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Juneau, Alaska 99801-1182
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MEMORANDUM

January 25, 2002

SUBJECT: Sectional Summary of Public school funding - HB 312

TO: Representative Bill Williams
Attn: Randy

FROM: Michael F. Ford 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Changes the effective date for a provision of law requiring a reduction in certain public school funding from fiscal year 2000 to fiscal year 2004.

Section 2. Provides that HB 312 does not apply to any public school funding reductions required under AS 14.17.490(d) in fiscal years 2000, 2001, or 2002.

Section 3. Allows the Department of Education and Early Development to adopt regulations necessary to implement HB 312.

Section 4. Effective date for sec. 3.

Section 5. Effective date for secs. 1 and 2.

MFF:med
02-057.med

SECTIONAL ANALYSIS

Alaska State Legislature

Co-Chair

House Finance Committee

Subcommittee Chair

Environmental Conservation

Courts

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
50 Front Street, Suite 203
Ketchikan, AK 99901
(907) 247-4672
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Representative William K. Williams

SPONSOR STATEMENT FOR HOUSE BILL 312

House Bill 312 suspends the "erosion" effect on the "Supplemental Funding Floor" established by SB 36 in the 20th legislature. Presently, in FY 03, the erosion effect takes some school funds away from 22 school districts across the state. The suspension will be in place pending the results of a study of school district cost factors funded by this legislature last session. The results of that study will be available for consideration by the legislature in determining school funding for FY 04.

The Supplemental Funding Floor is a way to help school districts that lost funding in SB 36 make the transition from the old community based funding formula to the new school funding formula established by SB 36.

School districts that qualified for less state funding under SB 36 than under the old community based funding formula were held "harmless" by the supplemental funding floor. These districts were given additional funds that represent the difference between the districts old community based funding formula and the new school funding formula established by SB 36.

However, as a school district qualifies for increased funding, the school district's supplemental funding floor is subject to a reduction of 40%. This "erosion" of the funding floor continues until the school district no longer qualifies for a supplemental funding floor.

Again, HB 312 proposes to suspend the 40% reduction to the supplemental funding floor for FY 03 only. The suspension will allow legislators to have current, reliable, area cost differential information while deliberating the FY 04 budget. This will give the next legislature the tools necessary to make sound and informed school funding decisions based upon the best possible information. I urge your support of this important legislation.

SPONSOR STATEMENT

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 312
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: "An Act relating to the delay of the reduction of
supplementary public school funding; and providing for an eff..." BRU: K-12 Support
Sponsor: Representative Bill Williams Component: Foundation Program
Requester: House Special Committee on Education Component Number: 141

Expenditures/Revenues

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	1,010.9	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	1,010.9	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,010.9	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	1,010.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Attached is an analysis of the financial impact on foundation funding if the floor provision is suspended until 2004.

Prepared by: Eddy Jeans, School Finance Manager
Division: Education & Early Development
Approved by: Ed McLain, Deputy Commissioner of Education
Agency: Education & Early Development

Phone 465-8679
Date/Time 01/17/02
Date 1/23/02

For distribution information, call the Governor's Legislative Office

Dept of Education and Early Development

Prepared on 12/13/01

Suspend the Floor

Prepared by Mindy Lobaugh

School District	FY2003 Floor	FY2002 Floor	Difference
Alaska Gateway	213,670	213,670	-
Aleutian Region	151,145	172,799	21,654
Aleutians East Borough	-	-	-
Anchorage	-	-	-
Annette Island	-	-	-
Bering Strait	-	-	-
Bristol Bay Borough	-	-	-
Chatham	-	-	-
Chugach	482,622	482,622	-
Copper River	-	-	-
Cordova	36,212	36,324	112
Craig	-	-	-
Delta/Greely	98,930	306,215	207,285
Denali Borough	-	-	-
Dillingham	54,808	79,814	25,006
Fairbanks N. Star Borough	-	-	-
Galena	1,358,327	1,564,082	205,755
Haines Borough	1,904	7,261	5,357
Hoonah	36,570	36,570	-
Hydaburg	135,953	141,618	5,665
Iditarod Area	660,505	705,331	44,826
Juneau Borough	-	-	-
Kake	47,666	47,666	-
Kashunamiut	-	-	-
Kenai Peninsula Borough	-	-	-
Ketchikan Gateway Borough	-	-	-
Klawock	178,457	178,457	-
Kodiak Island Borough	-	-	-
Kuspuk	62,218	152,940	90,722
Lake & Peninsula Borough	186,798	190,610	3,812
Lower Kuskokwim	3,956,869	4,139,773	182,904
Lower Yukon	-	-	-
Mat-Su Borough	-	-	-
Nenana	-	-	-
Nome	95,044	95,798	754
North Slope Borough	-	-	-
Northwest Arctic Borough	-	-	-
Pelican	170,985	170,985	-
Petersburg	-	-	-
Pribilof	22,135	27,348	5,213
Sitka Borough	-	-	-
Skagway	195,530	199,075	3,545
Southeast Island	405,398	422,290	16,892
Southwest Region	-	-	-
St. Mary's	83,071	128,079	45,008
Tanana	76,854	86,751	9,897
Unalaska	344,603	344,603	-
Valdez	462,038	492,498	30,460
Wrangell	-	-	-
Yakutat	146,730	188,115	41,385
Yukon Flats	713,429	727,989	14,560
Yukon/Koyukuk	522,921	550,443	27,522
Yupit	311,485	334,069	22,584
Alyeska Central School *	-	-	-
Mt. Edgecumbe High School	-	-	-
TOTALS:	11,212,877	12,223,795	1,010,918

P:\2002 Legislature\HB312\HB_312_FN_MHL_SuspendFloor(pg2of2).xls\Suspend the Floor in FY03

**GALENA CITY SCHOOL DISTRICT**

GALENA, ALASKA 99741
PHONE (907) 656-1205

**SUPERINTENDENT'S
OFFICE**

To: Rep. Williams
Date: January 25, 2002
From: Jim Smith, Assistant Supt. of Schools
Subject: Support for HB 312 Suspending Supplemental Floor

Galena City School District Position Statement

Whereas Bush community schools struggle for funding to support certified staff across the curriculum;

Whereas Bush community schools are challenged to get full benefit from expanded services because of smaller numbers of students;

Whereas Bush community schools benefit all student programs by recruiting more student numbers and expanding programs;

Whereas Bush community schools better utilize existing facilities through attracting new students;

Whereas Bush community schools are forced to limit programs to the elementary grades thus requiring older students to find boarding school services;

Whereas Bush community schools realize negative financial impact from increased enrollment caused by the current supplemental floor;

Be it Resolved: The continued efforts to utilize the existing facilities at the Galena Airbase to serve boarding school students presents a negative cash flow with no additional funding support for these residential students and the negative impact of the current supplemental floor. Galena City School Trustees would support suspending this floor. Any additional dollars would go directly to Board and Room for the seventy-plus residential students served here from all around the state of Alaska.

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Anchorage Daily News

house panel moves to direct funds to rural schools**\$1 MILLION: Bill would suspend part of school funding formula rewrite.**

By Cathy Brown

The Associated Press

(Published: January 31, 2002)

Juneau -- A House panel Wednesday approved a bill to suspend a part of the state's school funding formula that critics have said penalizes some rural schools.

The one-year change would direct about \$1 million more in state money to 29 mostly rural schools.

The bill would suspend the so-called "eroding floor" provision, which was part of a 1998 rewrite of the school funding formula. That provision causes some districts to receive less money for their new students than other districts do.

Randy Ruaro, an aide to the bill's sponsor, Rep. Bill Williams, R-Ketchikan, said the bill would suspend the provision for one year until a new study of cost differences between districts can be finished.

"The additional funds that these districts would receive would help them with issues such as hiring and retaining quality teachers," Ruaro told the House Education Committee.

Opponents of the measure, however, said the provision was put in law to correct past inequities, and removing it -- even for a year -- is a step backward.

"Why would you want to go back to a poorer allocation of funds?" asked Rep. Joe Green, R-Anchorage.

The 1998 rewrite of the school funding formula resulted in some districts receiving proportionately more overall state school funding, while others were in line to receive less.

To prevent districts on the losing end from suffering a big hit in one year, the law provided them with supplemental funding. But it called for a gradual erosion in that help by subtracting 40 percent of any extra money the districts receive for new students from their supplemental funding.

Districts that fall into that category have been primarily rural and some have been primarily Native, which has resulted in criticism that Native students are treated unequally -- as though they are worth 40 percent less than white urban students.

But Sen. Gary Wilken, R-Fairbanks, who pushed the 1998 rewrite of the formula, rejects that characterization.

"The 60-40 split is political spin," Wilken told the committee.

Wilken contends that those districts were receiving more than their share of state funds before the 1998 change, and the new law simply righted that inequity in a gradual fashion.

Advocates of House Bill 312, however, say the 1998 law contained flaws.

Eddy Jeans, school finance manager for the Department of Education and Early Development, said the 1998 law's calculation of differences in district costs was based on how much a district was actually spending, not how much it needed to spend.

Bruce Johnson of the Association of Alaska School Boards said that method penalized poor districts that could not afford to spend what they needed.

The Legislature last year authorized money for a new study of district cost differences, which is scheduled to be completed in November.

The Education Committee voted 5-2 to send the bill on to its next committee, House Finance, where Williams is co-chairman.

House Speaker Brian Porter, R-Anchorage; Peggy Wilson, R-Wrangell; Gary Stevens, R-Kodiak; Gretchen Guess, D-Anchorage and Reggie Joule, D-Kotzebue voted yes. Anchorage Republican Reps. Con Bunde and Joe Green voted no.

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House panel aims to halt rural school aid cuts

■ **'Eroding floor' would freeze until study of costs is completed**

By **BILL McALLISTER**
THE JUNEAU EMPIRE

With the "urban-rural divide" as a backdrop, a House committee voted this morning for a one-year suspension of the so-called "eroding floor" that has limited state aid increases for 32 rural school districts.

Legislation by Rep. Bill Williams, a Saxman Republican, would spend \$1 million to ensure full state funding for all school districts under the still-controversial Senate Bill 36 from 1998. That law limits increases to 60 percent of the previous year's appropriation for districts that were deemed to be overfunded under the previous formula.

The suspension, approved on a 5-2 vote, is intended to allow for the completion of a cost-differential study that's examining how fiscal challenges vary by district.

Today's committee debate included discussion of whether SB 36 was flawed and whether critics in some rural school districts are justified in saying that the current formula values their children less than students in urban areas. Some people even have suggested that the formula is racist, given the higher percentage of Natives in rural school populations.

Sen. Gary Wilken, a Fairbanks Republican, said he believes the

numbers speak for themselves. About half of the districts that received increases of 5 percent or more under SB 36 were rural, he said. "Since that time, we've increased funding for K-12 education over 8 percent, which is beating inflation, I'm proud to say."

Wilken noted that the 60-percent limitation affects "transitional dollars" for districts that were getting funded at what was considered an excessive rate, holding them harmless at first but allowing a gradual drop in state aid.

As for the alleged disparities based on race or geography, "That conversation has no place at this table," said Wilken, who appeared as a witness before the House Special Committee on Education.

"Some people have demagogued this," agreed committee Chairman Con Bunde, an Anchorage Republican.

"I think you're always going to be dealing with a perception issue in this area of law," said Eddy Jeans, school finance manager for the Department of Education, which supports the one-year suspension.

Jeans said the cost study should be completed "before further damage is done." Three of the original 32 school districts have fully "eroded," and the annual transitional funding has dropped from \$17.4 million to \$12.2 million in the current fiscal



"We've increased funding for K-12 education over 8 percent, which is beating inflation, I'm proud to say."

— Sen. Gary Wilken

year, Jeans said. That \$5.2 million reduction hasn't been reinvested in K-12 education, he said.

Wilken contends that the pre-SB 36 education formula hurriedly was assembled in 1987 with inadequate data on the cost of education in various districts. By suspending the eroding floor, that implies that the old formula really was better after all, he said. "I'm here to defend the new formula. ... It was a quantum leap ahead of where we were."

But Republican Rep. Peggy Wilson said that was difficult to understand when her Wrangell school district makes a substantial property-tax effort and still struggles with teacher retention and rising insurance costs. Contrary to Wilken's claim that SB 36

represented a simplification, Wilson, whose husband is superintendent in Wrangell, said the existing formula is "much more complicated to figure out than it was before."

The one-year suspension was supported in testimony from officials representing the Kodiak and Galena districts, the Alaska chapter of the National Education Association, and the Association of Alaska School Boards.

House Speaker Brian Porter, disagreeing with Wilken, said it's possible to support the suspension even while defending the integrity of the formula established by SB 36.

"This is not a repudiation of SB 36," said Porter, an Anchorage Republican. Once the cost-differential study comes out, he said, "The chips are going to fall where they may."

Voting for the bill were Porter, Wilson, Kodiak Republican Gary Stevens and Democrats Gretchen Guess of Anchorage and Reggie Joule of Kotzebue. It was opposed by Bunde and Anchorage Republican Joe Green.

The bill now moves to the House Finance Committee, where sponsor Williams is co-chairman.

..... 1/31/02
Bill McAllister can be reached at billm@juneauempire.com.

Alaska Department of Education and Early Development
Public School Funding Program
FY2000

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Prepared 6/30/2000

School
Entitlement

School District	FY2000 Base	FY2000 Adjusted Base	Required Local Effort	Federal Impact AID	Impact AID Percent	Deductible Impact AID 90.0%	State AID	Quality Schools	Total
Adak Gateway	4,743,405	323,832	-	245,473	100.00%	220,926	4,522,479	19,263	4,865,574
Deukian Region	1,281,091	172,799	-	115,281	100.00%	103,753	1,177,338	5,202	1,355,339
Deukian East	3,732,559	-	376,092	1,040,532	41.88%	392,197	2,964,270	15,158	2,979,428
Anchorage	259,218,077	-	58,035,252	9,596,666	57.43%	4,960,229	196,222,596	1,052,662	198,560,799
Annette Island	2,475,502	-	-	1,713,000	100.00%	1,541,700	933,802	10,053	943,855
Arctic Strait	20,372,400	-	-	7,257,535	100.00%	6,531,782	13,840,618	82,731	13,923,349
Bristol Bay	2,612,102	-	918,402	388,074	74.91%	261,636	1,432,064	10,608	1,442,672
Chatham	2,508,440	-	-	377,548	100.00%	339,793	2,168,647	10,187	2,178,834
Chugach	1,190,038	591,834	-	80,810	100.00%	72,729	1,117,309	4,833	1,713,976
Copper River	5,575,494	15,984	-	156,194	100.00%	140,575	5,434,919	22,642	5,473,545
Cordova	3,339,150	49,421	662,442	29,762	49.64%	13,296	2,663,412	13,560	2,726,393
Craig	2,845,980	-	404,683	202,454	52.93%	96,443	2,344,854	11,557	2,356,411
Delta/Greely	5,413,796	445,549	-	342,886	100.00%	308,597	5,105,199	21,985	5,572,733
Denali	3,199,398	-	464,754	9,871	42.32%	3,760	2,730,884	12,992	2,743,876
Dillingham	4,390,894	140,553	511,310	301,935	45.55%	123,778	3,755,806	17,831	3,914,190
Fairbanks	89,172,483	-	17,901,733	9,853,516	56.57%	5,016,721	66,654,029	362,122	67,016,151
Galena	13,019,809	2,066,937	70,516	1,022,494	5.33%	49,049	12,900,244	52,872	15,020,053
Haines	2,783,058	7,886	702,374	4,173	55.28%	2,076	2,078,608	11,302	2,097,796
Hoonah	1,873,628	45,767	100,527	683,198	17.52%	107,727	1,665,374	7,609	1,718,050
Hydaburg	957,932	156,987	32,692	417,644	13.08%	49,165	876,075	3,890	1,036,952
Iditarod Area	5,262,894	791,223	-	841,869	100.00%	757,682	4,505,212	21,372	5,317,807
Juneau	30,792,637	-	9,724,903	-	58.37%	-	21,067,734	125,046	21,192,780
Kake	1,332,902	72,016	69,947	483,370	30.23%	131,510	1,131,445	5,413	1,208,874
Keshoonamut	2,850,157	-	-	1,025,418	100.00%	922,876	1,927,281	11,574	1,938,855
Kodiak Peninsula	58,859,975	-	15,755,214	-	53.57%	-	43,104,761	239,025	43,343,786
Kotikine Gateway	14,245,897	-	4,423,089	1,349	56.49%	686	9,822,122	57,851	9,879,973
Klawock	1,579,507	205,123	126,793	289,424	42.19%	109,897	1,342,817	6,414	1,554,354
Kodiak Island	17,785,967	-	3,587,022	1,602,765	56.39%	813,419	13,385,546	72,227	13,457,773
Kuspuk	5,823,281	168,066	-	1,338,342	100.00%	1,204,508	4,618,773	23,648	4,810,487
Lake & Peninsula	6,769,826	211,226	270,788	1,759,198	25.25%	399,778	6,099,260	27,492	6,337,978
Lower Kuskokwim	37,602,217	4,898,831	-	10,181,902	100.00%	9,163,712	28,438,505	152,699	33,490,035
Lower Yukon	20,306,642	-	-	5,945,898	100.00%	5,351,308	14,955,334	82,464	15,037,798
Mat-Su	70,209,145	-	10,834,627	-	47.63%	-	59,374,518	285,113	59,659,631
Nenana	4,103,037	-	68,284	1,942	78.31%	1,369	4,033,384	16,662	4,050,046
Nome	5,674,782	110,360	619,221	58,667	45.52%	24,035	5,031,526	23,045	5,164,931
North Slope	19,426,564	-	8,865,266	5,591,176	33.22%	1,671,650	8,889,648	78,890	8,968,538
Northwest Arctic	22,486,368	-	1,484,493	3,364,402	37.69%	1,141,239	19,860,636	91,315	19,951,951
Pelican	373,512	258,208	46,374	-	100.00%	-	327,138	1,517	586,863
Petersburg	4,134,636	-	934,927	-	60.20%	-	3,199,709	16,790	3,216,499
Pribilof	1,825,047	31,305	-	727,365	100.00%	654,629	1,170,418	7,411	1,209,134
Sitka	2,675,813	-	2,524,660	15,616	56.14%	7,890	7,143,263	39,293	7,182,556
Skagway	1,164,979	232,128	511,156	-	66.90%	-	653,823	4,731	890,682
Southeast Island	2,856,145	510,505	-	359,236	100.00%	323,312	2,532,833	11,599	2,544,437
Southwest Region	8,444,957	-	-	3,227,294	100.00%	2,904,565	5,540,392	34,294	5,574,686
St. Mary's	1,561,974	161,977	17,974	-	44.94%	-	1,544,000	6,343	1,712,320
Tanana	1,010,886	114,628	23,156	71,281	28.24%	18,117	969,613	4,105	1,088,346
Unalakleet	2,917,334	421,009	1,315,992	3,403	63.66%	1,950	1,599,392	11,847	2,032,244
Valdez	5,715,009	574,801	2,523,866	8,264	63.58%	4,729	3,186,414	23,208	3,784,423
Wrangell	3,145,499	-	555,636	2,679	42.83%	1,033	2,588,830	12,774	2,601,604
Yakutat	1,306,780	292,006	161,083	150,755	33.03%	44,815	1,100,882	5,307	1,398,195
Yukon Flats	4,892,574	935,506	-	1,518,287	100.00%	1,366,458	3,526,116	19,868	4,481,490
Yukon/Koyukuk	6,940,074	625,503	-	1,229,797	100.00%	1,106,817	5,833,257	28,183	6,486,943
Yupik	4,608,382	544,044	-	1,426,850	100.00%	1,284,165	3,324,217	18,714	3,886,975
ACS	4,194,524	-	-	-	0.00%	-	4,194,524	17,034	4,211,558
Mt. Edgecumbe	1,904,123	-	-	-	0.00%	-	1,904,123	7,732	1,911,855
								Other	23,991,825
TOTALS:	822,489,302	15,175,314	144,225,248	75,065,595		49,748,081	628,515,973	3,340,059	672,308,712

URBAN DISTRICTS

Alaska Department of Education and Early Development
Public School Funding Program
FY2000

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Prepared 6/30/2000

School District	ADM	Corresp. ADM	FY00 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
Alaska Gateway	436.25	49.15	485.40	732.37	1.291	945.49	1134.59	6.00	30.00	1164.59	39.32	1203.91
Alutian Region	75.15	0.00	75.15	156.08	1.736	270.96	325.15	0.00	0.00	325.15	0.00	325.15
Alutians East	299.55	0.00	299.55	554.79	1.423	789.46	947.35	0.00	0.00	947.35	0.00	947.35
Anchorage	47520.95	636.27	48157.22	51347.81	1.000	51347.81	61617.37	733.00	3665.00	65282.37	509.02	65791.39
Annette Island	368.00	0.00	368.00	509.64	1.011	515.25	618.30	2.00	10.00	628.30	0.00	628.30
Bering Strait	1775.45	0.00	1775.45	2800.90	1.525	4271.38	5125.66	9.00	45.00	5170.66	0.00	5170.66
Bristol Bay	274.60	4.00	278.60	425.76	1.262	537.31	644.77	3.00	15.00	659.77	3.20	662.97
Chatham	257.00	0.00	257.00	466.27	1.120	522.22	626.66	2.00	10.00	636.66	0.00	636.66
Chugach	69.35	88.00	157.35	149.17	1.294	193.03	231.64	0.00	0.00	231.64	70.40	302.04
Copper River	546.05	181.24	727.29	885.85	1.176	1041.76	1250.11	4.00	20.00	1270.11	144.99	1415.10
Cordova	485.45	0.00	485.45	632.99	1.096	693.75	832.50	3.00	15.00	847.50	0.00	847.50
Craig	412.35	8.25	420.60	557.54	1.010	563.11	675.73	8.00	40.00	715.73	6.60	722.33
Delta/Gracely	749.80	148.98	898.78	922.90	1.106	1020.73	1224.88	6.00	30.00	1254.88	119.18	1374.06
Denali	326.50	0.00	326.50	515.38	1.313	676.69	812.03	0.00	0.00	812.03	0.00	812.03
Dillingham	561.80	0.00	561.80	710.69	1.254	891.20	1069.44	9.00	45.00	1114.44	0.00	1114.44
Fairbanks	15499.45	304.71	15804.16	16966.51	1.039	17628.20	21153.84	247.00	1235.00	22388.84	243.77	22632.61
Galeana	225.00	3435.00	3660.00	340.95	1.348	459.60	551.52	1.00	5.00	556.52	2748.00	3304.52
Haines	401.70	11.75	413.45	567.92	1.008	572.47	686.96	2.00	10.00	696.96	9.40	706.36
Hoonah	236.75	0.00	236.75	355.87	1.055	375.45	450.54	5.00	25.00	475.54	0.00	475.54
Hydaburg	107.85	0.00	107.85	182.90	1.085	198.44	238.13	1.00	5.00	243.13	0.00	243.13
Iditarod Area	359.90	208.20	568.10	648.64	1.470	953.50	1144.20	5.00	25.00	1169.20	166.56	1335.76
Juneau	5630.94	15.91	5646.85	6059.42	1.005	6089.72	7307.66	99.00	495.00	7802.66	12.73	7815.39
Kake	166.70	0.00	166.70	266.91	1.025	273.58	328.30	2.00	10.00	338.30	0.00	338.30
Kashunami	294.20	0.00	294.20	428.00	1.389	594.49	713.39	2.00	10.00	723.39	0.00	723.39
Kenai Peninsula	9800.63	181.78	9982.41	11975.97	1.004	12023.88	14428.66	73.00	365.00	14793.66	145.42	14939.08
Ketchikan Gateway	2560.10	38.80	2598.90	2941.39	1.000	2941.39	3529.67	11.00	55.00	3584.67	31.04	3615.71
Klawock	205.00	1.00	206.00	315.55	1.017	320.91	385.09	3.00	15.00	400.09	0.80	400.89
Kodiak Island	2732.30	77.75	2810.05	3344.77	1.093	3655.84	4387.01	13.00	65.00	4452.01	62.20	4514.21
Kusuk	493.85	0.00	493.85	847.27	1.434	1214.99	1457.99	4.00	20.00	1477.99	0.00	1477.99
Lake & Peninsula	480.95	0.00	480.95	919.03	1.558	1431.86	1718.23	0.00	0.00	1718.23	0.00	1718.23
Lower Kuskokwim	3614.00	0.00	3614.00	5253.02	1.491	7832.26	9398.71	29.00	145.00	9543.71	0.00	9543.71
Lower Yukon	1936.15	0.00	1936.15	2937.51	1.438	4224.14	5068.97	17.00	85.00	5153.97	0.00	5153.97
Mar-Su	12093.13	419.95	12513.08	13455.96	1.010	13590.52	16308.62	235.00	1175.00	17483.62	335.96	17819.58
Nenana	135.00	870.00	1005.00	223.35	1.270	283.65	340.38	1.00	5.00	345.38	696.00	1041.38
Nome	764.10	5.00	769.10	904.29	1.319	1192.75	1431.30	1.00	5.00	1436.30	4.00	1440.30
North Slope	2008.90	0.00	2008.90	2720.86	1.504	4092.17	4910.60	4.00	20.00	4930.60	0.00	4930.60
Northwest Arctic	2141.60	9.90	2151.50	3041.90	1.549	4711.90	5654.28	9.00	45.00	5699.28	7.92	5707.20
Pelican	33.65	0.00	33.65	61.24	1.290	79.00	94.80	0.00	0.00	94.80	0.00	94.80
Petersburg	699.10	0.00	699.10	845.33	1.000	845.33	1014.40	7.00	35.00	1049.40	0.00	1049.40
Pribilof	158.25	0.00	158.25	269.09	1.419	381.84	458.21	1.00	5.00	463.21	0.00	463.21
Sitka	1677.61	44.50	1722.11	1950.16	1.000	1950.16	2340.19	16.00	80.00	2420.19	35.60	2455.79
Skagway	128.80	2.50	131.30	214.11	1.143	244.73	293.68	0.00	0.00	293.68	2.00	295.68
Southeast Island	279.55	14.95	294.50	524.87	1.124	589.96	707.95	1.00	0.00	712.95	11.96	724.91
Southwest Region	758.25	0.00	758.25	1243.49	1.423	1769.49	2123.39	4.00	20.00	2143.39	0.00	2143.39
Saint Mary's	144.15	0.00	144.15	232.20	1.351	313.70	376.44	4.00	20.00	396.44	0.00	396.44
Tanana	89.75	3.00	92.75	141.58	1.496	211.81	254.17	0.00	0.00	254.17	2.40	256.57
Unalaska	351.91	0.00	351.91	492.26	1.245	612.87	735.44	1.00	5.00	740.44	0.00	740.44
Valdez	865.20	0.00	865.20	1077.25	1.095	1179.59	1415.51	7.00	35.00	1450.51	0.00	1450.51
Wrangell	505.05	0.00	505.05	656.96	1.000	656.96	788.35	2.00	10.00	798.35	0.00	798.35
Yakutat	159.75	0.00	159.75	256.27	1.046	268.06	321.67	2.00	10.00	331.67	0.00	331.67
Yukon Flats	341.10	11.00	352.10	613.49	1.668	1023.31	1227.97	1.00	5.00	1232.97	8.80	1241.77
Yukon/Koyukuk	535.85	0.00	535.85	957.85	1.502	1438.70	1726.44	7.00	35.00	1761.44	0.00	1761.44
Yupik	398.00	0.00	398.00	655.00	1.469	962.20	1154.64	3.00	15.00	1169.64	0.00	1169.64
ACS	0.00	1419.47	1419.47	0.00	1.000	0.00	0.00	0.00	0.00	0.00	1064.60	1064.60
Mt. Edgecumbe	329.00	0.00	329.00	402.73	1.000	402.73	483.28	0.00	0.00	483.28	0.00	483.28
TOTALS:	123,305.42	8,191.06	131,496.48	146,660.03			1,605.00			202,271.76	6,441.87	208,713.63

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School District	1998 Full Values	1999 Basic Need	2000 Basic Need	.004 Mills	45% of Basic Need	Local Effort
Alaska Gateway	0	4,977,441	4,743,405	0	2,239,848	0
Aleutian Region	0	975,111	1,281,091	0	438,800	0
Alutians East	94,023,000	3,670,346	3,732,559	376,092	1,651,656	376,092
Anchorage	14,508,812,910	258,251,043	259,218,077	58,035,252	116,212,969	58,035,252
Annette Island	0	2,448,946	2,475,502	0	1,102,026	0
Bering Strait	0	20,512,192	20,372,400	0	9,230,486	0
Bristol Bay	229,600,500	2,751,026	2,612,102	918,402	1,237,962	918,402
Chatham	0	2,688,735	2,508,440	0	1,209,931	0
Chugach	0	1,234,166	1,190,038	0	555,375	0
Copper River	0	5,624,665	5,575,494	0	2,531,099	0
Cordova	165,610,580	3,372,679	3,339,150	662,442	1,517,706	662,442
Craig	101,170,800	2,866,823	2,845,980	404,683	1,290,070	404,683
Delta/Greely	0	6,603,913	5,413,796	0	2,971,761	0
Denali	116,188,500	3,510,658	3,199,398	464,754	1,579,796	464,754
Dillingham	127,827,400	4,204,216	4,390,894	511,310	1,891,897	511,310
Fairbanks	4,375,433,250	88,576,188	89,172,483	17,501,733	39,859,285	17,501,733
Galena	17,628,900	11,747,583	13,019,809	70,516	5,286,412	70,516
Haines	175,593,500	2,873,678	2,783,058	702,374	1,293,155	702,374
Hoonah	25,131,800	1,855,937	1,873,628	100,527	835,172	100,527
Hydaburg	8,172,900	978,223	957,932	32,692	440,200	32,692
Iditarod Area	0	5,240,176	5,262,894	0	2,358,079	0
Juneau	2,431,225,800	30,632,003	30,792,637	9,724,903	13,784,401	9,724,903
Kake	17,486,800	1,450,472	1,332,902	69,947	652,712	69,947
Kashunamiut	0	2,751,775	2,850,157	0	1,238,299	0
Kodiak Peninsula	3,938,803,550	59,675,398	58,859,975	15,755,214	26,853,929	15,755,214
Ketchikan Gateway	1,105,772,200	14,774,370	14,245,897	4,423,089	6,648,467	4,423,089
Klawock	31,698,300	1,537,191	1,579,507	126,793	691,736	126,793
Kodiak Island	896,755,500	17,811,243	17,785,987	3,587,022	8,015,059	3,587,022
Kuspuk	0	5,531,642	5,823,281	0	2,489,239	0
Lake & Peninsula	67,697,100	7,378,871	6,769,826	270,788	3,320,492	270,788
Lower Kuskokwim	0	36,670,132	37,602,217	0	16,501,559	0
Lower Yukon	0	19,427,864	20,306,642	0	8,742,539	0
Mal-Su	2,708,656,790	70,235,033	70,209,145	10,834,627	31,605,765	10,834,627
Nenana	17,071,000	2,220,939	4,103,037	68,284	999,423	68,284
Nome	154,805,300	5,734,040	5,674,782	619,221	2,580,318	619,221
North Slope	11,482,911,940	19,700,591	19,426,564	45,931,648	8,865,266	8,865,266
Northwest Arctic	371,123,200	21,898,559	22,486,368	1,484,493	9,854,352	1,484,493
Pelican	11,593,400	338,328	373,512	46,374	152,248	46,374
Petersburg	233,731,800	4,708,300	4,134,636	934,927	2,118,735	934,927
Pribilof	0	1,816,576	1,825,047	0	817,459	0
Sitka	631,165,100	9,500,317	9,675,813	2,524,660	4,275,143	2,524,660
Skagway	146,214,300	1,135,902	1,164,979	584,857	511,156	511,156
Southeast Island	0	2,933,015	2,856,145	0	1,319,857	0
Southwest Region	0	8,643,414	8,444,957	0	3,889,536	0
Saint Mary's	4,493,500	1,355,439	1,561,974	17,974	609,948	17,974
Tanana	5,789,100	1,230,895	1,010,886	23,156	553,903	23,156
Unalakleet	357,434,800	2,924,426	2,917,334	1,429,739	1,315,992	1,315,992
Valdez	967,500,620	5,608,590	5,715,009	3,870,002	2,523,866	2,523,866
Wrangell	138,909,000	3,264,842	3,145,499	555,636	1,469,179	555,636
Yakutat	40,270,700	1,345,234	1,306,780	161,083	605,355	161,083
Yukon Flats	0	5,077,399	4,892,574	0	2,284,830	0
Yukon/Koyukuk	0	6,917,970	6,940,074	0	3,113,087	0
Yupik	0	4,673,273	4,608,382	0	2,102,973	0
ACS	0	7,250,037	4,194,524	0	3,262,517	0
Mr. Edgcombe	0	1,806,490	1,904,123	0	812,921	0

TOTALS: 45,706,303,840 822,924,315 822,489,302 144,225,248

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School District	Local Effort	.002 Mills	23% of Basic Need	Additional Local Contribution	Maximum Local Contribution
Alaska Gateway	0	0	1,090,983	-	-
Aleutian Region	0	0	294,651	-	-
Aleutians East	376,092	188,046	858,489	858,489	1,234,581
Anchorage	58,035,252	29,017,626	59,620,158	59,620,158	117,655,410
Annette Island	0	0	569,365	-	-
Bering Strait	0	0	4,685,652	-	-
Bristol Bay	918,402	459,201	600,783	600,783	1,519,185
Chatham	0	0	576,941	-	-
Chigach	0	0	273,709	-	-
Copper River	0	0	1,282,364	-	-
Cordova	662,442	331,221	768,005	768,005	1,430,447
Craig	404,683	202,342	654,575	654,575	1,059,258
Delta/Grocy	0	0	1,245,173	-	-
Denali	464,754	232,377	735,862	735,862	1,200,616
Dillingham	511,310	255,655	1,009,906	1,009,906	1,521,216
Fairbanks	17,501,733	8,750,867	20,509,671	20,509,671	38,011,404
Galeana	70,516	35,258	2,994,556	2,994,556	3,065,072
Haines	702,374	351,187	640,103	640,103	1,342,477
Hoonah	100,527	50,264	430,934	430,934	531,461
Hydaburg	32,692	16,346	220,324	220,324	253,016
Iditarod Area	0	0	1,210,466	-	-
Juneau	9,724,903	4,862,452	7,082,307	7,082,307	16,807,210
Kake	69,947	34,974	306,567	306,567	376,514
Kashunamiut	0	0	655,536	-	-
Kenai Peninsula	15,755,214	7,877,607	13,537,794	13,537,794	29,293,008
Ketchikan Gateway	4,423,089	2,211,544	3,276,556	3,276,556	7,699,645
Klawock	126,793	63,397	363,287	363,287	490,080
Kodiak Island	3,587,022	1,793,511	4,090,777	4,090,777	7,677,799
Kuspuk	0	0	1,339,355	-	-
Lake & Peninsula	270,788	135,394	1,557,060	1,557,060	1,827,848
Lower Kuskokwim	0	0	8,648,510	-	-
Lower Yukon	0	0	4,670,528	-	-
Mat-Su	10,834,627	5,417,314	16,148,103	16,148,103	26,982,730
Nenana	68,284	34,142	943,699	943,699	1,011,983
Nome	619,221	309,611	1,305,200	1,305,200	1,924,421
North Slope	8,865,266	22,965,824	4,468,110	22,965,824	31,831,090
Northwest Arctic	1,484,493	742,246	5,171,865	5,171,865	6,656,358
Pelican	46,374	23,187	85,908	85,908	132,282
Petersburg	934,927	467,464	950,966	950,966	1,885,893
Pribilof	0	0	419,761	-	-
Sitka	2,524,660	1,262,330	2,225,437	2,225,437	4,750,097
Skagway	511,156	292,429	267,945	292,429	803,585
Southeast Island	0	0	656,913	-	-
Southwest Region	0	0	1,942,340	-	-
Saint Mary's	17,974	8,987	359,254	359,254	377,228
Tanana	23,156	11,578	232,504	232,504	255,660
Unalakleet	1,315,992	714,870	670,987	714,870	2,030,862
Valdez	2,523,866	1,935,001	1,314,452	1,935,001	4,458,867
Wrangell	555,636	277,818	723,465	723,465	1,279,101
Yakutat	161,083	80,541	300,559	300,559	461,642
Yukon Flats	0	0	1,125,292	-	-
Yukon/Koyukuk	0	0	1,596,217	-	-
Yupik	0	0	1,059,928	-	-
ACS	0	0	964,741	-	-
Mt. Edgecumbe	0	0	437,948	-	-
TOTALS:	144,225,248		189,172,541	173,612,798	317,838,046

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School District	1999 Basic Need	2000 Basic Need	FY1999 Floor	FY1999 ADM	FY2000 ADM	Revised FY2000 Floor Difference	Percent of FY1999 ADM	FY2000 Revised Floor
Alaska Gateway	4,977,441	4,743,405	323,832	506.84	485.40	(93,614)	96%	323,832
Aleutian Region	975,111	1,281,091	295,191	46.70	75.15	122,392	161%	172,799
Aleutians East	3,670,346	3,732,559	14,054	310.35	299.55	24,885	97%	-
Anchorage	258,251,043	259,218,077	-	48,115.53	48,157.22	386,814	100%	-
Annette Island	2,448,946	2,475,502	-	355.23	368.00	10,622	104%	-
Bering Strait	20,512,192	20,372,400	-	1,782.90	1,775.45	(55,917)	100%	-
Bristol Bay	2,751,026	2,612,102	-	295.65	278.60	(55,570)	94%	-
Chatham	2,688,735	2,508,440	-	272.05	257.00	(72,118)	94%	-
Chugach	1,234,166	1,190,038	591,834	161.00	157.35	(17,651)	98%	591,834
Copper River	5,624,665	5,575,494	15,984	713.65	727.29	(19,668)	102%	15,984
Cordova	3,377,679	3,339,150	49,421	491.34	485.45	(13,412)	99%	49,421
Craig	2,866,823	2,845,980	-	432.00	420.60	(8,337)	97%	-
Delta/Grady	6,603,913	5,413,796	543,353	1,099.75	898.78	(476,047)	82%	445,549
Denali	3,510,658	3,199,398	-	362.10	326.50	(124,504)	90%	-
Dillingham	4,204,216	4,390,894	215,224	548.05	561.80	74,671	103%	140,553
Fairbanks	88,576,188	89,172,483	-	16,093.54	15,804.16	238,518	98%	-
Galena	11,747,583	13,019,809	2,575,827	3,234.00	3,660.00	508,890	113%	2,066,937
Haines	2,873,678	2,783,058	8,572	448.75	413.45	(36,248)	92%	7,886
Hoonah	1,855,937	1,873,628	52,143	230.85	236.75	7,076	103%	45,067
Hydaburg	978,223	957,932	156,987	110.50	107.85	(8,116)	98%	156,987
Iditarod Area	5,240,176	5,262,894	800,310	534.18	568.10	9,087	106%	791,223
Juneau	30,632,003	30,792,637	-	5,701.25	5,646.85	64,254	99%	-
Kake	1,450,472	1,332,902	80,018	185.80	166.70	(47,028)	90%	72,016
Kashunamiut	2,751,775	2,850,157	-	279.00	298.20	39,353	107%	-
Kenai Peninsula	59,675,398	58,859,975	-	10,181.60	9,982.41	(326,169)	98%	-
Ketchikan Gateway	14,774,370	14,245,897	-	2,723.85	2,598.90	(211,389)	95%	-
Klawock	1,537,191	1,579,507	222,049	201.00	206.00	16,926	102%	205,123
Kodiak Island	17,811,243	17,785,987	-	2,797.64	2,810.05	(10,102)	100%	-
Kuspuk	5,531,642	5,823,281	284,722	474.29	497.85	116,656	104%	168,066
Lake & Peninsula	7,378,871	6,769,826	240,029	548.85	480.95	(243,618)	88%	211,226
Lower Kuskokwim	36,670,132	37,602,217	5,271,665	3,553.70	3,614.00	372,834	102%	4,898,831
Lower Yukon	19,427,864	20,306,642	-	1,860.95	1,936.15	351,511	104%	-
Mar-Su	70,235,033	70,209,145	-	12,713.25	12,513.08	(10,355)	98%	-
Nesana	2,220,939	4,103,037	589,331	398.00	1,005.00	752,839	253%	-
Nome	5,734,040	5,674,782	110,360	776.25	769.10	(23,703)	99%	110,360
North Slope	19,700,591	19,426,564	-	2,043.90	2,008.90	(109,611)	98%	-
Northwest Arctic	21,898,559	22,486,368	-	2,048.30	2,151.50	235,124	103%	-
Pelican	338,328	373,512	272,282	29.80	33.65	14,074	113%	258,208
Petersburg	4,708,300	4,134,636	-	752.05	699.10	(229,466)	93%	-
Pribilof	1,816,576	1,825,047	34,693	157.40	158.25	3,388	101%	31,305
Sitka	9,500,317	9,675,813	-	1,694.25	1,722.11	70,198	102%	-
Skagway	1,135,902	1,164,979	243,759	128.60	131.30	11,631	102%	232,128
Southwest Island	2,933,015	2,856,145	510,505	297.78	294.50	(30,748)	99%	510,505
Southwest Region	8,643,414	8,444,957	-	774.70	758.25	(79,383)	98%	-
Saint Mary's	1,355,439	1,561,974	244,591	129.90	144.15	82,614	111%	161,977
Tenana	1,230,895	1,010,886	128,795	104.00	92.75	(88,004)	89%	114,628
Unalakleet	2,924,426	2,917,334	421,009	353.03	351.91	(2,837)	100%	421,009
Valdez	5,608,590	5,715,009	617,369	855.05	865.20	42,568	101%	574,801
Wrangell	3,264,842	3,145,499	-	526.63	505.05	(47,737)	96%	-
Yakutat	1,345,234	1,306,780	292,006	166.00	159.75	(15,382)	96%	292,006
Yukon Flats	5,077,399	4,892,574	995,219	375.75	352.10	(73,930)	94%	935,506
Yukon/Koyukuk	6,917,970	6,940,074	634,345	548.90	535.85	8,842	98%	625,503
Yupik	4,673,273	4,608,382	544,044	401.95	398.00	(25,956)	99%	544,044
ACS	7,250,037	4,194,524	-	2,628.73	1,419.47	(1,222,205)	54%	-
Mt. Edgecumbe	1,806,490	1,904,123	-	307.71	329.00	39,053	107%	-
TOTALS:	822,924,315	822,489,302		132,904.82	131,696.48			15,175.314

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*School
Enrollment*

School District	53,940 Basic Need	Required Local Effort	Federal Impact AID	Impact AID Percent	Defectible Impact AID 90.0%	State AID	FY2001 Adjusted Floor	Quality Schools	Total
Alaska Gateway	4,689,033	0	240,311	100.00%	216,280	4,472,753	307,640	19,042	4,799,435
Aleutian Region	1,181,448	0	237,366	100.00%	213,629	967,819	172,799	4,792	1,145,416
Aleutians East	3,795,599	387,694	1,199,052	52.75%	569,250	2,838,655	0	15,414	2,854,069
Anchorage	264,217,621	62,643,830	9,360,634	61.60%	5,189,539	196,384,256	0	1,072,965	197,457,221
Annette Island	2,336,144	0	1,746,971	100.00%	1,572,274	763,870	0	9,487	773,357
Bering Strait	20,543,199	0	6,309,565	100.00%	5,678,609	14,864,590	0	83,424	14,948,014
Bristol Bay	2,378,184	840,184	341,946	67.67%	208,255	1,329,745	0	9,658	1,339,403
Chatham	2,417,663	0	329,068	100.00%	296,161	2,121,502	0	9,818	2,131,320
Chugach	1,123,412	0	107,105	100.00%	96,395	1,027,017	591,834	4,562	1,623,413
Copper River	5,442,913	0	163,198	100.00%	146,878	5,296,035	15,984	22,103	5,334,122
Cordova	3,276,110	661,261	18,524	49.07%	8,181	2,606,668	49,421	13,304	2,669,393
Craig	3,265,945	413,016	320,232	52.41%	151,050	2,701,879	0	13,263	2,715,142
Delta/Greeley	4,630,800	0	246,282	100.00%	221,654	4,409,146	405,450	18,805	4,833,401
Denali	3,072,570	490,981	12,248	44.78%	4,936	2,576,633	0	12,477	2,589,130
Dillingham	4,542,741	585,075	357,137	54.81%	176,172	3,781,494	79,814	18,448	3,879,756
Fairbanks	88,332,791	18,856,685	9,107,500	58.35%	4,782,804	64,693,302	0	358,712	65,052,014
Galena	12,219,004	71,933	642,145	3.85%	22,250	12,124,821	2,066,937	49,620	14,241,378
Halibut	2,781,246	792,247	8,084	56.40%	4,103	1,984,896	7,807	11,294	2,003,997
Hoonah	1,890,057	101,288	656,454	18.49%	109,241	1,679,528	38,495	7,675	1,725,698
Hydaburg	919,714	32,892	396,778	19.93%	71,170	815,652	145,998	3,735	965,385
Iditarod Area	5,477,624	0	506,217	100.00%	455,595	5,022,029	705,331	22,244	5,749,604
Jupia	30,443,592	9,975,186	186	58.75%	98	20,468,308	0	123,629	20,591,937
Kake	1,302,722	72,257	463,209	32.05%	133,613	1,096,852	71,296	5,290	1,173,438
Kashunamiut	2,994,282	0	1,169,336	100.00%	1,052,402	1,941,880	0	12,160	1,954,040
Kenai Peninsula	58,435,343	16,203,652	0	54.66%	0	42,231,591	0	237,300	42,468,891
Ketchikan Gateway	14,077,541	4,344,296	1,709	57.71%	888	9,732,357	0	57,168	9,789,525
Klawock	1,575,370	129,095	280,398	40.49%	102,180	1,344,095	205,123	6,397	1,555,615
Kodiak Island	18,001,939	3,746,940	1,760,542	54.07%	856,733	13,398,266	0	73,104	13,471,370
Kuspuk	5,638,179	0	1,449,136	100.00%	1,304,222	4,333,957	168,066	22,896	4,524,919
Lake & Peninsula	6,386,425	276,964	1,905,392	21.61%	370,580	5,738,881	202,777	25,935	5,967,593
Lower Kuskokwim	37,997,045	0	9,268,539	100.00%	8,341,685	29,655,360	4,740,900	154,303	34,550,563
Lower Yukon	20,291,276	0	6,775,941	100.00%	6,098,347	14,192,929	0	82,401	14,275,330
Mt-Si	72,743,944	11,919,135	0	46.69%	0	60,824,809	0	295,407	61,120,216
Nenana	6,732,396	72,306	1,579	77.16%	1,097	6,658,993	0	27,340	6,686,333
Nome	5,711,188	767,704	58,608	62.91%	33,183	4,910,301	95,798	23,193	5,029,292
North Slope	20,046,287	8,741,954	5,731,515	31.52%	1,625,916	9,678,417	0	81,406	9,759,823
Northwest Arctic	22,808,896	1,524,744	4,517,103	37.33%	1,517,611	19,766,541	0	92,625	19,859,166
Pelican	271,151	49,161	0	100.00%	0	221,990	198,820	1,101	421,911
Petersburg	4,019,509	975,396	2,338	51.61%	1,086	3,043,027	0	16,323	3,059,350
Pribilof	1,697,313	0	713,723	100.00%	642,351	1,054,962	28,488	6,893	1,090,343
Sitka	9,047,343	2,543,072	12,874	54.15%	6,274	6,497,997	0	36,740	6,534,737
Skagway	1,215,845	524,241	0	63.79%	0	691,604	211,782	4,937	908,323
Southeast Island	2,669,547	0	280,901	100.00%	252,811	2,416,736	479,875	10,841	2,907,452
Southwest Region	8,593,337	0	3,076,142	100.00%	2,768,528	5,824,809	0	34,897	5,859,706
St. Mary's	1,515,166	18,002	1,101	18.00%	178	1,496,986	161,977	6,153	1,665,116
Tanana	949,619	23,336	74,560	15.06%	10,106	916,177	100,873	3,856	1,020,906
Unalakleet	2,894,560	1,312,800	2,894	62.28%	1,622	1,580,138	421,009	11,755	2,012,902
Valdez	5,737,743	2,571,754	7,765	63.09%	4,409	3,161,580	565,707	23,300	3,750,587
Wrangell	3,057,479	592,117	720	44.73%	290	2,465,072	0	12,416	2,477,488
Yakutat	1,468,359	177,185	193,014	36.78%	63,891	1,227,283	227,374	5,963	1,460,620
Yukon Flats	4,441,129	0	1,328,212	100.00%	1,195,391	3,245,738	823,245	18,035	4,087,018
Yukon/Koyukuk	6,513,647	0	1,438,186	100.00%	1,294,367	5,219,280	550,443	26,451	5,796,174
Yupik	4,770,473	0	1,631,610	100.00%	1,468,449	3,302,024	479,208	19,372	3,800,604
ACS	4,116,591	0	0	100.00%	0	4,116,591	0	16,717	4,133,308
Mt. Edgecumbe	1,908,694	0	1,805,936	100.00%	1,625,342	283,352	0	7,751	291,103
Other									23,950,824
TOTALS:	828,607,648	152,438,383	76,259,986		50,968,072	625,201,193	14,320,271	3,364,903	666,837,191

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URBAN DISTRICTS

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School District	ADM	Comp. ADM	FY01 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 Comp. 80%	District Adjusted ADM
Alaska Gateway	436.30	44.75	481.05	728.96	1.29	941.09	1129.31	5.00	25.00	1154.31	35.80	1190.11
Alutian Region	59.40	0.00	59.40	127.14	1.74	220.72	264.86	7.00	35.00	299.86	0.00	299.86
Aleutians East	307.75	0.00	307.75	564.15	1.42	802.79	963.35	0.00	0.00	963.35	0.00	963.35
Anchorage	48856.09	0.00	48856.09	52683.59	1.00	52683.59	63220.31	768.00	3840.00	67060.31	0.00	67060.31
Annette Island	325.75	0.00	325.75	464.01	1.01	469.11	562.93	6.00	30.00	592.93	0.00	592.93
Bering Strait	1760.25	0.00	1760.25	2816.40	1.53	4295.01	5154.01	12.00	60.00	5214.01	0.00	5214.01
Bristol Bay	243.05	0.00	243.05	382.07	1.26	482.17	578.60	5.00	25.00	603.60	0.00	603.60
Chadum	247.50	0.00	247.50	452.84	1.12	507.18	608.62	1.00	5.00	613.62	0.00	613.62
Chugach	61.10	106.00	167.10	129.01	1.29	166.94	200.33	0.00	0.00	200.33	84.80	285.13
Copper River	514.10	175.81	689.91	868.62	1.18	1021.50	1225.80	3.00	15.00	1240.80	140.65	1381.45
Cordova	475.95	0.00	475.95	624.62	1.10	684.58	821.50	2.00	10.00	831.50	0.00	831.50
Craig	412.40	103.90	516.30	557.59	1.01	563.17	675.80	14.00	70.00	745.80	83.12	828.92
Delta/Greeley	599.55	201.95	801.50	748.77	1.11	828.14	993.77	4.00	20.00	1013.77	161.56	1175.33
Denali	312.65	0.00	312.65	494.95	1.31	649.87	779.84	0.00	0.00	779.84	0.00	779.84
Dillingham	579.85	0.00	579.85	729.65	1.25	914.98	1097.98	11.00	55.00	1152.98	0.00	1152.98
Fairbanks	15265.34	281.16	15546.50	16746.52	1.04	17399.63	20879.56	263.00	1315.00	22194.56	224.93	22419.49
Galena	237.40	3136.59	3373.99	356.70	1.35	480.83	577.00	3.00	15.00	592.00	2509.27	3101.27
Haines	385.65	21.50	407.15	556.96	1.01	561.42	673.70	3.00	15.00	688.70	17.20	705.90
Hoonah	226.90	0.00	226.90	343.37	1.06	362.26	434.71	9.00	45.00	479.71	0.00	479.71
Hydaburg	102.85	0.00	102.85	175.45	1.09	190.36	228.43	1.00	5.00	233.43	0.00	233.43
Iditarod Area	362.70	276.25	638.95	654.34	1.47	961.88	1154.26	3.00	15.00	1169.26	221.00	1390.26
Juneau	5481.03	39.75	5520.78	5912.11	1.01	5941.67	7130.00	113.00	565.00	7695.00	31.80	7726.80
Kake	165.00	0.00	165.00	264.75	1.03	271.37	325.64	1.00	5.00	330.64	0.00	330.64
Kashunamiut	314.00	0.00	314.00	446.95	1.39	620.81	744.97	3.00	15.00	759.97	0.00	759.97
Kenai Peninsula	9549.82	396.92	9946.74	11743.65	1.00	11790.62	14148.74	73.00	365.00	14513.74	317.54	14831.28
Ketchikan Gateway	2453.08	36.60	2489.68	2840.58	1.00	2840.58	3408.70	27.00	135.00	3543.70	29.28	3572.98
Klawock	194.90	13.00	207.90	302.72	1.02	307.87	369.44	4.00	20.00	389.44	10.40	399.84
Kodiak Island	2742.35	31.60	2773.95	3384.22	1.09	3698.95	4438.74	21.00	105.00	4543.74	25.28	4569.02
Kuspuk	470.15	0.00	470.15	828.69	1.43	1188.34	1426.01	1.00	5.00	1431.01	0.00	1431.01
Lake & Peninsula	458.68	3.80	462.48	865.36	1.56	1348.23	1617.88	0.00	0.00	1617.88	3.04	1620.92
Lower Kuskokwim	3647.53	0.00	3647.53	5283.88	1.49	7878.27	9453.92	38.00	190.00	9643.92	0.00	9643.92
Lower Yukon	1926.70	0.00	1926.70	2943.94	1.44	4233.39	5080.07	14.00	70.00	5150.07	0.00	5150.07
Mat-Su	12347.19	405.21	12752.40	13814.98	1.01	13953.13	16743.76	279.00	1395.00	18138.76	324.17	18462.93
Neenah	144.75	1683.50	1828.25	237.49	1.27	301.61	361.93	0.00	0.00	361.93	1346.80	1708.73
Nome	767.35	9.60	776.95	907.79	1.32	1197.38	1436.86	1.00	5.00	1441.86	7.68	1449.54
North Slope	2094.20	0.00	2094.20	2810.78	1.50	4227.41	5072.89	3.00	15.00	5087.89	0.00	5087.89
Northwest Arctic	2188.15	15.00	2203.15	3094.50	1.55	4793.38	5752.06	5.00	25.00	5777.06	12.00	5789.06
Pelican	23.00	0.00	23.00	44.46	1.29	57.35	68.82	0.00	0.00	68.82	0.00	68.82
Petersburg	678.30	0.00	678.30	825.15	1.00	825.15	990.18	6.00	30.00	1020.18	0.00	1020.18
Pribilof	143.50	0.00	143.50	247.12	1.42	350.66	420.79	2.00	10.00	430.79	0.00	430.79
Sitka	1540.43	49.00	1589.43	1822.57	1.00	1822.57	2187.08	14.00	70.00	2257.08	39.20	2296.28
Skagway	135.75	1.00	136.75	224.40	1.14	256.49	307.79	0.00	0.00	307.79	0.80	308.59
So. Coast Island	240.03	41.10	281.13	474.25	1.12	533.06	639.67	1.00	5.00	644.67	32.88	677.55
Southwest Region	767.91	0.00	767.91	1262.62	1.42	1796.71	2156.05	5.00	25.00	2181.05	0.00	2181.05
Saint Mary's	137.70	0.00	137.70	224.87	1.35	303.80	364.56	4.00	20.00	384.56	0.00	384.56
Tanana	76.00	4.00	80.00	124.12	1.50	185.68	222.82	3.00	15.00	237.82	3.20	241.02
Unalakleet	351.34	0.00	351.34	488.39	1.25	608.05	729.66	1.00	5.00	734.66	0.00	734.66
Valdez	864.75	0.00	864.75	1077.84	1.10	1180.23	1416.28	8.00	40.00	1456.28	0.00	1456.28
Wrangell	488.35	0.00	488.35	638.34	1.00	638.34	766.01	2.00	10.00	776.01	0.00	776.01
Yakutat	166.23	0.00	166.23	284.96	1.05	298.07	357.68	3.00	15.00	372.68	0.00	372.68
Yukon Flats	307.00	0.00	307.00	560.65	1.67	935.16	1122.19	1.00	5.00	1127.19	0.00	1127.19
Yukon/Koyukuk	484.10	0.40	484.50	889.31	1.50	1335.74	1602.89	10.00	50.00	1652.89	0.32	1653.21
Yupik	420.00	0.00	420.00	681.18	1.47	1000.65	1200.78	2.00	10.00	1210.78	0.00	1210.78
ACS	0.00	1306.02	1306.02	0.00	1.00	0.00	0.00	0.00	0.00	0.00	1044.82	1044.82
Mt. Edgecumbe	330.00	0.00	330.00	403.70	1.00	403.70	484.44	0.00	0.00	484.44	0.00	484.44

TOTALS: 123,871.84 8,384.41 132,256.25 147,162.03 0.00 162,311.64 194,773.97 1,765.00 8,825.00 203,598.97 6,707.54 210,306.51

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School District	1999 Full Values	2000 Basic Need	2001 Basic Need	.004 Mills	45% of Basic Need	Local Effort
Alaska Gateway	0	4,743,405	4,689,033	0	2,134,532	0
Aleutian Region	0	1,281,091	1,181,448	0	576,491	0
Aleutians East	96,923,600	3,732,559	3,795,599	387,694	1,679,652	387,694
Anchorage	15,660,957,500	259,218,077	264,217,621	62,643,830	116,648,135	62,643,830
Annette Island	0	2,475,502	2,336,144	0	1,113,976	0
Bering Strait	0	20,372,400	20,543,199	0	9,167,580	0
Bristol Bay	210,045,900	2,612,102	2,378,184	840,184	1,175,446	840,184
Chatham	0	2,508,440	2,417,663	0	1,128,798	0
Chugach	0	1,190,038	1,123,412	0	535,517	0
Copper River	0	5,575,494	5,442,913	0	2,508,972	0
Cordova	165,315,250	3,339,150	3,276,110	661,261	1,502,618	661,261
Craig	103,253,900	2,845,980	3,265,945	413,016	1,280,691	413,016
Delta/Grcey	0	5,413,796	4,630,800	0	2,436,208	0
Denali	122,745,200	3,199,398	3,072,570	490,981	1,439,729	490,981
Dillingham	146,268,700	4,390,894	4,542,741	585,075	1,975,902	585,075
Fairbanks	4,714,171,310	89,172,483	88,332,791	18,856,685	40,127,617	18,856,685
Galena	17,983,300	13,019,809	12,219,004	71,933	5,858,914	71,933
Haines	198,061,700	2,783,058	2,781,246	792,247	1,252,376	792,247
Hoonah	25,321,900	1,873,628	1,890,057	101,288	843,133	101,288
Hydaburg	8,223,000	957,932	919,714	32,892	431,069	32,892
Iditarod Area	0	5,262,894	5,477,624	0	2,368,302	0
Juneau	2,493,796,400	30,792,637	30,443,592	9,975,186	13,856,687	9,975,186
Kake	18,064,300	1,332,902	1,302,722	72,257	599,806	72,257
Kashunamiut	0	2,850,157	2,994,282	0	1,282,571	0
Kodiak Peninsula	4,050,912,920	58,859,975	58,435,213	16,203,652	36,486,989	16,203,652
Ketchikan Gateway	1,086,074,100	14,245,897	14,077,541	4,344,296	6,410,654	4,344,296
Klawock	32,273,800	1,579,507	1,575,370	129,095	710,778	129,095
Kodiak Island	936,735,100	17,785,987	18,001,939	3,746,940	8,003,694	3,746,940
Kuspuk	0	5,823,281	5,638,179	0	2,620,476	0
Lake & Peninsula	69,241,000	6,769,826	6,386,425	276,964	3,046,422	276,964
Lower Kuskokwim	0	37,602,217	37,997,045	0	16,920,998	0
Lower Yukon	0	20,306,642	20,291,276	0	9,137,989	0
Mat-Su	2,979,783,820	70,209,145	72,743,944	11,919,135	31,594,115	11,919,135
Nenana	18,076,400	4,103,037	6,732,396	72,306	1,846,367	72,306
Nome	191,926,100	5,674,782	5,711,188	767,704	2,553,652	767,704
North Slope	10,931,803,130	19,436,564	20,046,287	43,727,213	8,741,954	8,741,954
Northwest Arctic	381,186,000	22,486,368	22,808,896	1,524,744	10,118,866	1,524,744
Pelican	12,290,200	373,512	271,151	49,161	168,080	49,161
Peetersburg	243,848,900	4,134,636	4,019,509	975,396	1,860,586	975,396
Pribilof	0	1,825,047	1,697,313	0	821,271	0
Sitka	635,768,000	9,675,813	9,047,343	2,543,072	4,354,116	2,543,072
Skagway	148,776,700	1,164,979	1,215,845	595,107	524,241	524,241
Southeast Island	0	2,856,145	2,669,547	0	1,285,265	0
Southwest Region	0	8,444,957	8,593,337	0	3,800,231	0
Saint Mary's	4,500,600	1,561,974	1,515,166	18,002	702,888	18,002
Tanana	5,834,100	1,010,886	949,619	23,336	454,899	23,336
Unalaska	375,842,900	2,917,334	2,894,560	1,503,372	1,312,800	1,312,800
Vakhz	948,643,590	5,715,009	5,737,743	3,794,574	2,571,754	2,571,754
Wrangell	148,029,200	3,145,499	3,057,479	592,117	1,415,475	592,117
Yakutat	44,296,200	1,306,780	1,468,359	177,185	588,051	177,185
Yukon Flats	0	4,892,574	4,441,129	0	2,201,658	0
Yukon/Koyukuk	0	6,940,074	6,513,647	0	3,123,033	0
Yupit	0	4,608,382	4,770,473	0	2,073,772	0
ACS	0	4,194,524	4,116,591	0	1,887,536	0
Mr. Edgumbe	0	1,904,123	1,908,694	0	856,855	0
TOTALS:	47,226,974,720	822,489,302	828,607,648		152,438,383	

Alaska Department of Education and Early Development
Public School Funding Program
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Prepared by Mindy Lobaugh

School District	Local Effort	.002 Mills	23% of Basic Need	Additional Local Contribution	Maximum Local Contribution
Alaska Gateway	0	0	1,078,478	0	-
Alutian Region	0	0	271,733	0	-
Alutians East	387,694	193,847	872,988	872,988	1,260,682
Anchorage	62,643,830	31,321,915	60,770,053	60,770,053	123,413,883
Annette Island	0	0	537,313	0	-
Bering Strait	0	0	4,724,936	0	-
Bristol Bay	840,184	420,092	546,982	546,982	1,387,166
Chatham	0	0	556,062	0	-
Chugach	0	0	258,385	0	-
Copper River	0	0	1,251,870	0	-
Cordova	661,261	330,631	753,505	753,505	1,414,766
Craig	413,016	206,508	751,167	751,167	1,164,183
Delta/Gracely	0	0	1,065,084	0	-
Denali	490,981	245,490	706,691	706,691	1,197,672
Dillingham	585,075	292,537	1,044,830	1,044,830	1,629,905
Fairbanks	18,856,685	9,428,343	20,316,542	20,316,542	39,173,227
Galeton	71,933	35,967	2,810,371	2,810,371	2,882,304
Haines	792,247	396,123	639,687	639,687	1,431,934
Homestead	101,288	50,644	434,713	434,713	536,001
Hydaburg	32,892	16,446	211,534	211,534	244,426
Iditarod Area	0	0	1,259,854	0	-
Junesau	9,975,186	4,987,593	7,002,026	7,002,026	16,977,212
Kake	72,257	36,129	299,626	299,626	371,883
Kashunamiut	0	0	688,685	0	-
Kenai Peninsula	16,203,652	8,101,826	13,440,106	13,440,106	29,643,758
Ketchikan Gateway	4,344,296	2,172,148	3,237,834	3,237,834	7,582,130
Klawock	129,095	64,548	362,335	362,335	491,430
Kodiak Island	3,746,940	1,873,470	4,140,446	4,140,446	7,887,386
Kuspuk	0	0	1,296,781	0	-
Lake & Peninsula	276,964	138,482	1,468,878	1,468,878	1,745,842
Lower Kuskokwim	0	0	8,739,320	0	-
Lower Yukon	0	0	4,666,993	0	-
Mai-Su	11,919,135	5,959,568	16,731,107	16,731,107	28,650,242
Nenana	72,306	36,153	1,548,451	1,548,451	1,620,757
Nome	767,704	383,852	1,313,573	1,313,573	2,081,277
North Slope	8,741,954	21,863,606	4,610,646	21,863,606	30,605,560
Northwest Arctic	1,524,744	762,372	5,246,046	5,246,046	6,770,790
Pelican	49,161	24,580	62,365	62,365	111,526
Petersburg	975,396	487,698	924,487	924,487	1,899,883
Pribilof	0	0	390,382	0	-
Sitka	2,543,072	1,271,536	2,080,889	2,080,889	4,623,961
Skagway	524,241	297,553	279,644	297,553	821,794
Southeast Island	0	0	613,996	0	-
Southwest Region	0	0	1,976,468	0	-
Saint Mary's	18,002	9,001	348,488	348,488	366,490
Tanana	23,336	11,668	218,412	218,412	241,748
Unalaska	1,312,800	751,686	665,749	751,686	2,064,486
Valdez	2,571,754	1,897,287	1,319,681	1,897,287	4,469,041
Wrangell	592,117	296,058	703,220	703,220	1,295,337
Yakutat	177,185	88,592	337,723	337,723	514,908
Yukon Flats	0	0	1,021,460	0	-
Yukon/Koyukuk	0	0	1,498,139	0	-
Yupik	0	0	1,097,209	0	-
ACS	0	0	946,816	0	-
Mt. Edgecumbe	0	0	439,000	0	-
TOTALS:	152,438,383			174,135,207	326,573,590

Alaska Department of Education and Early Development
Public School Funding Program
FY2001 Actual 3-16-01

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Prepared by Mindy Lobaugh

School District	FY00 Floor	% Decrease to FY01 Floor	Amt. To Reduce FY01 Floor	2000 Basic Need	2001 Basic Need	40% of Difference	FY01 Actual Adjustment	FY01 FINAL FLOOR
Alaska Gateway	323,832	5%	16,192	4,743,405	4,689,033	0	16,192	307,640
Alutian Region	172,799	0%	-	1,281,091	1,181,448	0	0	172,799
Aleutians East	-	0%	-	3,732,559	3,795,599	25,216	0	0
Anchorage	-	0%	-	259,218,077	264,217,621	1,999,818	0	0
Annette Island	-	0%	-	2,475,502	2,336,144	0	0	0
Bering Strait	-	0%	-	20,372,400	20,543,199	68,320	0	0
Bristol Bay	-	0%	-	2,612,102	2,378,184	0	0	0
Chatham	-	0%	-	2,508,440	2,417,663	0	0	0
Chugach	591,834	0%	-	1,190,038	1,123,412	0	0	591,834
Copper River	15,984	0%	-	5,575,494	5,442,913	0	0	15,984
Cordova	49,421	0%	-	3,339,150	3,276,110	0	0	49,421
Craig	-	0%	-	2,845,980	3,265,945	167,986	0	0
Delta/Grcey	445,549	9%	40,099	5,413,796	4,630,800	0	40,099	405,450
Denali	-	0%	-	3,199,398	3,072,570	0	0	0
Dillingham	140,553	0%	-	4,390,894	4,542,741	60,739	60,739	79,814
Fairbanks	-	0%	-	89,172,483	88,332,791	0	0	0
Galeana	2,066,937	0%	-	13,019,809	12,219,004	0	0	2,066,937
Haines	7,886	1%	79	2,783,058	2,781,246	0	79	7,807
Hoonah	45,067	0%	-	1,873,628	1,890,057	6,572	6,572	38,495
Hydaburg	156,987	7%	10,989	957,932	919,714	0	10,989	145,998
Iditarod Area	791,223	0%	-	5,262,894	5,477,624	85,892	85,892	705,331
Juneau	-	0%	-	30,792,637	30,443,592	0	0	0
Kake	72,016	1%	720	1,332,902	1,302,722	0	720	71,296
Kushunamint	-	0%	-	2,850,157	2,994,282	57,650	0	0
Kenai Peninsula	-	0%	-	58,859,975	58,435,243	0	0	0
Ketchikan Gateway	-	0%	-	14,245,897	14,077,541	0	0	0
Klawock	205,123	0%	-	1,579,507	1,575,370	0	0	205,123
Kodiak Island	-	0%	-	17,785,987	18,001,939	86,381	0	0
Kuspuk	168,066	0%	-	5,823,281	5,638,179	0	0	168,066
Lake & Peninsula	211,226	4%	8,449	6,769,826	6,386,425	0	8,449	202,777
Lower Kuskokwim	4,898,831	0%	-	37,602,217	37,997,045	157,931	157,931	4,740,900
Lower Yukon	-	0%	-	20,306,642	20,291,276	0	0	0
Mat-Su	-	0%	-	70,209,145	72,743,944	1,013,920	0	0
Nenana	-	0%	-	4,103,037	6,732,396	1,051,744	0	0
Nome	110,360	0%	-	5,674,782	5,711,188	14,562	14,562	95,798
North Slope	-	0%	-	19,426,564	20,046,287	247,889	0	0
Northwest Arctic	-	0%	-	22,486,368	22,808,896	129,011	0	0
Pelican	258,208	23%	59,388	373,512	271,151	0	59,388	198,820
Petersburg	-	0%	-	4,134,636	4,019,509	0	0	0
Pribilof	31,305	9%	2,817	1,825,047	1,697,313	0	2,817	28,488
Sitka	-	0%	-	9,575,813	9,047,343	0	0	0
Skagway	232,128	0%	-	1,164,979	1,215,845	20,346	20,346	211,782
Southwest Island	510,505	6%	30,630	2,856,145	2,669,547	0	30,630	479,875
Southwest Region	-	0%	-	8,444,957	8,593,337	59,352	0	0
Saint Mary's	161,977	0%	-	1,561,974	1,515,166	0	0	161,977
Tanna	114,628	12%	13,755	1,010,886	949,619	0	13,755	100,873
Unalakleet	421,009	0%	-	2,917,334	2,894,560	0	0	421,009
Valdez	574,801	0%	-	5,715,009	5,737,743	994	9,094	565,707
Wrangell	-	0%	-	3,145,499	3,057,479	0	0	0
Yakutat	292,006	0%	-	1,306,780	1,468,359	64,632	64,632	227,374
Yukon Flats	935,506	12%	112,261	4,892,574	4,441,129	0	112,261	823,245
Yukon/Koyukuk	625,503	12%	75,060	6,940,074	6,513,647	0	75,060	550,443
Yupik	544,044	0%	-	4,608,382	4,770,473	64,836	64,836	479,208
ACS	-	0%	-	4,194,524	4,116,591	0	0	0
Mt. Edgecumbe	-	0%	-	1,904,123	1,908,694	1,828	0	0
TOTALS:	15,175,314		370,439	822,489,302	828,607,648	5,393,719	855,043	14,320,271

Subject: [Fwd: SB 36 Effects on Dillingham City School District]

Date: Tue, 29 Jan 2002 13:51:40 -0900

From: Representative Bill Williams <Representative_Bill_Williams@legis.state.ak.us>

Organization: Alaska State Legislature

To: Randall Rauro <Randall_Rauro@legis.state.ak.us>

Subject: SB 36 Effects on Dillingham City School District

Date: Fri, 25 Jan 2002 14:39:55 -0900

From: "DCSD" <loren@dcsd.k12.ak.us>

To: <Representative_Bill_Williams@legis.state.ak.us>

For FY 03, Dillingham City School District will be proposing staff cuts for the 4th year in a row. If the floor remains in place, DCSD will continue the decline of instructional staff. Dillingham maintains one of the highest percentages of budget spent on instruction, at 76%, yet nearly 20 other districts receive waivers and continue to have multiple levels of administration. Dillingham maintains a one administrator central office, yet there appears to be limited incentive for those districts that maintain over the 70% level that legislators requested. The young people of Dillingham need your support to suspend the funding floor provision and strengthen foundation dollars.

Thank you

Loren E Berkoski, Superintendent

tion shall be deposited in the fund, and the proceeds from the sale of general obligation bonds for school construction may be deposited in the fund. (§ 5 ch 5 SLA 1990)

Sec. 14.11.007. Major maintenance grant fund. There is created a major maintenance grant fund as an account in the general fund. The fund shall be used to make grants for the costs of school major maintenance. Legislative appropriations for school major maintenance shall be deposited in the fund. (§ 4 ch 78 SLA 1993)

Sec. 14.11.008. School district participation in grant program. (a) In order to receive a grant under this chapter or an appropriation under AS 37.05.560, a district must provide a percentage share of the project cost, as determined under (b) or (c) of this section. A district shall provide the required participating share within three years after the date that the appropriation bill funding the grant is passed by the legislature.

(b) The required participating share for a municipal school district is based on the district's full value per average daily membership (ADM), which is calculated by dividing the full and true value of the taxable real and personal property in the district, calculated as described in AS 14.17.510 by the district ADM as defined in AS 14.17.990, for the same fiscal year for which the valuation was made. The municipal district's full value per ADM determines the district's required participating share, as follows:

Full Value Per ADM	District Participating Share
\$1 — \$100,000	5 percent
100,001 — 200,000	10 percent
200,001 — 600,000	30 percent
over 600,000	35 percent.

This is for local Port & Etc.

(c) The required participating share for a regional educational attendance area is two percent. The participating share for any district may be satisfied by money from federal, local, or other sources, or with locally contributed labor, material, or equipment.

(d) If a district with full value per ADM of \$200,000 or less can demonstrate in writing that it is unable to provide the required participating share or that the participating share required under this section will jeopardize receipt of federal assistance, the commissioner may waive all or a portion of the required participating share.

(e) State funds provided under this chapter may not be a source of the participating share required under (b) or (c) of this section. (§ 4 ch 78 SLA 1993; am § 17 ch 83 SLA 1998)

Effect of amendments. — The 1998 amendment, effective July 1, 1998, rewrote the introductory language of subsection (b).

Editor's notes. — Section 23(a), ch. 78, SLA 1993 provides that this section applies to grants awarded under AS 14.11.005 — 14.11.019 after June 30, 1993.

Enclavin had a school bond last year

NOTES TO DECISIONS

Applied in Matanuska-Susitna Borough Sch. Dist. State, 931 P.2d 391 (Alaska 1997).

Sec. 14.11.010. Recommendations and evaluations of projects. [Repealed, § 15 ch 5 SLA 1990.]

Sec. 14.11.011. Grant applications. (a) A municipality that is a school district or a regional educational attendance area may submit a request to the department for a grant under this chapter.

(b) For a municipality that is a school district or a regional educational attendance area to be eligible for a grant under this chapter, the district shall submit

(1) a six-year capital improvement plan that includes a description of the district's asset inventory system and preventive maintenance program no later than September 1 of the fiscal year before the fiscal year for which the request is made; the

Alaska Dept of Education

Urban/Rural List
FY01 Participating Share Requirements

URBAN (>30%)		RURAL (<30%)	
SCHOOL DISTRICT	ELECTION DISTRICT	SCHOOL DISTRICT	ELECTION DISTRICT
ALEUTIANS EAST BOROUGH	40	ALASKA GATEWAY	36
ANCHORAGE	10-26	ALEUTIAN REGION	40
BRISTOL BAY BOROUGH	39	ANNETTE ISLAND	1
CORDOVA	35	BERING STRAIT	38
CRAIG	5	CHATHAM	5
DENALI BOROUGH	34	CHUGACH	35
DILLINGHAM	39	COPPER RIVER	35-36
FBX NORTH STAR BOROUGH	29-34	DELTA/GREELY	35
HAINES BOROUGH	5	GALENA	36
JUNEAU BOROUGH	3-4	HOONAH	5
KENAI PENINSULA BOROUGH	7-9	HYDABURG	5
KTN GATEWAY BOROUGH	1	IDITAROD AREA	36
KODIAK ISLAND BOROUGH	6	KAKE	5
MAT-SU BOROUGH	26-28	KASHUNAMIUT	38
NOME	38	KLAWOCK	5
NORTH SLOPE BOROUGH	37	KUSPUK	36
NORTHWEST ARCTIC BOROUGH	37	LAKE & PENINSULA BOROUGH	39
PELICAN	5	LOWER KUSKOKWIM	38-39
PETERSBURG	2	LOWER YUKON	36-38
SITKA BOROUGH	2	NENANA	36
SKAGWAY	5	PRIBILOF	40
UNALASKA	40	SAINT MARY'S	38
VALDEZ	35	SOUTHEAST ISLANDS	5-6
WRANGELL	2	SOUTHWEST REGION	39
YAKUTAT	5	TANANA	36
		YUKON FLATS	36
		YUKON/KOYUKUK	36
		YUPIIT	39

Alaska Department of Education and Early Development

FY2002 Participating Share Requirement

District	FY2000 Full Values	2000 ADM	Value Per ADM	LocalShare
Alaska Gateway	\$0	485.4	0.00	2 %
Aleutian Region	\$0	75.15	0.00	2 %
Aleutians East	\$97,167,900	299.55	324,379.58	30 %
Anchorage	\$16,573,238,790	48157.22	344,148.59	30 %
Annette Island	\$0	368	0.00	35 %
Bering Strait	\$0	1775.45	0.00	2 %
Bristol Bay Borough	\$204,802,200	278.6	735,111.97	35 %
Chatham	\$0	257	0.00	2 %
Chugach	\$0	157.35	0.00	2 %
Copper River	\$0	727.29	0.00	2 %
Cordova	\$173,796,950	485.45	358,012.04	30 %
Craig City	\$103,150,100	420.6	245,245.12	30 %
Delta/Greely	\$0	898.78	0.00	2 %
Denali Borough	\$121,643,100	326.5	372,566.92	30 %
Dillingham City	\$148,150,600	561.8	263,707.02	30 %
Fairbanks	\$4,840,563,260	15804.16	306,284.12	30 %
Galena	\$18,043,700	3660	4,929.97	5 %
Haines	\$204,022,700	413.45	493,464.01	30 %
Hoonah City	\$25,060,000	236.75	105,850.05	10 %
Hydaburg City	\$8,141,600	107.85	75,490.03	35 %
Iditarod Area	\$0	568.1	0.00	2 %
Juneau City Borough	\$2,632,035,700	5646.85	466,106.88	30 %
Kake City	\$17,642,900	166.7	105,836.23	10 %
Kashunamiut	\$0	298.2	0.00	35 %
Kenai Peninsula	\$4,246,869,760	9982.41	425,435.31	30 %
Ketchikan	\$1,116,923,700	2598.9	429,767.88	30 %
Klawock City	\$31,525,500	206	153,036.41	10 %
Kodiak Island	\$977,967,800	2810.05	348,025.05	30 %
Kuspuk	\$0	493.85	0.00	2 %
Lake & Peninsula	\$69,030,900	480.95	143,530.30	35 %
Lower Kuskokwim	\$0	3614	0.00	2 %
Lower Yukon	\$0	1936.15	0.00	2 %
Mat-Su Borough	\$3,256,885,340	12513.08	260,278.47	30 %
Nenana City	\$16,800,100	1005	16,716.52	35 %
Nome City	\$211,123,500	769.1	274,507.22	30 %
North Slope Borough	\$10,851,387,110	2008.9	5,401,656.12	35 %
Northwest Arctic	\$381,186,000	2151.5	177,172.21	10 %
Pelican City	\$12,621,800	33.65	375,090.62	35 %
Petersburg City	\$254,224,500	699.1	363,645.41	30 %
Pribilof Island	\$0	158.25	0.00	2 %
Sitka City Borough	\$658,298,100	1722.11	382,262.52	30 %
Skagway City	\$177,458,900	131.3	1,351,552.90	35 %
Southeast Island	\$0	294.5	0.00	2 %
Southwest Region	\$0	758.25	0.00	2 %
St Marys	\$4,535,700	144.15	31,465.14	35 %
Tanana City	\$5,771,200	92.75	62,223.18	5 %
Unalaska City	\$383,163,500	351.91	1,088,811.05	35 %
Valdez City	\$986,219,470	865.2	1,139,874.54	35 %
Wrangell City	\$150,471,600	505.05	297,934.07	30 %
Yakutat City	\$44,561,300	159.75	278,943.97	30 %
Yukon Flats	\$0	352.1	0.00	2 %
Yukon-Koyukuk	\$0	535.85	0.00	2 %
Yupit	\$0	398	0.00	2 %

Post-It Fax Note 7671

Date 6/25/01

To: Beth L. Dorman

Co. Dept. Rep. Bunde

Phone #

Fax # 269-0229

Page 1

think **T**ransition

SCHOOL FUNDING

A Summary of the Supplementary Public School Funding Floor

Historical Review

Why was a new school funding formula adopted in 1998? Why was the "supplementary public school funding floor" added to the school funding formula? A historical review helps answers these questions.

Prior to 1998, the education funding formula was based on the concept of an "instructional unit," a complex and nebulous idea understood by few, mistrusted by many. This old formula, established in 1987, and the subsequent regulations, contained several loopholes that benefited school districts to varying degrees. In 1996, the Department of Education began the process of developing a new formula to rectify some of these known inequities. The governor's subsequent proposal became the blueprint for the current funding formula.

SB 36 Funding Formula

The new Student Dollar K-12 funding formula allocates state general fund dollars to school districts based on the number of students enrolled, with appropriate consideration and adjustments for the size of the school and its location in Alaska. The public school funding formula recognizes that differences do indeed exist be-

tween our large, urban school districts and Alaska's isolated rural districts and funds them accordingly. For example, a student in Pelican receives more than four times the amount per student from the state than a youngster enrolled in Anchorage.

A Fair Transition

During the discussion of implementing the new formula, the legislature, not wanting to negatively impact any school district, wrestled with how to transition the school districts from the old formula to the new. The results of this effort provided that no district would lose funding under the new formula even if the district may have financially benefited from the loopholes in the prior funding plan.

The Department of Education calculated each district's funding entitlement under both the old and new

formula. The difference between the plans was the "supplementary public school funding floor" or the "transition dollar amount." The Transition Dollar **supplements** the school district's state support.

100 Percent of Increase

If a school district's student enrollment grows, the district's state aid is increased based on the number of students, adjusted for size and location. Or if the Student Dollar is increased, each student gets 100 percent of the added revenue. In either instance, the school district receives 100 percent of its full entitlement under the education funding formula. **In addition** to this full formula funding, 32 districts also receive an additional supplementary funding floor or transition dollar amount. Since FY99, this transition amount has totaled over \$59 million.

Benefits of the New SB 36 School Funding Formula

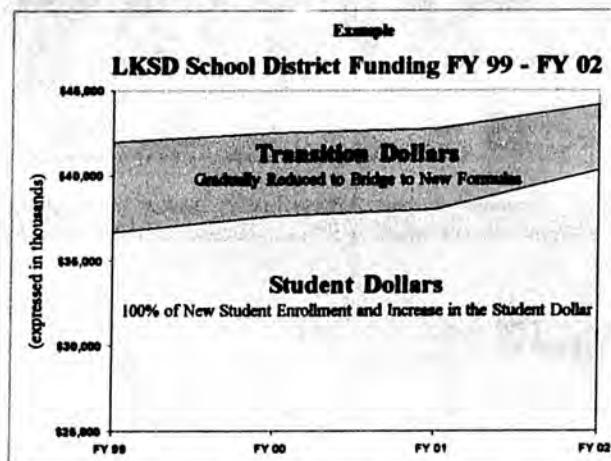
- Created an equitable distribution of state aid based, for the first time, on the actual costs of operating a school in different areas of the state
- Allocated school funding on a per student basis
- Provided for a fair, simple, and easily understood distribution of state education dollars
- Created a school funding formula less subject to manipulation
- Increased confidence in the funding formula led to increased funding for all school districts
- Provided transition dollars to ensure no school district lost funds

Summary of the Supplementary Public School Funding Floor

As the graph to the right illustrates, the Student Dollar formula is fully funded; LKSD school district's Basic Need is funded at 100 percent. While the district's Transition Dollar, the amount determined in 1998, provides a safe, cushioned change between education formulas.

Gradual Reduction

However, in order to act as a true transition, this dollar amount must be gradually reduced. Annually the Department of Education compares each district's formula funding to the previous year. Using this information, the department calculates the amount of additional state support each district receives as a transition between formulas. For many school districts, this transition mechanism will provide additional state funding for many years to come, ensuring that



each school district can plan and provide for an excellent education program for its students.

Conclusion

It is important to remember that the supplementary transition money is given to school districts **over and above** what each district receives under the current funding formula.

The reduction to the Transition Dollars has been very gradual. In spite of what we might have heard about draconian cuts between FY99 and FY02, the total transition dollar amount distributed to school districts has been reduced by just 8.7 percent. This added state support is

a very generous and stable transition between two different funding mechanisms and must be maintained.

The Student Dollar is funded at 100 percent.

The Transition Dollar is gradually reduced.

Additional Transition Dollars Received by Eligible Districts

School District	FY99	FY00	FY01	FY02 Preliminary
* Alaska Gateway	323,832	323,832	307,640	213,670
* Aleutian Region	295,191	172,799	172,799	172,799
Aleutians East Borough	14,054	-	-	-
Anchorage	-	-	-	-
* Annette Island	-	-	-	-
* Bering Strait	-	-	-	-
Bristol Bay Borough	-	-	-	-
* Chatham	-	-	-	-
* Chugach	591,834	591,834	591,834	482,622
* Copper River	15,984	15,984	15,984	-
Cordova	49,421	49,421	49,421	36,324
Craig	-	-	-	-
* Delta/Creely	543,353	445,549	405,450	306,215
Denali Borough	-	-	-	-
Dillingham	215,224	140,553	79,814	79,814
Fairbanks N. Star Borough	-	-	-	-
Galena	2,575,827	2,066,937	2,066,937	1,564,082
Haines Borough	8,572	7,886	7,807	7,261
Hoonah	52,143	45,067	38,495	36,570
Hydaburg	156,987	156,987	145,998	141,618
* Iditarod Area	800,310	791,223	705,331	705,331
* Juneau Borough	-	-	-	-
Kake	80,018	72,016	71,296	47,666
* Kachunamut	-	-	-	-
Kenai Peninsula Borough	-	-	-	-
Ketchikan Gateway Borough	-	-	-	-
Klawock	222,049	205,123	205,123	178,457
Kodiak Island Borough	-	-	-	-

* Denotes an REAA School District

School District	FY99	FY00	FY01	FY02 Preliminary
* Kuspuk	284,722	168,066	168,066	152,940
Lake & Peninsula Borough	240,029	211,226	202,777	190,610
* Lower Kuskokwim	5,271,665	4,898,831	4,740,900	4,139,773
* Lower Yukon	-	-	-	-
Mat-Su Borough	-	-	-	-
Nenana	589,331	-	-	-
Nome	110,360	110,360	95,798	95,798
North Slope Borough	-	-	-	-
Northwest Arctic Borough	-	-	-	-
Pelican	272,282	258,208	198,820	170,985
Petersburg	-	-	-	-
* Pribilof	34,693	31,305	28,488	27,348
Sitka Borough	-	-	-	-
Skagway	243,759	232,128	211,782	199,075
* Southeast Island	510,505	510,505	479,875	422,290
* Southwest Region	-	-	-	-
St. Mary's	244,591	161,977	161,977	128,079
Tanana	128,795	114,628	100,873	86,751
Unalaska	421,009	421,009	421,009	344,603
Valdez	617,369	574,801	565,707	492,498
Wrangell	-	-	-	-
Yakutat	292,006	292,006	227,374	188,115
* Yukon Flats	995,219	935,506	823,245	727,989
* Yukon/Koyukuk	634,345	625,503	530,443	530,443
* Yupit	544,044	544,044	479,208	334,069
Alyeska Central School	-	-	-	-
Mt. Edgecumbe High School	-	-	-	-
TOTAL	17,379,523	15,175,314	14,320,271	12,323,795

Prepared by the Department of Education and Early Development

ALASKA EDUCATION SURVEY

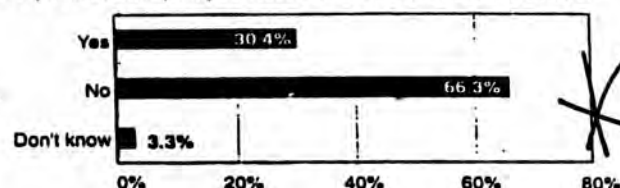
Provided by
Gary Wilken

January 1996

School Funding

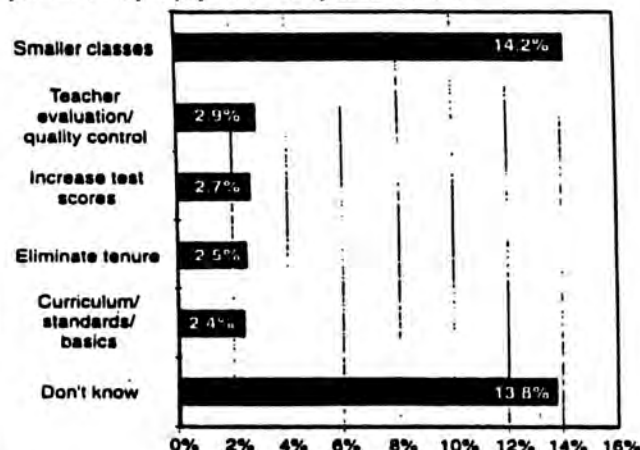
The survey found that only one in three Alaska voters believes that significant increases in education funding would improve the quality of education.

"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.

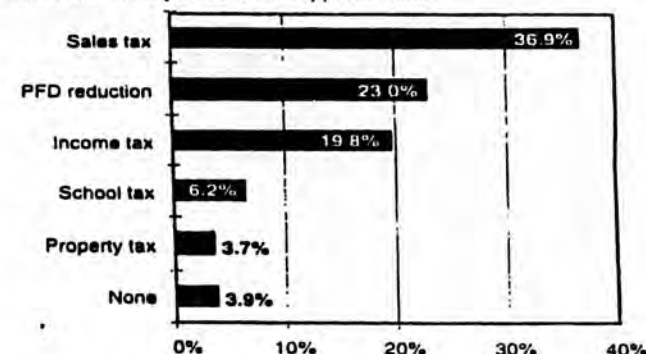
"What's the main thing you'd like to see happen that would make you more likely to pay more money for education?"



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 tax 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.

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. John 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.



A Strategy for Year Two Funding

**From the
Education Funding Task Force**

Prepared October 19, 2001

Executive Summary

This report presents Year 2 recommendations of the Education Funding Task Force.

Appointment and Charge

On December 8, 2000, Governor Tony Knowles appointed the Education Funding Task Force "as the next step toward fulfilling the goals of his Quality Schools Initiative." The Governor asked the task force to develop a five-year funding plan and report back to him and the State Board of Education & Early Development by February 1, 2001.

Guiding Principles

1. Alaska adopted the Quality Schools Initiative with the belief that *ALL* children can reach higher standards. Furthermore, the Quality Schools Initiative offers the promise that no child will be left behind. This is an enormous undertaking and is the first time Alaska has made such a promise to all children.
2. In conducting its work, the task force followed a four-point framework: Quality, Performance, Fairness, and Accountability.
3. The goal was to increase student performance through a variety of new programs tied directly to holding schools accountable for increased student performance.

Findings

1. Adequate state funding has not been provided so that schools are able to maintain an appropriate level of education services, including
 - a. updating appropriate and necessary instructional materials,
 - b. aligning curriculum and lesson plans,
 - c. maintaining facilities,
 - d. providing direct student intervention,
 - e. meeting the needs of Alaska's unique and increasingly diverse student population, and
 - f. providing competitive salaries and benefits to attract and retain teachers.
2. As a result, it is likely that many students have not had the opportunity to meet higher state academic standards.

Recommendations

The task force framed its discussions, and ultimately its recommendations, around two major factors: increased student performance, and increased school accountability. After examining extensive data and concluding that Alaska's schools needed a substantial increase in financial support above existing levels, the task force issued its report and recommendations on February 1, 2001.

The Governor and the State Board of Education & Early Development endorsed the report and all recommendations therein. Legislation was introduced to implement most of the recommendations. The Legislature passed legislation that made significant progress towards implementing task force recommendations, focusing on funding within the foundation formula, Learning Opportunity grant funding, and a District Cost Factor study.

The task force reconvened in September 2001, and decided to renew its efforts to seek approval of a multi-year effort to improve Alaska's schools. Below is a summary of the original task force recommendations, what was approved by the Legislature, and what the task force recommends in Year 2.

1. **Funds need to be appropriated through the foundation program.** The task force recommended a \$164 increase in the per student allocation, with a 1.5% increase in each additional year. The recommended \$164 per student increase included a \$115 per ADM increase in the base student allocation and a \$49 per ADM increase in Quality School Grants. The total cost of this recommendation would have been \$34.6 million in Year 1. The Legislature approved a total increase of \$26.3 million, which was comprised of a \$70 per ADM increase in the base student allocation and an unadjusted \$93 per ADM Learning Opportunity Grant. The latter amount is outside the Foundation Program.

Year 2 recommendation: The base student allocation in the foundation program should increase by \$108 per student, with approximately a 1.5% increase each additional year. Year 2 costs total \$22.9 million. Total per student increase over the five-year period would be \$365. This funding is needed to update instructional materials, align curriculum to state standards, increase teacher salaries, to maintain facilities, keep up with the costs of serving special needs students, and provide direct intervention programs for students not meeting standards.

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2. **Funds need to be appropriated outside the foundation program.** The task force recommended funding additional programs over five years outside the foundation program to address the specific needs of students at risk of not passing the High School Graduation Qualifying Examination or not meeting proficiency levels on the standards-based Benchmark Examinations at grades three, six, and eight. The cost is estimated at \$7 million for the first year, increasing slightly each year to \$8.6 million in year five. Programs include rewards for exemplary schools, creating a center to analyze data, perform research and assist low performing schools, and to provide distance delivered core courses to small high schools. Budget amendments were forwarded in the last legislative session to implement and fund these recommendations, but not approved.

Year 2 recommendation: The additional programs and funding continue to be recommended in full.

3. **Funding is needed to attract and keep new teachers.** The task force recommended that the state implement a student loan assumption program as key to attracting and retaining teachers. This program will cost \$800,000 in the first year, increasing annually as more teachers are attracted into the schools. In addition, the task force recommended investigating placing all teachers in Tier One of the Teacher Retirement System. Introduction of legislation to implement and fund this program is pending.

Year 2 recommendation: The task force continues to recommend the establishment of a student loan assumption program.

4. **The task force recommended suspending the reduction of the funding floor in the foundation program pending the outcome of the new district cost factor study.** Legislation was introduced in the last session to implement and fund this recommendation, but was not approved.

Year 2 recommendation: The task force continues to recommend suspending the reduction in the foundation program pending the completion of the district cost factor study.

Conclusions

The task force recommends an increase of \$32.7 million in year two of its five-year plan. If all recommendations are funded, year five spending will be \$73.6 million more than we are spending in FY2002, excluding new enrollment. The

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task force continues to strongly recommend that, with any new funds, schools be held accountable for measurable gains in student performance.

The task force reiterated its firm belief in the promise of the Quality Schools Initiative, which is based on high quality academic standards and clear accountability measures for schools and students.

The task force recognized that schools need the understanding and support of their communities to accomplish their mission successfully and continues to recommend that schools, working in conjunction with parents, teachers, business, communities, and state and local agencies, develop clearer policies on student attendance and other student behaviors key to academic success.

The task force has renewed its offer to help the Governor and the State Board of Education & Early Development and the Legislature to secure funding for the recommendations described in this report.

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Education Funding Task Force DRAFT Year Two Budget Recommendations DRAFT

Recommendations Requiring Legislation		YEAR 1	YEAR 1	YEAR 2
Purpose		FY2002 Requested	FY2002 Funded	FY2003 Requested
Increase School Funding – Base Student Allocation The task force recommended the Base Student Allocation be increased from \$3,940 to \$4,055. The legislature funded an increase to the Base Student Allocation at \$4,010. Therefore, the task force recommends the difference be rolled into the year two requests to stay on target with the original five-year plan.		24,322.5	14,000.0	10,322.5
The task force recommended the Base Student Allocation be increased from \$4,010 to \$4,118 as recommended for year two. The increase will take effect in FY2003.				12,677.5
Increase School Funding – Direct Student Intervention Program The task force recommended that the Quality School Grants be increased from \$16 to \$65 per adjusted ADM for direct student intervention programs. The legislature funded intervention programs at a level higher than the task force had recommended outside the formula program. Intervention programs have the same type of regional cost differences as regular school programs and should be distributed based on formula adjustments. The task force recommends that these funding be moved within the funding formula increasing the intervention grant amount from \$16 to \$74 per adjusted ADM. The task force also recommends renaming the Quality School Grant Program to the Learning Opportunity Grant Program. This name change better describes the program and the intent that these funds be used for direct student intervention programs that improve student achievement. This change will not have a fiscal impact in FY2003.		10,363.3	12,372.0	
SB36 Supplemental Funding Floor Fix Suspends provision of the current formula which funds enrollment growth in some districts at only 60% of the amount paid to other districts until FY2004 when district cost factor study is complete.		1,149.5	0.0	1,200.0
Teacher Loan Assumption - pending introduction		800.0	0.0	800.0
Subtotal Fiscal Notes		36,635.5	26,372.0	25,000.0
Operating Budget Requests				
Purpose		FY2002 Requested	FY2002 Funded	FY2003 Requested
District Cost Factor Study recommended by Education Funding Task Force. Funded through Legislative Budget & Audit.		350.0	350.0	0.0
Non-statutory Education Funding Task Force recommendations-incentives for exemplary schools (2,000.0), Center for School Excellence (2,000.0), and assistance for low performing schools (2,000.0).		6,000.0	0.0	6,000.0
Education Funding Task Force recommendation for distance delivered core courses to small high schools.		1,000.0	0.0	1,000.0
Education Funding Task Force recommendation to increase department capacity for data collection, research, and analysis.		730.0	0.0	730.0
Subtotal Operating Budget Request		8,080.0	350.0	7,730.0
Total Task Force Recommendations		44,715.5	26,722.0	32,730.0

**Governor's Education Funding Task Force Recommendations
Year 2
An A+ Report Update**

The Department of Education & Early Development held a teleconference on September 5, 2001, with the Governor's Education Funding Task Force to discuss year two recommendations. The task force members discussed education legislation that was passed during the 2001 legislative session and how it compared to the task force first year recommendations to the Governor. The task force concluded that the Legislature should be commended for considering its first year recommendations, and for making substantial progress towards their implementation. The task force is recommending that the Governor propose legislation that will implement the second year recommendations of the task force as outlined in the A+ report dated February 1, 2001. Following is an outline of the Governor's Education Funding Task Force recommendations for the FY2003 legislative budget process. A spreadsheet that estimates the cost of the Education Funding Task Force recommendations as outlined below is included on page 5 of this report.

Recommendations Requiring Legislation

The Education Funding Task Force A+ report update recommends that the base student allocation, AS 14.17.470, be increased to \$4,118 for FY2003. It is projected that this increase will cost approximately \$22.9 million. Districts will use the increased funds for items such as instructional materials, curriculum alignment, and support for special needs students as detailed in the original A+ report.

The funding task force is recommending that the Quality School Grant amount in AS 14.17.480 be increased from \$16 to \$74 per student, and that the \$12.4 million currently appropriated for the Learning Opportunity Grants be used to fund this increase. The task force commends the Legislature for its increased appropriation for Learning Opportunity Grants last session, and further recommends that the Quality School Grant Program be renamed the *Learning Opportunity Grant Program*. This is important for four reasons:

1. It integrates funds into funding formula.
2. It provides reoccurring grant revenue through the funding formula.
3. It requires school districts to be accountable in order to receive funding.

4. It allocates funds among districts equitably based on the funding formula.

The task force recommends that these funds be made available on an ongoing basis through the foundation program so districts have the ability to plan and budget these revenues on a reoccurring basis for direct intervention programs to improve student achievement. The task force believes that this proposal is consistent with the original A+ recommendation by making the funds reoccurring, distributed on the adjusted student and is instructionally based. The name change also acknowledges the legislature for recognizing the need for targeted funding to improve student achievement.

The task force continues to recommend that the state implement a student loan assumption program as being key to attracting and retaining teachers. The program would be available to all new teachers in Alaska, regardless of the postsecondary school where teachers earned their teaching degree or the entities from which teachers borrowed their student loans. Loans would be repaid at the rate of \$2,000 per year up to a maximum of \$10,000. Teachers would need to teach for five consecutive years in order to realize the maximum benefit under this plan. The task force estimated a first year cost of \$800,000, and the same amount, cumulative, over the remaining four years of the plan.

Operating Budget Request (Does not require separate legislation)

The Education Funding Task Force recommends the following budgetary request intended to target funding to improve student achievement outside the foundation funding formula. For a complete description of each proposal please refer to the A+ report dated February 1, 2001.

Incentives for High Performing Schools - Based on the state school designator system, schools identified as distinguished would earn financial incentives. Awards would range from \$10,000 to \$100,000 annually depending on the type and size of school. The task force recommends \$2 million in funding for the first year of the plan. With \$400,000 increases cumulative annually, year five funding would be \$3.6 million.

Center For School Excellence -The Center for School Excellence will provide technical assistance to schools; analyze data on school improvement and student achievement, and conduct research to determine the effectiveness of efforts to improve instruction for all students. The center would place a priority on low-performing schools. The center would be formed using a consortium model and be comprised of school districts, the Department of Education & Early

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Development, public and private Alaska universities, employers, professional education organizations and other entities. While the center would have only a modest number of full-time staff, the training cadre would be supplemented with contract staff matched to the particular need of the school requesting assistance. The task force recommends funding the center at \$2 million in the first year with \$200,000 annual increases.

Assistance for Low Performing Schools - Schools designated as low performing would be able to access funds based on a plan of improvement approved by the State Board of Education & Early Development. Awards would range from \$10,000 to \$100,000 annually depending on the type and size of school. The task force recommends funding this program at \$2 million the first year and decreasing the appropriation by \$200,000 each year over the remaining four years of the plan.

Distance Delivered Courses - Distance delivered core courses based on state standards need to be offered to high schools with fewer than 50 students. Courses developed and offered through competitive grants would support students and teachers in these high schools. The courses would enable students to have better access to subject matter specialists while still having on-site teachers serve as facilitators and coaches to make sure students get the extra help they need. These courses would be offered free to qualifying schools. The task force recommends funding this competitive grant program at \$1 million per year.

Increased Capacity for Data Collection and Analysis - The task force recommends the legislature increase the Department of Education & Early Development's capacity to gather data from schools that will be used by the department and the Center for School Excellence for analysis and research. The results of the research and analysis will be used to assist schools to improve student achievement and to assist the department in the assignment of the school designators. The task force recommends funding this activity at \$730,000 per year.

Conclusion - Continuous Improvement

The task force members would like to thank the Governor and the Alaska Legislature for their consideration of, and substantial progress towards, implementing the first year recommendations of the February 1, 2001, A+ report. This report is intended to supplement the February 1, 2001, A+ report to the Governor and members of the State Board of Education & Early Development. The Education Funding Task Force continues to believe the recommendations

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outlined in this proposal are essential to afford every student in Alaska the opportunity to excel and meet high student achievement.

The Education Funding Task Force also applauds the Governor and the Alaska Legislature for the school construction and major maintenance funding appropriated for FY2002 and for following the statutorily required priority list. While the task force was not directed to address school construction and major maintenance funding needs, its members do recognize the need and importance of safe and healthy school environments so students can meet Alaska's high academic standards. The task force members encourage the Alaska Legislature to provide funding to address FY2003 school construction and major maintenance funding needs at a level comparable to the FY2002 funding level.

The Education Funding Task Force encourages the Governor, the State Board of Education & Early Development, and the Alaska Legislature to look favorably on the recommendations presented and aggressively seek the additional programs and funds outlined in this report.



Report

To the
Governor

and
State Board of Education
& Early Development

From the
Education Funding Task Force

February 1, 2001

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Letter of Transmittal

February 1, 2001

Dear Governor Knowles and Members of the State Board of Education:

The Education Funding Task Force is pleased to present this report to you.

On December 8, 2000, Governor Tony Knowles gave this Task Force the formidable job of recommending to you and the State Board of Education & Early Development a five-year plan to fulfill the goals of the Alaska Quality Schools Initiative (QSI), your administration's major school reform plan.

We firmly believe in the promise of the QSI. It is based on challenging student performance standards and clear accountability measures for schools and students. It also is an excellent and important blueprint for a bright future for Alaska's young people and developing a competent workforce for Alaska.

Two major factors provided the framework for the task force's discussions and ultimately our recommendations: increased student learning and performance; and increased school accountability. The goal was to increase student performance through a variety of new programs tied to school accountability.

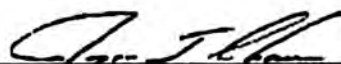
Our eleven task force members met six times to examine the challenges facing our schools in implementing the QSI over the next half decade. We examined extensive data and have concluded that schools need considerable financial support above current levels.

We hope you and the State Board will favorably consider our report. We are available to work with you in an effort to implement the recommendations described in this report.

Sincerely,



Bob Weinstein, Chair



Roger Chan, Vice Chair

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Report

Education Funding Task Force

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Executive Summary

Appointment and Charge

On December 8, 2000, Governor Tony Knowles appointed his Education Funding Task Force "as the next step toward fulfilling the goals of his Quality Schools Initiative." He asked the task force to develop a five-year funding plan and report back to the governor and State Board of Education & Early Development by February 1, 2001.

Guiding Principles

1. Alaska adopted the Quality Schools Initiative with the belief that **ALL** children can reach higher standards. Furthermore, the Quality Schools Initiative offers the promise that no child will be left behind. This is an enormous undertaking and is the first time Alaska has made such a promise to all children.
2. In conducting its work, the task force followed a four-point framework: Quality, Performance, Fairness, and Accountability.
3. The goal was to increase student performance through a variety of new programs tied directly to holding schools accountable for increased student performance.

Findings

1. A general loss of purchasing power has resulted in schools not being able to maintain an appropriate level of education services, including
 - a. updating appropriate and necessary instructional materials,
 - b. aligning curriculum and lesson plans,
 - c. maintaining facilities,
 - d. providing direct student intervention,
 - e. meeting the needs of Alaska's unique and increasingly diverse student population, or
 - f. providing competitive salaries and benefits to attract and retain teachers.
2. As a result, it is likely that many students have not had the opportunity to meet higher state academic standards.

Recommendations

1. Funds need to be appropriated through the foundation program. First year funds total \$34.6 million, with approximately a 1.5% increase each additional year. The base student allocation in the foundation program would increase by \$164 per student for the first year. Total per student increase over the five-year plan would be \$414. New programs are being recommended to update

2. instructional materials, to align curriculum to state standards, increase teacher salaries, to maintain facilities, keep up with the costs of serving special needs students, and provide direct service intervention for students not meeting standards.
3. Funds need to be appropriated outside the foundation program. The cost is estimated at \$7 million for year one, increasing slightly each year to \$8.6 million in year 5. Programs include rewards for exemplary schools, creating a center to analyze data, perform research and assist low performing schools, and to provide distance delivered core courses to small high schools.
4. Funding is needed to attract and keep new teachers. A teacher loan assumption plan will cost \$800,000 in the first year, increasing annually as more teachers are attracted into the schools. In addition, the task force recommends investigating placing all teachers in Tier One of the Teacher Retirement System.
5. The task force recommends the following regarding the foundation program:
 - a. seek funds necessary to develop a new and appropriate methodology, and prepare statistically defensible district cost factors, and
 - b. suspend the reduction of the funding floor pending the new district cost factor study.

Conclusions

The task force recommends an increase of \$42.4 million in year one of the five-year plan. If all recommendations are funded, year five spending will be \$100.3 million more than we are spending today, excluding new enrollment. The task force strongly recommends that with any new funds schools be held accountable for measurable gains in student performance.

The task force expressed its firm belief in the promise of the Quality Schools Initiative, which is based on challenging student performance standards and clear accountability measures for schools and students.

The task force recognized that schools need the understanding and support of their communities to accomplish their mission successfully and recommended that schools, working in conjunction with parents, and state and local agencies, develop clearer policies on student attendance and other student behaviors key to academic success.

The task force offered to help the governor and State Board of Education & Early Development secure funding for the recommendations described in this report.

I. Introduction

On December 8, 2000, Governor Tony Knowles announced the appointment of an Education Funding Task Force as his next step in fulfilling the goals of his Quality Schools Initiative. The 11-member task force included:

- Carl Marrs, president and CEO, Cook Inlet Region Inc.;
- Janice Loudon, president, Alaska Parent-Teacher Association;
- Jim Palmer, vice president, BP Exploration;
- Bob Weinstein, mayor, City of Ketchikan;
- Rich Kronberg, president, NEA-Alaska;
- Carl Rose, executive director, Association of Alaska School Boards;
- Roger Chan, vice president and chief financial officer, VECO, Corp.;
- Pat Abney, Anchorage assembly member and longtime teacher;
- Darroll Hargraves, executive director, Alaska Council of School Administrators;
- Roy Nageak, State Board of Education & Early Development; and
- Ernie Hall, State Board of Education & Early Development.

With the appointment of the Education Funding Task Force the Governor offered the following mission statement to guide the task force effort:

The task force will recommend to the governor and the state Board of Education & Early Development a five-year funding plan to meet the primary goal of the Quality Schools Initiative, which is to prepare all Alaska students for a successful future. The task force recommendations will be based upon, but not limited to, the best available information on funding issues such as the impact of inflation on education in Alaska, including the education workforce; the cost of remedial efforts like summer school, individual tutoring, and academic assistance before and after school; the cost of extending the school year to achieve more time on task; and other programs proven to improve student learning.

The task force, in conducting its work, built a framework around four important principles:

- **Quality,**
- **Performance,**
- **Fairness, and**
- **Accountability.**

These principles were linked to task force recommendations, especially those that involve increased funding for schools. Further, when considering recommendations members of the task force recognized the tremendous diversity of students and geography that exist in Alaska, the strong commitment to local control of public schools, and the wide variation of student performance.

The task force members believe that, in determining excellence for all students, the measurement of accomplishment must be based on achievement results appropriately determined by our current standards-based assessments and nationally norm-referenced examinations. In summary, the task force recommended that **schools be held accountable by demonstrating academic progress for all students based on achievement data.**

The task force recommendations are separated into two major categories: (a) programs funded by adding dollars to the school foundation formula (entitled Excellence in Schools); and (b) programs funded outside the school foundation formula (entitled Funds Earmarked for Improving Academic Performance of Students). The task force also offers its reactions to the report of the Department of Education & Early Development entitled *Alaska's Public School Funding Formula: A Report to the Alaska State Legislature* (January 15, 2001).

II. Excellence in Schools

The task force recommended an infusion of new funds into the foundation formula to address the goal of providing a quality education for all students.

Members recognized a general loss of purchasing power has resulted in schools not being able to maintain an appropriate level of education services, including

- a. updating appropriate and necessary instructional materials,
- b. aligning curriculum and lesson plans,
- c. maintaining facilities,
- d. providing direct student intervention,
- e. meeting the needs of Alaska's unique and increasingly diverse student population, or
- f. providing competitive salaries and benefits to attract and retain teachers.

The task force believes that local school boards are in the best position to decide how to distribute increased foundation funds. School boards understand local conditions and are responsible for deciding how best to reach the goal of educating all students to high standards. The task force endorsed the concept of "educational adequacy" as outlined in *Alaska's Public School Funding Formula: A Report to the Alaska State Legislature* (January 15, 2001) as one that "provides all students opportunities to acquire the knowledge and skills necessary to prepare them to take a productive role in society."

While considering the impact on schools of the loss of purchasing power over the past decade, the task force linked recommendations for new educational funding to the costs of educating all students to high academic standards. The task force identified several key components for demonstrating the need for additional funds distributed through the foundation formula. The base student allocation in the foundation program (AS 14.17.470) would increase by \$164 per student for the first year of the plan and by an additional \$63 in year five of the plan. Total per student increase over the five years would be \$414.

The chart below outlines the justification for additional funds over a five-year period.

Annual Foundation Formula Funding
(Dollars In Millions)

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Instructional Materials	5.4	5.4	5.4	5.4	5.4
Curriculum Alignment	0.5	0.5	0.0	0.0	0.0
Special Needs Students	5.3	5.3	5.3	5.3	5.3
Direct Student Intervention	10.0	10.0	10.0	10.0	10.0
Facilities Upkeep	4.0	8.0	12.0	16.0	20.0
Teacher Salaries	9.4	18.8	28.2	37.6	47.0
Total	34.6	48.0	60.9	74.3	87.7
Increase Over Prior Year		13.4	12.9	13.4	13.4
Increase In Per Pupil Allocation (in dollars)	\$164	\$63	\$61	\$63	\$63
FY2001 Per Pupil Allotment = \$3,940	\$4,104	\$4,167	\$4,228	\$4,291	\$4,354
% Increase Over Prior Year	4.16	1.54	1.46	1.49	1.47

The recommendations for programs needed under the foundation program are:

- **Instructional Materials** - Schools have a general lack of available and up-to-date textbooks, appropriate technology, and general classroom supplies. It is not uncommon for students in Alaska's schools to share textbooks or for schools to possess books copyrighted in the 1970s and 1980s. In addition, costs for instruction materials have not remained static over that time; some costs have increased 20-, 25-, and 30-percent and more since the early 1990s. The task force recommended an increase of \$5.4 million per year to the foundation formula to update instructional materials in our schools. The task force recommendation is based on multiplying Alaska's 135,000 students by an average cost of \$40 per textbook. (135,000 students x \$40 per textbook = \$5.4 million).
- **Curriculum Alignment** - Schools need to carefully align curriculum to the state adopted performance standards in order for students to have the opportunity to learn so they can be successful on state examinations. This

seemingly simple task is actually a radical departure in the usual way schools deliver instruction. To accomplish this, schools will not only need to align their language arts and math curriculum to state standards, they will need to integrate those standards into all curriculum areas, such as science, social studies, the arts, and other subjects. The task force estimates a cost of \$1 million over two years, at \$500,000 per year, to complete the curriculum alignment.

- Special Needs Students** - Over the past decade, schools experienced continued growth in the number of students with disabilities and students with a primary language other than English. In addition, more students are being identified with more severe disabilities, like autism, which require more extensive services. The task force concluded that the 20% block grant fails to sufficiently address this growth. The growth occurs in districts with declining as well as stable enrollment. Students with special needs continue to represent a larger percentage of the total Alaska student body. Due to state and federal requirements, the costs of providing education services to the growing numbers of special needs students, including gifted and talented, special education, and bilingual students, reduces funding for regular instruction. For example, during 1987-88 some 2,265 bilingual students speaking 55 different languages attended Anchorage schools alone. By September 2000, that number had more than doubled to 4,831 students speaking 87 different languages. Through an increase to the per student allocation, additional funds would automatically be available to support students with unique needs through the 20% block grant in the foundation program. The task force recommends a first year appropriation of \$5.3 million to meet this growing demand and equal appropriations over the remaining four years of the plan.
- Direct Student Intervention Programs** - Because of the diverse student needs around the state, a single intervention program can not be prescribed for each school offering extended learning activities targeted at bringing students up to state standards and those at risk of not passing benchmark and high school exams. Programs could include summer schools, extended day and tutorial programs, classes beyond the traditional course offerings to assist students in acquiring the essential skills, and other unique learning activities determined at a local school level. The task force recommends increases of \$10 million per year for funding this program. The funding would be distributed contingent upon an accountability component within the foundation program requiring districts to demonstrate a positive impact on student achievement. The

\$10 million was derived from estimating that 250 schools would offer one-third of all students (44,000) a summer school program at an average cost per program of \$40,000. (250 schools x \$40,000 per program = \$10 million).

- **Facilities Upkeep** - Ample evidence suggests new funds need to be budgeted to ensure the preservation of school facilities and the general upkeep of facilities. The lack of sufficient funding has caused districts to either divert instructional dollars to maintenance, defer critical maintenance, or both. As the age of school facilities continues to increase, districts must spend more dollars on operation and maintenance. Task force members adopted the model of good business practices followed by business and industry to allocate 5% of the replacement value of facilities for operation and maintenance. Excluding facilities less than five years old, the statewide total replacement value of public school facilities is \$3.6 billion. The schools expended \$161 million, through legislative, local and federal funds, for operation and maintenance of facilities in FY 1999. That amount is \$20 million short of the 5% industry practice. The task force recommends that schools adopt industry standards in this area. To do so, the task force recommends an increase of \$20 million over five years, at a rate of \$4 million per year.
- **Teacher Recruitment/Retention** - Alaska's colleges and universities supply about 30% of our state's annual demand for new teachers. More than two-thirds of new teachers come from out-of-state. A national shortage of teachers and administrators forces Alaska to compete with other states for an ever-shrinking pool of applicants. Other states are offering teachers signing bonuses, down payment on homes, mortgage subsidies, and student loan repayment plans. One California school district attended Alaska's fall Teacher Job Fair offering signing bonuses of \$1,000 for regular teachers and \$3,000 for special education teachers. With attractive salaries and incentives in their home states, far fewer out-of-state teachers are applying for available Alaska teaching positions, some of which go vacant for a year or more. Three important areas need immediate consideration:
 - **Teacher Salaries** - Alaska teacher average salaries have dropped from the highest in the nation to the eighth position. For the 10-year period from FY90 to FY 2000, the teacher average salary stated in constant dollars decreased 11.7% and is the largest decrease in the nation during this time period. (*Alaska's Public School Funding Formula: A Report to the Alaska State Legislature*, Jan. 15, 2001). The task force recommends providing funds to allow local school

boards to adjust teacher salaries to a competitive level. The amount of funding needed for this effort would be the equivalent of a 2% increase over the current teacher average salary of \$47,262 over each of the next five years. This will require first year costs of \$9.4 million, cumulative annually, over the remaining four years of the plan.

- **Teacher Retirement** - The current Tier Two of the Teacher Retirement System (TRS) retirement plan removes a critical incentive for teachers to teach in Alaska and remain. The loss of paid individual and dependent medical coverage as part of the Tier Two TRS package was and remains an important factor for teachers considering and continuing an educational career in Alaska. The task force recommends that the governor and State Board of Education & Early Development investigate eliminating Tier Two under the TRS, and placing all teachers, including new teachers, into the Tier One system. Because of the short timeline required for this report, TRS was unable to provide cost estimates sufficient for the task force to make a specific funding recommendation on this item.
- **Student Loan Assumption** - The task force recommends that the state implement a student loan assumption program as key to attracting and retaining teachers. The program would be available to all new teachers in Alaska, regardless of the postsecondary school where teachers earned their teaching degree or the entities from which teachers borrowed their student loans. Loans would be repaid at the rate of \$2,000 per year up to a maximum of \$10,000. Teachers would need to teach for five consecutive years in order to realize the maximum benefit under this plan. The task force estimated a first year cost of \$800,000, and the same amount, cumulative, over the remaining four years of the plan. The Alaska Commission on Postsecondary Education may be the appropriate agency to administer this program. The funding recommendation is derived from the assumption that one-third, or 400, of the 1,200 new teachers hired each year would be eligible under the loan assumption program. (400 teachers x \$2,000 loan assumption = \$800,000 per year). The chart below summarizes the additional funds recommended over a five-year period.

Annual Funding For Teacher Loan Assumption (Dollars In Millions)

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Item	Year 1	Year 2	Year 3	Year 4	Year 5
Loan Assumption	0.8	1.6	2.4	3.2	4.0

Reaction to SB36 Report to the Legislature

The task force reviewed *Alaska's Public School Funding Formula: A Report to the Alaska State Legislature* presented by the Department of Education & Early Development to the legislature on January 15, 2001 and concluded:

- **District Cost Factors:** The task force agreed that the current district cost factor methodology is flawed because it is based on what school districts spent over time, and during a time of scarcity, rather than on the actual costs of operating schools. **The task force recommends the governor seek funds necessary to develop a new and appropriate methodology, and prepare statistically defensible district cost factors.** Until this new study is completed and implemented, the current cost factors should be maintained.
- **Old versus New Formula:** The task force recommends suspending the reduction of the funding floor pending the new district cost factor study. The committee reached this conclusion based, in part, on the acknowledgement by the Department of Education & Early Development that the non-applicability of the current (or former) district cost factor methodology in turn causes the reduction in the funding floor to be suspect. The task force also agreed that the foundation program needs a hold harmless provision for districts that experience substantial student enrollment declines. The hold harmless provision should apply when a district loses five percent of its enrollment in a single year, or 10% over two years, rather than the 10% enrollment reduction in one year as suggested in the publication *Alaska's Public School Funding Formula: A Report to the Alaska State Legislature*.
- **Education Adequacy:** The task force concludes that, while school districts have consistently received additional foundation support for increased enrollment, school districts have clearly lost purchasing power over the past decade due to significant increases in costs. It is important to note that the task force recommendations address the eight components for an adequate education listed in the publication *Alaska's Public School Funding Formula: A Report to the Alaska State Legislature*, tab three, page two.

III. Improving the Academic Performance of Students

Task force members recommended additional programs and funds over five years be made available beyond the foundation program to address the specific needs of students at risk of not passing the High School Graduation Qualifying Examination or not meeting proficiency levels on the standards-based Benchmark Examinations at grades three, six and eight. These funds would be allocated at \$7 million the first year; \$7.4 million, the second year; \$7.8 million, the third; \$8.2 million, the fourth; and \$8.6 million, the final year.

In the opinion of task force members, early intervention for students not meeting proficiency levels is key to achieving the primary goal of preparing all Alaska students for a successful future. Early intervention also will keep students on track during their school careers to ultimately pass the high school exam. The foundation program, as currently conceived, needs to provide the funds to deliver an essential education to all students. However, in recognition of our goal to educate all students to high standards, additional funds must be made available outside the foundation program for the extra learning opportunities to achieve this goal.

The task force recommends that the continued access of school districts to the funds outlined in this section of the report be allowed only if schools demonstrate student progress toward the goal of preparing all Alaska students for a successful future. Schools would demonstrate progress by showing student gains on the benchmark and high school exams, as well as on the state required norm-referenced test. Schools that could not show student academic achievement gains over a prescribed period would be denied access to the funds. Under this scenario, future funding would be linked, in part, on the school's capacity to report achievement data and outline specific uses for the funds. In short, schools would be held accountable for the design of their programs and required to report student achievement data to demonstrate the effectiveness of the local initiative in order to access future funds.

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The chart below outlines justification of additional funds for improving academic performance over the next five years.

**Annual Non-Formula Funding
(Dollars In Millions)**

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Incentives for High Performing Schools	2.0	2.4	2.8	3.2	3.6
Center for School Excellence	2.0	2.2	2.4	2.6	2.8
Assistance for Low Performing Schools	2.0	1.8	1.6	1.4	1.2
Distance Delivered Courses	1.0	1.0	1.0	1.0	1.0
Total	7.0	7.4	7.8	8.2	8.6
Increase Compared To Prior Year		0.4	0.4	0.4	0.4

The task force proposed targeting funds outside the foundation program in four areas:

- **Incentives for High Performing Schools** - Based on the state school designator system, schools identified as distinguished would earn financial incentives. Awards would range from \$10,000 to \$100,000 annually depending on the type and size of school. The task force recommends \$2 million in funding for the first year of the plan. With \$400,000 increases cumulative annually, year five funding would be \$3.6 million. The reason for the increase is the expectation that a growing number of schools annually will reach the goal of improving student achievement. Over time, they will receive the state designation as a distinguished school, making them eligible for this program. The recommended first year funding was derived from the assumption that 50 schools would be designated distinguished and each school would receive an incentive averaging \$40,000. (50 schools x \$40,000 incentive = \$2 million). The task force estimated 10 additional schools would be designated distinguished each year.
- **Center For School Excellence** -The Center for School Excellence will provide technical assistance to schools, analyze data on school improvement and student achievement, and conduct research to determine the effectiveness of efforts to improve instruction for all students. The center would place a priority on low-performing schools.

The center would be formed using a consortium model and be comprised of school districts, the Department of Education & Early Development, public and private Alaska universities, employers, professional education organizations and other entities. While the center would have only a modest number of full-time staff, the training cadre would be supplemented with contract staff matched to the particular need of the school requesting assistance. The task force recommends funding the center at \$2 million in the first year with \$200,000 annual increases. The task force also recommends the state explore increasing the capacity of the Department of Education & Early Development to gather data from schools, which the center will use for analysis and research, and to provide assistance for schools.

- **Assistance for Low Performing Schools** - Schools designated as low performing would be able to access funds based on a plan of improvement approved by the State Board of Education & Early Development. Awards would range from \$10,000 to \$100,000 annually depending on the type and size of school. The task force recommends funding this program at \$2 million the first year and decreasing the appropriation by \$200,000 each year over the remaining four years of the plan. The reason for the decrease in funding is the expectation that fewer numbers of schools annually will receive the state designation as a low-performing school, making fewer schools eligible for this program. The recommended first year funding was derived from the assumption that 50 schools would be designated in-crisis in the initial year, and each in-crisis school would receive an incentive averaging \$40,000 for assistance. (50 schools x \$40,000 in assistance = \$2 million). The task force estimated five fewer schools would be designated in-crisis each year. The Center for School Excellence would be available to assist the in-crisis schools.
- **Distance Delivered Courses** - Distance delivered core courses based on state standards need to be offered to high schools with fewer than 50 students. Courses developed and offered by Alyeska Central School would support students and teachers in these high schools. The courses would enable students to have better access to subject matter specialists while still having on-site teachers serve as facilitators and coaches to make sure students get the extra help they need. These courses would be offered free to qualifying schools. The task force recommends funding this program at \$1 million per year.

IV. Conclusion - Continuous Improvement

Alaska adopted the Quality Schools Initiative with the understanding that *ALL* children can reach higher standards. Furthermore, the Quality Schools Initiative promises that no child will be left behind. This indeed is an enormous undertaking and is the first time the State of Alaska has made such a promise to *all* children.

That promise means every child will read, write and do math at higher levels than ever before. It means schools and parents will no longer let children move through the grades without gaining essential skills along the way. It means more children will have a bright future and will become good citizens.

It means Alaska's policy makers need to follow through and provide the support and necessary resources that teachers and schools need in order for Alaska to make good on its promise to youth.

Members of the task force recognized from the outset the challenge in estimating the funds needed to educate *all* Alaska students to high standards. In structuring the assignment for the task force, members relied on the staff of the Department of Education & Early Development to provide extensive background information. Issues related to prior statutory amendments to the foundation formula, cost-of-doing-business in relationship to annual allocations of funds through the formula, analyses of district expenditures of funds, and individual and professional experiences all played a significant role in the formulation of the recommendations.

Task force members extensively examined the recent report entitled *Alaska's Public School Funding Formula: A Report to the Alaska State Legislature*. In reviewing the report, the task force

- agreed that districts had lost purchasing power;
- concluded that a new methodology needs to be determined to more precisely fund the cost-of-doing-business in each Alaska community; and
- recognized that the foundation formula's funding floor reduction should be suspended until a new district cost factor study is conducted and fully implemented.

Task force members support local control of school districts and believe that local decisions are best made at the local level. Members agreed that the majority of any funding increase should be tied directly to the foundation formula for distribution. Members believed just as strongly that **any new funds, whether distributed through the formula or otherwise allocated, should be strictly linked to improvement in student academic achievement and school accountability.**

The task force members also concluded that funds outside the foundation formula be targeted for specific school purposes. These funds will provide

- additional learning opportunities for students,
- enable school districts to accelerate curriculum alignment and train teachers to the standards-based system,
- reward schools making significant gains in student achievement,
- provide financial assistance for schools experiencing the greatest difficulties, and
- supplement course offerings in the smallest of Alaska's high schools.

The task force also recognizes that schools need the understanding and support of their communities to accomplish their mission successfully. Task force members recommend that schools, working in conjunction with parents, and state and local agencies, develop clearer policies on student attendance and other student behaviors key to academic success.

The task force encourages the governor and members of the State Board of Education & Early Development to look favorably on the recommendations presented and aggressively seek the additional programs and funds outlined in this report.

V. Appendix

Cost Comparisons For Schools

- In 1993, Kodiak paid \$12.95 each for a first grade math textbook. In 2001, the same textbook cost the district \$19.98 each, a 54% increase.
- In 1988, Anchorage School District's share of its employee major medical policy was \$2.4 million. In 2001, the district's share increased to \$5.1 million, a 113% spike.
- In 1993, Yukon Koyukuk School District paid \$25.90 each for a math textbook. In 2000, the same book cost the district \$47.49 each, an 83% increase.
- In 1990, Petersburg School District paid an annual fuel and electric bill of \$325,000. In 2000, the fuel and electric bill was \$433,000, more than a 33% hike. Over the same time period, Petersburg constructed no new school buildings.
- In 1990, Kodiak High School paid an annual electric bill of \$118,600. In 1999, the same school paid \$139,000, a 17% increase.
- In 1990, Yukon Koyukuk School District paid an annual electric bill of \$243,557. In 2000, the district's electric bill climbed to \$378,922, a 56% increase.
- In 1990, Kodiak School District paid 78-cents a gallon for heating fuel. In 2001, costs jumped to \$1.40 a gallon, a 79% spike.
- In 1993, a sixth grade English textbook cost the Anchorage School District \$22.44. In 2001, the same textbook cost \$35.88, almost a 60% increase.
- On January 22, 2001, a local supply company notified Kodiak School District of upcoming 6% to 8% increases in the cost of paper towels, toilet paper and trash can liners. The company warned additional increases are probable beginning in the summer of 2001.
- In 1990, Yukon Koyukuk School District paid an annual bill for fuel oil of \$175,507. By 2000, the district paid \$201,439 for the same product, a 15% increase.
- In 1990, Petersburg School District paid \$277,000 for its employee health care package. In 2000, the district paid \$341,000, more than a 23% increase, plus the district now is partially self-insured.
- In 1990, Kodiak School District paid \$402 for each employee's family health coverage. In 2001, the cost for the same policy increased to \$865, a 115% increase.
- In 1992, Anchorage School District paid \$3.9 million for ruled newsprint paper for grades one and two. In 2001, the district paid \$5.7 million for the same product, a 46% increase.
- In 1990, Yukon Koyukuk School District paid an annual bill for water and sewer of \$57,840. In 2000, that increased to \$80,773, a 40% increase.

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Average Age in Years of School Facilities
Department of Education & Early Development

Year	Average Age in Years
1990	19
1992	20
1994	22
1996	23
1998	24
2000	26



OFFICE OF THE GOVERNOR

Press Releases



KNOWLES NAMES EDUCATION FUNDING PANEL

Education, Business, Elected Leaders to Draft 5-Year Plan for Student Success

As the next step toward fulfilling the goals of his Quality Schools Initiative, Gov. Tony Knowles today appointed 11 Alaskans to an Education Funding Task Force. The task force will recommend to the governor and the State Board of Education & Early Development a five-year funding plan to fulfill the goals of the Quality Schools Initiative and improve education in Alaska.

"This is an outstanding group of Alaskans and I'm pleased they've agreed to serve," Knowles said. "Their task is vitally important—making sure our schools have the resources necessary to improve student achievement and success."

"Alaskans have agreed to raise academic standards, require important tests with responsible timelines and demand accountability if schools aren't measuring up," Knowles added. "Obviously, it's critical to provide adequate resources for schools to do the job."

The panel will report to the governor and the board by Feb. 1 so the first-year funding recommendation can be submitted to the Legislature for inclusion in the upcoming budget cycle.

The task force members are:

- Carl Marrs, president and CEO of Cook Inlet Region Inc.;
- Janice Loudon, president of the Alaska Parent-Teacher Association;
- Jim Palmer, vice president of BP Exploration;
- Bob Weinstein, City of Ketchikan mayor and a former school superintendent;
- Rich Kronberg, president of NEA-Alaska;
- Carl Rose, executive director of the Association of Alaska School Boards;
- Roger Chan, vice president and chief financial officer, VECO, Corp.
- Pat Abney, Anchorage assembly member and a longtime teacher;
- Darroll Hargraves, director of the Alaska Council of School Administrators;
- Roy Nageak, first vice chair, State Board of Education and Early Development; and
- Ernie Hall, member, State Board of Education and Early Development.

The task force, staffed by the Department of Education and Early Development, will meet several times between now and the end of January. Its recommendations then will go to the state board and the governor for final approval. Knowles pledged this fall at Alaska Education Summit 2000 that the group's suggestions then will be quickly forwarded to the Legislature in time for consideration in the upcoming FY2002 budget. The group's first meeting has not yet been set.

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



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



Public School Funding Formula *Executive Summary*

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.



Public School Funding Formula *Executive Summary*

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.

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."

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

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.

Findings

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

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



Public School Funding Formula *Executive Summary*

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.

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.



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.

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

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.

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.

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



Public School Funding Formula District Cost Factors

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 statute 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, then 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.



Public School Funding Formula ***District Cost Factors***

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.



Public School Funding Formula *District Cost Factors*

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.

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



Public School Funding Formula *District Cost Factors*

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



Public School Funding Formula *Comparison of Old to New Funding Formula*

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~~ ^{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. 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.



Public School Funding Formula

Comparison of Old to New Funding Formula

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.

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.

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 funding from funding communities to per school model FY 99

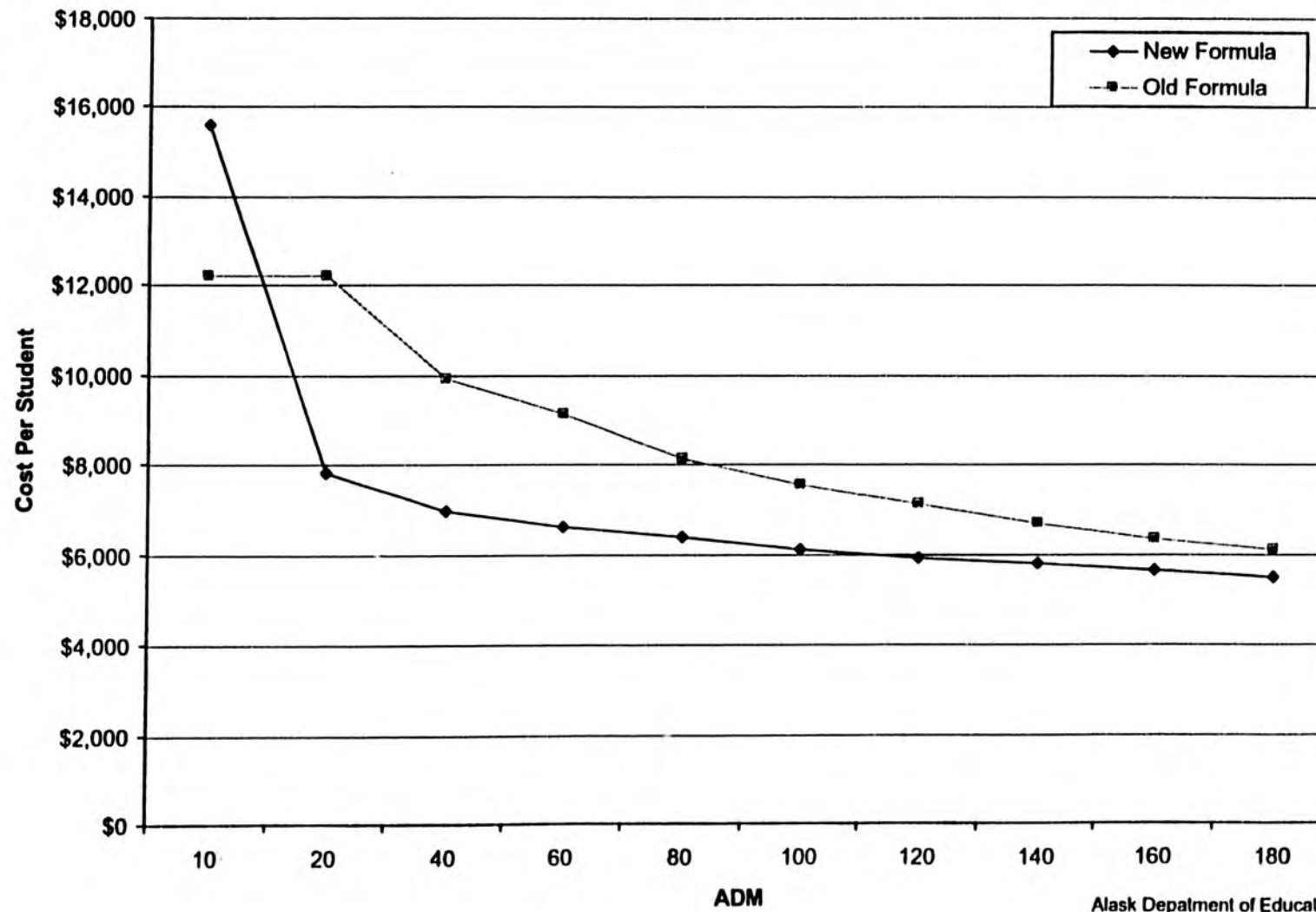
Table 2

	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	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	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	2,410,720	2,215,647	(195,073)	-8.1%
Dillingham	2,651,670	2,741,495	89,825	3.4%
Fairbanks	67,542,860	68,352,636	809,776	1.2%
Galena	13,368,150	10,844,692	(2,523,458)	-18.9%
Haines	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	4,152,270	3,125,888	(1,026,382)	-24.7%
Juneau	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	49,004,960	48,661,963	(342,997)	-0.7%
Ketchikan	11,558,890	12,155,735	596,845	5.2%
Klawock	1,199,870	1,213,993	14,123	1.2%
Kodiak Island	13,451,110	13,428,860	(22,250)	-0.2%
Kuspuk	3,847,270	3,168,793	(678,477)	-17.6%
Lake & Peninsula	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	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	11,112,370	10,882,926	(229,444)	-2.1%
Northwest Arctic	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	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%
Yupit	2,723,650	2,595,178	(128,472)	-4.7%

ACS	6,259,546	7,250,037	990,492	15.8%
Mt. Edgecumbe	1,617,110	1,505,390	(111,720)	-6.9%
TOTAL	\$614,147,116	\$606,662,800	(\$7,484,316)	

Per Student Cost Between Formulas

Table 3



Alask Department of Education & Early Development

School Size Adjustment / Old Versus New Formula

Table 4

