4.00	15.00		15.00			39.60
1	Gustavus School	23.00	25.00	48.00		48.00			82.62
1	Klukwan School	7.00	7.00	14.00		14.00			39.60
1	Tenakee Springs School	8.00	3.00	11.00		11.00			39.60
	TOTAL	127.00	118.00	245.00	0.00	245.00	1.00	0.00	456.01
CHUGACH									
1	Chenega Bay School	6.00	6.00	12.00		12.00			39.60

Alaska Public School Funding Program

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District	School; Attendence Center:	D Average Daily Membership K-6	D Average Daily Membership 7-12	E School Total	D+E Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
1	Tatitlek Community School	16.00	14.00	30.00		30.00			55.80
1	Whittier Community School	18.00	12.00	30.00		30.00			55.80
	TOTAL	40.00	32.00	72.00	0.00	72.00	0.00	100.00	151.20
COPPER RIVER									
1	Chistochina School	13.00	2.00	15.00		15.00			39.60
1	Copper Center Elementary School	52.00		52.00		52.00			88.58
1	Gakona Elementary School	13.00		13.00		13.00			39.60
1	Glennallen School		183.00	183.00		183.00	2.00		253.74
1	Glennallen School K-6	113.00		113.00		113.00			171.11
2	Kenny Lake School	63.00	54.00	117.00		117.00	1.00		196.53
1	Lottie Sparks School	11.00		11.00		11.00			39.60
1	Slana School	4.00	6.00	10.00		10.00			39.60
	TOTAL	269.00	245.00	514.00	0.00	514.00	3.00	173.25	868.36
CORDOVA									
1	Cordova High School		212.00	212.00		212.00			285.06
1	Mt. Eccles Elementary	265.00		265.00		265.00	2.00		340.65
	TOTAL	265.00	212.00	477.00	0.00	477.00	2.00	0.00	625.71
CRAIG									
1	Craig Elementary	219.75		219.75		219.75	11.00		293.43
1	Craig Middle & High School		168.65	168.65		192.65	3.00		264.16
4	Alternative High School		24.00	24.00	24.00				
	TOTAL	219.75	192.65	412.40	24.00	412.40	14.00	200.00	557.59
DELTA/GREELY									
3	Delta Junction Elementary School	246.00		246.00		246.00	1.00		321.78
3	Delta Junction High School		222.00	222.00		247.00	2.00		322.86
4	Alternative School		25.00	25.00	25.00				
	TOTAL	246.00	247.00	493.00	25.00	493.00	3.00	202.00	644.64

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District	School; Attendence Center:	D Average Daily Membership K-6	D Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
DENALI									
1	Anderson School	30.00	35.00	65.00		65.00			107.95
1	Cantwell School	18.00	11.00	29.00		29.00			54.18
2	Tri-Valley School	89.00	108.00	197.00		197.00			305.39
	TOTAL	137.00	154.00	291.00	0.00	291.00	0.00	0.00	467.52
DILLINGHAM									
1	Dillingham Elementary	330.00		330.00		330.00	8.00		403.70
1	Dillingham Middle & High School		250.00	250.00		250.00	3.00		326.10
	TOTAL	330.00	250.00	580.00	0.00	580.00	11.00	0.00	729.80
FAIRBANKS									
1	Anderson Elementary School	418.00		418.00		418.00	5.00		488.16
1	Anne Wien Elementary School	446.00		446.00		446.00	9.00		513.92
1	Arctic Light Elementary School	680.00		680.00		680.00	6.00		729.20
1	Badger Road Elementary School	362.00		362.00		362.00	16.00		434.74
1	Barnette Elementary School	379.00		379.00		379.00	1.00		451.23
1	Ben Eielson Jr/Sr High School		660.00	660.00		660.00			710.80
1	Crawford Elementary School	556.00	0.00	556.00		556.00			615.12
1	Denali Elementary School	415.00		415.00		415.00	1.00		485.40
1	Hunter Elementary School	365.00		365.00		365.00	14.00		437.65
1	Joy Elementary School	371.00		371.00		371.00	20.00		443.47
1	Ladd Elementary School	484.00		484.00		484.00	25.00		548.88
1	Lathrop High School		1491.00	1491.00		1621.00	14.00		1525.24
1	Nordale Elementary School	376.00		376.00		376.00	6.00		448.32
1	North Pole Elementary School	404.00		404.00		404.00	8.00		475.28
1	North Pole High School		952.00	952.00		952.00	16.00		963.28
1	North Pole Middle School	263.00	493.00	756.00		756.00	10.00		798.64
1	Pearl Creek Elementary School	495.00		495.00		495.00	13.00		559.00
1	Randy Smith Middle School		467.00	467.00		467.00	9.00		533.24
1	Ryan Middle School		590.00	590.00		590.00	10.00		646.40
1	Salcha Elementary School	83.00		83.00		83.00			133.01
1	Tanana Middle School		598.00	598.00		598.00	5.00		653.76

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District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
1	Ticasuk Brown Elementary School	386.00		386.00		386.00	15.00		458.02
1	Two Rivers Elementary School	98.00		98.00		98.00			152.06
1	University Park Elementary School	550.00		550.00		550.00	9.00		609.60
1	Weller Elementary School	537.00		537.00		537.00			597.64
1	West Valley High School		1191.00	1191.00		1191.00	10.00		1164.04
1	Woodriver Elementary School	482.00		482.00		482.00			547.04
4	Chinook Charter School	74.00	22.00	96.00	96.00				
1	Alternative Learning Systems		297.00	297.00		297.00	25.00		371.69
4	New Beginnings Charter School		34.00	34.00	34.00				
1	Fairbanks Youth Facility		28.00	28.00		28.00	2.00		52.56
	TOTAL	8224.00	6823.00	15047.00	130.00	15047.00	249.00	258.00	16547.39
GALENA									
3	Galena Elementary School	94.00		94.00		164.00	1.00		146.98
3	Galena Jr/Sr High School		82.00	82.00		82.00	2.00		220.26
4	Project Education Charter School		70.00	70.00	70.00				
	TOTAL	94.00	152.00	246.00	70.00	246.00	3.00	3255.00	367.24
HAINES									
3	Haines Elementary School	180.00		180.00		180.00	1.00		250.50
3	Haines High School		132.00	132.00		132.00			259.14
3	Haines Junior High School		56.00	56.00		56.00			
1	Mosquito Lake Elementary School	11.00		11.00		11.00	2.00		39.60
	TOTAL	191.00	188.00	379.00	0.00	379.00	3.00	18.00	549.24
HOONAH									
1	Hoonah Elementary	107.00		107.00		107.00	3.00		163.49
1	Hoonah High School		121.00	121.00		121.00	6.00		181.27
	TOTAL	107.00	121.00	228.00	0.00	228.00	9.00	0.00	344.76
HYDABURG									

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1	Hydaburg Elementary	48.00	0.00	48.00		48.00			82.62
1	Hydaburg Jr/Sr. High School	0.00	50.00	50.00		50.00	1.00		85.60
	TOTAL	48.00	50.00	98.00	0.00	98.00	1.00	0.00	168.22
IDITAROD									
1	Blackwell School	16.00	10.00	26.00		26.00			49.32
1	David-Louis Memorial School	29.00	29.00	58.00		58.00	1.00		97.52
1	Holy Cross School	34.00	25.00	59.00		59.00			99.01
1	Innoko River School	18.00	18.00	36.00		36.00			64.74
1	Lime Villiage School	10.00	4.00	14.00		14.00			39.60
2	McGrath School	48.40	52.15	100.55		100.55	2.00		172.02
1	Takotna Community School	12.00	3.00	15.00		50.00			85.60
1	Top of the Kuskokwim School	11.00	5.00	16.00		16.00			39.60
4	Takotna Charter School		35.00	35.00	35.00				
	TOTAL	178.40	181.15	359.55	35.00	359.55	3.00	300.00	647.41
JUNEAU									
1	Auke Bay Elementary School	400.00		400.00		400.00	5.00		471.60
1	Dzantik'I Heeni Middle School	228.00	459.00	687.00		687.00	9.00		735.64
1	Floyd Dryden Middle School	187.00	419.00	606.00		606.00	11.00		661.12
1	Gastineau Elementary School	338.00		338.00		338.00	8.00		411.46
1	Glacier Valley Elementary School	390.00		390.00		390.00	2.00		461.90
1	Harborview Elementary School	461.00		461.00		461.00	19.00		527.72
1	Juneau Douglas High School		1587.00	1587.00		1747.00	20.00		1631.08
1	Mendenhall River Elementary School	467.00		467.00		467.00	27.00		533.24
1	Riverbend Elementary School	462.00		462.00		462.00	8.00		528.64
4	Juneau Community Charter School	60.00		60.00	60.00		1.00		
4	Ya Koos Alternative High School		100.00	100.00	100.00				
4	Homebound						3.00		
1	Johnson Youth Center		27.00	27.00		27.00			50.94
	TOTAL	2993.00	2592.00	5585.00	160.00	5585.00	113.00	10.00	6013.34

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District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
KAKE									
1	Kake Elementary School	67.00		67.00		67.00			110.93
1	Kake High School		97.00	97.00		97.00	1.00		150.79
	TOTAL	67.00	97.00	164.00	0.00	164.00	1.00	0.00	261.72
KASHUNAMIUT									
2	Chevak School	187.00	137.00	324.00		324.00	3.00		459.65
	TOTAL	187.00	137.00	324.00	0.00	324.00	3.00	0.00	459.65
KENAI PENINSULA									
1	Bartlett School	27.00	21.00	48.00		48.00			82.62
2	Chapman School (anchor point)	116.00	46.00	162.00		162.00			254.56
1	Cooper Landing School	24.00	7.00	31.00		31.00			57.29
1	Homer Junior High School		232.00	232.00		232.00			306.66
1	Homer Senior High School		512.00	512.00		512.00	2.00		574.64
1	Hope School	9.00	4.00	13.00		13.00			39.60
1	Kachemak Selo School (homer)	48.00	14.00	62.00		62.00	7.00		103.48
1	Kalifornsky Beach Elementary (soldotna)	448.00		448.00		448.00			515.76
1	Kenai Central High School		524.00	524.00		524.00	4.00		585.68
1	Kenai Junior High School	143.00	294.00	437.00		437.00			505.64
1	McNeil Canyon Elementary (homer)	102.00		102.00		102.00			157.14
1	Moose Pass School	31.00	9.00	40.00		40.00	4.00		70.70
1	Mountain View Elementary (kenai)	375.00		375.00		375.00			447.35
1	Nanwalek School	31.00	22.00	53.00		53.00	2.00		90.07
1	Nikiski Elementary School	202.00		202.00		202.00	3.00		274.26
1	Nikiski Middle/High School		499.00	499.00		499.00			562.68
2	Nikolaevsk School (nikolaevsk)	58.00	61.00	119.00		119.00	1.00		199.51
2	Ninilchik School	82.00	108.00	190.00		190.00			296.50
1	North Star Elementary School (nikiski)	269.00		269.00		269.00	8.00		344.53
1	Paul Banks Elementary School (homer)	214.00		214.00		214.00			287.22
1	Port Graham School	17.00	12.00	29.00		29.00			54.18
1	Razdolna Elementary School (homer)	25.00	14.00	39.00		39.00	3.00		69.21
1	Redoubt Elementary School (soldotna)	398.00		398.00		398.00	2.00		469.66

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District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
1	Sears Elementary (kenai)	357.00		357.00		357.00			429.89
1	Seward Elementary School	365.00		365.00		365.00	6.00		437.65
1	Seward Jr/Sr High School		427.00	427.00		427.00			496.44
1	Skyview High School (soldotna)		614.00	614.00		898.00	3.00		917.92
1	Soldotna Elementary School	295.00		295.00		295.00	9.00		369.75
1	Soldotna High School		560.00	560.00		560.00	1.00		618.80
1	Soldotna Middle School		535.00	535.00		535.00			595.80
1	Sterling Elementary School (sterling)	233.00		233.00		233.00			307.74
1	Susan B. English School (seldovia)	32.00	45.00	77.00		77.00			125.39
1	Tustumena Elementary School (kasilof)	226.00		226.00		226.00			300.18
2	Voznesenka School	80.00	67.00	147.00		147.00			240.13
1	West Homer Elementary (Homer Intermd.)	293.00		293.00		293.00			367.81
4	Alternative School/Bilingual (soldotna)								
4	Homer Flex		52.00	52.00	52.00		3.00		
4	Kenai Alternative School		77.00	77.00	77.00		6.00		
4	Aurora Borealis Charter (soldotna)	108.00	21.00	129.00	129.00				
4	Bayview Charter School (seward)								
4	Homer Charter	26.00		26.00	26.00				
1	Springcreek Correctional Facility		50.00	50.00		50.00			85.60
	TOTAL	4634.00	4827.00	9461.00	284.00	9461.00	64.00	600.00	11642.04
KETCHIKAN									
1	Houghtaling Elementary School	325.00		325.00		325.00	6.00		398.85
1	Ketchikan High School		696.00	696.00		954.00	7.00		964.96
1	Point Higgins Elementary School	263.00		263.00		263.00	5.00		338.71
1	Schoenbar Middle School		385.00	385.00		385.00	4.00		457.05
1	Valley Park Elementary School	200.00		200.00		200.00	4.00		272.10
1	White Cliff Elementary School	295.00		295.00		295.00	4.00		369.75
4	Revilla High School (Alt.)		130.00	130.00	130.00				
4	Ketchikan Charter School	128.00		128.00	128.00				
	TOTAL	1211.00	1211.00	2422.00	258.00	2422.00	30.00	40.00	2801.42
KLAWOCK									

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DUE: NOVEMBER 10, 2000

District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
2	Klawock School	112.00	92.00	204.00		204.00	4.00		314.28
	TOTAL	112.00	92.00	204.00	0.00	204.00	4.00	35.00	314.28
KODIAK ISLAND									
1	Akhiok School	9.00	7.00	16.00		16.00			39.60
1	Chiniak School	10.75	10.25	21.00		21.00			41.22
1	Danger Bay School	7.00	4.00	11.00		11.00			39.60
1	East Elementary School (kodiak)	452.25	0.00	452.25		452.25	5.00		519.67
1	Karluk School	7.00	6.00	13.00		13.00			39.60
1	Kodiak High School	0.00	807.05	807.05		807.05	4.00		841.52
1	Kodiak Middle School	0.00	417.75	417.75		417.75	1.00		487.93
1	Larsen Bay School	14.00	7.00	21.00		21.00			41.22
1	Main Elementary School (kodiak)	249.30	0.00	249.30		249.30	2.00		325.34
1	North Star Elementary School (Kodiak)	302.80	0.00	302.80		302.80	4.00		377.32
1	Old Harbor School	36.00	27.00	63.00		63.00			104.97
1	Ouzinkie School	32.00	22.85	54.85		54.85			92.83
1	Peterson Elementary School (kodiak)	327.80	0.00	327.80		327.80	6.00		401.57
1	Port Lions School	20.00	23.50	43.50		43.50	1.00		75.92
	TOTAL	1467.90	1332.40	2800.30	0.00	2800.30	23.00	34.60	3428.30
KUSPUK									
3	Aniak High School		61.10	61.10		61.10			148.25
3	Aniak Middle School	13.00	23.00	36.00		36.00			134.41
3	Auntie Mary Nicoli Elementary (aniak)	82.00		82.00		82.00	1.00		
1	Crow Village Sam School	21.00	18.80	39.80		39.80			70.40
1	George Morgan Sr. High School		94.00	94.00		94.00			146.98
1	George Willis School	13.00	0.00	13.00		13.00			39.60
1	Gusty Michael School	9.00	3.00	12.00		12.00			39.60
1	Jack Egnaty Sr. School	17.80	7.00	24.80		24.80			47.38
1	Johnnie John Sr School	24.65	15.95	40.60		40.60			71.59
1	Joseph & Olinga Gregory School	32.95		32.95		32.95			60.20
1	Zackar Levi Elementary School	65.05		65.05		65.05			108.02

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District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
	TOTAL	278.45	222.85	501.30	0.00	501.30	1.00	0.00	866.43
LAKE & PENINSULA									
1	Chignik Bay School	8.55	5.10	13.65		13.65			39.60
1	Chignik Lagoon School	14.80	14.00	28.80		28.80			53.86
1	Chignik Lake School	23.80	22.00	45.80		45.80			79.34
1	Egegik School	14.00	4.75	18.75		18.75			39.60
1	Igugig School	12.00	4.00	16.00		16.00			39.60
1	Ivanof Bay School	0.00	0.00						No ADM Reported
1	Kokhanok School	31.00	23.00	54.00		54.00			91.56
1	Levelock School	17.65	14.40	32.05		32.05			58.85
1	Newhalen School	35.00	34.35	69.35		69.35			114.43
1	Nondalton School	34.00	32.20	66.20		66.20			109.74
1	Pedro Bay School (Dena'ina)	8.70	5.65	14.35		14.35			39.60
1	Perryville School	17.50	12.20	29.70		29.70			55.31
1	Pilot Point School	16.10	10.00	26.10		26.10			49.48
1	Port Alsworth School (Tanalian)	2.63	13.90	16.53		16.53			39.60
1	Port Heiden School (Meshik)	21.25	13.00	34.25		34.25			62.13
	TOTAL	256.98	208.55	465.53	0.00	465.53	0.00	2.00	872.71
LOWER KUSKOKWIM									
1	Akiuk Memorial School	45.00	25.00	70.00		70.00			115.40
2	Akula Elitnauvik School	59.00	44.00	103.00		103.00	1.00		175.67
2	Anna Tobeluk Memorial School	104.00	58.00	162.00		162.00	2.00		257.20
1	Arviq School (platinum)	4.00	3.00	7.00	7.00				No ADM Reported
1	Ayaprun School	60.00	40.00	100.00		100.00			154.60
1	Bethel Regional High School	0.00	472.00	472.00		702.00	1.00		749.44
2	Chaptnguak School	95.00	40.00	135.00		135.00			218.95
2	Chief Paul Memorial	130.00	85.00	215.00		215.00	5.00		328.25
2	Dick R Kiunya	58.00	53.00	111.00		111.00	1.00		187.59
1	Eek School	54.00	35.00	89.00		89.00			140.63
1	Joann A. Alexie Memeorial School	44.00	43.00	87.00		87.00	1.00		138.09
1	Kilbuck Elementary (bethel)	379.00	0.00	379.00		379.00	3.00		451.23

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District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
2	Kwethluk Community School	139.00	90.00	229.00		229.00	2.00		346.03
2	Kwigillingok School	55.00	54.00	109.00		109.00	1.00		184.61
1	Lewis Angapak Memorial School	62.00	34.00	96.00		96.00	4.00		149.52
1	Mikelnguut Elitnaurviat (bethel)	252.00	0.00	252.00		252.00	6.00		328.04
2	Nelson Island School	128.00	55.00	183.00		183.00	1.00		283.21
1	Nightmute School	44.00	24.00	68.00		68.00	1.00		112.42
1	Nuniwaarmiut School	31.00	26.00	57.00		57.00			96.03
2	Paul T. Albert Memorial School	67.00	45.00	112.00		112.00	1.00		189.08
1	Qugcuun Memorial School	13.00	8.00	21.00		28.00			52.56
2	Quinhagak School (Kuinerrarmiut)	102.00	46.00	148.00		148.00	1.00		236.78
1	Rocky Mountain School	39.00	31.00	70.00		70.00	2.00		115.40
1	William N Miller Meml	62.00	38.00	100.00		100.00	1.00		154.60
2	Z. John Williams Memorial School	85.00	46.00	131.00		131.00	3.00		215.19
4	Ayaprun Elitnaurvik Yup'ik Immersion (beth	190.00	0.00	190.00	190.00				
4	Bethel Alternative Boarding School	0.00	40.00	40.00	40.00				
1	Bethel Youth Facility	0.00	23.00	23.00		23.00			44.46
	TOTAL	2301.00	1458.00	3759.00	237.00	3759.00	37.00	0.00	5424.98
	LOWER YUKON								
2	Alakanak School	128.00	67.00	195.00		195.00	1.00		301.09
2	Emmonak School	156.00	87.00	243.00		243.00	2.00		362.67
2	Hooper Bay School	220.00	183.00	403.00		403.00	3.00		547.44
2	Kotlik School	123.00	80.00	203.00		203.00	1.00		313.01
2	Marshall School	69.00	38.00	107.00		107.00			181.63
2	Mountain Village School (Ignatius Beans)	151.00	86.00	237.00		237.00	1.00		356.00
2	Pilot Station School	115.00	86.00	201.00		201.00	1.00		310.47
1	Pitkas Point School	24.00	12.00	36.00		36.00			64.74
2	Russian Mission	60.00	43.00	103.00		103.00	3.00		175.67
2	Scammon Bay School	106.00	67.00	173.00		173.00	2.00		273.15
1	Sheldon Point School	46.00	18.00	64.00		64.00			106.46
	TOTAL	1198.00	767.00	1965.00	0.00	1965.00	14.00	0.00	2992.33
	MAT SU								

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		D	E	D+E			F		
		Average Daily Membership		School Total	Schools < 10	Adj. Total	SPED Intensive	District Corres. Count	School Size Adjustment
District	School; Attendence Center:	K-6	7-12						
1	Beryozava	12.00	9.00	21.00		21.00			41.22
1	Big Lake Elementary	410.00		410.00		410.00	8.00		480.80
1	Butte	319.00		319.00		319.00	12.00		393.03
1	Colony High School		1106.00	1106.00		1106.00	10.00		1092.64
1	Colony Middle School	186.00	379.00	565.00		565.00	19.00		623.40
1	Cottonwood Creek	368.00		368.00		368.00	23.00		440.56
1	Finger Lake	371.00		371.00		371.00	22.00		443.47
1	Glacier View	20.00	26.00	46.00		46.00			79.64
1	Goose Bay	334.00		334.00		334.00	11.00		407.58
1	Houston Jr/Sr High School		654.00	654.00		654.00	4.00		705.28
1	Iditarod	298.00		298.00		298.00			372.66
1	Larson Elementary School	408.00		408.00		408.00			478.96
1	Meadow LakesElementary	427.00		427.00		427.00	12.00		496.44
1	Palmer High School		956.00	956.00		956.00	5.00		966.64
1	Palmer Middle School	207.00	398.00	605.00		605.00	13.00		660.20
1	Pioneer Peak	403.00		403.00		403.00	33.00		474.36
1	Sherrod Elementary	391.00		391.00		391.00	15.00		462.87
1	Snowshoe Elementary	334.00		334.00		334.00	4.00		407.58
1	Susitna Valley High School		202.00	202.00		202.00			274.26
1	Sutton Elementary	140.00		140.00		140.00			205.40
1	Swanson Elementary	278.00		278.00		278.00	11.00		353.26
1	Talkeetna Elementary	97.00		97.00		97.00			150.79
1	Tanaina Elementary	384.00		384.00		384.00	20.00		456.08
1	Teeland Middle School	155.00	445.00	600.00		600.00			655.60
1	Trapper Creek	33.00		33.00		33.00			60.27
1	Wasilla High School		1137.00	1137.00		1364.00	34.00		1309.36
1	Wasilla Middle School	212.00	482.00	694.00		694.00	23.00		742.08
1	Willow	203.00		203.00		203.00			275.34
4	Academy Charter School	135.00		135.00	135.00				
4	Midnight Sun Charter School	19.00	73.00	92.00	92.00				
1	Mat-Su Youth Facility		15.00	15.00		15.00			39.60
1	Valley Pathways Alternative School	24.00	176.00	200.00		200.00			272.10
1	Burchell Alternative High School		200.00	200.00		200.00			272.10
	TOTAL	6168.00	6258.00	13426.00	227.00	13426.00	279.00	500.00	14093.57

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District	School; Attendence Center:	D Average Daily Membership K-6	D Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
NENANA									
2	Nenana K-12 School	60.00	80.00	140.00		140.00			229.70
	TOTAL	60.00	80.00	140.00	0.00	140.00	0.00	1500.00	229.70
NOME									
1	Nome Elementary School	429.00		429.00		475.00	1.00		540.60
1	Nome-Beltz Jr/Sr High		290.00	290.00		290.00			364.90
4	Anvil City Science Academy	9.00	11.00	20.00	20.00				
4	Nome Youth Facility		6.00	6.00	6.00				
4	Leonhard Seppala (Alternative High)		20.00	20.00	20.00				
	TOTAL	438.00	327.00	765.00	46.00	765.00	1.00	8.00	905.50
NORTH SLOPE									
2	Alak School	86.00	69.00	155.00		155.00			250.73
1	Barrow High School (Barrow)		370.00	370.00		370.00			442.50
1	Cully School (Kali)	53.00	38.00	91.00		91.00			143.17
1	Eben Hopson Middle (Barrow)	107.00	183.00	290.00		290.00	2.00		364.90
1	Fred Ipalook (Barrow)	606.00		606.00		606.00	1.00		661.12
1	Harold Kaveolook School	50.00	34.00	84.00		84.00			134.28
1	Meade River School	53.00	19.00	72.00		72.00			118.38
2	Nuiqsut Trapper School	93.00	63.00	156.00		156.00			250.68
1	Nunamiut School	55.00	36.00	91.00		91.00			143.17
2	Tikigaq School	155.00	90.00	245.00		245.00	1.00		365.40
	TOTAL	1258.00	902.00	2160.00	0.00	2160.00	4.00	0.00	2874.33
NORTHWEST ARCTIC									
1	Ambler School	53.00	47.00	100.00		100.00			154.60
2	Aqqaluk School	128.00	102.00	230.00		230.00			347.30
2	Buckland School	116.00	61.00	177.00		177.00			276.91
1	Deering School	23.00	21.00	44.00		44.00			76.66
2	Kiana School	81.00	62.00	143.00		143.00			233.95

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		D	E	D + E			F		
		Average Daily Membership		School Total	Schools < 10	Adj. Total	SPED Intensive	District Corres. Count	School Size Adjustment
District	School; Attendence Center:	K-6	7-12						
1	Kobuk School	26.00	7.00	33.00		33.00			60.27
1	June Nelson Elementary School (Kotzebue)	509.00	0.00	509.00		509.00	4.00		571.88
1	Kotzebue Middle/High School	75.00	345.00	420.00		420.00			490.00
2	McQueen School	60.00	53.00	113.00		113.00			190.57
2	Napaaqtugmiut School	91.00	65.00	156.00		156.00	1.00		251.12
2	Davis-Ramoth Memorial (Selawik)	133.00	140.00	273.00		273.00			401.91
1	Shungnak	55.00	37.00	92.00		92.00			144.44
	TOTAL	1350.00	940.00	2290.00	0.00	2290.00	5.00	15.00	3199.61
PELICAN									
1	Pelican School	13.00	10.00	23.00		23.00			44.46
	TOTAL	13.00	10.00	23.00	0.00	23.00	0.00	0.00	44.46
PETERSBURG									
3	Petersburg Elementary (Rae C. Stedman)	287.00		287.00		287.00	5.00		412.43
3	Petersburg High School		231.00	231.00		231.00			414.37
3	Petersburg Middle School (Mitkof)	52.00	110.00	162.00		162.00	1.00		
	TOTAL	339.00	341.00	680.00	0.00	680.00	6.00	0.00	826.80
PRIBILOF									
1	Saint George Island School	17.00	15.00	32.00		32.00	1.00		58.78
2	St. Paul Island School	59.00	50.00	109.00		109.00	1.00		184.61
	TOTAL	76.00	65.00	141.00	0.00	141.00	2.00	0.00	243.39
SITKA									
1	Baranof Elementary School	250.00		250.00		250.00	3.00		326.10
1	Blatchely Jr High School	125.00	240.00	365.00		365.00	4.00		437.65
1	Sitka High School		415.00	415.00		415.00	3.00		485.40
1	Verstovia Elementary School	450.00		450.00		500.00	4.00		563.60
4	Pacific Alternative		50.00	50.00	50.00				

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District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D + E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
	TOTAL	825.00	705.00	1530.00	50.00	1530.00	14.00	50.00	1812.75
SKAGWAY									
2	Skagway School	78.00	58.00	136.00		136.00			224.18
	TOTAL			136.00	0.00	136.00	0.00	2.00	224.18
SOUTHEAST ISLAND									
1	Hollis School	14.00	0.00	14.00		14.00			39.60
1	Howard Valentine	16.00	10.00	26.00		26.00			49.32
1	Hyder	10.00	4.00	14.00		14.00			39.60
1	Kasaan School	8.00	2.00	10.00		10.00			39.60
1	Naukati School	17.00	15.00	32.00		32.00			58.78
1	Port Alexander School	8.00	8.00	16.00		16.00			39.60
1	Port Protection School	15.00	10.00	25.00		25.00			47.70
2	Thorne Bay School	50.00	50.00	100.00		100.00	1.00		171.20
	TOTAL	138.00	99.00	237.00	0.00	237.00	1.00	40.00	485.40
SOUTHWEST REGION									
1	Aleknagik North School	37.00	9.00	46.00		46.00	1.00		79.64
2	Chief Ivan Blunka	106.00	63.00	169.00		169.00	1.00		267.19
1	Clarks Point School	11.00	6.00	17.00		17.00	1.00		39.60
1	Koliganek School	47.00	33.00	80.00		80.00			129.20
2	Manokotak School	73.00	63.00	136.00		136.00			224.84
1	Portage Creek	8.00	2.00	10.00		10.00			39.60
2	Togiak School	157.00	110.00	267.00		267.00	2.00		392.96
1	Twin Hills School	10.00	5.00	15.00		15.00			39.60
1	William "Sonny" Nelson School	30.00	8.00	38.00		38.00			67.72
	TOTAL	479.00	299.00	778.00	0.00	778.00	5.00	0.00	1280.35
ST. MARY'S									
2	St. Mary's School	100.00	52.00	152.00		152.00	5.00		243.18
	TOTAL	100.00	52.00	152.00	0.00	152.00	5.00	0.00	243.18
TANANA									

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District	School; Attendence Center:	D Average Daily Membership K-6	E Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
1	Tanana School	44.00	36.00	80.00		80.00	4.00		129.20
	TOTAL	44.00	36.00	80.00	0.00	80.00	4.00	100.00	129.20
UNALASKA									
1	Unalaska Elementary	207.49		207.49		218.49	1.00		292.07
1	Unalaska Jr/Sr High School		132.85	132.85		132.85			196.32
4	*Alternative High School		11.00	11.00					
	TOTAL	207.49	143.85	351.34	0.00	351.34	1.00	0.00	488.39
VALDEZ									
1	George H. Gilson Jr. High		132.00	132.00		132.00	1.00		195.24
1	Hermon Hutchens Elementary	440.00		440.00		440.00	5.00		508.40
1	Valdez High School		282.20	282.20		282.20	3.00		357.33
	TOTAL	440.00	414.20	854.20	0.00	854.20	9.00	0.00	1060.97
WRANGELL									
3	Stikine Middle School (Stikine)	30.00	80.00	110.00		110.00			290.46
3	Wrangell Elementary School (Evergreen)	220.00		220.00		220.00	2.00		326.10
3	Wrangell High School		137.00	137.00		137.00			
	TOTAL	250.00	217.00	467.00	0.00	467.00	2.00	0.00	616.56
YAKUTAT									
1	Icy Bay	10.00	5.00	15.00		15.00			39.60
2	Yakutat School K thru 12	74.00	74.25	148.25		148.25	3.00		243.09
	TOTAL	84.00	79.25	163.25	0.00	163.25	3.00	0.00	282.69
YUKON FLATS									
1	Arctic Village School	22.70	20.40	43.10		43.10			75.32
1	Beaver "Cruikshank" School	10.00	8.00	18.00		18.00			39.60
1	Circle School	12.30	12.30	24.60		24.60	1.00		47.05
1	Far North School	9.90	6.00	15.90		15.90			39.60
2	Fort Yukon School	66.00	61.25	127.25		127.25			211.80
1	Stevens Village School	9.00	12.10	21.10		21.10			41.38

Alaska Public School Funding Program

ADM Report

Projected FY2002

DUE: NOVEMBER 10, 2000

District	School; Attendence Center:	D Average Daily Membership K-6	D Average Daily Membership 7-12	D+E School Total	Schools < 10	Adj. Total	F SPED Intensive	District Corres. Count	School Size Adjustment
1	Tsuk Taih School (Chalkyitsik)	7.00	7.00	14.00		14.00			39.60
1	Venetie School (John Fredson)	19.45	23.60	43.05		43.05			75.24
	TOTAL	156.35	150.65	307.00	0.00	307.00	1.00	0.00	569.60
YUKON KOYUKUK									
1	Allakaket School	33.00	19.00	52.00		52.00	1.00		88.58
2	Andrew K. Demonski School	49.00	61.00	110.00		110.00	3.00		186.10
1	Bettles Field School	5.00	10.00	15.00		15.00			39.60
1	Ella B. Vernetti	8.00	4.00	12.00		12.00			39.60
1	Gladys Dart School (Manley Hot Springs)	8.00	3.00	11.00		11.00	1.00		39.60
1	Jimmy Huntington School	38.00	28.00	66.00		66.00			109.44
1	Johnny Oldman School	5.00	5.00	10.00		10.00			39.60
1	Kaltag School	31.00	24.00	55.00		55.00	1.00		93.05
1	Merreline A. Kangas School	26.00	19.00	45.00		45.00	2.00		78.15
1	Minto	27.00	40.00	67.00		67.00	2.00		110.93
1	Wiseman Charter School	4.00	8.00	12.00	0.00	12.00			39.60
	TOTAL	234.00	221.00	455.00	0.00	455.00	10.00	25.00	864.25
YUPIIT									
2	Akiachak School	118.00	69.00	187.00		187.00	1.00		291.37
2	Akiak School	46.00	56.00	102.00		102.00	1.00		174.18
2	Tuluksak School	84.00	54.00	138.00	0.00	138.00	1.00		225.84
	TOTAL	248.00	179.00	427.00	0.00	427.00	3.00	0.00	691.39
ACS									
	Correspondence								
	TOTAL				0.00	0.00	0.00	1371.00	
MT EDGECUMBE									
1	Mt Edgecumbe School	0.00	330.00	330.00	0.00	330.00	0.00		403.70
	TOTAL	0.00	330.00	330.00	0.00	330.00	0.00	0.00	403.70

Alaska Public School Funding Program

ADM Report

Projected FY2002

DUE: NOVEMBER 10, 2000

	D	E	D + E			F		
	Average Daily Membership		School Total	Schools < 10	Adj. Total	SPED Intensive	District Corres. Count	School Size Adjustment
District School; Attendence Center:	K-6	7-12						

1 School Goes through once. Community ADM >750 or <100.
2 School Goes through twice. Community has between 101 & 750 ADM.
3 Three schools in district, K-6 & 7-12 run through separately
4 Alternative programs. >200 run through once, <200 added to largest school in district

Education and Early Development
Public School Funding Formula
Funding Floor AS 14.17.490
1/16/01

Districts	FY99	FY00	FY01	Estimated FY02	Cummulative Difference
Alaska Gateway	323,832	323,832	304,402	298,314	(25,518)
Aleutian Region	295,191	172,799	172,799	156,424	(138,767)
Aleutians East B.	14,054	-	-	-	(14,054)
Anchorage		-	-	-	-
Annette Island		-	-	-	-
Bering Strait		-	-	-	-
Bristol Bay B.		-	-	-	-
Chatham		-	-	-	-
Chugach	591,834	591,834	591,834	549,991	(41,843)
Copper River	15,984	15,984	15,984	15,984	-
Cordova	49,421	49,421	49,421	47,151	(2,270)
Craig		-	-	-	-
Delta/Greely	543,353	445,549	405,450	385,177	(158,176)
Denali B.		-	-	-	-
Dillingham	215,224	140,553	79,814	79,467	(135,757)
Fairbanks B.		-	-	-	-
Galena	2,575,827	2,066,937	2,066,937	1,842,168	(733,659)
Haines B.	8,572	7,886	7,807	7,573	(999)
Hoonah	52,143	45,067	38,495	35,737	(16,406)
Hydaburg	156,987	156,987	145,998	140,158	(16,829)
Iditarod Area	800,310	791,223	705,331	694,661	(105,649)
Juneau B.		-	-	-	-
Kake	80,018	72,016	71,296	70,583	(9,435)
Kashunamiut		-	-	-	-
Kenai Peninsula B.		-	-	-	-
Ketchikan Gateway B.		-	-	-	-
Klawock	222,049	205,123	205,123	155,164	(66,885)
Kodiak Island B.		-	-	-	-
Kuspuk	284,722	168,066	168,066	65,720	(219,002)
Lake & Peninsula B.	240,029	211,226	204,889	195,874	(44,155)
Lower Kuskokwim	5,271,665	4,895,710	4,740,900	4,350,903	(920,762)
Lower Yukon		-	-	-	-
Mat-Su B.	-	-	-	-	-
Nenana	589,331	-	-	-	(589,331)
Nome	110,360	110,360	95,798	95,798	(14,562)
North Slope B.		-	-	-	-
Northwest Arctic B.		-	-	-	-
Pelican	272,282	258,208	198,820	198,820	(73,462)
Petersburg		-	-	-	-
Pribilof	34,693	31,305	28,488	28,203	(6,490)
Sitka B.		-	-	-	-
Skagway	243,759	232,128	211,782	210,994	(32,765)
Southeast Island	510,505	510,505	479,875	457,559	(52,946)
Southwest Region		-	-	-	-
St. Mary's	244,591	161,977	161,977	107,305	(137,286)
Tanana	128,795	114,628	100,873	-	(128,795)
Unalaska	421,009	421,009	421,009	421,009	-
Valdez	617,369	574,801	565,707	565,707	(51,662)
Wrangell		-	-	-	-
Yakutat	292,006	292,006	227,374	227,374	(64,632)
Yukon Flats	995,219	935,506	813,890	752,811	(242,408)
Yukon/Koyukuk	634,345	634,345	550,443	544,939	(89,406)
Yupiit	544,044	544,044	479,208	458,720	(85,324)
TOTAL	**17,379,523**	**15,181,035**	**14,309,790**	**13,160,288**	**(4,219,235)**

HOUSE FINANCE

SPECIAL COMMITTEE on EDUCATION

January 24, 2001

Education Funding Reform in Review

INTRO

Fact to emotion to politics to law

Why we're here today – adequacy study

ADEQUACY REPORT (AGREE / DISAGREE)

1) AGREE – we do not have the information to re-examine the formula
2) STRONG DISAGREE – to remove the transition floor is to gut the existing formula and ignore the fallacies of the previous formula
3) AGREE – Inflation is real.

HOW DID WE GET HERE?

DESCRIBE HANDOUTS

1) NEW FORMULA SHEET & EDUCATION REFORM GOALS
2) TODAY'S PRESENTATION PACKET

GOAL TODAY IS UNDERSTANDING

PILLOW TALK

GW STORY regarding personal experience with Foundation Formula

PROBLEMS WITH THE FF THAT NEEDED TO BE ADDRESSED

1) UNDERSTANDING AND TRUST – LEGISLATURE AND ALASKANS
2) ACD'S
3) CATEGORICAL FUNDING
4) REQUIRED LOCAL CONTRIBUTION INEQUITIES
5) EXCESSIVE ADMINISTRATIVE COSTS

LOOK-BACK

1984 – 87 HISTORY of TURMOIL

1995 ED SUMMIT TO FIX FORMULA

1996 GOV SURVEY

1997 BILL SB 85 (GOV)

FEBRUARY 1998 SB85/SB146/SB36 –

JUNE 12, 1998 GOV. SIGNED BILL AND BECAME LAW 7-1-98 (FY 99)

EXPLAIN TOPICS WHICH DROVE FOUNDATION REFORM

1) SIMPLICITY & UNDERSTANDING = TRUST
   INSTRUCTIONAL UNIT VS. THE STUDENT DOLLAR

2) ACD'S

3) CATEGORICAL FUNDING

4) LOCAL CONTRIBUTION INEQUITIES

6)

RESULTS of REFORM

A) STUDENT DOLLAR MEASURE of FUNDING

B) INCREASED GF MONEY (2ND TIME IN 11 YEARS) INTO FF 40 mil

C) 30% ADMINISTRATIVE CAP

D) GENEROUS TRANSITION FUNDING APPROVED
   13/6 Table
   Transition chart

E) AUGUST MEETING RESULTS

RETURN TO ADEQUACY TAB REPORT for CONCLUSION

1) Agree More information needed for complete re-write

2) Strongly Disagree Stop transition funding

3) Agree Recognize and fund deflation of Student Dollar

THANK YOU

Monitor Site Map Go

Christian Science Monitor
TUESDAY, JANUARY 23, 2001

e-mail this story to a friend

FEATURES, LEARNING

Equity in education

Fix the buildings. Buy lots of books. Install new computers. Is that enough?

By Marjorie Coeyman (marjorie@csmonitor.com)
Staff writer of The Christian Science Monitor

NEW YORK

Peter Thorpe's experiences in education have run the economic gamut. He once served as headmaster of a posh California prep school. Now he heads up Gateway High School, a publicly funded San Francisco charter school for at-risk young people.

Having lived through both the lean years and the fat, Mr. Thorpe has strong views on the relationship between funding and good schools.

"Of course money makes a difference," Thorpe says. "It's fundamentally counterintuitive to argue [that funding levels don't matter]."

The degree to which money affects quality in schools is a thorny issue. Many states - under legal order - have significantly increased spending in recent years, easing some of the stark differences between schools in wealthy communities and poor ones. Yet persistently low scores in many districts continue to raise the question of whether substantial progress has been made toward achieving true educational equity.

ANDY NELSON - STAFF/FILE

Earlier this month, New York State Supreme Court Judge Leland DeGrasse ruled that New York State was not spending enough to fulfill its constitutional promise to give urban children a "sound and basic" education. He ordered New York to find more funding for urban schools.

Although the state will appeal, the decision is being viewed by many advocacy groups as a victory. The court's ruling was hardly the first of its kind, but it went further than many others in terms of spelling out exactly what kind of educational outcomes would be required to meet the standard of a "sound and basic" education.

In the past 15 years, more than 25 cases have challenged school-finance systems across the United States. A number of states - including Texas, Ohio, and New Hampshire - have been ordered to rethink the way education is financed at the state level and to produce better results for poorer districts.

But the question of how to define equity is still hotly debated.

"That's a whole conversation I get really frustrated with," says Frederick Hess, professor of education and government at the University of Virginia in Charlottesville. "It's never been explained to me what a fair system looks like. Do kids with special needs get more funding? Or does every kid get the exact same funding?"

monitor

How do you define an 'adequate' education?

Talk about it.

Money matters, agrees Professor Hess, but after a certain point, court cases focused on financing can be counterproductive. "They prevent policymakers from more-fundamental questions like: 'We're already spending a fair amount of money and why aren't we producing good schools?' " he says. "Good schools and good school systems are not simply the result of imposing the right amount of money."

Many taxpayers are reluctant to feed more money into a system that, they charge, bulks up its bureaucracy at the expense of teachers and students.

Indeed, a simple equation of more money equals better schools has not been borne out in a number of cases across the US.

MORE FROM THE

•Chalk talk: Brightening the after-school hours

•How to be a hero? Find out, after school.

More than a decade ago, both Kentucky and Arkansas retooled their systems for funding education, with an eye toward leveling differences and directing more money to poorer districts. Yet neither state has of yet been able to demonstrate a link between higher spending and significant gains in student achievement.

Kansas City nearly doubled its property taxes in the mid-1980s to achieve one of the highest per-pupil spending levels in the country for a district of its size. Yet a decade later, its schools were still failing to produce results.

Ironically, in New York City, an analysis of city schools done last year revealed that some of the worst-performing city schools were among the best funded.

Still, such disappointing results cannot serve as an excuse to pull back on the conversation about educational equity, says Paul Reville, executive director of the Pew Forum at the Harvard Graduate School of Education in Cambridge, Mass.

"The injury of poverty is so potent as to severely mitigate the degree to which education can impact children," Professor Reville says. But he adds that requiring states to recognize there is a basic, minimum standard for public education that must be met is a positive step forward.

Augusta Kappner, president of Bank Street College of Education in New York agrees that, despite limitations, the focus should be on the role schools do have.

Dr. Kappner argues that in the past 20 years or so, US educators have learned much about the positive impact of well-trained teachers, high-quality prekindergarten offerings, and smaller class sizes on children in disadvantaged neighborhoods. Intelligent spending of additional funding released by lawsuits like the one in New York, she predicts, will ultimately lift student achievement in low-income areas.

In some ways, say those who study school financing, there's been a significant shift in the debate about funding. Back in the 1970s, when the first court cases began springing up, the focus was on equity. The goal was to erase the huge gap that existed in some areas between what wealthy districts were able to

lavish on their schools and what poorer districts offered.

But today, the focus is instead on adequacy. States are not necessarily being told they must erase spending gaps. Instead, they are required to make sure every child's schooling meets a certain minimum level.

DO THE MATH: Urban schools like the Reisenbach Charter School in New York might see more funding as the result of a recent court ruling.
THOMAS DALLAL/FILE

To some extent, this change in focus has been linked to the standards movement. "Standards have definitely been a driving force in looking at things from an adequacy point of view," says Steve Smith, a policy specialist at the National Conference of State Legislatures in Denver.

States can't decree that students must be able to know and do certain things in order to pass from grade to grade, he points out, and then shirk from ensuring that their schools are adequately preparing them to meet those standards.

Adequacy and equity do not mean the same thing, however. A school may be adequately funded with help from the state and yet still fall short of the richer educational experience being offered students in a neighboring district with a higher local tax base.

A truly equal system of education remains an elusive, if not impossible, goal, agree most reformers. But that doesn't prevent many from viewing court-mandated funding increases for poor districts as a positive step.

Jonathan Kozol, for instance, a writer who has long been associated with the drive to offer poor children better public schooling, is a proponent of the more radical notion of a completely equitable, federally funded system of education financing.

But he declares himself delighted with the New York decision. His recent book, "Savage Inequalities," tells of children in one of New York's lowest-income school districts. Channeling dollars to urban schools will make a big difference for the children he writes about, he says.

"Money alone is not an answer, but money is almost always a precondition for creating a situation in which the other good objectives can possibly be realized," Mr. Kozol says. A safe and loving environment that nurtures learning can be achieved without increased spending, he agrees, but it's easier in a school with a lower student-to-teacher ratio.

Rulings like the one in New York may be only partial solutions to dilemmas involving educational equity, but they are still battles worth fighting, Kozol insists. "If I didn't believe that, I would have given up this fight 35 years ago," he says.

• E-mail marjorie@csmonitor.com.

For further information:

- U.S. Department of Education
- Mobilization for Equity National Coalition of Advocates for Students
- Education Week on the Web

Alaska's Public School Funding Formula:

A Report to the Alaska State Legislature

January 15, 2001

Alaska's Public School Funding Formula:

A Report to the Alaska State Legislature

January 15, 2001

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TAB 3 - Educational Adequacy **1-34**

Shirley J. Holloway, Ph.D.
Commissioner, Department of Education & Early Development

Funding Formula Report Questions -- January 24, 2001 Hearing

Executive Summary:

1) Page 2, "As district enrollments increase these additional students are only funded at 60% of entitlement. Under the old formula.

2) Page 3, "...hold harmless provision for school districts that experience a decrease in student enrollment of 10% or more from one year to the next." Also a hold harmless if 10% increase?

3) Page 3, "The dept. brought together a broad based group of Alaskans...." Who?

4) Page 3, "... the impact of inflation on education funding." Has federal funding kept up with inflation? Exceeded it?

5) Page 3, "...significant effect of inflation is...limited ability to recruit and retain teachers." What about maintenance, textbook purchases, etc?

6) Page 3, "...inflation has increased 30% but public funding program only increased 5%. State funding, federal funding, local funding? Total funding?

7) Page 4, "difficulties with recruiting and training teachers due to competitiveness of other states." Which districts are having the most trouble? Which the least? What are the factors involved? Con agrees with the statement, but that requires accountability.

8) Page 4 -- The department recommends that changes be made to the formula due to inflation. Is it necessary to re-write the whole formula to do that? What other options are there?

Tab 1, District Cost Factors:

1) Page 3, "school size table in AS 14.17.450 ... to account for operating costs that are influenced by school size." Was this table based on the methodology used by the McDowell Group? If so, is it still valid or does it need to be adjusted based on a new methodology?

2) Con's note - Cost plus contract. Did the McDowell Group suggest this?

3) Page 5, "AK School Operating Cost Study reported that compensating districts for actual district costs incurred was an unsatisfactory long-term solution." Con's note - This disagrees with the finding on page 3."

4) Page 5, recommendation for an RPF. How much money would this cost? Is there any guarantee of the new methodology's longevity? How long would the new methodology take to develop?

5) Page 6, "The investigations should evaluate whether the previously studied elements...correctly identify cost elements, or whether other items should be added." The Department should have some ideas about this.

6) Page 6, Recommendation that District Cost Factors remain until empirical data is available. Are any districts currently in crisis waiting for new District Cost Factors? If so, who? How long can they wait for a study and new methodology to be completed?

McDowell Group's Alaska School Operating Cost Study

1) Page 13, Advantages and disadvantages of using District Cost Factors to account for wide variations in district level costs depending on geographic location. How is DoE helping districts to improve their financial management procedures? Does the McDowell Group have any suggestions for continuing this process?

2) Are the current financial management practices sufficient for a reasonable, accurate, long-lasting methodology?

3) Does the McDowell Group have any insights or thoughts about what the new methodology would look like?

4) Page 15, "...the portfolio effect has damped critical variations, punishing some districts with higher than average costs and thereby rewarding others." Who is punished? Who is rewarded? How would you recommend this be fixed?

5) Page 15, re: waivers from the 70/30 regulations -- What reasons are being given by districts requesting waivers? What percentage are granted? Will some of those districts be able to achieve 70% instructional funding in the future?

6) Would the McDowell Group bid on an RFP to do another study? What other firms could be anticipated to bid?

7) Page 16, "A funding methodology could then be devised to provide incentives to districts for achieving these goals." Do you have any suggestions for such incentives?

8) Page 16 -- Would the McDowell Group recommend "activity-based costing" or the "rate setting approach"? Why?

Tab 2, Comparison of Old to New Funding Formula

1) Page 3, "The group determined that schools of similar size should receive similar resources for staffing regardless of location." Was this the McDowell Group or the panel of Alaskan educational experts convened to study the old funding formula? Were different needs at different schools/regions taken into account?

2) Page 3 -- change in distribution of resources from the old formula to the new. Has there been an analysis of test scores, graduation rates, other indicators of school success or failure based on increased or decreased revenue? If so, what did that analysis show?

3) Page 3 -- last paragraph. Con's note -- They were never asked.

4) Page 4, first paragraph re: reduction in resources allocated to small schools of less than 100 students for the first 10-20 students. DoE seems to be saying that the new funding formula is a cut in money to small schools for the first 20 students. However, if you add the amounts for the first 20 students under the old formula ($12,000 for the 1st ten students + $12,000 for the 2nd ten) and compare that to the new formula ($16,000 for the 1st ten + $8,000 for the 2nd ten) they both add up to $24,000 for the first 20 students. Where's the loss to the district between the old and new formulas?

5) Page 4 -- the "hold harmless" provision for a 10% drop in enrollment -- the loss was spread over three years. Con's note -- "but did not scale up at the same rate".

6) Page 5 re: Special Needs or categorical funding. Con's note -- "federal requirements?"

7) Page 6, "...school districts are not required to expend these funds on special needs programs" Why not?

8) Page 6, bottom of page, "DCF calculated...as well as other adjustments." What other adjustments?

9) Page 7, "The department intends to employ the McDowell Group methodology in order to update the current District Cost Factors." Isn't all of Section I about how that methodology is flawed and needs to be re-done?

10) Page 7-8, federal equalization; no more than 25% funding disparity between school districts. So local districts can't spend local resources to improve their schools as they see fit without losing state or federal aid? Or, looking at it another way, do poor districts then require more and more state aid as rich districts allocate more local funding to schools?

11) Page 9, "Previous transition language required a ...providing a much more gradual change to the new funding level." So what's the complaint? A more gradual change seems more reasonable.

12) Page 9, second paragraph, Con's note -- Because they have less justification. (Less money for fewer students.)

13) Page 9, Recommendations. Include a hold harmless provision for more than 10% decrease. Why? Why 10% instead of 5% or 20%? Wouldn't re-creating the hold harmless provision shatter the whole concept of per-student funding?

14) Note table on page 10: total state aid increased almost $22 million under the new formula.

15) Note table on page 11: Chugach School District lost 36.7% of their funding under the new formula. However, their scores have gone up, graduation rate and college-bound rate have gone up, etc. Is there an analysis of these sorts of indicators to compare to funding gain and loss between the two formulas? Also see Galena. The Mat-Su Borough lost 4.4%, yet their Competency Test scores are among the best in the state.

Tab 3 -- Educational Adequacy

1) This section reports that adequacy is based on how much is spent by whom, not how it is spent.

2) Page 1, educational adequacy definition. What comments have advocates for and parents of special needs students made about this statement?

3) Page 2, first sentence. Where did this come from? Is it part of the definition of adequacy?

4) Where is the discussion of the necessary components of adequate education? They seem to be thrown in and then abandoned.

5) The components include meeting or exceeding the State Standards. So the standards, adopted in 1993, are still in regular discussion among Alaskan educators?

6) "Qualified educators" -- what standards are used to define this term? Are they uniform across the state?

7) "Appropriate technology" -- definition?

8) Page 3, bold print, first paragraph -- educational adequacy of the formula must be measured against the base student allocation." Please explain this statement.

9) Page 4 - revised chart of accounts for more accurate and detailed reporting becomes effective July 2001. What took so long to develop this since SB 36 was passed?

10) Page 5, last paragraph, Quality Schools Grant funds -- Con's question is, "Has this been figured into total state funds?" Also, is there an accounting of how these funds have been used per district?

11) Page 6, federal impact aid. What does it pay for? What districts got what percent of Alaska's federal impact aid?

12) Page 7, local contributions. Municipalities -- Con's question, "Of what size?"

13) Page 7, "Municipalities have responded to the legislature's desire for accountability..." Accountability is more than just money. It's results for the money spent, too. Where has the money gone?

14) Page 8, discussion of the increase in local and state funding. Con's question, "Maybe the local contribution started too low?" Other ideas -- more people moved into high tax generating properties, property values went up, taxes went up >>>> more money for local schools. Question -- if some municipalities were spending so much more in local contributions, did the federal disparity requirement force the state to spend more money in poorer school districts? If so, how much?

15) Page 8, Does the DoE recommend that the state "match the local contribution effort" of Anchorage? If so, where does DoE suggest the state find an additional $30 million in foundation aid just for Anchorage and an additional $95.2 million for base student allocation statewide?

16) Page 9 -- unfinished sentence. What was meant?

17) Page 10, districts forced to hire unqualified teachers..." Who is assisting districts to help teachers once they are hired? Who is leading in the effort to assist teachers, especially those in rural districts?

18) Page 10, "average teacher salary". How does Alaska compare in starting teacher salary? Are experienced Alaskan teachers moving south to take advantage of higher wages? If so, how many?

19) Page 10: supplemental grants. Is there any central accounting of these grants? Who is getting the most benefit? Is DoE providing leadership to districts who are unsuccessful?

20) Page 12, "Alaska will spend more to inflation-proof the PF than to spend on K-12 education." Is DoE suggesting the Legislature not inflation-proof the PF and use the money to increase school funding?

21) Page 12 - funding for facility operations and maintenance has decreased slightly. Is this in constant dollars? Why has spending gone down? Is the required local maintenance keeping the big-ticket items down?

22) Page 13 -- school districts have kept contract and administrative costs down. Con's point, "And then complain salaries are too low."

STATE OF ALASKA
Department of Education & Early Development

Office of the Commissioner

TONY KNOWLES, GOVERNOR

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January 15, 2001

The Honorable Brian Porter, Speaker
Alaska House of Representatives
State Capitol, Room 208
Juneau, Alaska 99801

Dear Speaker Porter:

The legislature passed Senate Bill 36, "An act relating to public schools... and providing for an effective date" during the 1998 legislative session. As you know, this legislation significantly changed the way public schools are funded in Alaska. The new funding formula went into effect on July 1, 1998.

SB 36 contained several specific reporting requirements:

1. An initial report on proposed district cost factors by January 15, 2001;
2. A comparison of per school funding under the new formula to the use of the funding communities (instructional units) under the prior funding formula, also due January 15, 2001;
3. An annual report on the Minimum Expenditure on Instruction requirement submitted to the Legislative Budget and Audit Committee by April 15 of each year; and
4. A Report Card to the Public containing school level information beginning January 15, 2001, and after January 15, 2003 to include school performance designations for each public school of distinguished, successful, deficient, or in crisis.

In addition to the reports required in the law, the letter of intent expanded the comparison of the old and new formula to include "a thorough review of educational adequacy."

Enclosed is a copy of the reports relating to district cost factors, a comparison of the new formula to the previous funding formula, and the review of educational adequacy. In addition, the Report Card to the Public containing school level information will be available electronically on the department's website at www.eed.state.ak.us. There will also be a version on CD Rom, which should provide easy access to the school information. Because of the extensive length of the school level report card, there will be a limited number of hard copies printed.

printed on recycled paper

The department is preparing the annual report on the Minimum Expenditure on Instruction requirement for the Legislative Budget and Audit Committee that is due April 15.

There has been significant effort in implementing the new formula, developing regulations, working with districts to improve the quality and comparability of financial data, and evaluating the impact of the formula in preparing these reports. Clearly, more work is needed. The Governor has appointed an Education Funding Task Force that will be making recommendations to the State Board of Education and Early Development and to him by February 1 regarding a five-year funding plan to ensure that programs and resources are available for all Alaskan students to be successful.

I hope these reports are helpful to you and the members of the Alaska State Legislature as you consider education policy and funding issues. I look forward to working with you in this effort.

Sincerely,

Shirley J. Holloway

Shirley J. Holloway, Ph.D.
Commissioner

cc: Members, Alaska House of Representatives
Chief Clerk

Public School Funding Formula
Executive Summary

The passage of Senate Bill 36, Ch. 83, SLA 1998, carried with it certain reporting requirements for the Department of Education & Early Development to the 22nd legislature by January 15, 2001. Following is a brief summary of each of the three required reports.

Tab 1 District Cost Factors

Background

This report addresses the requirement of: SB 36 section 41. TRANSITION: PROPOSED DISTRICT COST FACTORS. The Department of Education shall submit the initial proposed district cost factors, required under AS 14.17.460(b), enacted in sec. 2 of this Act, to the Alaska State Legislature by January 15, 2001.

Legislation requires the department to monitor district cost factors and submit a report to the legislature every other year beginning January 15, 2001. Cost factors are specific to each district and adjust funding to account for regional cost differences between districts. The lowest factor is 1.000 and the highest is 1.736.

Current district cost factors were adopted by the legislature and became effective July 1, 1998. These factors were based on the best data available at the time as provided by the McDowell 1998 Alaska Cost Study. To recalculate current district cost factors the department again utilized the 1998 McDowell Alaska School Operating Cost Study methodology.

Findings

The department utilized the 1998 McDowell Alaska Cost Study methodology to calculate updated district cost factors that created results that were not defensible or supported by underlying data. The department contracted with the McDowell group to verify the accuracy of the calculation.

The McDowell Group reviewed the department's calculations and found that the results were not meaningful. The McDowell Group determined that the 1998 methodology is not usable to update district cost factors for a number of reasons as outlined in their report included under Tab 1.

Recommendation

The department recommends that district cost factors remain at their current levels as designated in statute under AS 14.17.460 because there is not any empirical data to support changing the district cost factors at this time. The

department also recommends that a new district cost model be developed to properly account for cost differences between districts on an ongoing basis.

Tab 2 Comparison of Old to New Funding Formula

Background

This report addresses the requirement of: SB 36 Sec. 47. REQUIRED REPORT. The Department of Education shall compare the use of per school funding required under this Act to the use of funding communities required in AS 14.17 before the effective date of the Act and submit a report to the Alaska State Legislature by January 15, 2001.

This required report compares the per school funding under SB 36 to the previous funding formula. The old formula uses student enrollment grouped by community and the new formula uses enrollment grouped by school to determine basic need. This report compares adjustments between the old and new funding formulas such as size, special needs and supplemental funding floor.

The 1998 McDowell Alaska Cost Study review panel did not suggest that any school districts were over funded under the previous funding formula, rather that some districts appeared to be under funded under the new school funding model. The McDowell group report suggested that no district lose money. The legislature adopted as a component of SB36 the supplemental funding floor that erodes over time.

Findings

The supplemental funding floor is subject to erosion as school district enrollments increase. As district enrollments increase these additional students are only funded at 60% of entitlement. In the department's analysis of the district cost factors and comparing the old and new funding formula, there is no data to support the erosion of the supplemental funding floor that penalizes districts that have increased enrollment.

The previous funding formula had a hold harmless provision for school districts that experienced a substantial decrease in student enrollment from one year to the next. The current funding formula has no such provision and school districts immediately absorb the reduction in revenue due to decreased enrollment.

Recommendations
The department recommends the repeal of AS 14.17.490(d), erosion of the supplemental funding floor.

The department recommends that AS 14.17 be amended to include a hold harmless provision for school districts that experience a decrease in student enrollment of 10% or more from one year to the next. Also a ~~decrease~~ Hold harmless if 10% increase?

Tab 3 Educational Adequacy

Background
This report addresses the requirement of: SB 36 Letter of Intent. "It is the intent of the Legislature to direct the Department of Education to include in the required report of Section 47 a thorough review of educational adequacy in the schools of Alaska, paying particular attention to differences in costs of school operations between communities, differences in costs of school operations depending on their size, and the particular effects and impacts described in AS 14.17.490 section (d), and to report to the Legislature no later than January 15, 2001."

Who?

The department brought together a broad based group of Alaskan's to define educational adequacy and the underlying factors. The grou focused primarily on the impact of inflation on education funding. What were their findings?

Was federal funding kept up w/ inflation? Exceeded it?

Based on direction from the adequacy group, the department examined the changes that have occurred in education funding over the past ten years and the impacts of those changes on school districts. The effects of inflation over the past ten years are identified in the report. The department found that a significant effect of inflation is that school districts are limited in their ability to recruit and retain teachers. What about maintenance, textbooks, etc?

Findings
From FY90 to FY00 inflation has increased approximately 30% but the public school funding program was increased only 5% during this time. state? federal? local?

From FY90 to FY00 enrollment increased 25% and the legislature fully funded the increase.

Public School Funding Formula
Executive Summary

I agree, but

School districts in Alaska are having a difficult time recruiting and retaining teachers due to the competitiveness of teacher salaries in other states and the vast number of incentives being afforded to new hires in other states.

which school districts?

Recommendations

Based on the adequacy group's work and the department's analysis, the department recommends that changes be made to the public school funding formula to recoup losses due to inflation and to provide for future inflationary adjustments. These recommendations and others included in Tab 1 and 2 will be forwarded to the governor's education funding task force. The task force recommendations are due to the governor and the State Board of Education & Early Development on February 1, 2001.

that requires accountability

Is it necessary to re-write the funding formula?
What other options are there?
- ed endowment?
- SB 1 by Wilken?
- ?

Public School Funding Formula
District Cost Factors

Introduction

Alaska's public school funding formula includes a provision to adjust funding for each district for regional cost differences; this adjustment is contained within district cost factors that are in AS 14.17.460. Each district is assigned a factor by which funding is increased to compensate for cost differences.

This report responds to the direction in AS 14.17.460 (b) District cost factors, that the department shall monitor the cost factors established under (a) of this section and shall prepare and submit to the legislature by January 15 of every other fiscal year proposed district cost factors.

The current district cost factors in statute were arrived at as part of the 1998 Alaska School Operating Cost Study and adopted beginning fiscal year 1999. Previously, cost factors were last updated in 1988.

The department has reviewed the 1998 Alaska School Operating Cost Study in detail and compiled current data for analysis in the same manner as the study utilized. The department has calculated cost factors with current FY99 data based on the study's methodology and has reached conclusions and makes recommendations based on the outcome of our calculations and evaluation.

Public School Funding Formula
District Cost Factors

The department has contracted with the authors of the 1998 Alaska School Operating Cost Study, The McDowell Group, to:

- Review, comment, and make recommendations to the department's current recalculation of district cost factors derived from using the Alaska School Operating Cost Study methodology.
- Review, comment, and make recommendations for any changes to current district cost factors.
- Review, comment, and make recommendations for any changes to the cost factor methodology.

The McDowell Group's report is included after this report. See blue tab.

Summary of the 1998 Alaska School Operating Cost Study Methodology and Calculations

I don't have page 18

The 1998 Alaska School Operating Cost Study presents the calculation for determining cost factors on page 18 of that report. The district cost factors are calculated by dividing each district's estimated average basic need per student by the statewide estimated average basic need per student. Basic need is the amount of required funding the foundation formula assigns to each district.

The 1998 Alaska School Operating Cost Study was able to use basic need in calculating cost factors because basic need revenues are essentially what a district has available to spend, therefore basic need approximates expenditures.

Public School Funding Formula
District Cost Factors

The 1998 Alaska School Operating Cost Study investigated the issue of basic need and cost factors in two pieces, the instructional component and the district level component (non-personal services and administration).

The development of the instructional component of basic need and cost factors used a team of education experts and statistical modeling to develop a school size table that is in AS 14.17.450. The school size table was developed to account for instructional operating costs that are influenced by school size. The instructional portion of a district's basic need is dependent on the multipliers in the table as applied to each school in the district.

Is the table still valid?

The study's review of the district expenditures used an analysis of 1996 audited expenditure reports from all 53 school districts. The study pursues a rigorous examination of district level expenditures. The study examined district level costs by measuring each district's expenditures per student and also repeats the analysis by examining a "market basket," or subset, of expenditures per student. The market basket of expenditures included travel, supplies, utilities, insurance, and communication expenditures. The report concludes that no consistent standard could be applied for computing a relationship between student enrollment and district level costs, and that the short run solution is to compensate districts based on their actual costs. Therefore, the final methodology resorted to using basic need in the calculation for cost factors rather than expenditure data.

Cost + plus contract

Did McDowell Group suggest this?

The estimated basic need used in the study to determine cost factors was arrived at by adjusting each district's original basic need by changes developed in the school table. Because a conclusion relating to district costs was not achieved, no changes

were suggested for these non-personal services and administrative costs. The cost factors in AS 14.17.460 represent each district's estimated average basic need per student divided by the statewide estimated average basic need per student.

Results of using FY99 Data to Calculate District Cost Factors following the McDowell 1998 Alaska School Operating Cost Study

For the current period, actual FY99 student data and actual basic need dollars were used to recalculate cost factors as presented on page 18 of the 1998 Alaska School Operating Cost Study.

Because the instructional portion of basic need is set in statue with the school size table and because there is not a mechanism to adjust basic need for district costs, one would not expect districts' basic need dollars to significantly change from one year to the next unless there was a drastic change in a district's school size configuration. Correspondingly, if basic need remains stable, than the cost factors derived from dividing each district's basic need per student by the statewide basic need per student would not be expected to change.

The results obtained from recalculating cost factors using FY99 data are presented in appendix A. The results do not provide a basis, or insight, to recommend changes to existing cost factors. The results do however point to several areas of concern in the current cost factor methodology.

The current cost study methodology does not account for the changes that SB 36 made to the foundation formula for calculating correspondence study dollars or special education intensive dollars. The results of using FY99 data with the cost

study methodology shows that those schools with correspondence students have an elevated cost factor. For example, Galena's cost factor is set in statute at 1.348 but using the cost study methodology with FY99 correspondence dollars assigns Galena a cost factor of 6.631. The increases the methodology calculates for districts with correspondence students are not warranted by increased costs. Additionally, because the formula simply divides each district's average basic need per student by the statewide average basic need per student, the impacts affecting districts with correspondence studies are also carried into the statewide average.

By using a calculation based on adjusted average daily attendance and average basic need to calculate cost factors any imperfections in the adjustment to average daily attendance or in the determination of basic need, are incorporated into district cost factors. Further, without identifying the underlying elements of true cost differences there is not a process to evaluate outcomes.

Conclusion

The 1998 Alaska School Operating Cost Study reported that compensating districts for actual district costs incurred was an unsatisfactory long-term solution. Based on our review of the methodology, and the outcome of calculations using FY99 data, we agree with the study's conclusion that the current methodology is unsatisfactory.

We recommend that a request-for-proposal be developed that requires identification of the underlying elements affecting school costs and determines a methodology for measuring those underlying elements. This will improve our cost factor methodology from that of compensating districts for current basic need to an improved method of allocating funding based on differences in applicable costs.

Consideration should be given to the elements that contribute to costs in school districts. The investigation should evaluate whether the previously studied elements of travel, supplies, utilities, insurance, and communication correctly identify cost elements in districts, or whether other items should be added, or if different factors driving school district costs are applicable. Once the underlying elements are identified, a measurement tool applicable to each element should be identified.

DoE must have some ideas about this

The results obtained from recalculating cost factors using FY99 data under the 1998 cost study methodology do not provide a basis to recommend changes to existing cost factors because the formula does not adequately evaluate for cost differences in district level costs and the methodology does not adequately account for changes in the foundation formula after SB 36.

Recommendation

The department recommends that district cost factors remain at their current levels as designated in statute under AS 14.17.460 because there is not any empirical data to support changing the district cost factors at this time. The department also recommends that a new district cost model be developed to properly account for cost differences between districts on an ongoing basis.

Are any districts in crisis? Who? How long can they wait for a study; new methodology to be completed?

FY99 Computation of District Cost Factors

School District	(1) FY99 Instructional Level Expenditures	(2) FY99 District Level Expenditures	(3) FY99 School Level Expenditures	(4) FY99 District Level Expenditures	(5) Impact of School Level Revisions	(6) Weighted Impact of School & District Level Revisions	(7) Current (FY 99) Basic Need	(8) Revised Basic Need	(9) Current (FY 99) Basic Need Per Student	(10) Unadjusted Multiplier	(11) District Cost Factor
Total	622,823,619	338,506,511	65%	35%			813,867,788		5,516		
Alaska Gateway	2,997,683	2,048,003	59%	41%			4,977,441		6,468	1.173	1.296
Aleutian Region	492,197	546,358	47%	53%			975,111		8,208	1.488	1.644
Aleutians East	2,302,187	2,676,885	46%	54%			3,670,346		6,728	1.220	1.348
Anchorage	209,452,072	76,372,647	73%	27%			258,251,043		4,991	0.905	1.000
Annette Island	2,489,601	1,724,851	59%	41%			2,448,946		4,939	0.895	1.000
Bering Strait	11,706,858	12,267,042	49%	51%			20,512,192		7,266	1.317	1.455
Bristol Bay	1,632,441	1,265,562	56%	44%			2,751,026		6,098	1.105	1.221
Chatham	1,664,365	1,316,342	56%	44%			2,688,735		5,497	0.996	1.101
Chugach	839,298	859,828	49%	51%			1,234,166		7,866	1.426	1.576
Copper River	3,050,705	2,516,105	55%	45%			5,624,665		6,186	1.121	1.239
Cordova	2,459,543	1,757,664	58%	42%			3,372,679		5,274	0.956	1.056
Craig	1,837,411	1,260,688	59%	41%			2,866,823		4,986	0.904	1.000
Delta Greely	3,930,540	3,063,337	56%	44%			6,603,913		6,323	1.146	1.266
Denali	2,077,774	1,803,864	54%	46%			3,510,658		6,243	1.132	1.251
Dillingham	3,531,431	1,966,385	64%	36%			4,204,216		6,042	1.095	1.210
Fairbanks	72,876,411	32,879,603	69%	31%			88,576,188		5,214	0.945	1.044
Galena	3,720,080	9,516,538	28%	72%			11,747,583		33,105	6.001	6.631
Haines	2,121,521	1,347,464	61%	39%			2,873,678		4,949	0.897	1.000
Hoonah	1,634,172	1,444,138	53%	47%			1,855,937		5,327	0.966	1.067
Hydaburg	419,259	568,515	42%	58%			978,223		5,235	0.949	1.049
Iditarod	2,976,552	4,075,269	42%	58%			5,240,176		7,825	1.419	1.568
Juneau	26,149,536	9,738,260	73%	27%			30,632,003		5,021	0.910	1.006
Kake	917,143	1,133,529	45%	55%			1,450,472		4,982	0.903	1.000
Kashunamiut	1,409,301	1,533,516	48%	52%			2,751,775		6,811	1.235	1.365
Kenai	48,259,961	24,656,506	66%	34%			59,675,398		4,859	0.881	1.000
Ketchikan	11,276,914	6,223,865	64%	36%			14,774,370		4,887	0.886	1.000
Klawock	1,269,410	931,150	58%	42%			1,537,191		5,055	0.916	1.012
Kodiak	14,370,291	8,486,571	63%	37%			17,811,243		5,325	0.965	1.066
Kuspuk	3,523,450	3,125,405	53%	47%			5,531,642		6,878	1.247	1.378
Lake & Peninsula	4,087,174	4,169,360	50%	50%			7,378,871		7,369	1.336	1.476
Lower Kuskokwim	25,163,924	18,855,045	57%	43%			36,670,132		7,138	1.294	1.430
Lower Yukon	11,255,759	8,504,546	57%	43%			19,427,864		6,840	1.240	1.370
Matanuska	61,906,788	22,150,470	74%	26%			70,235,033		5,158	0.935	1.033
Nenana	1,094,922	1,525,356	42%	58%			2,220,939		9,389	1.702	1.881
Nome	4,025,758	2,726,728	60%	40%			5,734,040		6,258	1.134	1.253
North Slope	20,020,075	19,098,608	51%	49%			19,700,591		7,132	1.293	1.429
Northwest Arctic	12,323,886	11,813,417	51%	49%			21,898,559		7,381	1.338	1.478
Pelican	276,916	348,793	44%	56%			338,328		6,099	1.106	1.222
Petersburg	3,176,667	1,957,271	62%	38%			4,708,300		4,850	0.879	1.000
Pribilof	885,092	1,236,683	42%	58%			1,816,576		6,783	1.230	1.359
Sitka	8,038,682	3,207,312	71%	29%			9,500,317		4,958	0.899	1.000
Skagway	668,697	754,929	47%	53%			1,135,902		5,465	0.991	1.095
Southeast Island	1,794,504	1,632,270	52%	48%			2,933,015		5,440	0.986	1.090
Southwest Region	5,764,965	4,143,933	58%	42%			8,643,414		6,774	1.228	1.357
St. Mary's	688,727	703,215	49%	51%			1,355,439		6,388	1.158	1.280
Tanana	540,615	1,235,715	30%	70%			1,230,895		7,128	1.292	1.428
Unalaska	2,063,788	1,720,125	55%	45%			2,924,426		5,926	1.074	1.187
Valdez	4,907,866	3,000,547	62%	38%			5,608,590		5,289	0.959	1.060
Wrangell	2,325,866	1,426,328	62%	38%			3,264,842		4,815	0.873	1.000
Yakatut	1,025,300	916,127	53%	47%			1,345,234		5,095	0.924	1.021
Yukon Flats	2,959,179	3,362,200	47%	53%			5,077,399		7,941	1.440	1.591
Yukon Koyukuk	4,125,363	3,898,453	51%	49%			6,917,970		7,225	1.310	1.448
Yupiit	2,314,999	3,013,190	43%	57%			4,673,273		7,095	1.286	1.421

Notes to columns:

- Columns (1) and (2) are from 1999 school district audited financial statements
- Column (1), The term "Instructional Level Costs," includes aggregrated costs for intructional personnel. This is also referred to as "School Level Costs," in the McDowell report.
- Columns (5), (6), and (8) are represented on the spreadsheet to show comparison to the 1998 study calculation, but these are not used in FY99 because there were no changes in school or district level components contained in the instructional size table after the 1998 study changes, therefore actual basic need is used for FY99.
- Column (7) current basic need is taken from the FY99 foundation calculation
- Column (9) per student basic need is determined by dividing column (7) by the size-adjusted student count in each district.

ALASKA SCHOOL OPERATING COST STUDY

REVIEW OF CALCULATED COST FACTORS

PREPARED FOR:

Alaska Department of Education and Early Development

801 WEST 10TH STREET

JUNEAU ALASKA, 99801

January 2001

ALASKA SCHOOL OPERATING COST STUDY

REVIEW OF CALCULATED COST FACTORS

PREPARED FOR:

Alaska Department of Education and Early Development
801 WEST 10TH STREET
JUNEAU ALASKA, 99801

PREPARED BY:

McDowell GROUP
Juneau • Anchorage

January 2001

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Executive Summary

The Alaska Department of Education and Early Development retained the McDowell Group to review the 1999 updates to the District Cost Factors. We have examined the new calculations, the underlying database and assumptions, and have discussed changes in the education environment with Department representatives.

Our recommendations are as follows:

1. The methodology used to adjust Average Daily Membership (ADM) for the impact of school size is sound and amenable to update. This methodology is based on an empirical analysis of school level (instructional) costs. The Department should use recalculated ADM's using the most recent census in their revised calculation of Basic Need.

2. The methodology used to calculate District Cost Factors (DCF's) is **not** amenable to update for a number of reasons discussed in this report. We find the re-calculated results to not be meaningful. We recommend that the Department use the 1998 factors for the revised calculation of Basic Need.

3. We reiterate our recommendation in the 1998 *Alaska School Operating Cost Study* that further study is required for the district level costs. On the other hand, the standards for school level costs remain valid today. Readers are reminded that the District Cost Factor is a single number resulting from the blending in two costs – school level (instructional) costs and district level (administration and non-personal services) costs. The methodology selected in that report to allocate district level costs was simply a first step in transitioning the State of Alaska toward using an empirical basis for identifying actual school cost. Because school districts have greater discretion in controlling non-personnel and administrative costs, a methodology that develops standards or goals and directs funding in accordance with achieving the standards/goals may be a preferable option.

Statement of the Situation

In early 1998, the McDowell Group prepared the *Alaska School Operating Cost Study* for the State of Alaska Legislative Budget and Audit Committee. The purpose of the study was to determine adjustment factors that compensate for the impact of school size and geographical location on school operating costs. These factors were incorporated into the Public School Funding Formula.

It is important to stress that this study dealt with only one piece – operating costs - of a large and complex puzzle termed the School Foundation Formula. It was not intended to determine the cost of basic educational (Basic Need), but only how to allocate a portion of Basic Need (i.e., certain school operating costs) as defined by legislative appropriation. Also, Basic Need is only a starting point for public school funding; many adjustments are made for local contributions, federal impact aid, special needs, and other factors. Since the report was published, additional legislation has been enacted which has "adjusted" the District Cost Factors; all of these adjustments have been determined outside of the study analysis.

In our report, we cautioned the Committee that this was an important step, but only a first step in the process of transforming the funding process into one that has a scientific and empirical basis. Previous to 1998, District Cost Factors were based primarily on outdated (1985) household market basket costs unrelated to the cost of operating schools. A major advance of the Alaska School Operating Cost Study was, for the first time since statehood, to base District Cost Factors on what it cost to actually operate schools. The priority focus of the study effort was placed on the most significant port of operating costs, namely school level or instructional costs accounting for at least 70% of the total. The second major advance was to base school level (instructional) costs on standards for staffing schools of various sizes. The result was a sound defensible means of allocating instructional costs consistent from district to district that allows for updating based on changes in ADM.

However, such a standard was not possible for district level costs and the solution was an imperfect one that now prevents updating of the district level cost component of the DCF. Instead of a uniform standard like that calculated for school size, districts were simply allocated district level costs based on each district's actual expenditures per student in FY 1996, the most recent year available at the time of the study. As a result of this acknowledge shortcoming, we recommended that the Committee implement a transition period to evaluate if adjustments are needed, and put further work into understanding the non-personnel and administrative costs, research that eventually could lead to standards for district level costs.

The Alaska Department of Education and Early Development is now in the process of recalculating the cost factors using 1999 data. Several issues and concerns about the District Cost Factors have emerged in this work. The McDowell Group views this situation as an excellent opportunity to review the assumptions, strengths and limitations of our earlier study.

To accomplish this review, the McDowell Group examined the worksheets used to recalculate the District Cost Factors (DCF's), as well as the underlying data used in the calculation. We noted that several adjustments needed to be made to audited financial statement information, consistent with the 1998 study. We also examined the additional data manipulation required to account for the increased roles of correspondence study and accounting transfers.

The purpose of DCF's is to account for wide variations in district level costs depending on geographic location. For example, remote districts with several small schools may pay eight times as much per student for heating oils as does a large urban district, even though the shelf price for oil is only two times as high. Non-personal services and administrative costs were combined into the district level cost pool for simplification, although it is clear that these costs have unique cost drivers. The use of actual expenditures had the effect of taking into account all of each district's unique geographic variables such as climate, insulation of buildings, utility and fuel costs, and so forth, including each district's local policies that affect spending. The disadvantage of this method is the absence of standards that resulted in compensation of districts for their current financial management practices – whatever they may be.

How is DoE helping districts to improve their financial mgt practices?

The McDowell Group report found that data limitations precluded the determination of a consistent standard for these costs across school districts. Therefore, a simple methodology of comparing actual per-student spending on non-personnel and administrative costs by each school district to the State average was employed. This methodology is far less rigorous than that used to account for variations in school level cost, but it was considered reasonable insofar as district level costs are comparatively small. However, district level costs are often most significant in smaller, multi-site rural districts where a larger portion of the total budget must be allocated to non-personal services out of necessity. As a result, the 70/30 rule (that was neither a part of the 1998 study nor a recommendation of it), forces many districts to skimp on necessary non-personal services costs or seek an exemption. While the intent of the rule is commendable - to address administrative costs and to encourage maximizing the money spent on instruction - its effects are impractical for many smaller districts.

The 1998 *Alaska School Operating Cost Study* presents the computation of DCF's in Table VII on page 18 of the report. In response to a request by the Legislative Budget & Audit Committee, a single adjustment factor was calculated blending two components – school level costs and district level costs. DCF's are therefore calculated by dividing each district's estimated Basic Need per student by the statewide estimated Basic Need per student (Basic Need was used as these revenues are a good proxy for district expenditures).

This methodology is simple and represents a reasonable first step in accounting for district cost differences. It also, unfortunately, contains several features that make their continued use problematic:

- **The methodology's basis accepts 1996 expenditure patterns as reflective of a district's needs and drives future spending to approximate and/or exceed this baseline.** This basis was largely driven by the state of the database at the time the study was conducted. Financial statement expenditure data was considered to have the greatest accuracy, although several adjustments were made to the audited numbers for several districts in an attempt to level the comparison.

  The net result is to accept that the 1996 expenditures for each district are reflective of their need, rather than alternative methods of independently assessing the need or developing a standard for cost. This is a reasonable method for a "point in time" analysis but is clearly less preferable to the other two alternatives in future years.

  Assuming that districts essentially spend what they receive, this methodology reinforces itself, that is, it drives the district to the same level of spending each year. The lack of a standard means that districts that were relatively under-funded prior to 1998 continue to be hampered in their district level cost allocation. For districts with ample funding, there is little incentive to economize. Further, extraordinary events, such as unexpectedly high fuel costs, can have a devastating effect on districts with tight budgets. In fact, the major incentive, if this methodology remains in place, is for the districts to increase spending levels resulting in a higher average versus the state average. This is a driver the state may wish to avoid.

- **Some factors have increased in significance in school operational and accounting practices that were not considered by the 1998 study.** Correspondence study has increased markedly at some school districts. This effect was not analyzed in the 1998 report and will skew results when included in the recalculation of cost factors.

  For the present cost factor re-calculation, the Department has to contend with the increased practice of transfers. Again, this practice was not considered in the 1998 report and results may be skewed when factored into the recalculation.

  Financial statements serve a number of purposes, but are not designed as cost research tools. While some accounts may be useful for comparisons, we are of the opinion that the analysis of cost drivers for district level costs may not be adequately served by financial statement data alone.

- **Recalculation using Fiscal Year 1999 data illustrates that the underlying methodology is an inappropriate driver and/or does not hold up to accounting/operational changes.** Trial runs to re-calculate cost factors show two main effects. The first is that the large majority of district cost factors are unchanged (as predicted). The second is that a small number of districts have very large changes, primarily due to the operational or accounting changed that were not analyzed in the 1998 report. It is our recommendation that these changes to the DCF's should not be implemented without further study.

- **Improvements to financial and operational data initiated by the Alaska Department of Education cannot be incorporated into the current calculation.** The Department of Education has undertaken initiatives to ensure financial statement standardization and improve the quality of enrollment data using the Oasis database. These advances set the stage for better school cost data that can support more detailed cost study. Hence, a data quality limitation that existed at the time of the 1998 study has been removed. The improvement in data means that a new method for calculating administrative and non-personal services cost factors can be considered. Again, a new method should consider standards and the goals of the State of Alaska that underlie Alaska's huge fiscal commitment to education.

- **Variations in district level costs are diluted by school level costs in this calculation.** For the sake of "simplicity," two distinct cost pools - non-personnel and administrative costs - were combined and then further blended with instructional costs. What results is a very large – and complex – cost pool. It is entirely possible that the portfolio effect has damped critical variations, punishing some districts with higher than average costs and thereby rewarding others.

Who is punished? Who rewarded?

- **Waiver requests to the 70/30 instructional/non-instructional regulations have increased each year and are an indication that review of this methodology is required.** As previously mentioned the 70/30 regulation was not part of the study and would not have been recommended by the study team if our opinion had been sought. It is our understanding that the original intent was to encourage districts to minimize administrative costs and allocate more money to instruction. This is certainly a commendable goal. However, most district level costs are non-personal services costs that provide the basic infrastructure of education, such as books, building utility, fuel and maintenance costs, insurance and the like. Smaller districts with inefficient buildings, severe climates and other factors out of their control are the most likely to have district level costs in excess of 30%, some in excess of 40%.

What reasons are being given by districts requesting waivers?

Recommendations for Further Work

The 1998 McDowell Study put significant analysis into school level (instructional) costs, which comprise the major percentage of school operating costs. This analysis produced a methodology that can be updated yearly with the assurance of providing meaningful allocations.

As stated in the 1998 report, the State of Alaska should continue to improve its Public School Funding Formula and engage a similar quantitative effort into district level costs. Though the magnitude of these costs is well below instructional costs, they comprise a value that is certainly significant and can impact many districts, especially those on the margin of adequate funding. Data collection and standardization has apparently improved to the point that such a study will produce meaningful results.

who would do another study?

Updating the District Cost Factors using the current methodology with 1999 data will result in more questions than answers. We recommend that the current DCF's be maintained and the Department's efforts be placed in re-examining the methodology.

There are two primary approaches to an analysis of district level costs. The first is a study similar to the one in 1998 that seeks to understand the reasons for why these costs vary by school size and location. For these types of indirect costs, a typical study would be to determine major cost pools and identify unique drivers for the pools. A private industry approach to understanding indirect costs is to develop cost pools based on distinct activities, hence the name activity-based costing (or ABC). The ABC approach has become quite popular in the public sector as well, as it can lead to the creation of standards that can be used to monitor and control indirect costs.

The second approach is a rate-setting approach. Indirect cost would be examined to the extent that expenditure goals could be developed. A funding methodology could then be devised to provide incentives to school districts for achieving these goals. This approach requires a more clearly defined public policy component than the activity-based approach.

any suggestions for goals? for incentives?

In closing, the McDowell Group offers a two-step recommendation. The first is to assemble a preliminary study team comprised of Alaska education experts with a mix of rural and urban school district operations experience. This study team would determine and examine critical issues and develop project objectives. The second step is to design an on-going cost research program that specifies data that will properly account for regional and school size differences in district level and administrative costs.

Public School Funding Formula
Comparison of Old to New Funding Formula

Introduction

The passage of Senate Bill 36, Ch. 83, SLA 1998, carried with it certain reporting requirements for the Department of Education & Early Development to the 22nd Alaska State Legislature by January 15, 2001. This report responds to the requirement under Section 47 that the department review *Funding Communities* versus *School* adjustments in the public school funding formula. In addition, a letter of intent adopted by the legislature provided further direction to the department in completing the required reports. This report will highlight key components and adjustments within Alaska's public school funding formula and illustrate the application of these components and adjustments from the previous funding *community* based formula to the current *school* based funding formula.

requested copy 1-19-01

Wasn't the old formula based on 15-student units & the new one based on per-student? on next page

For the past 20 years, Alaska's public school funding formula has historically contained four major adjustments to the formula. These same adjustments can be found in most public school funding formulas in the nation. These adjustments include:

1. sparseness and size of student population;
2. special needs or categorical funding;
3. regional cost differences;
4. equalization; and
5. supplemental funding floor.

Fiscal year 1999 was the first year of implementation of Senate Bill 36 and distribution of public school funding based on the new school based funding formula. Table 1 provides a comparison of the prior community based funding formula and the current school based funding formula using the same fiscal year 1999 data set. This comparison required the conversion from instructional units under the old community formula to per student units under the newly adopted school formula. Fiscal year 1999 is the only year school district state aid was calculated using the old and new formula. This comparison was required for the first year of implementation to determine the supplemental funding floor for the school districts that needed additional funding to help transition to the new formula.

The department has analyzed each of these adjustments and compared their use with the prior funding community formula and under the new school funding formula.

Sparseness and size of student population

Senate Bill 36 changed the method that the State of Alaska used to determine adjustments for sparseness and size of student population. The previous funding formula utilized a concept known as *funding communities.* The average daily membership of schools within a school district were grouped into funding communities and a formula was applied to determine the number of instructional units for the purpose of calculating each school district's basic need.

The McDowell Group assembled a panel of Alaskans with many years of experience in the field of education to review and make recommendations to improve the

adjustment mechanism in the public school funding formula. The group reviewed the funding community concept and its application under the instructional unit funding formula. The group determined that although the definition of funding communities was not being applied consistently across school districts, that even a consistent application would not result in an equitable distribution system of resources. The group determined that the **school**, not the **community**, is the fundamental cost center for delivering instructional services. The panel determined that adopting the school as the basis for funding would result in a more equitable allocation of instructional resources by providing comparable levels of instructional staffing in all schools regardless of district size and location. The group determined that schools of similar size should receive similar resources for staffing regardless of location.

Table 2 shows the change in the distribution of resources from the *funding community* concept model to the *school* model that was adopted by the legislature under Senate Bill 36. This comparison does not include other adjustments due to changes in district cost factor or special needs funding. As shown in Table 1, the range of change is an increase of 15.8% for the Alyeska Central School to –36.8% for the Aleutian Region School District by the elimination of the funding community concept and basing the allocations on the number of students at each school. The school district with the largest increase was Petersburg at 11.2%.

It should be noted that the McDowell Group review panel did not suggest that any school districts were over funded under the previous funding community model rather some districts appeared to be under funded under the school funding model. Table 3 shows the change in dollars per student under the new formula as compared

to the old formula. This table shows that under the old formula for the first 10 to 20 students, the allocation remains the same at $12,200 per student. This flat level of funding for the first group of 20 students was to provide funding for fixed cost associated with operating a school facility. The change in funding on a per student basis gradually decreases after the first 20 students to accommodate for economies of scale, while the new formula provides a larger allocation initially for the fist 10 students, it decreases to below $8,000 per student by the time you reach 20 students. Table 4 demonstrates the reduction in resources being allocated to small schools serving less than 100 students.

But if you add the $ amounts for first 20 students its still $24,000

Another issue that contributes to the change in funding is the number of items that receive adjustment. For example in FY 99, using the funding community model there were 267 funding communities that received the adjustment for size while with the per school model there were 499 adjustments for size. Of the 499 adjustments for schools there were 143 schools serving less than 100 students. Table 5 shows the number of funding communities compared to the number of schools by district and the number of schools serving less than 100 students by school district.

The funding community formula had a hold harmless provision for school districts that experienced a 10% drop in K-12 instructional units from one year to the next. The year before the school district experienced a decrease in K-12 instructional units by 10% or more became the base year. In addition to its current K-12 instructional units a school district was awarded in the first year of decline, 75% of the difference from the base year, in the second year 50% of the difference between the current year and the base year, and in the third year 25% of the difference between the current year and the base year.

but did not scale up at same rate

Fed requirements

Special needs or categorical funding

Categorical funding for special education, gifted and talented education, vocational education and bilingual/bicultural educational programs changed from the funding community model to the school funding model. The funding community model provided resource allocations to school districts based on the numbers of students and the types of special need services provided to each student. The program adjustments were based on the average cost of providing various levels of service within each of the program areas. For example, special education provided four adjustments ranging from $1,525 for each student identified as gifted and talented to $20,300 for each student identified as requiring special education intensive services. Bilingual/bicultural educational programs had three levels of adjustments for the various types of services that students were identified as needing and vocational education had one adjustment for each student identified as enrolled in a vocational program course.

With the passage of Senate Bill 36, and the implementation of the school based funding formula, the legislature approved a block funding approach for allocating resources for special need programs. The school funding model provides an increased adjustment of 20% to the districts' average daily membership after it has been adjusted for school size and district cost factor. The 20% increase is intended to allocate resources for special education, gifted and talented education, vocational education and bilingual/bicultural educational programs. This change has resulted in an increased allocation for categorical programs of approximately $13 million dollars under the school funding model over the funding community model. It is important to understand that although there are additional resources allocated for

special needs programs under both funding models, school districts are not required to expend these funds on special needs programs. In other words, the funds are discretionary and local school boards have the responsibility to determine the appropriate expenditures for these funds.

why not?

Regional cost differences = District cost factors

Senate Bill 36 continues to provide an adjustment for regional cost differences. The McDowell Group report defined these costs as "District Cost Factors." The District Cost Factors differ from the previous Area Cost Differentials in how they were derived. There is also a slight change in the way they are applied in the two funding formulas. The previous Area Cost Differentials were applied to all instructional units which included the K-12 and categorical units. The current District Cost Factors are applied to the student counts at the point they have been adjusted for school size and carry through to the 20% special needs adjustment. The District Cost Factors are not applied to the adjustments for students requiring intensive services or correspondence program counts.

The previous Area Cost Differentials were calculated using a market basket approach measuring the differences in items such as fuel and utilities between districts. The current District Cost Factors were calculated using school district audited financial data and reflect the per student district operating cost, compared to per student statewide operating costs, as well as other adjustments. The District Cost Factors represent the cost of goods, numbers of students, dispersion of schools, cost of travel, and other factors that affect district operational costs. Because the

what other adjustments?

District Cost Factors reflect factors other than the price of goods, neighboring districts will not necessarily have similar cost factors.

Senate Bill 36 requires the department to review the District Cost Factors and recommend changes to the legislature every other year beginning January 2001. The department intends to employ the McDowell Group methodology in order to update the current District Cost Factors. The first report on the District Cost Factors and the results of the department's review are presented to the legislature under a separate report.

Isn't the McDowell Group's methodology flawed? Section 1?

Equalization

The funding community and the school models both make adjustments for instructional units or average daily membership then apply dollars to the base to arrive at Basic Need. Basic Need is the starting point of the equalization formula and provides all districts with needed resources based on the various formula adjustments. Funding components of Basic Need include required local effort, federal impact aid, and state aid. These three components determine the shares of local, federal, and state resources that make up Basic Need.

The State of Alaska must meet a federal equalization test known as the "disparity test" in order to consider federal impact aid dollars in the public school funding formula. The disparity test measures the amount of revenue per student among the 53 school districts. The federal law limits the per student wealth between districts to 25%. The wealthiest district in the state is not allowed to have more than a 25% increased per pupil revenue over the poorest district in the state. The state

So local districts can't spend to improve their schools

maintains this standard by placing a cap on local contributions that exceed the required local effort. The state imposed cap on excess local contributions is equal to 23% of the districts' basic need. Again, all districts are considered equal at basic need so by placing a cap on excess local revenues equal to 23% of the districts' basic need, the state will continue to meet the federal equalization standard of 25%.

Supplemental funding floor

The supplemental funding floor is a mechanism to assist school districts in the transition from the funding community based formula to the school formula. In the first year of the new formula, districts that qualified for more state aid under the funding community formula than they did under the new school formula were allocated transition funding called the "Supplemental Funding Floor."

For example, under the funding community formula a district may have qualified for $10,000 per student but under the new school formula calculation, will qualify for $9,000 per student. Using the supplemental funding floor, under the school formula the district was allocated $9,000 per student plus an addition $1,000 per student as a supplemental funding floor to ease the transition to the new funding level. As the school districts' student population changes, the $1,000 per student of supplemental funding floor will erode. The erosion of the supplemental funding floor will eventually bring the school districts' per student allocation down to a total of $9,000 per student as determined by the new school funding formula.

This transitional provision differs substantially from other transitional or hold harmless clauses previously used when the funding formula was modified.

Public School Funding Formula
Comparison of Old to New Funding Formula

So what's the complaint?

Previous transition language required a school district to adjust to its new funding level in a three-year period. The supplemental funding floor only erodes due to changes in the district student population providing a much more gradual change to the new funding level.

Less money for fewer students.

School districts qualified for a total of $17.4 million dollars in supplemental funding floor in fiscal year 1999. As the supplemental funding floor erodes, the money is lost from the funding formula. This means the public school funding formula will have $17.4 million less in state support once the supplemental funding floor is completely eroded.

Because they have less justification

Recommendations

The department recommends the repeal of AS 14.17.490(d), erosion of the supplemental funding floor.

The department recommends that AS 14.17 be amended to include a hold harmless provision for school districts that experience a decrease in student enrollment of 10% or more from one year to the next.

Why?
- Why 10%? Why not 5% or 20%?
- wouldn't that shatter the whole concept of per-student funding?

Alaska Department of Education and Early Development
Public School Funding Formula
Funding Community versus Per School Funding FY 99

Table 1

	Prior Funding Community Formula	SB36 Per School Formula	Change
Size Adjustment Including correspondence programs	614,147,116	606,662,800	(7,484,316)
Categorical Programs Special Ed., Gifted and Talented, Vocational and Bilingual/Bicultural	131,352,520	144,362,544	13,010,024
District Cost Factors	63,619,950	71,898,973	8,279,023
Basic Need	809,119,586	822,924,317	13,804,731
Required Local	(136,790,501)	(140,608,152)	(3,817,651)
Impact Aid	(43,363,354)	(41,830,973)	1,532,381
FY99 Cap on Increases @ 60%	-	(9,070,746)	(9,070,746)
Military Impact Aid and Contracts	24,592,406	24,592,406	-
State Aid	653,558,137	656,006,852	2,448,715
REAA Supplemental Funding	1,256,335	-	(1,256,335)
Quality School Grants	-	3,341,825	3,341,825
Supplemental Funding Floor	-	17,379,523	17,379,523
Total State Aid	654,814,472	676,728,200	21,913,728

Alaska Department of Education & Early Development
Changes in K-12 adjustments from funding communities to per school model FY99
Prepared 11-10-2001

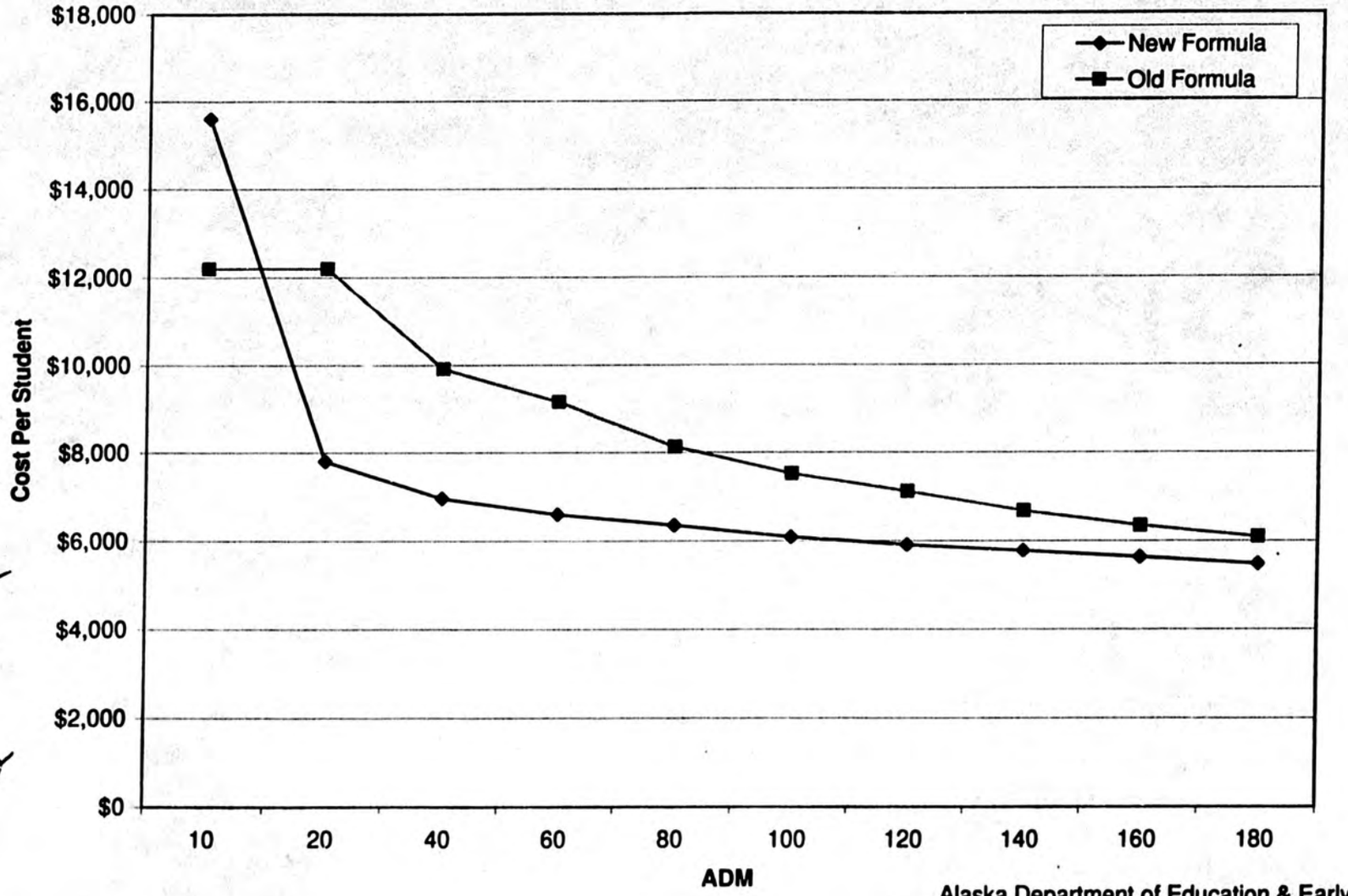
Distribution of Resources

Table 2

	Old Formula Funding Communities	New Formula Per School	Difference	Percentage Change
Alaska Gateway	3,656,340	3,154,640	(501,700)	-13.7%
Aleutian Region	740,540	468,072	(272,468)	-36.8%
Aleutians East Borough	2,475,990	2,149,432	(326,558)	-13.2%
Anchorage	197,508,240	203,848,863	6,340,623	3.2%
Annette Island	1,810,480	1,953,643	143,163	7.9%
Bering Strait	12,261,000	11,122,730	(1,138,270)	-9.3%
Bristol Bay Borough	1,690,310	1,777,566	87,256	5.2%
Chatham	2,144,760	1,927,251	(217,509)	-10.1%
Chugach	1,409,100	892,410	(516,690)	-36.7%
Copper River	4,381,020	4,072,806	(308,214)	-7.0%
Cordova	2,388,760	2,519,426	130,666	5.5%
Craig	2,124,630	2,268,376	143,746	6.8%
Delta/Greely	5,059,950	5,080,161	20,211	0.4%
Denali Borough	2,410,720	2,215,647	(195,073)	-8.1%
Dillingham	2,651,670	2,741,495	89,825	3.4%
Fairbanks North Star Borough	67,542,860	68,352,636	809,776	1.2%
Galena	13,368,150	10,844,692	(2,523,458)	-18.9%
Haines Borough	2,319,220	2,335,041	15,821	0.7%
Hoonah	1,304,790	1,372,615	67,825	5.2%
Hydaburg	805,810	736,169	(69,641)	-8.6%
Iditarod Area	4,152,270	3,125,888	(1,026,382)	-24.7%
Juneau Borough	23,771,090	24,084,720	313,630	1.3%
Kake	1,121,790	1,147,194	25,404	2.3%
Kashunamiut	1,500,600	1,591,839	91,239	6.1%
Kenai Peninsula Borough	49,004,960	48,661,963	(342,997)	-0.7%
Ketchikan Gateway Borough	11,558,890	12,155,735	596,845	5.2%
Klawock	1,199,870	1,213,993	14,123	1.2%
Kodiak Island Borough	13,451,110	13,428,860	(22,250)	-0.2%
Kuspuk	3,847,270	3,168,793	(678,477)	-17.6%
Lake & Peninsula Borough	5,302,730	3,948,231	(1,354,499)	-25.5%
Lower Kuskokwim	21,763,580	20,242,022	(1,521,558)	-7.0%
Lower Yukon	11,325,870	11,190,132	(135,738)	-1.2%
Mat-Su Borough	57,596,810	55,059,952	(2,536,858)	-4.4%
Nenana	2,220,400	1,732,576	(487,824)	-22.0%
Nome	3,567,280	3,610,291	43,011	1.2%
North Slope Borough	11,112,370	10,882,926	(229,444)	-2.1%
Northwest Arctic Borough	12,067,020	11,721,480	(345,540)	-2.9%
Pelican	334,890	218,575	(116,315)	-34.7%
Petersburg	3,439,180	3,825,064	385,884	11.2%
Pribilof	1,216,340	1,055,234	(161,106)	-13.3%
Sitka Borough	7,316,950	7,714,756	397,806	5.4%
Skagway	888,770	831,553	(57,217)	-6.4%
Southeast Island	3,119,540	2,152,677	(966,863)	-31.0%
Southwest Region	5,347,260	5,027,109	(320,151)	-6.0%
St. Mary's	894,260	836,060	(58,200)	-6.5%
Tanana	772,870	689,855	(83,015)	-10.7%
Unalaska	1,801,940	1,944,260	142,320	7.9%
Valdez	3,837,510	4,178,380	340,870	8.9%
Wrangell	2,526,620	2,671,443	144,823	5.7%
Yakutat	1,138,870	1,040,318	(98,552)	-8.7%
Yukon Flats	3,625,230	2,554,020	(1,071,210)	-29.6%
Yukon/Koyukuk	4,668,330	3,772,625	(895,705)	-19.2%
Yupiit	2,723,650	2,595,178	(128,472)	-4.7%
Alyeska Central School	6,259,546	7,250,037	990,491	15.8%
Mt. Edgecumbe High School	1,617,110	1,505,390	(111,720)	-6.9%
Totals	614,147,116	606,662,800	(7,484,316)	

Per Student Cost Between Formulas

Table 3



Alaska Department of Education & Early Development

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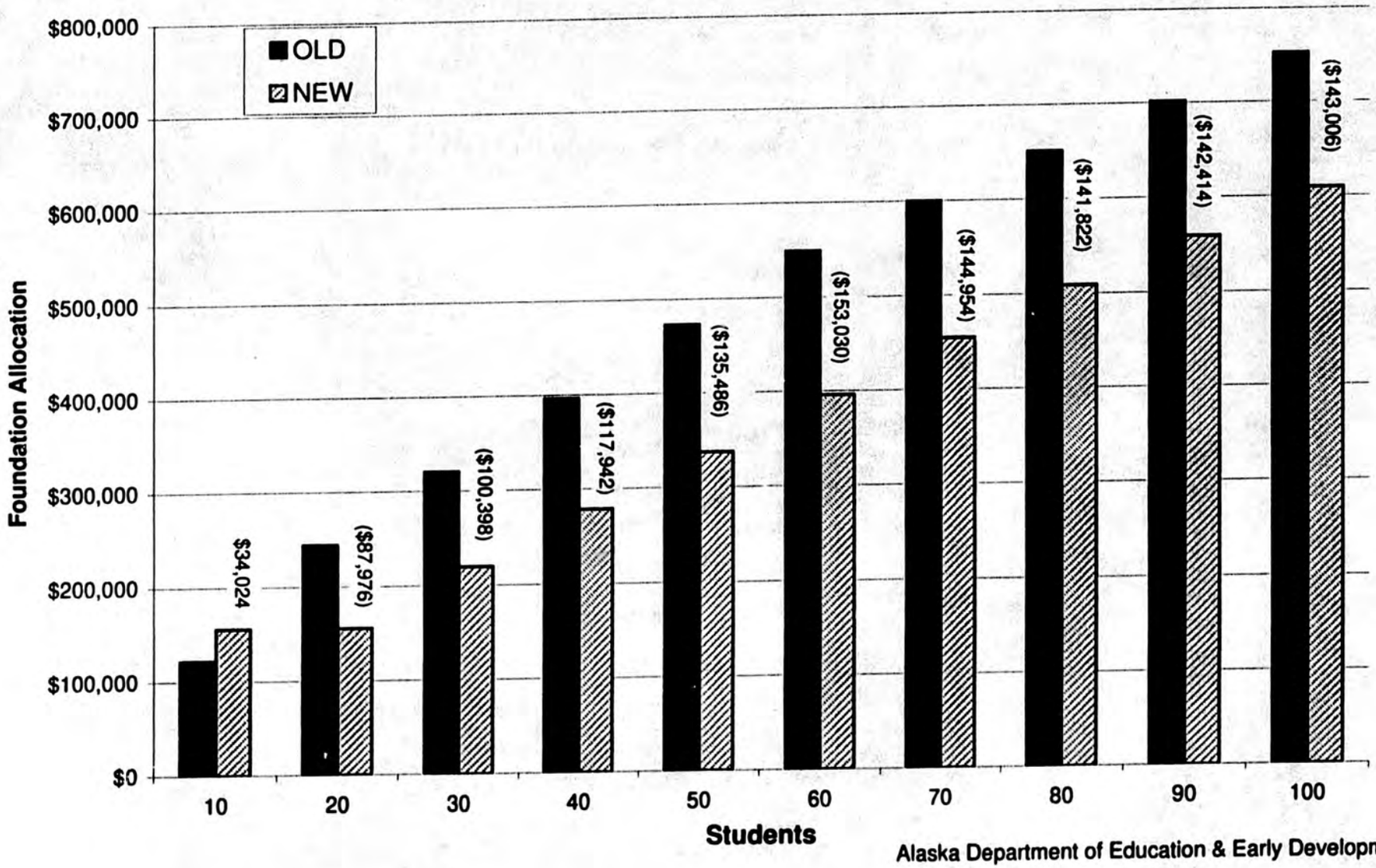
New
16,000
8,000
24,000
for 15 20

Old
24,000

School Size Adjustment / Old Vs. New Formula

Table 4



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Alaska Deparment of Education and Early Development
Funding Communities versus *School* Adjustments FY'99

Table 5

1999 OLD versus NEW ADM

DISTRICT	# OF FUNDING COMM.	# OF SCHOOLS FOR ADJUST.	# OF SCHOOLS LESS THAN 100 ADM
ALASKA GATEWAY	7	8	6
ALEUTIANS EAST	6	3	3
ALEUTIAN REGION	3	8	4
ANCHORAGE	4	84	0
ANNETTE ISLANDS	1	2	0
BERING STRAIT	15	22	8
BRISTOL BAY	2	3	1
CHATHAM	5	6	4
CHUGACH	3	3	3
COPPER RIVER	7	9	5
CORDOVA	1	2	0
CRAIG	1	2	0
DELTA/GREELY	2	4	1
DENALI	3	4	2
DILLINGHAM	1	2	0
FAIRBANKS	5	28	0
GALENA	1	2	0
HAINES	2	2	0
HOONAH	1	2	0
HYDABURG	1	2	0
IDITAROD	9	9	7
JUNEAU	1	11	0
KAKE	1	2	0
KASHUNAMIUT	1	2	0
KENAI	21	39	9
KETCHIKAN	1	6	0
KLAWOCK	1	2	0
KODIAK	9	13	7
KUSPUK	8	9	8
LAKE AND PENINSULA	15	15	15
LOWER KUSKOKWIM	23	34	13
LOWER YUKON	11	19	3
MAT-SU	15	29	6
NENANA	1	2	0
NOME	1	2	0
NORTH SLOPE	8	13	4
NORTHWEST ARCTIC	11	19	3
PELICAN	1	1	1
PETERSBURG	1	3	0
PRIBILOF	2	3	1
SITKA	1	4	0
SKAGWAY	1	2	0
SOUTHEAST	11	9	7
SOUTHWEST	9	12	6
ST. MARY'S	1	2	0
TANANA	1	2	0
UNALASKA	1	2	0
VALDEZ	1	3	0
WRANGELL	1	2	0
YAKUTAT	2	2	0
YUKON FLATS	11	10	7
YUKON/KOYUKUK	10	11	9
YUPIIT	3	6	0
ALYESKA CORRES*	1	0	0
Mt. EDGECUMBE	1	1	0
TOTALS	**267**	**499**	**143**

Minimum expenditure on instruction
- DOE helped schools

Districts' Uniform Chart of Accounts
- DOE helped

Educational Adequacy
- broad-based group
- definition, data needs, methodology
- revenue needs
- components

Changes in funding
- Anchorage
- State, federal, local

Accountability = spending more money
- 70/30
- uniform & detailed accounts
- DOE helped
- assessment

Foundation formula
- changes in funding
- state, local, federal
- accountability = more money spent

Teachers
- shortage
- incentives
- salaries
- unqualified
- state aid at fault - decrease due to inflation

Inflation
- 25% over 10 years
- $200 million to catch up
- PF inflation proofing

Facilities
- age not related to cost

Conclusions
- DOE, districts & munis have responded w/ more accountability.
  - teacher salaries
  - reduced admin spending
  - more local spending
  - new accounting procedures
  - student assessment
  - inflation

Recommendation - spend more
tie spending to inflation automatically

if would have gotten an F if Id written this in H.S.

Public School Funding Formula
Educational Adequacy

This section reports that adequacy is based on how much is spent by whom, not how it is spent.

The passage of Senate Bill 36, Ch. 83, SLA 1998, included specific reporting requirements for the Department of Education & Early Development to the 22nd Alaska State Legislature by January 15, 2001. This report responds to the requirement to prepare a review of *educational adequacy* in the schools of Alaska.

There has been significant effort in implementing the new formula, developing regulations, and working with districts to improve the quality and comparability of financial data. The department has worked with school districts to meet the minimum expenditure on instruction requirement and to improve the school districts' uniform chart of accounts for collecting expenditure data.

who? experience in education finance?

The Department of Education & Early Development convened a broad-based group of Alaskans concerned with public education to address the issue of educational adequacy in Alaska. Participants included representatives from the Alaska Parent-Teachers Association (PTA), NEA-Alaska, Alaska Association of School Boards, Alaska Association of School Administrators, Alaska Association of School Business Officials, and Alaska Municipal League.

The group deliberated for two-and-one-half-days and reached agreement on the definition, data needs, and methodology to be used in measuring educational adequacy. The group defined educational adequacy as:

> An adequate education shall provide all students opportunities to acquire the *knowledge and skills* necessary to prepare them to take a productive role in society.

} Parents, Inc would hate this.

Public School Funding Formula
Educational Adequacy

The school finance system must provide sufficient revenues to assure all students meet or exceed Alaska performance standards in all areas.

Where did this come from?

These are the necessary components of an adequate education:

Where is the discussion of these points?

1. Students are exposed to locally adopted curricula that meet or exceed Alaska State Standards in English/Language Arts, Mathematics, Science, Geography, Government and Citzenship, History, Skills for a Healthy Life, Arts, World Languages, Technology, Employability and Library/Information Literacy.

So the standards adopted in 1993 are still out there, discussed, widely known?

2. Students are taught by qualified educators who are provided the time and support for professional development.

— standards?

3. Students learn in a safe environment.

Where is the discussion of these points?

4. Facilities are well maintained.

5. Students have their diverse learning needs met.

6. There are effective partnerships between schools, families, and the community.

7. School buildings support appropriate technology for programs.

8. All students are given age-appropriate opportunities to participate in all aspects of school life including all student activities.

Although the decisions of this group were reached independently, they are consistent with decisions of educational policy makers across the nation in terms of defining educational adequacy and identifying the conditions necessary to accomplish it. An important item to note is that the group identified that the **educational adequacy of the public school funding formula must be measured against the base student allocation set in Alaska Statute 14.17.470.**

where's this noted?

The department considered the suggested data needs identified in the report and has provided some general statewide statistics that demonstrate the changes that have occurred in education funding over the past ten years. *(See attached Bullet Sheet.)* The department also focused on changes to the Anchorage School District because Anchorage is considered the base by which all other school district adjustments in the foundation formula are measured from. Anchorage is considered the base because of its large and dense student population and because it is a main distribution center for many Alaska communities.

The Anchorage School District provided the department with statistics that illustrate the changes that have occurred over the past ten years on a per student basis. The information clearly demonstrates that the district has increased per-pupil expenses, but state aid has increased as well. The increase in state aid is due mainly to enrollment increases that have occurred in the past ten years. In addition to the statistics, the Anchorage School District provided information on the state and federal changes to the bilingual and special education programs. They provide an in-depth discussion of how those program costs have escalated over the past ten years. Copies of the reports from the educational adequacy retreat and the

information provided by the Anchorage School District are attached to this report as appendixes.

Accountability

The Alaska legislature is requiring that the department and school districts be accountable for the funding it receives. In SB 36, the legislature added a requirement that districts spend 70% of their school operating funds on instructional services. In addition, the legislature directed the department to collect more uniform and detailed financial data from school districts. The department and school districts have responded to both of these directives.

The department has worked with school districts to develop a revised chart of accounts that clarifies code descriptions with new required codes to provide more accurate and detailed expenditure reporting. The State Board of Education & Early Development adopted the revised chart of accounts at its December 8, 2000 meeting. The new chart of accounts becomes effective July 1, 2001. What took so long?

The department has also been working with school districts in meeting the 70% instructional requirement. Districts that cannot meet the new requirement may apply to the state board for a waiver. The waiver request must demonstrate that there are costs beyond the control of the school district as justification for their waiver.

In response to legislative concerns over how much school districts are spending on administrative expenses, districts have been reducing costs over the past ten years. In FY1990, school districts were spending $618 per student or 8.5% of the school

operating fund on district administrative services. By FY2000, school districts were spending $469 per student or 5.9% of the school operating fund on district administrative services. This represents a 2.6% reduction in school operating fund expenses on district administrative services. That's good, right?

In addition to the previous two requirements, SB 36 required the department to develop an assessment system to measure student performance. The tests are based on Alaska standards in reading, writing, and math and are given at grades 3, 6, 8, and the high school qualifying exam is administered for the first time to sophomores in high school. High school students are allowed to take the high school qualifying exam twice a year and for two additional years after they have completed other high school graduation requirements.

SB 36 didn't develop the HSGQE exam.

The results of the assessments given to students in grades 3, 6, and 8 will assist the department and school districts in identifying areas of weakness within the educational delivery system and develop action plans or strategies to assist students to improve performance.

So, districts have been identifying weaknesses at least since 1999.

School districts are utilizing the Quality Schools Grant funds, a component of the school funding formula, to develop intervention strategies and remedial programs. Currently, school districts are using these grant funds for activities such as focus programs for reading, writing, math, summer school, extended days, tutors, and additional staff.

now these be figured into total state funds.

Is there an accounting of these activities by district?

Foundation Formula

The money distributed through the foundation funding formula provides Alaska school districts with the majority of the state's contribution to K-12 education. The funding formula allocates resources for general operations, routine maintenance, and operations of school facilities. General operations include: staff salaries and benefits, teaching supplies, textbooks, communications, contracted services, school, and district administrative services. Operations of school facilities include: custodial and maintenance staff salaries and benefits, utilities, and other expenses associated with routine maintenance to operate school facilities.

The foundation program funding has increased from FY1990 to FY2000 mainly due to enrollment growth. From FY1990 to FY2000 enrollment increased 25%. The legislature has continued to fully fund enrollment increases during the 1990's. Each $100 increase in the base student allocation set in Alaska Statute 14.17.470 requires approximately $21 million in additional state support.

The foundation funding formula program base has been increased twice during this ten-year period. Once, in FY93 by 1.7% or approximately $12 million, and again in FY99 by 3.3% or approximately $21 million. The combined total of the two increases is 5% or approximately $33 million in ten years. In FY90, basic need was about $625 and FY2000 basic need was about $816, an increase of almost 31%. This increase was due to the combination of the 25% increase in enrollment and the combined increased funding of 5% for FY93 and FY99.

Federal impact aid has also increased approximately 26% from FY90 to FY2000. Federal impact aid funds increased from $73 million in FY90 to almost $92 million in

what services does fed impact aid pay for? What districts got what %?

FY2000. The number of students being served drives the Public School Funding Formula and the Federal Impact Aid Program. Because enrollment increased by 25% from FY90 to FY2000, both programs increased resource allocations by approximately the same percentages, excluding the 5% increase in the foundation formula base. No, 31% in funding formula (5% base + 25% enrollment) 26% fed. impact aid.

However, this is not true for local contributions to schools. The required local contribution to the schools is based strictly on the value of the property within the municipality and not the number of students being served. During this same ten-year period, required local effort increased from $105 million to $144 million. This represents an increase in required local effort of almost 37% or $39 million. More importantly is how local municipalities responded with additional local contributions to schools from FY90 to FY2000. Actual local contributions to schools increased by 55% or $98 million. Municipalities increased their contribution by $59 million more than the formula required, in essence offsetting a portion of inflation while the state and federal governments were covering enrollment growth.

55/31 24% ok disparity

55% increase is only a portion of inflation?

of what size

Municipalities have responded to the legislature's desire for accountability and participation by providing increased local contribution over the amount required by the foundation funding formula over the last ten years. Accountability isn't money, it's results. What are the results for the money? Where has the money gone?

Another example of shifting the financial burden to municipalities is to look at the proportion of state aid to other revenues. The department looked at the school operating revenues for the Anchorage School District for FY90 and FY2000.

Nice.

In FY90, the state applied for impact aid for the Anchorage military students then paid Anchorage state tuition for those students. Beginning in FY94, the state

discontinued the tuition payments and started allocating the impact aid it received directly to the Anchorage School District. For the purpose of this comparison, the FY90 state tuition payments or approximately $6.2 million was reclassified as federal impact aid funds. With this adjustment, federal impact aid accounted for approximately 3.5% of the school operating fund revenues for both FY90 and FY2000.

How seems like a logical reclassification. What's the problem?

Impact aid aside, the major change in revenues occurred between the state foundation program and the local revenue support for education. In FY90, the municipal appropriation to schools in Anchorage was approximately $62.2 million. In FY2000, the municipal appropriation to schools in Anchorage was approximately $97.5 million, almost a 57% increase for the ten-year period. While state foundation aid in FY90 was approximately $145.6 million and in FY2000 was $198.6 million, an increase of almost 36%.

local ↑ 57%
state ↑ 36%

maybe that local ↑ a lot state ↑ a little

If the state were to match the local contribution effort of the Anchorage municipality, state foundation aid would have been almost $228.6 million in FY2000. This would represent a $30 million increase in state foundation aid to the Anchorage School District. To accommodate the $30 million increase for Anchorage, the current base student allocation of $3,940 would have to be increased by $456 to $4,396. The estimated total cost for increasing the base student allocation to $4,396 statewide in FY2000 would have been approximately $95.2 million.

And just where do you suppose that money would have come from?

In FY2001, the state foundation formula required $19.2 million less in state support over the previous year. This decreased effort was due to three factors; declining enrollment, increased required local effort, and increased federal impact aid. The

FY2002 budget will require $10.5 million less than the FY2001 foundation formula budget due to increases in required local contribution and federal impact aid funds for a drop in state aid for education of approximately $29.7 million for the two years. However, the legislature did approve a one-time appropriation in FY2001 of $6.2 million for Learning Opportunity Grants. The last shift to municipal districts results in

Did the writer pass the comp test?

Teachers

Recruitment of qualified and experienced teachers continues to become more difficult in Alaska as it is for much of the United States. Many states and outside school districts offer incentives as: signing bonus, down payment on a home, mortgage subsidy, and student loan repayment programs. *(See examples of teacher incentives offered in other states.)* These are examples of the recruiting techniques used beyond the annual salary to entice teachers to sign contracts. Due to limited resources, Alaska school districts continue to struggle to be competitive with other states and outside school districts when recruiting teachers.

From FY99 to FY2000 the average teacher salary in Alaska increased less than 1%. This reflects the smallest increase in average teacher salary in the nation from FY99 to FY2000. For the ten-year period from FY90 to FY2000, the average teacher salary stated in constant dollars decreased 11.7% and is the largest decrease in the nation for this time period. *(See National Education Association attachment.)*

Demand for teachers in Alaska has already exceeded supply, leaving unfilled positions across the state in math, special education, and speech pathology. For the 1999-2000 school year, 1,335 new teachers were hired in Alaska. On the first day of school 84 teaching positions were still unfilled, and some remained unfilled for up to

two months. Districts report that they are scraping the bottom of the barrel, forced to hire unqualified teachers on emergency certificates, and teachers with minimal paper qualifications who are unsuitable for the positions.

How to lead these teachers to prep kids for standards. Who is leading?

Real put down of teachers

The amount of state support through the foundation program impacts the level of wages, benefits, and incentives that school districts can offer to recruit and retain teachers. State support through the foundation program has remained relatively flat in current dollars for ten years, but when stated in constant dollars to reflect inflation it has actually decreased. Alaska school districts have had to hold the line when negotiating new salaries and benefits with its certified and non-certified staff.

- end of oil boom

As recently as 1989 Alaska was reported to have the highest average teacher salaries in the nation. According to the NEA, Alaska's average teacher salary in 1989 was $42,818. In 1999, Alaska is reported to have slipped to number eight in the nation with an average teacher salary of $48,085. The average teacher salary in Alaska has increased about 12.3% for the past ten-years, but when stated in constant dollars to reflect inflation it has decreased by approximately 11.7%.

What about starting salary? Cuts, Is there a teacher drain to the Lower 48?

As discussed in the foundation formula section of this report, the state foundation formula was increased approximately 5% in current dollars excluding increases for enrollment growth. This means the additional 7.3% increase in current dollars has come through additional local contributions and increased designated grants. Municipalities continue to increase local contributions and school districts continue to apply for and receive supplemental grants from other sources. These are more examples of municipalities and school districts being accountable to the state legislature by seeking and securing supplemental resources. What are they?

Any accounting on these grants?

Inflation

The foundation program statute does not have an inflationary adjustment for the base student allocation of $3,940. To place an inflationary adjustment in Alaska Statute 14.17 would not bind future legislatures. The legislature would continue to have the power to determine the appropriate level of funding each fiscal year. The inflationary adjustment would amend the base student allocation that is used to calculate school district entitlements under the foundation funding formula.

The consumer price index for Anchorage has risen approximately 30% from 1990 to 1999. The January-to-January index rose 29.57% and the July-to-July index rose 30.7% in ten years. Between 1990 and 1999, the legislature has increased the base foundation funding formula approximately 5%. Many school districts have had to absorb the effects of the additional 25% of inflation. Many municipalities have increased the local contribution to offset the effects.

Increasing the base student allotment by the additional 25% inflation factor would result in an increase of $985, or a revised student allotment of $4,925. If the base student allotment were $4,925, overall state foundation aid would increase by more than $200 million.

The FY2002 foundation program budget request is $665 million to educate an estimated 133,300 children statewide. In FY2001, Alaska spent $664 million to inflation proof the permanent fund. It is estimated in FY2002 Alaska will spend $714 million to inflation proof the permanent fund. In FY2002, Alaska will spend

Are you suggesting that the Leg. skip inflation proofing & use the money to fund the formula?

approximately 7.4% or $49 million dollars more to inflation proof the permanent fund than it will spend on the state's 133,300 children's K-12 education.

Facilities

In 1990, the average age of a school facility was 19 years and in 2000, the average is 26. With the increasing age of school facilities one would expect the annual operating and routine maintenance cost to increase. In FY1990, school districts were spending a statewide average of $1,266 per student for facility operations and maintenance and in FY2000, only $1,244 was spent. Why?

Is the age of the building not relating to cost because of the required local maintenance?

In FY1998, the legislature passed a law requiring all school districts to have a preventative maintenance plan in place by July 1, 1999 in order to be eligible for state funding for school construction or major maintenance projects. The plan must include documented evidence of a maintenance management program, energy management, custodial care program, training program for staff and a renewal and replacement schedules for the electrical, mechanical, structural and other components of the facility. While the preventative maintenance plan is necessary to protect the state's interest in school construction projects, there was no new money provided to assist districts in meeting these new reporting requirements. School districts are forced to use existing resources to meet the new reporting requirements.

Conclusion

The Alaska state legislature has required increased accountability for the funds it appropriates for K-12 education before it considers increases to the foundation formula program. This report has identified many areas in which the department, school districts, and municipalities have responded.

School districts have held the line when negotiating contracts with staff and reduced administrative expenditures. Local municipalities have increased local contributions above the amounts required in law to support local schools. The department has implemented new laws and regulations that have improved school district reporting and accountability. The department has implemented the statewide assessment system to demonstrate how well children are learning, and to identify weaknesses with the current delivery model.

The burden of financing the educational system in Alaska has been shifting from the state to local governments over the last ten years. Inflation has eroded school districts' purchasing power for supplies, operational cost, and their ability to recruit and retain qualified teachers.

Recommendations

Based on the adequacy group's work and the department's analysis, the department recommends that changes be made to the public school funding formula to recoup losses due to inflation and to provide for future inflationary adjustments. These recommendations and others included in Tab 1 and 2 will be forwarded to the governor's education funding task force. The task force recommendations are due to the governor and the State Board of Education & Early Development on February 1, 2001.

Educational Adequacy Retreat

August 2-4, 2000

Anchorage, Alaska

FINAL REPORT

APPENDIX A

EDUCATIONAL ADEQUACY

Background

The passage of SB 36 carried with it certain reporting requirements for the Department of Education and Early Development to the Alaska State Legislature. A letter of intent was adopted by the legislature and approved by the Governor directing the department to include as one of the reports a review of *educational adequacy* in the schools of Alaska. It is recommended that the department use this document as framework in preparing the final educational adequacy report. The final report is due to the legislature by January 1, 2001.

In early August of 2000, Commissioner of Education & Early Development Richard S. Cross convened a broad-based group of Alaskans concerned with public education to address the issue of educational adequacy in Alaska. Participants included representatives from the Alaska Parent-Teachers Association (PTA), NEA-Alaska, Alaska Association of School Boards, Alaska Association of School Administrators, Alaska Association of School Business Officials, and Alaska Municipal League.

The group deliberated for two-and-one-half-days and reached agreement on the definition, data needs, and methodology to be used in measuring educational adequacy. Although the decisions of this group were reached independently, they are consistent with decisions of educational policy makers across the nation in terms of defining educational adequacy and identifying the conditions necessary to accomplish it. An important item to note is that, the group identified that the **educational adequacy of the public school funding formula must be measured against the base student allocation set in Alaska Statute 14.17.470.**

> **AS 14.17.470. Base student allocation.** The base student allocation is $3,940.

EDUCATIONAL ADEQUACY

Definition

An adequate education shall provide all students opportunities to acquire the *knowledge and skills* necessary to prepare them to take a productive role in society.

The school finance system must provide sufficient revenues to assure all students meet or exceed Alaska performance standards in all areas.

These are the necessary components of an adequate education:

1. Students are exposed to locally adopted curricula that meet or exceed Alaska State Standards in English/Language Arts, Mathematics, Science, Geography, Government and Citzenship, History, Skills for a Healthy Life, Arts, World Languages, Technology, Employability and Library/Information Literacy.
2. Students are taught by qualified educators who are provided the time and support for professional development.
3. Students learn in a safe environment.
4. Facilities are well maintained.
5. Students have their diverse learning needs met.
6. There are effective partnerships between schools, families, and the community.
7. School buildings support appropriate technology for programs.
8. All students are given age-appropriate opportunities to participate in all aspects of school life including all student activities.

Data Needs

See Appendix A for data definitions.

I.

A. Achievement information based on standards and related costs:
   - Quality Staff
   - Curriculum

II. Information regarding the financial impact of:
   A. Loss of Buying Power
   B. Special Needs
   C. Facilities
   D. Violence/Social Issues
   E. Staffing

EDUCATIONAL ADEQUACY

Methodology

I. Measurable standards for student achievement have been set by the State of Alaska to meet the higher expectations of the public. "Making the connection between school dollars and student achievement is the principal school finance challenge of the next century."[1]

II. To meet that challenge, we must identify and reflect on the changes that have occurred over the last 10 years.

A. The basic amount of school funding per student has not changed since 1993.
B. Inflation has eroded buying power.
C. New requirements have been added without the dollars to cover their costs.
D. Societal changes such as concerns for student safety and changing demographics have impacted schools.

[1] Source, *20/20 Vision, a Strategy for Doubling America's Achievement by the Year 2020, The Consortium on Renewing Education, November 1998.*

EDUCATIONAL ADEQUACY

Appendix A

Data Definitions

Quality Staff – Discussion and information related to years of experience including relevant training and appropriate licensure of teaching staff.

Curriculum – Discussion of course offerings.

Loss of Buying Power – The purchasing power of the dollar when adjusted for inflation.

Special Needs – Changes in school districts' revenues and expenditures for categorical programs such as special education, gifted and talented, bilingual/bicultural, and vocational education. New requirements within these program areas.

Facilities – Age and condition and cost to operate school facilities in a manner that is safe and compliant with state building codes.

Violence/Social Issues – Discussion of new requirements on districts.

Staffing – Average teacher salaries, turnover rates, pupil teacher ratios, and numbers of administrative staff.

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APPENDIX A

Anchorage School District

4600 DeBarr Road
P. O. Box 196614
Anchorage, Alaska 99519-6614
(907) 742-4000

SCHOOL BOARD

Peggy Robinson
President

Dave Werdal
Vice President

Bettye Davis
Clerk

Rita J. Holthouse
Treasurer

Tom Anderson

Harriet A. Drummond

Debbie Ossiander

ACTING SUPERINTENDENT

Carol Comeau

November 9, 2000

RECEIVED
NOV 13 2000

Mr. Eddy Jeans
School Finance Manager
Alaska Department of Education and Early Development
801 West 10th Street, Suite 200
Juneau, AK 99801-1894

Dear Eddy:

The Anchorage School District appreciates being asked to participate in the Department's effort to provide information to the Legislature regarding educational adequacy. The Educational Adequacy Retreat brought together urban and rural communities, school districts and interested parties to identify common interests and concerns regarding educating the students of Alaska.

Pursuant to your request, we are enclosing comparative information about the Anchorage School District for FY 1987-88 and the current year. For certain items, if information was not available for those particular years, then we have so indicated and provided information closest to that date.

We hope that the statistical/cost comparisons and narrative information relative to special needs mandates will help support the need for additional funding. This information along with all of the other mandates that have been imposed on the districts have resulted in increased per student costs.

If you have any questions or we can be of further assistance, please contact me at 742-4369.

Sincerely yours,

Janet Stokesbary

Janet Stokesbary
Chief Financial Officer

Enclosures

cc Carol Comeau, Superintendent (Acting)

APPENDIX B

ANCHORAGE SCHOOL DISTRICT SUMMARY FOR STATE DOE PROJECT

Description of Item	Starting Fiscal Year	Amount	Actual Ending Fiscal Year	Actual Amount	Actual Percentage Change	Actual[3]/Budgeted Ending Fiscal Year	Actual[3]/Budgeted Amount	Actual[3]/Budgeted Percentage Change
State Foundation Calculations (per ADM) [1]								
State Foundation Basic Need	87/88	4,824.76	99/00	5,409.02	12.11%	00/01	0	-100.00% [3]
State Foundation Aid	87/88	3,149.10	99/00	4,122.87	30.92%	00/01	0	-100.00% [3]
State Supplemental Budgetary Expenditures (per ADM)								
Instruction (Reg., VocEd., Gifted, Bilingual)	87/88	2,449.55	99/00	3,153.58	28.74%	00/01	3,389.16	38.36%
Special education instruction (Instruction, Support)	87/88	589.26	99/00	972.34	65.01%	00/01	1,037.42	76.05%
Pupil support (Students, Instruction)	87/88	292.76	99/00	490.14	67.42%	00/01	508.50	73.69%
School administration	87/88	364.39	99/00	413.27	13.41%	00/01	417.95	14.70%
District administration (Admin., Support)	87/88	364.78	99/00	296.98	-18.59%	00/01	271.85	-25.48%
Operation and maintenance of plant	87/88	797.53	99/00	933.39	17.04%	00/01	915.26	14.76%
Community service	87/88	5.03	99/00	7.83	55.61%	00/01	7.78	54.45%
Debt service	87/88	-	99/00	0.78	#DIV/0!	00/01	-	#DIV/0!
Pupil activity (Student Activities)	87/88	53.75	99/00	54.66	1.70%	00/01	56.92	5.89%
Total expenditures	87/88	4,917.06	99/00	6,322.99	28.59%	00/01	6,604.82	34.32%
CAFR GAAP Expenditures, 00/01 based on Budgetary Expenditures (per ADM)								
Personnel Services	87/88	3,567.67	99/00	4,501.79	26.18%	00/01	4,690.51	31.47%
Employee Benefits	87/88	883.94	99/00	1,166.46	31.96%	00/01	1,235.80	39.81%
Purchased Services	87/88	455.06	99/00	769.31	69.06%	00/01	718.84	57.97%
Supplies and Materials	87/88	169.79	99/00	258.11	52.02%	00/01	228.43	34.54%
Capital Outlay	87/88	36.64	99/00	102.70	180.28%	00/01	50.33	37.35%
Other Expenses	87/88	40.72	99/00	37.92	-6.89%	00/01	31.10	-23.63%
Total	87/88	5,153.82	99/00	6,836.29	32.65%	00/01	6,955.02	34.95%
Purchased Supplies								
6th Grade English Textbook	92/93	$ 22.44	00/01	$ 35.88	59.89%			
Xerographic Paper, white 8.5 x 11	92/93	18.30	00/01	21.30	16.39%			
Paper, newsprint ruled, grades 1-2	92/93	3.91	00/01	5.66	44.76%			
Students & Buildings								
ADM K-12 & Special Ed.	87/88	38,734.41	99/00	48,157.22	24.33%	00/01	48,576.00	25.41% [3]
Bilingual/Bicultural ADM Category A (Non-English)	87/88	560.50	99/00	911.00	62.53%			
Bilingual/Bicultural ADM Category B (Mostly Non-English)	87/88	280.50	99/00	2,319.00	726.74%			
Bilingual/Bicultural ADM Category C (Bilingual)	87/88	177.00	99/00	544.00	207.34%			
Bilingual/Bicultural ADM Category D (Mostly English)	87/88	271.00	99/00	457.00	68.63%			
Bilingual/Bicultural ADM Category E (English/slight foreign)	87/88	349.50	99/00	115.00	-67.10%			
Total Bilingual ADM	87/88	1,638.50	99/00	4,346.00	165.24%	00/01	5,003.00	205.34% [3]
Special Education ADM Gifted	87/88	1,448.00	99/00	1,874.00	29.42%	00/01	2,109.00	45.65% [3]
Special Education ADM Resources	87/88	2,809.00	99/00	5,422.00	93.02%	00/01	5,242.00	86.61% [3]
Special Education ADM Self-Contained	87/88	1,060.00	99/00	1,037.00	-2.17%	00/01	1,243.00	17.26% [3]
Special Education ADM Intensive	87/88	415.00	99/00	734.00	76.87%	00/01	780.00	87.95% [3]
Total Special Education ADM	87/88	5,732.00	99/00	9,067.00	58.18%	00/01	9,374.00	63.54% [3]
Special Ed - Intensive + Bilingual ADM	87/88	6,955.50	99/00	12,679.00	82.29%	00/01	13,597.00	95.49% [3]
# of School Buildings	87/88	72.00	99/00	87.00	20.83%			
Salary History								
Average Budgeted Teacher's Salary	87/88	40,693.00	00/01	48,748.00	19.79%			
Teachers - Low	87/88	23,863.00	00/01	32,600.00	36.61%			
Teachers - High	87/88	51,245.00	00/01	62,766.00	22.48%			
Bus Driver - Low	87/88	9.60	00/01	11.68	21.67%			
Bus Driver - High	87/88	11.50	00/01	15.88	38.09%			
Bus Attendant - Low	87/88	7.30	00/01	8.73	19.59%			
Bus Attendant - High	87/88	9.00	00/01	13.28	47.56%			
Totem - Low	87/88	7.25	00/01	10.90	50.34%			
Totem - High	87/88	11.00	00/01	17.73	61.18%			
Custodian - Low	87/88	8.00	00/01	8.99	12.38%			
Custodian - High	87/88	14.56	00/01	16.20	11.26%			
Maintenance - Low	87/88	12.38	00/01	16.20	30.86%			
Maintenance - High	87/88	18.13	00/01	23.75	31.00%			
Principal - Low	87/88	52,165.00	00/01	62,830.00	20.44%			
Principal - High	87/88	71,470.00	00/01	90,584.00	26.74%			
ACE - Low	89/90	113.00	00/01	125.90	11.42%			
ACE - High	89/90	292.68	00/01	377.51	28.98%			
Major Medical Insurance (per eligible employee)								
Total Cost	87/88	2,429.40	00/01	7,144.80	194.10%			
District Contribution	87/88	2,384.00	00/01	5,121.80	114.83%			
Utilities (per sq. foot)								
Heat for Buildings [2]	88/89	0.36	99/00	0.27	-22.81%	00/01	0.27	-22.96%
Water and Sewer	88/89	0.07	99/00	0.08	15.29%	00/01	0.07	2.84%
Electricity	88/89	0.76	99/00	0.93	21.22%	00/01	0.94	22.96%
Refuse	88/89	0.09	99/00	0.10	13.42%	00/01	0.09	3.89%

[1] Includes full FTE funding for Family Partnership Charter School in 1999-2000 which is not permanent.

[2] Contract with Aurora Gas gave ASD a 10.9% discount starting 7/1/98. It expires 6/30/01, we have been informed to expect a price increase.

[3] Numbers based on 2000-2001 actuals.

ANCHORAGE SCHOOL DISTRICT
BILINGUAL/MULTICULTURAL EDUCATION PROGRAMS

MEMORANDUM October 4, 2000

TO: Alden Thern

FROM: Maxine Hill, Supervisor
Bilingual/Multicultural Education Programs

SUBJECT: BILINGUAL EDUCATION PROGRAM

Since 1987-88 have there been any mandates with regards to Bilingual?

Since 1987-88 there have been changes in the regulations, Alaska Education Regulations Chapter 34, which govern the provision of bilingual education in the State of Alaska. The purpose as stated in 4 AAC 34.10 is to meet the needs of students of limited English-speaking ability by providing educational opportunity to identified students through the establishment of bilingual education programs. Reauthorization of the regulations occurred during the 1998-99 school term. The reauthorization brought about many changes.

Each school district that enrolls limited-English-proficient (LEP) pupils is responsible for taking appropriate steps to develop their English-language skills and to provide them meaningful participation in the school district's academic program consistent with applicable state and federal standards (4 AAC 34.055). Meaningful participation is defined in Title VI of the Civil Rights Act of 1964 as equal educational opportunities. In assessing compliance with Title VI a twofold standard applies: (1) English language development; and (2) meaningful participation of LEP students in the district's educational program. "There is no equity of treatment merely by providing students with the same facilities, textbooks, teachers, and curriculum; for students who do not understand English are effectively foreclosed from any meaningful education." Lau v. Nichols

The District has an obligation under Title VI to implement a program of services designed to provide LEP students with equal educational opportunities. The District is expected to effectively implement the educational approach that they have adopted and are expected to provide the necessary resources to implement the program.

What expenses have been incurred because of the new regulations?

The change, which impacts ASD most, focuses on assessment and identification of limited-English-proficient students. Prior to the 1999-2000 school-term the District was responsible for identification and assessment of language dominance for the purpose of categorizing students in one of the five Lau categories. In this process only one instrument was used to assess oral language proficiency. Since the new regulations were adopted in the 1999-2000 school-term the assessment procedure mandates measuring English-language proficiency with respect to each student's ability to speak, read, write, and comprehend English. This has necessitated increased costs to select and purchase the appropriate and necessary assessment instruments; orient and train qualified staff to administer the assessment instruments and evaluate the results.

Are there trends relative to the increase in budget?

The Bilingual Education Program has been in existence in the ASD since the 1977-78 school year. Beginning with a program serving 361 students in grades K-12. The program has grown to serving approximately 12.5 times the number of students originally served. The most recent count, September 2000, confirms 3035 students in grades K-6, and 1816 students in grades 7-12.

During the 1987-88 school-term a total of 2,265 students were served in grades K-12. These students spoke a total of 55 different languages. Student demographics have changed tremendously since that time. With the increased number of students has come an increase in the number of languages spoken by students. That number as of last year was 87 different languages. Since the 1994-95 school-term ASD has experienced an increase in the number of students from war-torn countries which include students who have been orphaned or were refugees. Students speaking 7 different languages made a dramatic increase as depicted in the chart below:

Year	Serbo-Croation	Mien	Hmong	Lao	Albanian	Russian	Total # of Languages
94/95	13	41	0	188	50	72	71
95/96	12	75	0	199	53	87	84
97/98	17	119	0	306	52	89	86
98/99	18	169	95	345	58	95	87
99/00	18	166	170	346	76	113	87

Bilingual/ESL education is organized conceptually to view the student holistically and to help students clarify options compatible with their individual goals. The evolving academic, social, and linguistic needs and potential of each student must be understood, assessed, and addressed. The program supports the English language development of students and promotes the timely acquisition of content by building on students' prior knowledge and experiences through strategic use of native languages and the learners' evolving proficiency in English.

In order to provide a program to meet the growing needs of the students it has been necessary to also increase the number of staff working with students.

Year	Learning Centers	Elementary Teachers	Tutors	Secondary Teachers	Counselors
94/95	7	7	66	10	0
95/96	7	7	76	14	0
97/98	12	10	90	16	2
98/99	11	10	98	23.8	3.7
99/00	14	12.5	102	34	4.7

<u>Changing Student Population</u>

The Newcomer Center opened in September of 1997 with eleven newly immigrated, non-English-speaking students. All were Spanish-speakers from only three different countries. A relatively homogenous class resulted. By January of 1998, the group had

grown to 19 students from six countries. These students spoke three languages - Spanish, Russian, and Lingala. Movement toward greater diversity had begun.

In the fall semester of 1998, the Newcomer Center served 24 students from 13 different countries; these newcomers spoke seven different languages - Spanish, Russian, Tagalog, Korean, Polish, Chichewa, and Wolof. Presently, in the spring of 1999, Newcomer Center enrollment has grown to 27 students from 14 countries. Chinese brings the current language total to eight.

All together, over the course of the past four semesters, 53 different students have attended the Newcomer Center, 22 in 1997-98 and 34 in 1998-99 (including three from 1997-98 who attended for a second semester). Twenty-nine attended for two semesters and 24 attended for one semester; approximately 10 of the latter group may remain in the program in the fall of 1999.

Another interesting trend parallels this increase in number and diversity. There is a steady decline in enrollees' ability to read English, as measured by the IPT - Reading assessment. At the same time, more recently enrolled newcomers lack functional literacy in their first language. In the fall of 1997, all entered with some degree of first language literacy. In the spring of 1998, three students possessed only minimal literacy in their first language. Eight students served during the 1998-99 school year could not read in their first language. This finding is particularly disturbing since first language literacy is an important indicator of academic success in English. Learning to read for the first time in a second language has proven to be especially difficult.

These demographics reveal a noticeable need for intensive English language instruction for recently immigrated, non-English-speakers in the Anchorage School District. Over the past four semesters, students served by the Newcomer Center have grown steadily in number, in linguistic complexity, and in cultural and ethnic diversity. Unfortunately, the prior academic preparation of the student group as a whole shows a decline. These factors combine to dramatically increase the difficulty of an already daunting instructional challenge.

DECISIONS AT THE STATE AND FEDERAL LEVEL THAT HAVE IMPACTED SPECIAL EDUCATION PRACTICE AND FINANCIAL EXPENDITURES FOR THE ASD SINCE 1987

Special education in the Anchorage School District has experienced many new mandated requirements, technological improvements assisting those with medical needs, and student enrollment increases since 1987. The Individuals with Disabilities Education Act (IDEA) was reauthorized in 1990 and 1997, in 1994 (OSEP) and the 9th Circuit Court supported inclusionary practice recommendations, and the state had a federal compliance audit in 1996. Each of these events put additional obligations and requirements on ASD that have increased our expenditures in the provision special education supports and services. Summarized below are the major changes in the special education program over the last 13 years. (not in order)

1. ASD must provide counseling to students certified for special education if required as part or the student's IEP.
2. ASD must provide mobility training to students certified for special education if needed as part of the IEP.
3. In 1993 the policies and practices for the provision of students with disabilities in the least restrictive environment with a focus on the regular education class was re-emphasized. This has required the IEP team to first consider the neighborhood school for students with disabilities. The landmark case heard before the 9th Circuit in 1994-Rachel Holland vs. Sacramento School District set the floor. This has increased the number of teacher assistants, health service providers, related services staff, and special education training to all the regular education teachers.
4. The IEP meetings must include a regular education teacher. Many more substitute teachers are needed to provide classroom coverage. Staff is paid an addenda if they must stay after working hours for an IEP.
5. There is a requirement to provide special education services to students with disabilities beginning at age 3.
6. There are more partnership requirements with charter and private schools requiring more administrative and personnel time. Students with disabilities are entitled to special education services if they attend either charter or private schools.
7. New medical improvements require the district to provide both the equipment and training.
8. A Manifestation Determination meeting is required when a special education student is suspended from school for more than 10 days within a school year. The IEP team must meet and determine if the student's disability impacted their behavior and if the district was providing the appropriate supports and services for the student as designated on the IEP.
9. Students, certified for special education, not in school must receive their special education supports and services as designated on the IEP. New alternative programs for students who are expelled or on long term suspension had to be created. Students, up to age 22, who are certified for special education when last attending public schools but now reside in correctional facilities must receive special education.
10. Due to medical advances and technology more children with severe disabilities survive infancy and are attending public schools. This has lead to an increased number of students with more significant disabilities and the need for more teachers and specialists. Educational services are provided in a variety of locations to include home, hospital or school.
11. Assistive technology may be required for a student with disabilities to receive educational benefit. This may require specialized and expensive equipment and extensive training for staff and parents. This district has experienced a large increase in this area due to the new medical and learning technology that has recently become available and which the district is

required to provide. As an example; the district, at a cost of $8000 each, may have to purchase a computerized speech system, Dynavox, that is used to assist students in basic communication. The student must also have the assistive technology available to them both at school and at home thereby having the district purchase two. Some of the Dynavoxes at home have been broken and must be replaced by the district.

12. The district may have to provide recreational therapy and / or social services for students with disabilities if required by the IEP team in order for the child to receive educational benefit. There is a large amount of parent counseling and training that is now required also.
13. More paperwork and meeting requirements are now included in the IEP and in dealing with evaluations and assessments. IEP meetings with parents have gone from 1 meeting to 3 meetings per year, requiring all ASD members of the team to be present.
14. Increased numbers of health services staff due to the requirement for medical intervention. Districts must provide the level of health services up to what a doctor would be needed to provide.
15. Additional disabilities were classified for certification for special education over the last 13 years. In 1990 Other Health Impaired, Autism, and Traumatic Brain Injury were added. The district has experienced a significant increase in the number of students served. Attention deficit disorder is an area where special education gets involved and does the evaluations, holds the parent meetings, hears the complaints, and provides the specialized programs, however the state does not include them in the special education ADM counts. ASD currently has 200-300 students with this disorder. Students may qualify for special education as Other Health Impaired or a 504 plan. We have experienced a significant increase in students certified as Emotionally Disturbed. In 1987 we had 271 enrolled, while we had 698 students in 1999. Autism was added as an area of disability in 1990, the district has gone from 0 to 115 currently served. While the total numbers may seem small each student receives substantial specialized supports and services from the district.
16. There has been an increase in the number of students who are sent out of state for special education placement at the request of parents or DFYS. The district has to pick up the educational expenditure for each child if the placement is required for the student to receive educational benefit according to the IEP team decision..
17. There has been an increase in the district's litigation expenditures from parents who want specific teaching methodology and services provided to their child in which the district disagrees.
18. The district is required to prepare a functional behavioral assessment for a student's behavior that interferes with their education. A Positive Behavioral Intervention Plan must then be prepared which requires 3 to 4 teachers to spend 3 to 4 hours preparing. This has created many more meetings requiring more of the teachers and psychologists time.
19. IDEA 97 has extended the age required for student transition plans to age 14. As a result of the audit in 1996 the district is now required to provide a more extensive plan involving a variety of stakeholders. This has increased the number of vocational education teachers and has resulted in the increase in expenditures for the district's middle school, high school and ACE / ACT programs. The district must also coordinate with other outside agencies to assist the student upon leaving the educational system.
20. Increased protections and due process rights for parents and students with disabilities, active involvement in all IEP team decisions to include initial referral for evaluation to all discipline meetings such as a manifestation determination. This has increased staff expenditures for IEP team meetings as school teams attempt to have meetings at times convenient for working parents and difficult schedules.
21. Increased requests for independent educational evaluations from parents. This is a right of a parent to obtain at full cost to the district (approximately $600-$1200 per evaluation) if the parent disagrees with a district evaluation.

22. Students with disabilities must be involved in all district and state wide educational assessments such as CAT testing and Benchmarks. This has increased costs for IEP meetings to make determinations and provision of appropriate accommodations.
23. Costs for Extended School Year has escalated dramatically in past years by at least 200% as the definition for qualification for ESY has been extended by the Federal Law. Transportation and provision of related services is especially expensive for this summer program.
24. Extended school day must be considered and provided if student qualifies via the IEP team. this is especially utilized in the preschool and kindergarten program where some students need access to a full day program.
25. Provision of special education services in Headstart programs is now required at district expense.
26. The least restrictive environment clause and opportunity to be with non-disabled peers has resulted in increased costs for itinerant special education staff providing training and services to preschool students with disabilities in private preschools.
27. Increased costs for recruitment and training of special education staff. Required TA training offered on Saturdays. Recruitment teams sent out of state to recruit teachers and the need for recruitment bonuses for new staff.

SUMMARY TABLE G. ESTIMATED AVERAGE ANNUAL SALARIES OF TOTAL INSTRUCTIONAL STAFF AND OF CLASSROOM TEACHERS

REGION AND STATE	1998–99 (REVISED) AVERAGE SALARY FOR CLASSROOM TEACHERS				1999–2000 AVERAGE SALARY FOR CLASSROOM TEACHERS				% CHANGE OVER	
	INSTRUCTIONAL STAFF	ELEMENTARY	SECONDARY	ALL TEACHERS	INSTRUCTIONAL STAFF	ELEMENTARY	SECONDARY	ALL TEACHERS	1998–99 (CURRENT $)	1989–90 (CONSTANT $)
1	2	3	4	5	6	7	8	9	10	11
50 STATES AND D.C.	**42,459**	**40,293**	**41,155**	**40,582**	**43,460**	**41,310**	**42,212**	**41,575**	**2.45**	**6.9**
NEW ENGLAND	**51,454**	**45,333**	**45,321**	**45,044**	**52,588**	**46,341**	**46,370**	**46,065**	**2.27**	**6.9**
CONNECTICUT	53,429	52,386	54,594	51,584	54,400	53,300	55,600	52,500	1.78	4.6
MAINE	36,125	34,576	35,650	34,906	36,903 •	35,294 •	36,390 •	35,631 •	2.08 •	6.9 •
MASSACHUSETTS	56,829 •	44,877 •	44,877 •	45,075 •	58,053 •	45,924 •	45,924 •	46,127 •	2.33 •	7.2 •
NEW HAMPSHIRE	45,187 •	37,405	37,405	37,405	46,161 •	38,162 •	38,162 •	38,162 •	2.02 •	6.2 •
RHODE ISLAND	51,689 •	50,262 •	50,396 •	50,322	52,803 •	52,166 •	52,305 •	52,228	3.79 •	16.8 •
VERMONT	37,081 •	37,496 •	36,062 •	36,800 •	37,880 •	38,014 •	36,560 •	37,308 •	1.38 •	3.7 •
MID EAST	**50,223**	**48,056**	**49,755**	**48,704**	**51,410**	**49,173**	**50,979**	**49,636**	**1.91**	**9.4**
DELAWARE	44,916	43,026	43,330	43,164	45,884 •	43,920 •	44,230 •	44,061 •	2.08 •	6.5 •
DISTRICT OF COLUMBIA	42,974 •	47,640 •	46,404 •	47,150 •	43,900 •	48,630 •	47,368 •	48,130 •	2.08 •	1.1 •
MARYLAND	44,873	41,620	43,592	42,526	45,840 •	42,405 •	44,414 •	43,328 •	1.89 •	-3.8 •
NEW JERSEY	54,342 •	50,088 •	53,079 •	51,193 •	55,513 •	51,048 •	54,096 •	52,174 •	1.92 •	17.9 •
NEW YORK	50,300 •	48,785 •	50,744 •	49,437 •	51,384 •	49,511 •	51,499 •	50,173 •	1.49 •	3.9 •
PENNSYLVANIA	49,566	48,157	48,781	48,457	51,086	50,338	51,212	49,765	2.70	20.4
SOUTH EAST	**37,065**	**35,434**	**36,422**	**35,817**	**38,046**	**36,551**	**37,541**	**36,936**	**3.12**	**9.3**
ALABAMA	36,740	35,820	35,820	35,820	37,532 •	36,564 •	36,564 •	36,564 •	2.08 •	18.8 •
ARKANSAS	32,879 •	31,445 •	33,220 •	32,350 •	33,587 •	32,199 •	34,017 •	33,126 •	2.40 •	19.5 •
FLORIDA	37,048	35,916	35,916	35,916	37,846 •	36,662 •	36,662 •	36,662 •	2.08 •	2.6 •
GEORGIA	41,591	39,076	40,532	39,675	42,487 •	40,703 •	42,220 •	41,327 •	4.16 •	19.0 •
KENTUCKY	37,251	35,076	36,580	35,526	38,054 •	35,846 •	37,383 •	36,306 •	2.20 •	11.4 •
LOUISIANA	33,943	32,510	32,510	32,510	34,674 •	33,186 •	33,186 •	33,186 •	2.08 •	10.1 •
MISSISSIPPI	30,743	29,129	30,056	29,530	31,405 •	29,735 •	30,681 •	30,144 •	2.08 •	0.1 •
NORTH CAROLINA	37,279	35,919	36,399	36,098	39,590	38,146	38,657	38,336	6.20	10.9
SOUTH CAROLINA	36,217	34,240	35,110	34,506	36,997 •	35,915 •	36,828 •	36,194 •	4.89 •	7.2 •
TENNESSEE	37,491 •	36,109 •	37,545 •	36,500 •	38,299 •	36,998 •	38,470 •	37,399 •	2.46 •	11.5 •
VIRGINIA	38,265 •	36,255 •	39,426 •	37,475 •	39,089 •	37,067 •	40,309 •	38,314 •	2.24 •	-0.1 •
WEST VIRGINIA	35,451	33,961	34,842	34,244	36,215 •	34,667 •	35,566 •	34,956 •	2.08 •	23.4 •
GREAT LAKES	**45,014**	**43,169**	**45,014**	**43,634**	**46,151**	**44,364**	**46,279**	**44,850**	**2.79**	**9.9**
ILLINOIS	47,312	43,655	50,140	45,569	48,331 •	44,893 •	51,562 •	46,861 •	2.84 •	15.2 •
INDIANA	42,501	41,328	40,997	41,163	43,417 •	42,262 •	41,923 •	42,093 •	2.26 •	9.9 •
MICHIGAN	48,207 •	48,207 •	48,207 •	48,207 •	49,246 •	49,209 •	49,209 •	49,209 •	2.08 •	7.0 •
OHIO	41,986	40,184	41,335	40,566	43,600	41,800	43,000	42,200	4.03	9.0
WISCONSIN	43,507	40,423	44,161	40,657	44,444 •	41,263 •	45,079 •	41,502 •	2.08 •	4.9 •
PLAINS	**37,385**	**35,326**	**36,074**	**35,687**	**38,155**	**36,150**	**36,923**	**36,523**	**2.34**	**5.1**
IOWA	36,209	34,143	35,588	34,927	36,989 •	34,988 •	36,468 •	35,791 •	2.47 •	7.9 •
KANSAS	39,690	37,405	37,405	37,405	40,340	38,527	38,527	38,527	3.00	8.1
MINNESOTA	40,707	39,816	39,092	39,458	41,584 •	40,643 •	39,904 •	40,278 •	2.08 •	0.9 •
MISSOURI	36,512	34,208	35,293	34,746	37,299 •	35,014 •	36,125 •	35,565 •	2.36 •	5.9 •
NEBRASKA	36,571	32,880	32,880	32,880	37,359 •	33,473 •	33,473 •	33,473 •	1.80 •	5.8 •
NORTH DAKOTA	29,215	29,199	28,571	28,976	29,844	29,838	29,196	29,610	2.19	3.7
SOUTH DAKOTA	29,387	28,610	28,422	28,552	30,020 •	29,204 •	29,012 •	29,145 •	2.08 •	10.3 •
SOUTH WEST	**37,367**	**33,984**	**35,042**	**34,462**	**38,208**	**34,799**	**35,949**	**35,314**	**2.47**	**5.1**
ARIZONA	45,785 •	35,025 •	35,025 •	35,025 •	46,771 •	35,650 •	35,650 •	35,650 •	1.78 •	-2.2 •
NEW MEXICO	33,714	32,242	32,786	32,398	34,810	32,724	33,774	32,937	1.66	7.3
OKLAHOMA	32,783 •	30,969 •	31,343 •	31,149 •	33,489 •	31,612 •	31,994 •	31,796 •	2.08 •	11.1 •
TEXAS	36,999	34,388	35,703	35,041	37,796 •	35,303 •	36,653 •	35,973 •	2.66 •	5.5 •
ROCKY MOUNTAINS	**36,123**	**34,912**	**35,358**	**35,125**	**37,139**	**35,759**	**36,220**	**35,980**	**2.43**	**6.6**
COLORADO	39,421 •	37,901 •	38,150 •	38,025 •	40,270 •	38,700 •	38,955 •	38,827 •	2.11 •	1.8 •
IDAHO	35,643	34,167	33,954	34,063	37,055	35,520	35,299	35,412	3.96	19.7
MONTANA	30,034	30,979	32,150	31,356	31,551 •	31,623 •	32,819 •	32,008 •	2.08 •	2.9 •
UTAH	33,982 •	33,007 •	32,887 •	32,950 •	34,714 •	33,693 •	33,571 •	33,635 •	2.08 •	14.5 •
WYOMING	34,683	33,714	33,302	33,500	35,633	34,500	34,100	34,300	2.39	-1.7
FAR WEST	**45,113**	**43,632**	**44,457**	**43,905**	**46,113**	**44,549**	**45,406**	**44,830**	**2.11**	**0.2**
ALASKA	48,083	46,845	46,845	46,845 •	49,121 •	47,262 •	47,262 •	47,262 •	0.89 •	-11.7 •
CALIFORNIA	46,393 •	44,763 •	47,262 •	45,400 •	47,597 •	45,694 •	48,245 •	46,344 •	2.08 •	-1.6 •
HAWAII	41,547	39,871	39,871	40,377	42,442 •	40,699 •	40,699 •	41,216 •	2.08 •	3.7 •
NEVADA	41,007	38,552	39,338	38,883	41,891 •	39,353 •	40,155 •	39,691 •	2.08 •	4.6 •
OREGON	43,142	42,496	42,805	42,833	44,072 •	43,379 •	43,694 •	43,723 •	2.08 •	14.3 •
WASHINGTON	40,596	38,723	38,651	38,692	41,471 •	39,528 •	39,454 •	39,496 •	2.08 •	4.6 •

C-16. PERCENT CHANGE IN AVERAGE SALARIES OF PUBLIC SCHOOL TEACHERS, 1988-89 TO 1989-90

1.	NEW HAMPSHIRE	8.6
2.	CONNECTICUT	8.3
3.	LOUISIANA	8.1
	NORTH CAROLINA	8.1
5.	NEW JERSEY	8.0
	MARYLAND	8.0
7.	MISSISSIPPI	7.9
8.	MAINE	7.8
9.	NEBRASKA	7.0
10.	FLORIDA	6.8
	VIRGINIA	6.8
12.	PENNSYLVANIA	6.7
13.	VERMONT	6.3
14.	NEW YORK	6.2
	SOUTH CAROLINA	6.2
16.	NEVADA	6.1
	MASSACHUSETTS	6.1
18.	DELAWARE	5.7
19.	TENNESSEE	5.6
	UNITED STATES	5.4
20.	KENTUCKY	5.4
21.	RHODE ISLAND	5.3
	ILLINOIS	5.3
23.	OHIO	5.2
24.	NEW MEXICO	5.1
25.	CALIFORNIA	5.0
	MINNESOTA	5.0
	IDAHO	5.0
28.	OREGON	4.9
29.	KANSAS	4.8
30.	MISSOURI	4.7
31.	DIST. OF COL.	4.6
32.	WASHINGTON	4.4
33.	WEST VIRGINIA	4.3
34.	HAWAII	4.1
	COLORADO	4.1
36.	INDIANA	4.0*
37.	UTAH	3.9
38.	IOWA	3.8
	SOUTH DAKOTA	3.8
40.	WISCONSIN	3.7
	TEXAS	3.7
42.	GEORGIA	3.6
43.	NORTH DAKOTA	3.4
	MICHIGAN	3.4*
	ALASKA	3.4
46.	ARIZONA	3.2
47.	OKLAHOMA	3.1
48.	ARKANSAS	2.9
49.	MONTANA	2.7
50.	WYOMING	1.8
51.	ALABAMA	1.2
	MEAN	5.4
	MEDIAN	5.0
	RANGE	7.4
	SDEV.	0.7
	CV	13.0

Computed from NEA Research, *Estimates* data bank.

C-17. ESTIMATED AVERAGE SALARIES OF INSTRUCTIONAL STAFF IN PUBLIC SCHOOLS, 1988-89 (REVISED)

1.	ALASKA	42,818*
2.	DIST. OF COL.	42,310
3.	CONNECTICUT	38,708
4.	MASSACHUSETTS	38,419
5.	NEW YORK	38,100
6.	CALIFORNIA	35,882
7.	MICHIGAN	35,741*
8.	RHODE ISLAND	35,564
9.	MARYLAND	35,072
10.	NEW JERSEY	34,627
11.	DELAWARE	32,736
12.	WISCONSIN	32,500
13.	ILLINOIS	32,207
14.	ARIZONA	31,985
15.	HAWAII	31,945
16.	MINNESOTA	31,750
17.	PENNSYLVANIA	31,555
	UNITED STATES	30,969
18.	OHIO	30,934
19.	OREGON	30,680
20.	COLORADO	30,614
21.	WASHINGTON	30,525
22.	INDIANA	30,357
23.	NEVADA	30,150
24.	GEORGIA	29,752*
25.	VIRGINIA	29,655
26.	KANSAS	29,248
27.	WYOMING	28,844
28.	FLORIDA	28,697
29.	MONTANA	28,415
30.	TEXAS	27,565
31.	NEW HAMPSHIRE	27,448*
32.	VERMONT	27,265*
33.	MISSOURI	27,020
34.	NORTH CAROLINA	26,833
35.	SOUTH CAROLINA	26,762
36.	IOWA	26,590
37.	TENNESSEE	26,512
38.	ALABAMA	26,150
39.	KENTUCKY	26,026
40.	MAINE	25,779
41.	NEBRASKA	25,335
42.	NEW MEXICO	25,003
43.	UTAH	23,955
44.	IDAHO	23,640
45.	MISSISSIPPI	23,297
46.	OKLAHOMA	23,200
47.	LOUISIANA	23,150
48.	NORTH DAKOTA	22,994
49.	WEST VIRGINIA	22,897
50.	ARKANSAS	22,193
51.	SOUTH DAKOTA	21,250
	MEAN	30,969
	MEDIAN	29,248
	RANGE	21,568
	SDEV.	7461.4
	CV	24.1

NEA Research, *Estimates* data bank.

C-18. ESTIMATED AVERAGE SALARIES OF INSTRUCTIONAL STAFF AS PERCENT OF NATIONAL AVERAGE, 1988-89 (REVISED)

1.	ALASKA	138.3*
2.	DIST. OF COL.	136.6
3.	CONNECTICUT	125.0
4.	MASSACHUSETTS	124.1
5.	NEW YORK	123.0
6.	CALIFORNIA	115.9
7.	MICHIGAN	115.4*
8.	RHODE ISLAND	114.8
9.	MARYLAND	113.2
10.	NEW JERSEY	111.8
11.	DELAWARE	105.7
12.	WISCONSIN	104.9
13.	ILLINOIS	104.0
14.	ARIZONA	103.3
15.	HAWAII	103.2
16.	MINNESOTA	102.5
17.	PENNSYLVANIA	101.9
	UNITED STATES	100.0
18.	OHIO	99.9
19.	OREGON	99.1
20.	COLORADO	98.9
21.	WASHINGTON	98.6
22.	INDIANA	98.0
23.	NEVADA	97.4
24.	GEORGIA	96.1*
25.	VIRGINIA	95.8
26.	KANSAS	94.4
27.	WYOMING	93.1
28.	FLORIDA	92.7
29.	MONTANA	91.8
30.	TEXAS	89.0
31.	NEW HAMPSHIRE	88.6*
32.	VERMONT	88.0*
33.	MISSOURI	87.2
34.	NORTH CAROLINA	86.6
35.	SOUTH CAROLINA	86.4
36.	IOWA	85.9
37.	TENNESSEE	85.6
38.	ALABAMA	84.4
39.	KENTUCKY	84.0
40.	MAINE	83.2
41.	NEBRASKA	81.8
42.	NEW MEXICO	80.7
43.	UTAH	77.4
44.	IDAHO	76.3
45.	MISSISSIPPI	75.2
46.	OKLAHOMA	74.9
47.	LOUISIANA	74.8
48.	NORTH DAKOTA	74.2
49.	WEST VIRGINIA	73.9
50.	ARKANSAS	71.7
51.	SOUTH DAKOTA	68.6
	MEAN	100.0
	MEDIAN	94.4
	RANGE	69.7
	SDEV.	24.1
	CV	24.1

Computed from NEA Research, *Estimates* data bank.

*Data estimated by NEA.

State of Alaska
Department of Education and Early Development

Average Age of School Facilities

YEAR	AGE
1990	19
1992	20
1994	22
1996	23
1998	24
2000	26

Examples of Teacher Incentives Offered in Other States

- Increased Salaries
  - Maryland-10%
  - Virginia-$90 million over 2 years
  - New York City-15% increase for teachers in schools on academic watch list
  - Detroit-$3000 for high-need subject areas
  - Los Angeles-$5000 for bilingual

- Scholarship-loan Programs
  - Virginia-$3000 forgivable loans
  - North Carolina-$6500 annually, requiring 4 years of teaching after graduation (3 if they work in "low performance" schools)

- Signing Bonuses
  - Massachusetts-$20,000 over 4 years for 150 teachers in urban areas
  - Virginia-$1000 for hard-to-fill areas
  - Maryland-for top graduates
  - Texas-$3000 for special education
  - Philadelphia-$4500 for teachers who stay for 3 years

- Tax Exemptions
  - California-proposed exemption from state income tax for certificated teachers

- Student Performance Bonuses
  - California-proposed $5000 bonus for each teacher in a school with student test score improvement of 20%; lesser amounts for lower improvement rates

- Low Interest Home Mortgages
  - Maryland
  - California-for teachers to live within school boundaries

- Double Dipping
  - Maryland-retired teachers who return to classroom can continue to draw pension

- Continuing Education
  - Ohio-$1.8 million for 30 math and science teachers who commit to 3 years in the district to obtain master's degrees
  - Many States and Districts-mentoring programs for new teachers

- Miscellaneous Goodies
  - Various States and Districts-laptop computers, gym memberships, 401Ks, moving costs

"A tax exemption or signing bonuses may not be the right answer here. But when states from New York to California are wading into a teacher bidding war, Oregon had better offer something more than scenery" *Portland Oregonian*, May 2000

Alaska Department of Education & Early Development
Public School Funding Formula Review
FY90 – FY00

- FY88 public school funding formula was revised to instructional unit method.

- FY93 the base of the public school funding formula increased 1.7% or approximately $12 million.

- FY99 public school funding formula was revised to students per school method.

- FY99 the base of the public school funding program increased 3.3% or approximately $21 million.

- From FY90 to FY00 enrollment increased 25% and the legislature fully funded the increase.

- From FY90 to FY00 inflation has increased approximately 30% but the public school funding program was increased 5% during this time.

- Property values and federal impact aid increased in FY01 and FY02 reducing the state share by $29 million.

- Property values statewide should continue to increase 2% to 5% annually.

- From FY90 to FY00 municipalities have increased local contributions to education by 55% or $98 million.

Foundation formula Hearing - DoE's Adequacy Studies.
Jan. 24, 2001

Sen. Wilken
1. agrees w/ tab 1
2. strongly disagrees w/ Tab 2
3. strongly agrees w/ Tab 3 - inflation a thief in the night.

Controversial areas
Categorical funding
Excessive Admin Costs.
Local Contribution

1995 - Formula was campaign issue. Ed Summit didn't come up w/ anything.
1996 - State Education Survey
- 2/3 said more $ ≠ better ed.
- 80% supported per student funding

1997 - Gov's SB 85 re formula
Very similar to SB 36
- Both bills rolled together in 1998
- June 11, 1998 bill signed; eff date July 1

Complex instructional unit formula in old bill. Only Eddie Jeans understood it. Only state that used it.

SB 36 - much simpler
Simplicity = Trust

McDowell Study - What does it cost to educate students.
- Problems:
different cost charts made comparisons very difficult. One district (a) is pencils. Another (a) is fuel oil.
Can't compare unless there's a common chart of accounts.

Study not perfect but best ever done. With common charts funding changes will be easier.

Categorical funding - special ed needs, voc-ed etc.
- Old formula
difficult to monitor "creative accounting.

- Creative accounting solved by static 20% funding for categorical.

Rep Wilson - is it possible that lawsuits, more careful evaluation?
Wiken - maybe
Con - data still says s.d. have 19% categorical kids.

Local Participation

8-10% of AK Students in Unorganized Boroughs
about 21% of state funding goes to unorganized.
Kapsner - impact aid.

August mtg of parents ~~Todd~~ recommended new dollars invested, not re-write of formula.

? 60/40 issue (Rep Joule) Transition.

Transition to New formula - Very Slow.
- see chart on this.
- average transition 20 years.

To take the transition out is to break the deal.

→ F.F. is simple & fair.
→ List of things that could be changed, but we'll need good data before we open the formula back up.

Stevens - formula measures what it currently costs, but not necessarily what it should cost.
Wilken - that's right. But first we need good data.
Con - SB 34 encourages spending increases.
Guess - formula based on expenditures rather than cost.
Wilken - McDowell did a study of what should be spent based on cost of providing service.

REPORT FROM DOE: EDDY JEANS - SCHOOL FINANCE MANAGER

Con Questions:

1. Cost differentials - compare old & new? Yes. Also other changes.
2. Transition ~~up or~~ down. Why not up?
   - formula already has this transition up built into it.
3. Small school districts - 32 kids, 10 kids. A one kid change would meet the 10% transition figure. Jeans - this # is just a starting point for the discussion.
4. Cost Diff. → What illustrations can you give? 1.0 in Anchorage. 1.3 is highest differential
5. Discussion w/ Rep. Wilson re: spending vs. cost (can't spend more than you get) Wrangell should have higher differential. Jeans - That's why DOE wants $ for new studies

Peter Crane - McDowell Group.

Recommend some different approaches to a new study.

- data approach
- goals of group approach.
- understand why their are differences between districts & set standards. Would need lots of data.
- Set goals for district. Smaller study.

Guess ~~Wilson~~ wants to go back to market basket method. That would come under first approach or a blending of both.

Porter - are charts of accounts compatible now?

Jones - Yes. And also give more detailed data. We need to identify the data elements that will be used in methodology. Again - DoE has provided more guidance on accounts & better definitions.

Porter - Will your new methodology move toward figuring what districts should spend?

Bunde - Conflict between funding needs & wants.

→ Ogdenblank Study is author phone # may be made available to interested members?

Educational Adequacy.

Con - Will Gov introduce legislation to amend SB 36 after Task Force recommendations.

Due to time - we'll address adequacy when there's a bill.

- Members of group who addressed adequately?

Senate Bill 36

A proposal to bring

Simplicity & **Fairness**

to the way Alaska

funds its public schools

A Review of the History of Senate Bill 36

January 24, 2001

Since 1988, State of Alaska General Fund dollar support of the public school Foundation Formula has increased

54.3%.

($409 m to $631 m)

In that same time, the number of public school students to be educated in Alaska has increased

27.9%.

(101,142 to 129,426)

Public School Funding
A Historical Review

Some critics of Senate Bill 36 focus attention on the impact the legislation has on several rural school districts, specifically the loss of state revenue in comparison to the dollar amount previously received. In order to fully understand this argument, it is necessary to put the current funding formula in a historical perspective.

1985

A one year stop-gap funding scheme was adopted.

1985 marked the second year of a three year study to determine a "resource cost model" to fund schools. California consultants were asked to assess the costs involved in educating Alaskan students in three differently sized, hypothetical classrooms. During this lengthy review, school districts were anxious for a change and pressure on the Legislature mounted. For a variety of reasons, the "resource cost model" was never implemented. Unable to decide upon the funding level, the Legislature approved a stop-gap measure.

An Alaska Geographic Differential Study was conducted in 1985 by Homan-McDowell. The study was based solely on the household cost of living and provided differential data for 19 election districts.

* * * * * * * * * *

1986

A re-write proved impossible; another one year solution.

Still under pressure to adopt a new formula, the Legislature approved SB 408, sponsored by Sen. Frank Ferguson, for one year.

- *"[The ACD] has always been a tool used to . . bring a number up or down, depending upon what a legislator was interested in."*

Mike Scott, staff to Sen. Ferguson

- *". . . most districts generate more special ed. money than they need."*
- *". . . noted the increased need for consolidation of school districts."*

Bob Green, School Boards' Assoc.

- *". . . real equity between urban and rural districts cannot be achieved."*

LeRoy Owens, Aleutian Schools

* * * * * * * * * *

1987

After two years of different stop-gap measures, a new proposal was considered.

The Legislature convened and found itself still in a tenuous position. The funding formula was under attack by the Southwest Region School District and the federal government. (Subsequently, the federal government required $11 million to be repaid by the state to several school districts.)

Governor Cowper proposed a funding formula based on "instructional units" and the cost of living study conducted in 1985 by Homan-McDowell. City and borough school districts were required to contribute 4 mills of their assessed property value or 35% of their district's basic need. A district's allocation was determined, in part, by the number of "funding communities" within the district.

The House Finance Committee amended the original bill and increased twenty-nine area cost differentials.

1987

As a result of several years of turmoil, the proposal was adopted even though the legislation "would be a further setback for railbelt taxpayers and students."

Sen. Joe. Josephson (5/19/87)

- *"[The new area cost differentials] are not based on the benefit of specific supporting data. For this reason, I do not feel these numbers should be included in the Foundation Formula."*
  Rep. Steve Rieger (4/16/87)

- *"[The new area cost differentials] presented are not based on a solid basis of school costs. I do not have confidence in their accuracy."*
  Rep. Pat Pourchot (4/16/87)

- *"[The House HESS Committee] urges that the issue of taxation in the unorganized areas be given serious consideration."*
  Rep. Johnny Ellis (3/19/87)

- *"... would like a survey of the [unorganized] areas to know the potential of the people being able to pay a percentage of the cost of education in their own areas."*
  Rep. Dave Donley (3/18/87)

- *"[I] express concern that surplus funding would be siphoned off by central offices and used to increase administrative hierarchy."*
  Sen. Paul Fischer (5/19/87)

- *"... in the rush to adjournment, the Senate Finance CS was reported out of committee without an opportunity for public testimony. [I] prevailed upon the Senate to return the bill to committee for a public hearing."*
  Sen. Johne Binkley (5/19/87)

- *"... if the 4 mill rate was in place ... North Slope and Valdez would be paying an unrealistic amount in relationship to [their need]."*
  Marshal Lind, DOE Commissioner

- *"... noted that [House Finance] had proposed twenty-nine [new ACDs] totaling approximately $4.2 million for all REAAs."*
  Sen. Paul Fischer (5/19/87)

- *"I believe it is dangerous for the Legislature to adjourn without enacting a new formula. Urban members of the Senate HESS Committee acquiesced in a measure that includes area differentials less favorable to urban areas."*
  Sen. Joe Josephson (5/19/87)

- *"... there appears to be no objective definition of funding communities."*
  Bill Berrier, small districts' lobby

* * * * * * * * *

1998

SB 36 proposes a funding formula that is based on actual school costs.

During the past ten years, the Foundation Formula has remained relatively stable. However, the current distribution scheme, developed under pressure with very limited cost data, has proven to be an experiment that has failed.

Issues raised in 1987 – special education spending, administrative overhead, "funding communities," local contribution inequities, inflated area cost differentials – are still areas of concern and are addressed in SB 36.

Senate Bill 36 is based on a school operating cost study that treats all Alaskan schools equally and fairly. This is the first review of actual school costs in the thirty-nine years of Alaskan statehood.

It is important to remember the historical perspective of the current formula when comparing SB 36 to the existing formula.

Prepared by Senator Gary Wilken's Office

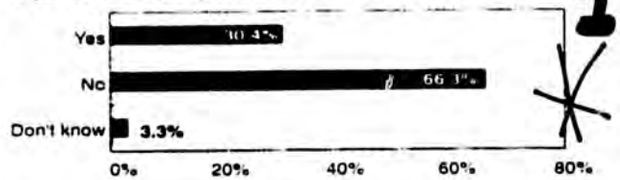
ALASKA EDUCATION SURVEY

January 1996

School Funding

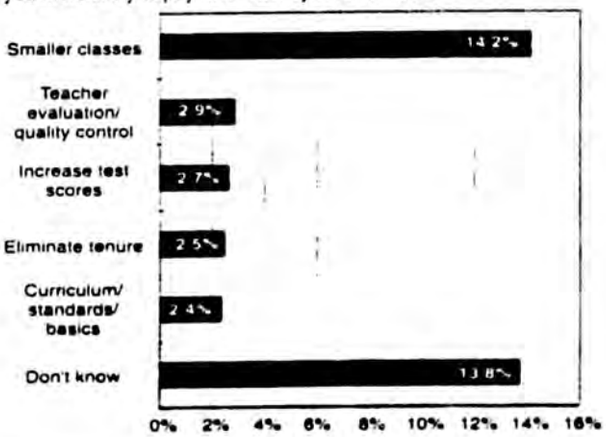
The survey found that only one in three Alaska voters believes that significant increases in education funding would improve the quality of education.

"If state funding of education was increased significantly tomorrow, do you think the quality of education in the state would increase?"



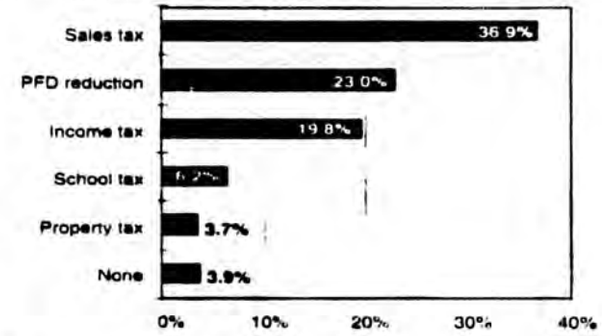
In an open-ended question, respondents reported some of the changes they would need to see that would make them more likely to support increased funding for education. Smaller class size, teacher quality and tenure issues, higher test scores, and better curriculum, higher standards and back-to-basics were the most frequent responses.

"What's the main thing you'd like to see happen that would make you more likely to pay more money for education?"



Five tax options were presented to respondents: a 1.5% sales tax, a 1% income tax, a 3 mill property tax, a $160 Permanent Fund deduction, and a $200 school tax. All of the proposed taxes yield annual revenue in the range of $60 million to $80 million. When asked to make a choice among the [illegible] options, more voters favored the sales tax.

"If the State needed to raise funds in some way to pay for education in Alaska, which of the five revenue sources we discussed would you be most supportive of.. ?"



The survey also found:

- Nearly half the state's voters think that Alaska is in financial trouble.
- Alaska voters are three times more likely to support cutting expenditures than raising taxes to alleviate state financial problems.
- More than 52% of voters believe that some districts receive too much funding while others receive too little.
- 57% of voters are unaware of the Foundation Formula for school funding. Another 9% are aware of its existence but unfamiliar with how it works.
- 81% believe the state's method of funding schools should be simplified.
- 73% of voters support funding education based on an amount per student, with additional amounts added for special needs, rather than the current instructional unit method.
- Half of those surveyed feel it is reasonable for rural school districts to receive twice the per student funding of urban schools.
- 43% say it makes sense to place all schools into one of four cost brackets representing costs in urban communities, small communities on the road system, rural hubs such as Bethel, and remote rural communities.

School Funding Analysis

Comparison of SB 85 and SB 36

Senate Bill 85 Introduced by the Governor – 2/12/97	Governor's Transmittal Letter Several Excerpts – 2/12/97	Senate Bill 36 Passed by the Senate – 3/11/98
• Allocations are distributed on a per student basis, and then weighted according to the cost of operating schools.	• *[recommend] a per pupil basis instead of the complicated instructional unit method now in use.*	• Allocations are distributed on a per student basis, and then weighted according to the cost of operating schools.
• Special needs students are classified as 20% of total students enrolled in schools. An across the board allocation is made to each school district for its special needs students, to be spent as each local district deems appropriate. Categorical funding is abolished.	• *Eliminating the need to unnecessarily label children as "special needs students" [allows] districts to receive a block entitlement of 20 percent above their base funding for students currently labeled gifted and talented, vocational, bilingual, and most categories of special education.*	• Special needs students are classified as 20% of total students enrolled in schools. An across the board allocation is made to each school district for its special needs students, to be spent as each local district deems appropriate. Categorical funding is abolished.
• Funding provides for students identified with intensive needs in addition to the 20% allocation.	• *Districts will get categorical funding only for students with the most serious, or intensive, disabilities.*	• Funding provides for students identified with intensive needs in addition to the 20% allocation.
• Minimum size for funding is set at 10 ADM.	• *[SB 85] is bold. It is imaginative.*	• Minimum size for funding is set at 10 ADM.
• Requires an area cost differential study to be completed and implemented in three years.	• *Funds a statewide study to determine the cost of operating schools.*	• Implements the *Alaska School Operating Cost Study* conducted by the McDowell Group.
• Area cost differentials are assigned at the funding community level.	• *The proposed foundation formula distributes [funding] . . . in a fairer and easier to understand method.*	• District cost factors reflect non-personal services and administrative costs for each district.
• Equalization is based on 3 mills plus supplemental equalization formula.	• *The foundation formula was developed over the past two years by the State Board of Education.*	• Equalization is based on 4 mills.
• Allows additional local contributions without cap.	• *Lifting the current local funding cap that prevents local governments from contributing above a certain level of funding for schools [is recommended].*	• Allows for additional local contributions capped at 23% of the district's state share of public school funding.

The description of SB 85 was taken from information provided by the Department of Education

Prepared by Senator Gary Wilken's Office

Comments on Senate Bill 85 – Public School Funding

Senate Bill 85, relating to public school funding, was introduced by Governor Knowles on February 12, 1997. On February 19, 1997, this legislation was discussed in Senate HESS Committee. Mr. Rick Cross, Deputy Commissioner, Department of Education, spoke in favor of SB 85. The following excerpts were taken from the minutes of that meeting.

Relating to the block entitlement of 20% for special needs students:

- "SB 85 would eliminate unnecessary labeling of students."
- "20% is close to the current total effort on a statewide basis."
- "Considerable disparity [exists] between districts regarding how many students are identified for [special education, bilingual, and vocational educational programs]."
- "In one district, nine percent are special needs . . . while another district has 33 percent identified."
- "Such disparities cannot simply be explained by the student population or demographics alone."
- ". . . some districts have been more aggressive in the identification of students."
- "Over-identification and labeling of students is a concern and cannot continue."
- "The solution is to recognize the cost for such programs, not by unnecessarily labeling children. This needs to be addressed this session."

Relating to the need for a new area cost differential study:

- "[SB 85] allocates funding per student. [A new] area cost differential study . . . is linked to the elimination of the instructional unit."
- "The study . . . would [review] the cost to educate a child and operate a school, not the cost of operating a district."
- "The cost of operating a district must be justified with the impact on the classroom."
- "[I am] pleased that . . . everyone indicated the need for an area cost differential study [and I] acknowledge that an area cost differential study redistributes the wealth which results in winners and losers."
- "[I] agree with the assessment that cost differences [between districts] have diminished, but the study will confirm or deny that suspicion."

SB 36 gets high marks

Bill signing grabs spotlight

By LIZ RUSKIN
Daily News reporter

A flock of legislators, children and news reporters crowded into the Baxter Elementary School library on Thursday to watch Gov. Tony Knowles sign what used to be a highly controversial education bill, Senate Bill 36.

"This is one of the grossest photo ops I've ever seen," groused Sen. Robin Taylor, the Wrangell Republican who is running for governor. Despite his complaint, of the dozen legislators present, Taylor grabbed the largest share of the media spotlight, standing and smiling within easy camera range of the podium while Knowles called others up to speak.

"I've worked on it. This man never did," said Taylor, nodding in the direction of Knowles, who was across the room.

SB 36, a rewrite of the state school funding formula, began as a measure that shifted millions of state dollars from rural schools to urban ones while holding overall state education aid steady.

Please see Page B-3, SB 36

SB 36: Credit-taking marks Knowles' signing ceremony

Continued from Page B-1

Although its Republican sponsors said it corrected a longstanding inequity, rural residents complained that the bill discriminated against Bush children, and Knowles promised a veto.

The version of SB 36 that eventually passed the Legislature in the final minutes of the session is much different from the original. Instead of reducing funding for Bush districts, it gives more money to all districts except the North Slope, with urban districts generally gaining more than most rural ones. Overall, it increases state education spending by more than $26 million.

Senate Bill 36 gives more money to all districts except the North Slope, and increases state education spending by more than $26 million.

On Thursday, politicians of all stripes were taking credit for it.

Knowles said he was pleased the bill also includes parts of his Quality School initiative, which establishes new academic standards, calls for more student testing and requires substandard school districts to improve. He downplayed his earlier criticism of a late addition to the bill that says some districts will get only 60 cents on the dollar as the districts grow and become eligible for more state money. If the provision proves too damaging, the Education Department may ask the Legislature to fix it, Education Commissioner Shirley Holloway said.

Republican sponsors say they're pleased the bill does away with the old formula for distributing education dollars they considered arcane and unfair.

SB 36 sponsors Sens. Randy Phillips, R-Eagle River, and Gary Wilken, R-Fairbanks, stood amid a cluster of Republicans as Knowles spoke. The area in front of the podium was choked with television cameras and children taking a break from summer-school classes, so the Republicans stood to the side, corralled by waist-high bookcases.

"Congratulations, Randy," said Sen. Dave Donley, R-Anchorage, approaching Phillips to shake his hand.

"Thanks for your help," Phillips responded.

After the official ceremony ended, the Republicans posed for a series of group photos, some with members of the Anchorage School Board.

Several lawmakers running for reelection took the opportunity to have their photos taken among schoolchildren. Rep. Con Bunde, R-Anchorage, sat at a child-size table with a group of children as his aide, Dan Saddler, snapped pictures.

"Dan, we got one more here," Bunde said, posing for another picture while holding a child's hand across the table.

Rep. John Davies, D-Fairbanks, had a videographer there, and Rhonda Roberts of the governor's office herded children to the foreground for the actual signing, during which Knowles was surrounded by children.

"That is perfect," said one of the teachers watching from the back of the library as Roberts composed the shot.

"It is beautiful," agreed another.

Anchorage Daily News
June 12, 1998

The New Foundation Formula

SB 36

Annual Commitment of the Student Dollar

X

Actual Number of Students**

+

Additional Dollars for Intensive Need Students

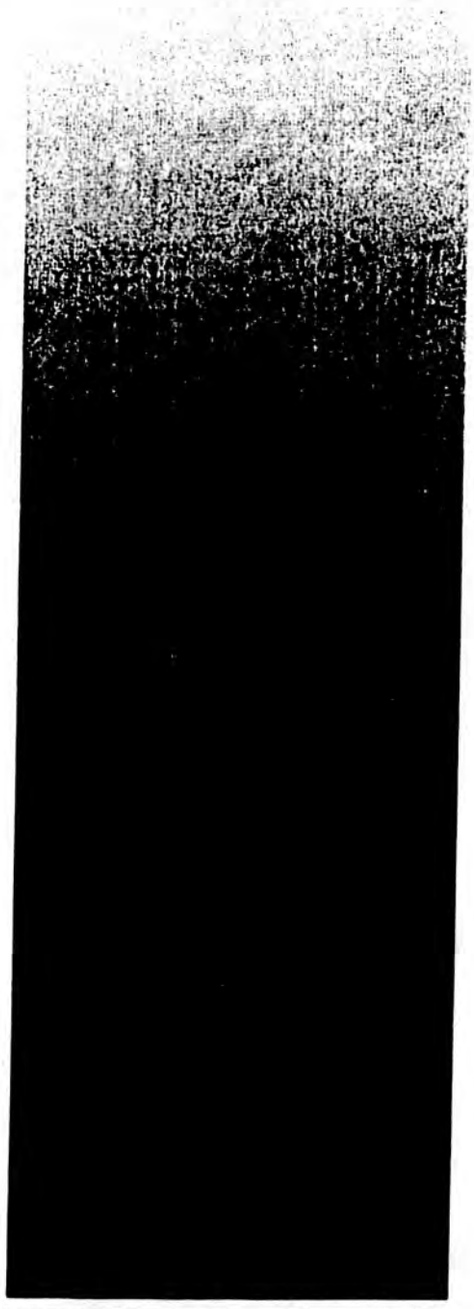
-

Local Required Support

=

STATE FOUNDATION SUPPORT

** [Number of Students adjusted for: (1) Size and location of school & (2) Foundation support for special education needs]



Alaska School Operating Cost Study

Final Report

Prepared for:

Senator Randy Phillips, Chair
Legislative Budget and Audit Committee
State Capitol
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March, 1998

Categorical Funding

Monies identified through the foundation formula for special education needs.

i.e.

GT, Bi-Lingual, Bi-Cultural, Voc Ed.

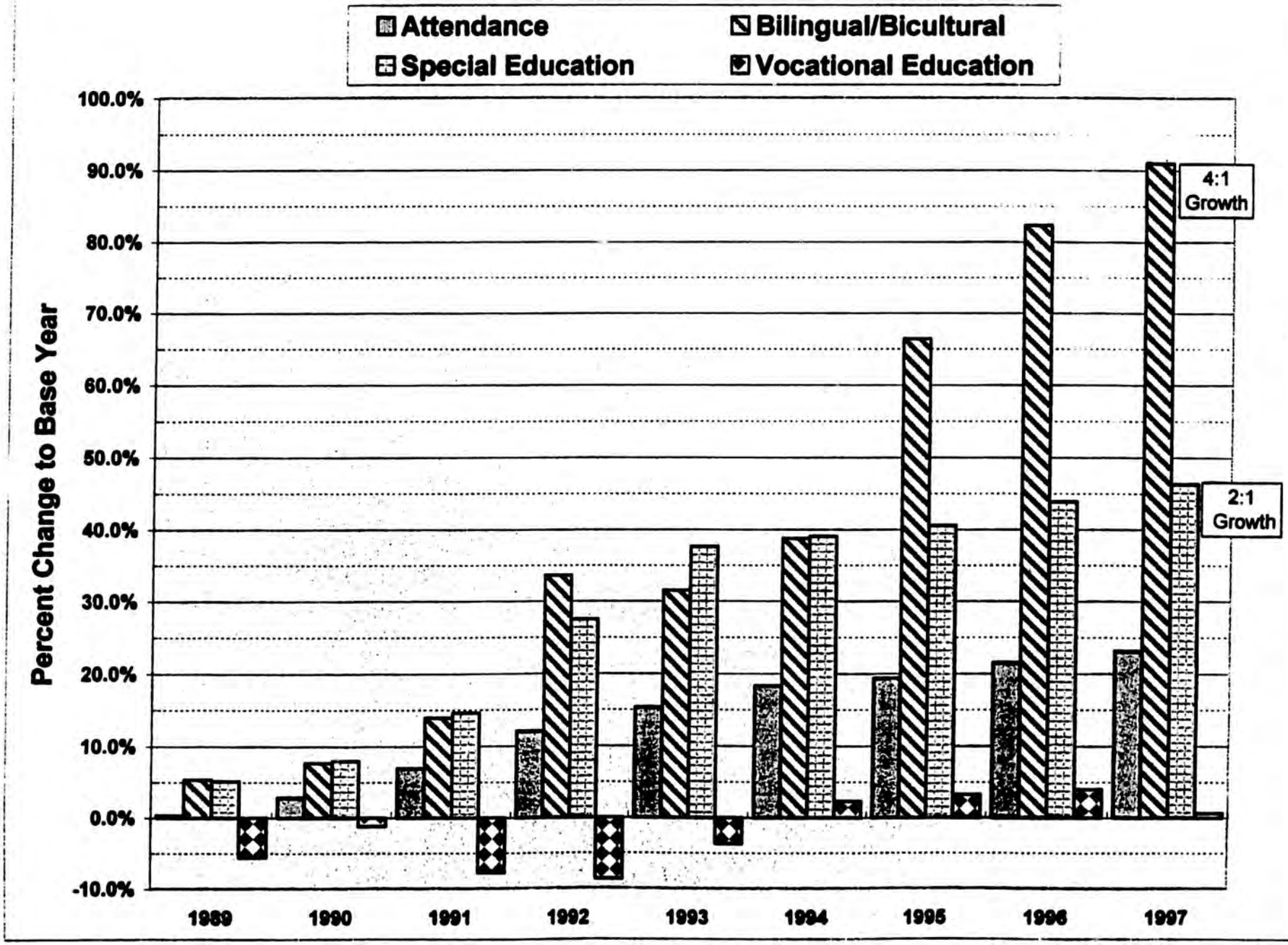
****

Current Formula

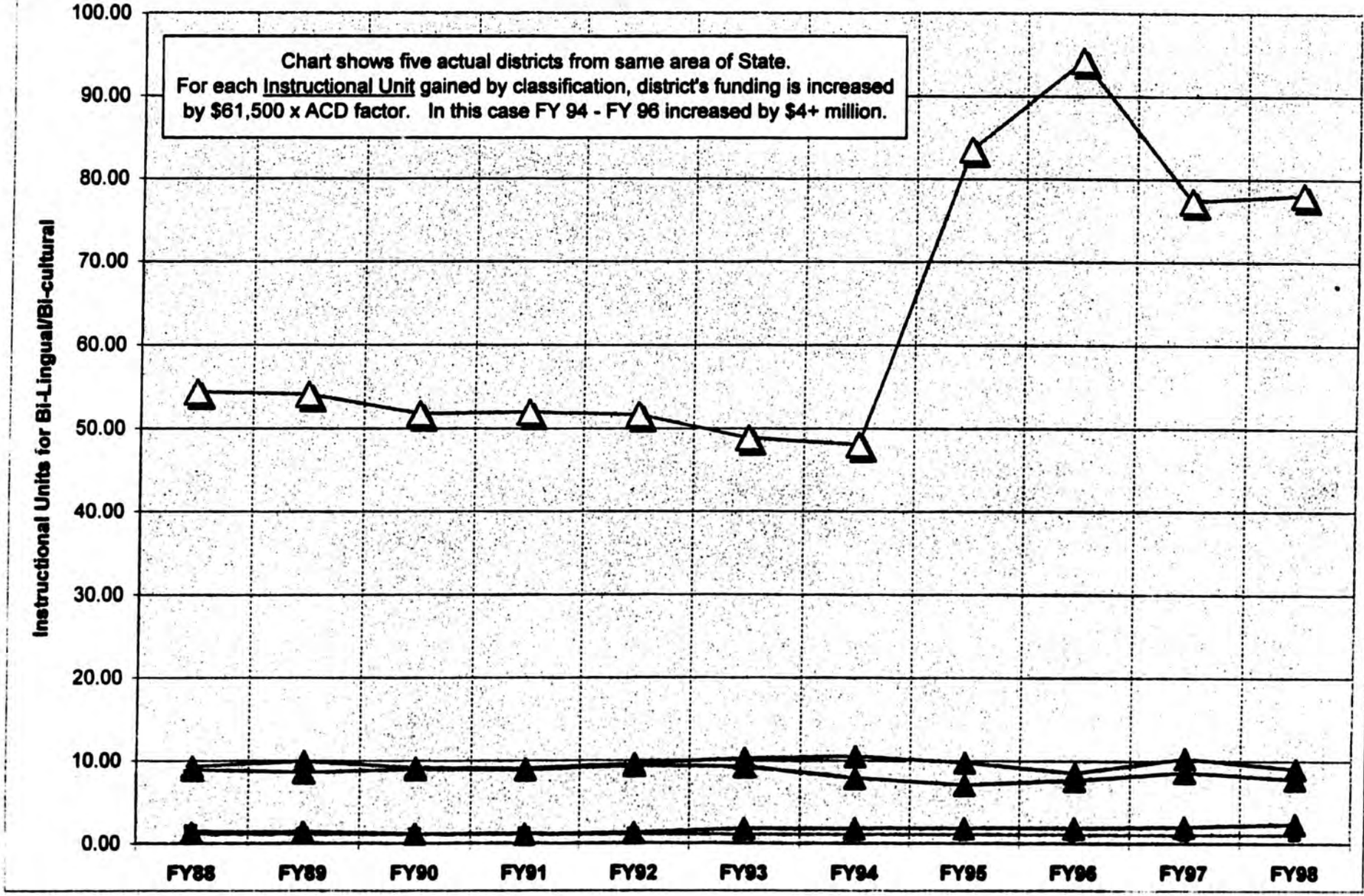
Districts define & count, then State Provides Funding based on definition & count, but...

Audits are minimal and Districts are not required to spend them for categorical needs

Growth in Categorical Funding Requirements (1988 to 1997)
Percent Change to Base Year (1988)



Bi-Lingual/Bi-Cultural Instructional Units
1988 to 1998
Actual Example Districts



Local Required Participation (organized)

REQUIRED LOCAL CONTRIBUTION

Applies to Organized Areas only

Current

4 mills of property value

or

35% of prior year's state support

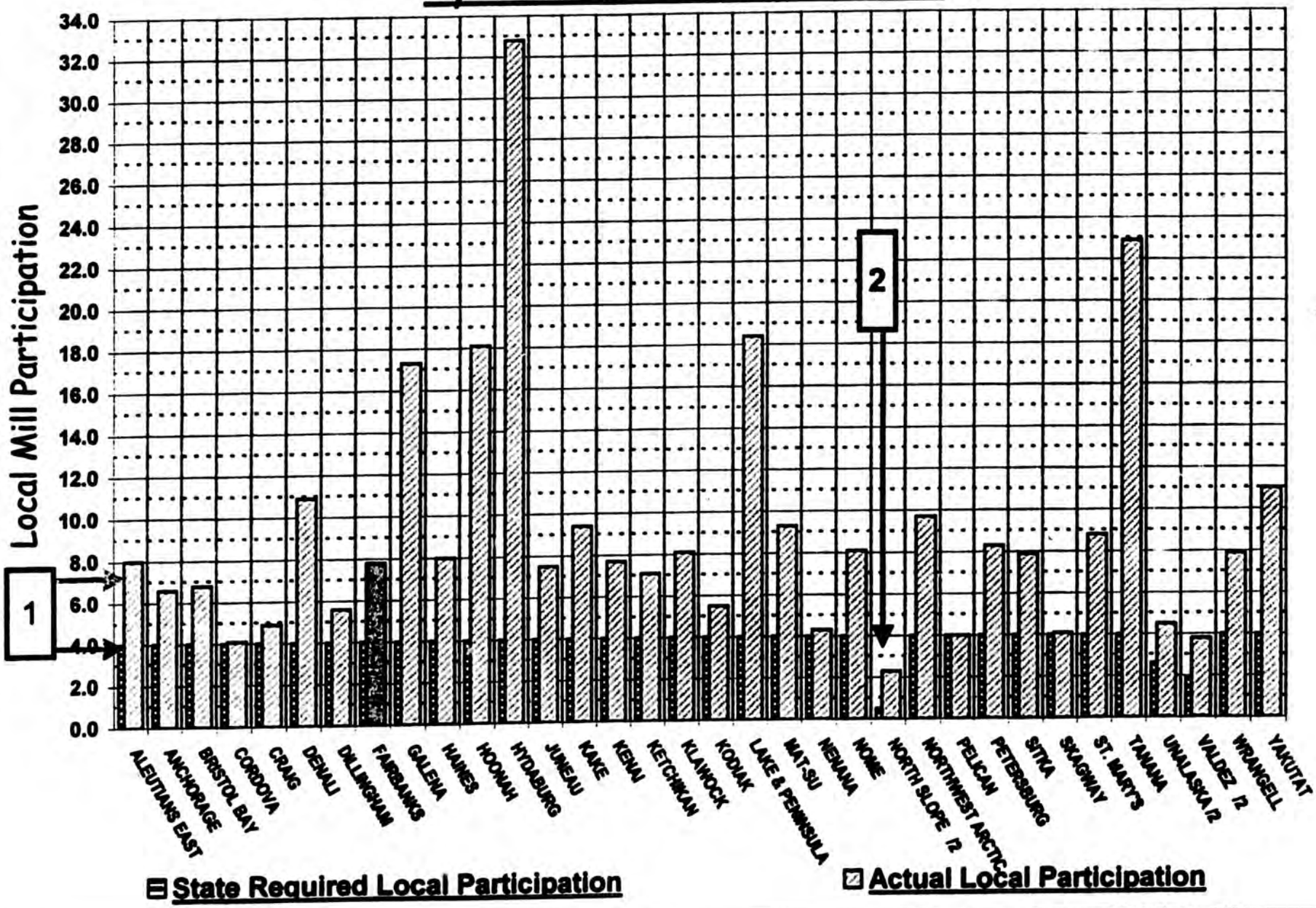
Proposed

4 mills of property value

or

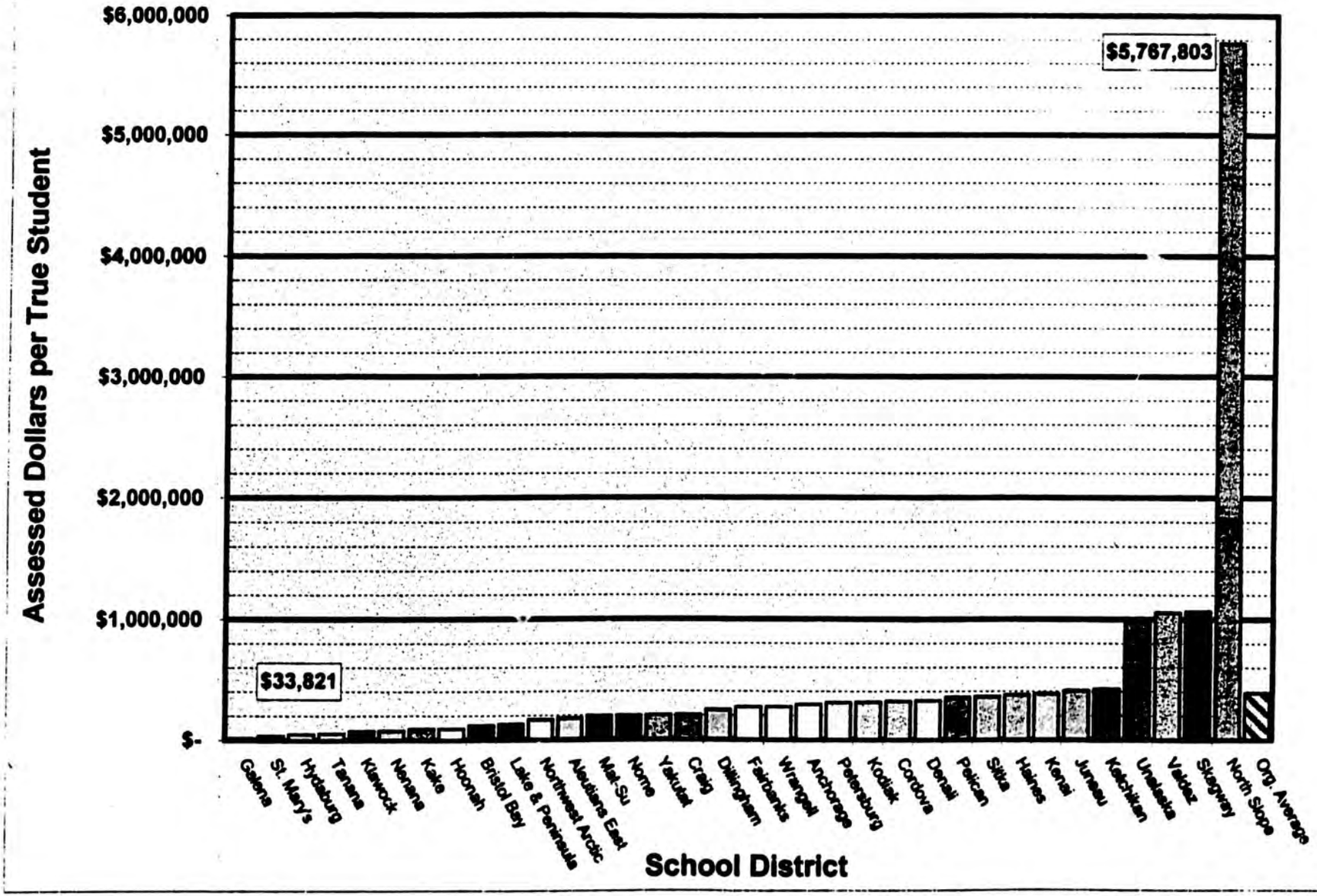
100% of local education requirement

Local Required Funding by School District - 1996



Full Assessed Value per Student

Organized Governments only



Education Funding Reform

SB 36 Results

(A) "Per Student Dollar" ($3,940) replaces an "Instructional Unit" ($61,500)

✓ Understanding & trust replaces confusion

✓ August 2000 meeting results – Appendix A Pages 1 & 2

(B) New General Fund dollars for K-12

✓ Beginning in FY 99 we have put $74,000,000 new GF dollars into the Foundation Formula ($16M + $26M + $32.2M)

(C) Categorical funding block grants

✓ Districts are block granted for local decision and distribution

(D) The classroom becomes a funding priority

✓ Districts are mandated to spend 70% of their state dollars in the classroom

(E) "Generous Transition" from old to new formula approved*

✓ *DEED March 3, 1999 in Education 101 Seminar

✓ Only one school district lost State general funds

✓ 6 of the 13 Districts that received an increase in funding were rural districts

✓ Average transition period for transition school districts is 20 years

SUMMARY OF STATE AID INCREASES UNDER SB 36

(School Districts that received 5% increase or more)

Based on Proposed Data on May 11, 1998

City and Borough School Districts

Anchorage – 5.25%
Bristol Bay Borough – 10.69%
Denali Borough – 11.03%
Fairbanks – 5.28%
Haines – 7.58%
Juneau – 5.96%
Ketchikan – 17.44%
Northwest Arctic Borough – 12.28%
Petersburg – 12.85%
Sitka – 15.72%
Kenai Peninsula – 6.90%

REAA School Districts

Chatham – 6.10%
Kashunamiut – 5.83%
Lower Yukon – 9.08%

Urban School Districts

Anchorage – 5.25%
Fairbanks – 5.28%
Haines – 7.58%
Juneau – 5.96%
Ketchikan – 17.44%
Petersburg – 12.85%
Sitka – 15.72%
Kenai Peninsula – 6.90%

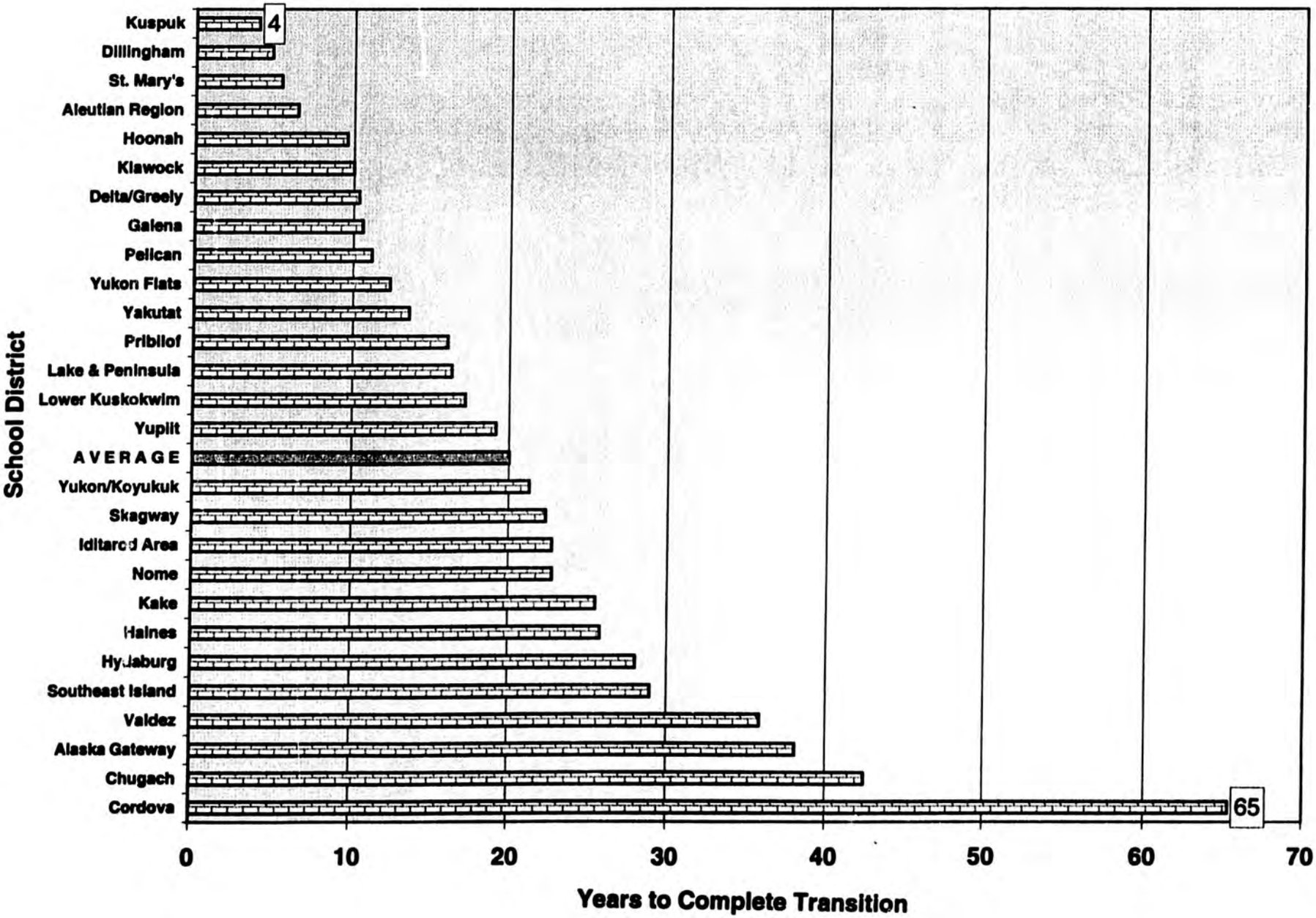
Rural School Districts

Bristol Bay Borough – 10.69%
Denali Borough – 11.03%
NW Arctic Borough – 12.28%
Chatham – 6.10%
Kashunamiut – 5.83%
Lower Yukon – 9.08%

THE ONLY SCHOOL DISTRICT THAT LOST UNDER SB36 WAS THE NORTH SLOPE BOROUGH – 13.87%

The Effect of the SB 36 60/40 Transition Clause

Years in transition from Instructional Unit Formula to Student Dollar Formula



Senate Bill 36

A proposal to bring

Simplicity & **Fairness**

to the way Alaska

funds its public schools