

SB

174

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

APR 24 2001

SENATE FINANCE
COMMITTEE

DATE: April 3, 2001

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 24 April 01

Finance Committee considered SENATE BILL NO. 174

"An Act relating to education funding; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 174 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department*	Date	Fiscal	Zero	FN#
Edu.	4/24/01	1,600.8		

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Linda Green</i>	✓			
<i>Oliver Christoff</i>		✓		
<i>James H. ...</i>		x		
<i>Thomas ...</i>		(x)		
<i>Tom ...</i>	✓			
<i>...</i>	✓			
<i>...</i>			✓	
COCHAIR: <i>...</i>	✓			
COCHAIR: <i>...</i>	✓			

APR 24 2001

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSSB 174 (FIN)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: "An act relating to education funding; and BRU: K-12 Support
providing for an effective date." Component: Foundation Program
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee Component Number: 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	1,600.8	1,600.8	1,600.8	1,600.8	1,600.8	1,600.8
Miscellaneous						
TOTAL OPERATING	1,600.8	1,600.8	1,600.8	1,600.8	1,600.8	1,600.8

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,600.8	1,600.8	1,600.8	1,600.8	1,600.8	1,600.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	1,600.8	1,600.8	1,600.8	1,600.8	1,600.8	1,600.8

Estimate of any current year (FY2001) cost: 0.0

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Attached is a sectional analysis for CSSB_174(FIN).

Section 1 changes the required local contribution for some municipalities from 45% of the prior year basic need to 45% of the current year basic need. This section also requires municipalities with an assessed / full value greater than \$2,000,000 per ADM to contribute 4 mills not to exceed the districts current year basic need.

Section 2 increases the base allocation by \$36, from \$3,940 to \$3,976.

Section 3 changes the required local contribution for some municipalities by limiting the annual increase in assessed / full value to half of the total increased amount over the prior year which the 4 mills is applied.

Section 4 changes the facilities constituting a school from 750 to 425 ADM.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
Division: Education Support Services Date/Time 04/24/01
Approved by: Bruce Johnson, Deputy Commissioner of Education Date 04/24/01
Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

SCHOOL DISTRICT	SECTION 1	SECTION 2	SECTION 3	SECTION 4	CUMMULATIVE EFFECT
Alaska Gateway	-	42,212	-	-	42,212
Aleutian Region	-	6,702	-	-	6,702
Aleutians East	-	34,084	1,197	-	35,281
Anchorage	-	2,414,902	1,975,111	-	4,390,013
Annette Island	-	22,198	-	-	22,198
Bering Strait	-	193,488	-	-	193,488
Bristol Bay	-	21,509	-	-	21,509
Chatham	-	22,244	-	-	22,244
Chugach	-	6,799	-	-	6,799
Copper River	-	33,661	-	-	33,661
Cordova	-	17,991	17,175	-	35,166
Craig	-	32,609	-	-	32,609
Delta/Greely	-	37,158	-	-	37,158
Denali	-	26,518	-	-	26,518
Dillingham	-	24,909	4,888	-	29,797
Fairbanks	-	794,976	316,719	-	1,111,695
Galena	-	69,402	179	-	69,581
Haines	-	24,976	11,984	-	36,960
Hoonah	-	10,400	-	-	10,400
Hydaburg	-	8,065	-	-	8,065
Iditarod Area	-	30,176	-	-	30,176
Juneau	-	281,703	276,482	-	558,185
Kake	-	11,769	-	-	11,769
Kashunamiut	-	28,121	-	-	28,121
Kenai Peninsula	-	533,748	391,914	-	925,662
Ketchikan Gateway	-	127,573	61,712	-	189,285
Klawock	-	9,321	-	-	9,321
Kodiak Island	-	167,012	101,796	-	268,808
Kuspuk	-	32,313	-	-	32,313
Lake & Peninsula	-	35,278	-	-	35,278
Lower Kuskokwim	-	213,654	-	-	213,654
Lower Yukon	-	188,409	-	-	188,409
Mat-Su	-	679,551	554,203	-	1,233,754
Nenana	-	55,803	-	-	55,803
Nome	-	38,958	40,041	-	78,999
North Slope	(9,802,554)	-	-	-	(9,802,554)
Northwest Arctic	-	215,439	-	-	215,439
Pelican	-	1,486	663	-	2,149
Petersburg	-	39,901	20,774	341,007	401,682
Pribilof	-	15,279	-	-	15,279
Sitka	-	82,271	45,177	-	127,448
Skagway	(5,894)	6,676	-	-	782
Southeast Island	-	14,941	-	-	14,941
Southwest Region	-	79,608	-	-	79,608
St. Mary's	-	9,056	71	-	9,127
Tanana	-	11,949	-	-	11,949
Unalaska	(11,899)	15,884	-	-	3,985
Valdez	7,123	51,808	-	-	58,931
Wrangell	-	28,984	4,887	218,529	252,400
Yakutat	-	12,464	721	-	13,185
Yukon Flats	-	24,734	-	-	24,734
Yukon/Koyukuk	-	56,798	-	-	56,798
Yupit	-	26,434	-	-	26,434
ACS	-	39,485	-	-	39,485
Mt. Edgecumbe	-	17,439	-	-	17,439
TOTALS:	(9,813,224)	7,028,828	3,825,694	559,536	1,600,834

Section 1 - Change to State Aid resulting from change in Local Effort

Section 2 - Change to State Aid resulting from increase to Base Allocation from \$3,940 to \$3,976

Section 3 - Change to State Aid resulting from 4 mils. / Assessed Values utilizing 1999 as the Base Year

Section 4 - Each school in community serving 425 plus, will count as a separate school

SENATE FINANCE COMMITTEE
4. 174 / 2001 COMMITTEE ACTION

Bill Number	SB 174		
Amendment	Report "C" as amended		
Motion	from Committee		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Hoffman		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Austerman			✓
Senator Green	✓		
Senator Hoffman			✓
Senator Lemman	✓		
Senator Olson			✓
Senator Ward			
Senator Wilken	✓		
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	5		
Nay	3		
Absent	1		
<u>MOTION</u>	PASSES		

SENATE FINANCE

COMMITTEE #6

Amendment Number: _____

Bill Number: SB 174

Sponsor: Wilken Date: 4/24/01

Logged In By: Mindy

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR WILKEN

TO: CSSB 174 (FIN), version "C"

Page 2, line 30 following "of the":

Insert "annual"

Page 3, line 4 following "base year is":

Delete "2000"

Insert "1999"

SENATE FINANCE COMMITTEE
2000 COMMITTEE ACTION

4/24/01

Bill Number	SB 174		
Amendment	#6		
Motion	adpt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Hoffman		
<u>Removed</u>	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

SENATE FINANCE COMMITTEE
~~2000~~ COMMITTEE ACTION

4/24/01

Bill Number	SB 174		
Amendment	#4		
Motion	rescind action failing to adopt		
Motion by	Olson		
Objection by	Kelly		
Removed	J		
Second Objection by			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Ward			
Senator Wilken			✓
Senator Austerman	✓		
Senator Green			✓
Senator Hoffman	✓		
Senator Leman			✓
Senator Olson	✓		
Co-Chair Donley			✓
Co-Chair Kelly			✓
<u>Tally</u>			
Yea	3		
Nay	0		
Absent	1		
MOTION	FAIL		

Amend #4: Delete Section 1

SENATE FINANCE COMMITTEE REPORT

DATE: 4/3/01

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 174

"An Act relating to education funding; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 174 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>		X		
<i>[Signature]</i>		ACISOL/ke		
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

SENATE FINANCE COMMITTEE

~~2000~~ COMMITTEE ACTION

4/20/01

Bill Number	SB 174		
Amendment	as amended		
Motion	made from Comm:tee		
<u>Motion by</u>	Donby		
<u>Objection by</u>	Kelly		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Green	✓		
Senator Hoffman			✓
Senator Leman	✓		
Senator Olson			✓
Senator Ward	✓		
Senator Wilken	✓		
Senator Austerman	✓		
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	7		
Nay	2		
Absent			
<u>MOTION</u>	PASS		

SENATE FINANCE COMMITTEE

~~2000~~ COMMITTEE ACTION

4/20/01

Bill Number	SB 174		
Amendment			
Motion	Table bill		
<u>Motion by</u>	Hoffman		
<u>Objection by</u>			
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Olson	✓		
Senator Ward			✓
Senator Wilken			✓
Senator Austerman			✓
Senator Green			✓
Senator Hoffman	✓		
Senator Leman			✓
Co-Chair Donley			✓
Co-Chair Kelly			✓
<u>Tally</u>			
Yea	2		
Nay	7		
Absent			
<u>MOTION</u>	FAIL		

SENATE FINANCE COMMITTEE
4/29/2001 COMMITTEE ACTION

Bill Number	SB 174		
Amendment	#5		
Motion	adpt		
<u>Motion by</u>	Olson		
<u>Objection by</u>	Kelly		
<u>Removed</u>	J		
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Austerman	✓		
Senator Green			✓
Senator Hoffman	✓		
Senator Leman			✓
Senator Olson	✓		
Senator Ward			✓
Senator Wilken			✓
Co-Chair Donley			✓
Co-Chair Kelly			✓
<u>Tally</u>			
Yea	3		
Nay	6		
Absent			
<u>MOTION</u>	FAIL		

delete Section 1

SENATE FINANCE COMMITTEE
~~2000~~ COMMITTEE ACTION

4/29/01

Bill Number	SB 174		
Amendment	#4		
Motion	acbt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	Hoffman		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Wilken	✓		
Senator Austerman	✓		
Senator Green	✓		
Senator Hoffman			✓
Senator Lemman	✓		
Senator Olson			✓
Senator Ward	✓		
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	7		
Nay	2		
Absent			
<u>MOTION</u>	PASS		

Conceptual:

Give co-chairs authority to change title to "more accurately reflect" the bill.

SENATE FINANCE COMMITTEE
~~2000~~ COMMITTEE ACTION

4/20/01

Bill Number	SB 174		
Amendment	#3		
Motion	adopt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	Removed		
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Ward	✓		
Senator Wilken	✓		
Senator Austerman	✓		
Senator Green	✓		
Senator Hoffman			✓
Senator Leman	✓		
Senator Olson			✓
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	7		
Nay	2		
Absent	—		
<u>MOTION</u>	PASS		

Conceptual

page 2, following line 14
 add new subsection:

(c) subsection (B) is limited to districts
 in which the per student value is not less
 than \$2,000,000. assessed

the effect of subsection B on page 2
line 12 ~~thereafter~~ is limited to
~~those~~ districts in which the per
pupil assessed value is greater
than \$2 million.

SENATE FINANCE
COMMITTEE

Amendment Number: # 2

22-LS0855VA.2

Bill Number: SB 174

Ford

Sponsor: Donley Date: 4/20/01

4/17/01

Logged In By: Midd

BY DONLEY

AMENDMENT

OFFERED IN THE SENATE

TO: SB 174

- 1 Page 2, line 23:
- 2 Delete "400"
- 3 Insert "425"
- 4
- 5 Page 2, line 29:
- 6 Delete "400"
- 7 Insert "425"

SENATE FINANCE COMMITTEE

~~2000~~ COMMITTEE ACTION

4/20/01

Bill Number	SB 174		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	none		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Hoffman			
Senator Leman			
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

SENATE FINANCE
COMMITTEE
Amendment Number: #1
Bill Number: SB 174
Sponsor: Wilken Date: 4/20/01
Logged in By: Mindy

22-LS0855\A.1
Ford
4/6/01

#1

AMENDMENT

OFFERED IN THE SENATE
TO: SB 174

BY SENATOR WILKEN

- 1 Page 2, following line 17:
- 2 Insert a new bill section to read:
- 3 "* Sec. 3. AS 14.17.510 is amended by adding a new subsection to read:
- 4 (c) Notwithstanding AS 14.17.410(b)(2)(A) and the other provisions of this
- 5 section, if the assessed value in a city or borough school district determined under (a)
- 6 of this section increases from the base year, only 50 percent of the increase in assessed
- 7 value may be included in determining the assessed value in a city or borough school
- 8 district under (a) of this section. The limitation on the increase in assessed value in
- 9 this subsection applies only to a determination of assessed value for purposes of
- 10 calculating the required contribution of a city or borough school district under
- 11 AS 14.17.410(b)(2)(A) and 14.17.490(b). In this subsection, the base year is 2000."
- 12
- 13 Renumber the following bill sections accordingly.

DRAFT - DRAFT- DRAFT - DRAFT - DRAFT - DRAFT - DRAFT

IMPACT OF SENATE BILL 174 AMENDMENT BY SENATOR WILKEN

SCHOOL DISTRICTS	FY01 REQUIRED LOCAL	FY02 REQUIRED LOCAL	REQUIRED LOCAL INCREASE	50% OF REQ. LOCAL INCREASE
ALEUTIANS EAST	\$387,694	\$388,672	\$978	\$489
ANCHORAGE	62,643,830	66,292,955	3,649,125	1,824,563
BRISTOL BAY	840,184	819,200	(20,975)	0
CORDOVA	661,261	695,188	33,927	16,964
CRAIG	413,016	412,600	(416)	0
DENALI	490,981	486,572	(4,409)	0
DILLINGHAM	585,075	592,602	7,527	3,764
FAIRBANKS	18,856,685	19,362,253	505,568	252,784
GALENA	71,933	72,175	242	121
HAINES	792,247	816,091	23,844	11,922
HOONAH	101,288	100,240	(1,048)	0
HYDABURG	32,892	32,566	(326)	0
JUNEAU	9,975,186	10,528,143	552,957	276,479
KAKE	72,257	70,572	(1,685)	0
KENAI	16,203,652	16,987,479	783,827	391,914
KETCHIKAN	4,344,296	4,467,695	123,399	61,700
KLAWOCK	129,095	126,102	(2,993)	0
KODIAK	3,746,940	3,911,871	164,931	82,466
LAKE AND PENINSULA	276,964	276,124	(840)	0
MAT-SU	11,919,135	13,027,541	1,108,406	554,203
NENANA	72,306	67,200	(5,106)	0
NOME	767,704	844,494	76,790	38,395
NORTH SLOPE /2	8,741,954	9,020,829	278,875	139,438
NORTHWEST ARCTIC	1,524,744	1,524,744	0	0
PELICAN	49,161	50,487	1,326	663
PETERSBURG	975,396	1,016,898	41,502	20,751
SITKA	2,543,072	2,633,192	90,120	45,060
SKAGWAY	524,241	547,130	22,889	11,445
ST. MARY'S	18,002	18,143	141	71
TANANA	23,336	23,085	(251)	0
UNALASKA /2	1,312,800	1,302,552	(10,248)	0
VALDEZ /2	2,571,754	2,581,984	10,230	5,115
WRANGELL	592,117	601,886	9,769	4,885
YAKUTAT	177,185	178,245	1,060	530
TOTAL	\$152,438,383	159,877,519	\$7,439,136	\$3,719,568

SENATE FINANCE COMMITTEE
-2000-COMMITTEE ACTION

4/20/01

Bill Number	SB 174		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Hoffman		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Leman	✓		
Senator Olson			✓
Senator Ward	✓		
Senator Wilken	✓		
Senator Austerman	✓		
Senator Green	✓		
Senator Hoffman			✓
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	2		
Nay	1		
Absent			
<u>MOTION</u>	Pass		

CS FOR SENATE BILL NO. 174(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to education funding; and providing for an effective date."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. AS 14.17.410(b) is amended to read:

4 (b) Public school funding consists of state aid, a required local contribution,
5 and eligible federal impact aid determined as follows:

6 (1) state aid equals basic need minus a required local contribution and
7 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
8 obtained under (D) of this paragraph, multiplied by the base student allocation set out
9 in AS 14.17.470; district adjusted ADM is calculated as follows:

10 (A) the ADM of each school in the district is calculated by
11 applying the school size factor to the student count as set out in AS 14.17.450;

12 (B) the number obtained under (A) of this paragraph is
13 multiplied by the district cost factor described in AS 14.17.460;

14 (C) the ADMs of each school in a district, as adjusted
15 according to (A) and (B) of this paragraph, are added; the sum is then

1 multiplied by the special needs factor set out in AS 14.17.420(a)(1);

2 (D) the number obtained for intensive services under
3 AS 14.17.420(a)(2) and the number obtained for correspondence study under
4 AS 14.17.430 are added to the number obtained under (C) of this paragraph;

5 (2) the required local contribution of a city or borough school district is
6 the lesser of

7 (A) the equivalent of a four mill tax levy on the full and true
8 value of the taxable real and personal property in the district as of January 1 of
9 the second preceding fiscal year, as determined by the Department of
10 Community and Economic Development under AS 14.17.510 and
11 AS 29.45.110; or

12 (B) an amount equal to

13 (i) [, NOT TO EXCEED] 45 percent of a district's basic
14 need for the current [PRECEDING] fiscal year as determined under
15 (1) of this subsection if the full and true value of the taxable real and
16 personal property in the district as determined under AS 14.17.510,
17 divided by the ADM of the district, is less than or equal to
18 \$2,000,000; or

19 (ii) 100 percent of the district's basic need for the
20 current fiscal year as determined under (1) of this subsection if the
21 full and true value of the taxable real and personal property in the
22 district as determined under AS 14.17.510, divided by the ADM of
23 the district, exceeds \$2,000,000.

24 * Sec. 2. AS 14.17.470 is amended to read:

25 **Sec 14.17.470. Base student allocation.** The base student allocation is
26 \$3,976 [\$3,940].

27 * Sec. 3. AS 14.17.510 is amended by adding a new subsection to read:

28 (c) Notwithstanding AS 14.17.410(b)(2)(A) and the other provisions of this
29 section, if the assessed value in a city or borough school district determined under (a)
30 of this section increases from the base year, only 50 percent of the increase in assessed
31 value may be included in determining the assessed value in a city or borough school

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district under (a) of this section. The limitation on the increase in assessed value in this subsection applies only to a determination of assessed value for purposes of calculating the required contribution of a city or borough school district under AS 14.17.410(b)(2)(A) and 14.17.490(b). In this subsection, the base year is 2000.

#1

* Sec. 4. AS 14.17.905 is amended to read:

Sec. 14.17.905. Facilities constituting a school. For purposes of this chapter, the determination of the number of schools in a district is subject to the following:

(1) a community with an ADM of at least 10, but not more than 100, shall be counted as one school;

(2) a community with an ADM of at least 101, but not more than 425 [750], shall be counted as

#2

(A) one elementary school, which includes those students in grades kindergarten through six [6]; and

(B) one secondary school, which includes students in grades seven [7] through 12;

(3) in a community with an ADM of greater than 425 [750], each facility that is administered as a separate school shall be counted as one school, except that each alternative school with an ADM of less than 200 shall be counted as a part of the school in the district with the highest ADM.

#2

* Sec. 5. This Act takes effect July 1, 2001.

Provided by Gary Wilken

The New Foundation Formula

SB 36

Annual Commitment of the Student Dollar

X

Actual Number of Students**

+

Developmentally Disabled Dollars

-

Local Required Support

=

STATE FOUNDATION SUPPORT

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

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 174
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: "An act relating to education funding; and BRU: K-12 Support
providing for an effective date." Component: Foundation Program
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee Component Number: 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)
Miscellaneous						
TOTAL OPERATING	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)	(4,475.9)

Estimate of any current year (FY2001) cost: 0.0

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Attached is a sectional analysis for SB 174.

Section 1 requires all municipal school districts to make the equivalent of a 4 mill tax contribution not to exceed the districts current year "Basic Need".

Section 2 increases the base allocation by \$36, from \$3,940 to \$3,976.

Section 3 changes the facilities constituting a school from 750 to 400 ADM.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
Division: Education Support Services Date/Time 4/6/01 12:00 AM
Approved by: Bruce Johnson, Deputy Commissioner of Education Date 4/9/01
Agency: Education and Early Development

For distribution information, call the Governor's Legislative Office

SCHOOL DISTRICT	SECTION 1	SECTION 2	SECTION 3	CUMMULATIVE EFFECT
Alaska Gateway	-	42,212	-	42,212
Alcutian Region	-	6,702	-	6,702
Alcutians East	-	34,084	-	34,084
Anchorage	-	2,414,902	-	2,414,902
Annette Island	-	22,198	-	22,198
Bering Strait	-	193,488	-	193,488
Bristol Bay	-	21,509	-	21,509
Chatham	-	22,244	-	22,244
Chugach	-	6,799	-	6,799
Copper River	-	33,661	-	33,661
Cordova	-	17,991	-	17,991
Craig	-	32,609	-	32,609
Delta/Greely	-	37,158	-	37,158
Denali	-	26,518	-	26,518
Dillingham	-	24,909	-	24,909
Fairbanks	-	794,976	-	794,976
Galena	-	69,402	-	69,402
Haines	-	24,976	-	24,976
Hoonah	-	10,400	-	10,400
Hydaburg	-	8,065	-	8,065
Iditarod Area	-	30,176	-	30,176
Juncau	-	281,703	-	281,703
Kake	-	11,769	-	11,769
Kashunamiut	-	28,121	-	28,121
Kenai Peninsula	-	533,748	-	533,748
Ketchikan Gateway	-	127,573	-	127,573
Klawock	-	9,321	-	9,321
Kodiak Island	-	167,012	-	167,012
Kuspuk	-	32,313	-	32,313
Lake & Peninsula	-	35,278	-	35,278
Lower Kuskokwim	-	213,654	-	213,654
Lower Yukon	-	188,409	(498,852)	(314,983)
Mat-Su	-	679,551	-	679,551
Nenana	-	55,803	-	55,803
Nome	-	38,958	-	38,958
North Slope	(9,802,554)	187,473	-	(9,802,554)
Northwest Arctic	-	215,439	-	215,439
Pelican	-	1,486	-	1,486
Petersburg	-	36,798	341,007	380,908
Pribilof	-	15,279	-	15,279
Sitka	-	82,271	-	82,271
Skagway	(162,706)	6,676	-	(156,030)
Southeast Island	-	14,941	-	14,941
Southwest Region	-	79,608	-	79,608
St. Mary's	-	9,056	-	9,056
Tanana	-	11,949	-	11,949
Unalaska	(230,387)	15,884	-	(214,503)
Valdez	(1,365,230)	51,808	-	(1,313,422)
Wrangell	-	26,995	218,529	247,513
Yakutat	-	12,464	-	12,464
Yukon Flats	-	24,734	-	24,734
Yukon/Koyukuk	-	56,798	-	56,798
Yupitit	-	26,434	-	26,434
ACS	-	39,485	-	39,485
Mt. Edgecumbe	-	17,439	-	17,439
TOTALS:	(11,560,877)	7,211,209	60,684	(4,475,905)

incorrect-
per Eddie
Jeans

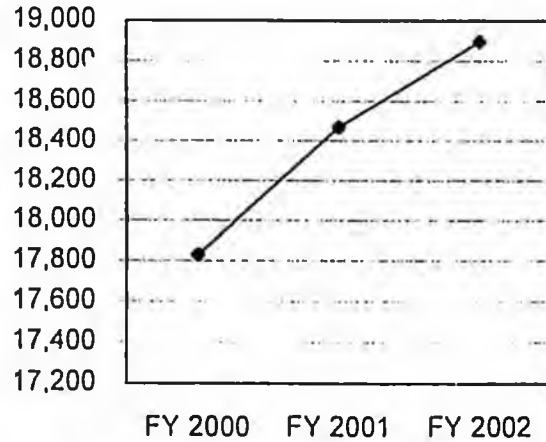
S/B \emptyset

Section 1 - Change to State Aid resulting from change in Local Effort
 Section 2 - Change to State Aid resulting from increase to Base Allocation from \$3,940 to \$3,976
 Section 3 - Each school in community serving 400 plus, will count as a separate school

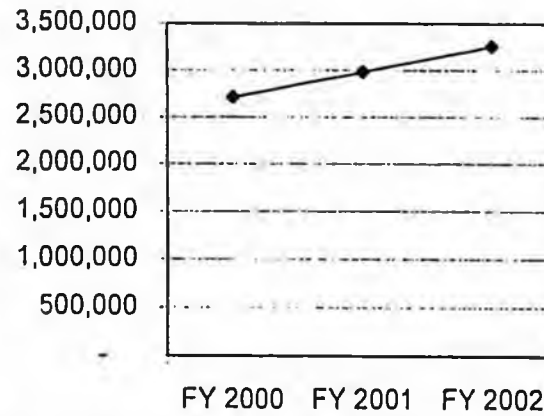
COMPARISON OF EFFECTS OF ASSESSED VALUATION ON STATE FUNDING

Mat-Su Borough School District

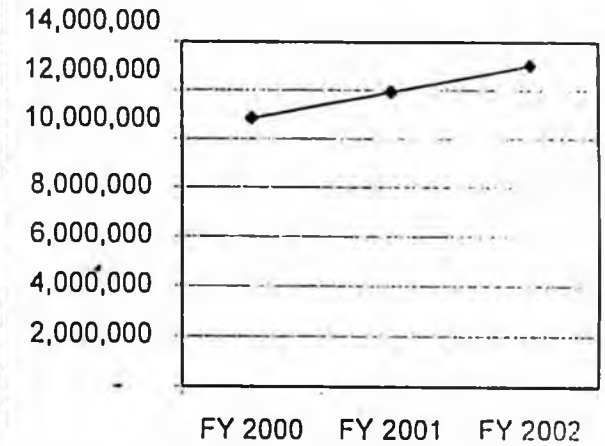
AVG DAILY MEMBERSHIP



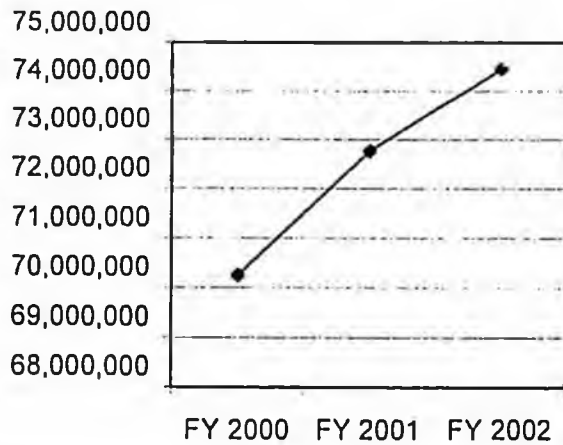
**ASSESSED VALUATION
(IN MILLIONS)**



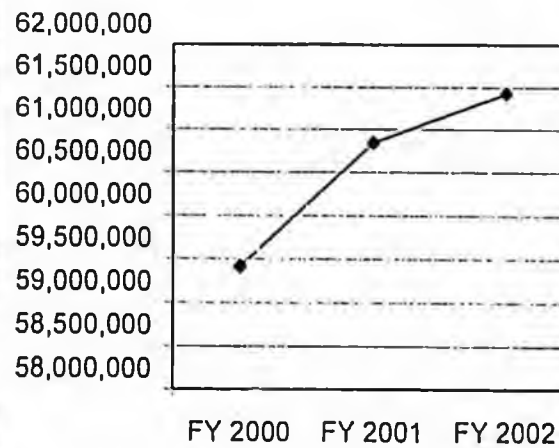
REQUIRED LOCAL CONTRIBUTION



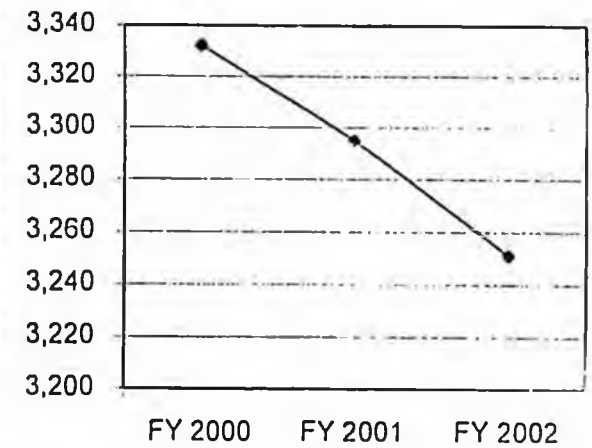
BASIC NEED



STATE FOUNDATION



STATE FUNDING PER ADM



Dist. by Senator Wilken

Full True Value upon which the 4-mill is based

	Anchorage	Annual Change	5-Year Ave
FY97	12,916,355,450		
FY98	13,295,065,500	2.93%	
FY99	13,957,222,570	4.98%	
FY00	14,507,146,430	3.94%	
FY01	15,660,957,500	7.95%	21.25%

	Fairbanks	Annual Change	5-Year Ave
FY97	3,643,155,460		
FY98	3,879,123,580	6.5%	
FY99	4,276,672,300	10.2%	
FY00	4,375,433,250	2.3%	
FY01	4,714,171,310	7.7%	29.40%

	Juneau	Annual Change	5-Year Ave
FY97	1,920,444,800		
FY98	2,093,307,500	9.00%	
FY99	2,345,081,400	12.03%	
FY00	2,431,225,800	3.67%	
FY01	2,493,796,400	2.57%	29.86%

	Kenai	Annual Change	5-Year Ave
FY97	3,638,751,680		
FY98	3,714,200,960	2.07%	
FY99	3,937,860,920	6.02%	
FY00	3,938,666,570	0.02%	
FY01	4,050,912,920	2.85%	11.33%

	Mat-su	Annual Change	5-Year Ave
FY97	2,220,794,840		
FY98	2,339,858,260	5.36%	
FY99	2,480,725,840	6.02%	
FY00	2,708,656,790	9.19%	
FY01	2,979,783,820	10.01%	34.18%

	Statewide	Annual Change	5-Year Ave
FY97	42,345,427,400		
FY98	43,367,419,810	2.41%	
FY99	46,862,559,590	8.06%	
FY00	45,703,263,630	-2.47%	
FY01	47,226,974,720	3.33%	11.53%

Dist. by Senator Wilken

SB 174



NORTH SLOPE BOROUGH SCHOOL
DISTRICT
PUPIL TRANSPORTATION
TELEPHONE 907-852-8987
FAX 907-852-8960

FACSIMILE MESSAGE

TO: Senators Donley, Kelly, Cochairs, Green,
Wilken & WARD

FIRM: _____

CITY, STATE: Tuneau AK

FAX NUMBER: 907-465-2187

FROM: Post Office Box 169
Barrow, Alaska 99723

Number of pages including this one: 3

If you have any problems receiving this fax please call 907-852-8987.

May 1, 2001

Dear Senator Donley:

As concerned citizen of the North Slope, I am writing in protest of Senate Bill (SB) 174. SB 174 directly targets the North Slope Borough School District (NSBSD) by making our school district the only one in the state that will not receive any state funding for our budget next year. Currently, our state funding is approximately \$9M. With our present staff, we are able to collect approximately two million dollars in grant awards. With this budget reduction, and the reduced staff that would likely result, our school district will struggle to maintain our current efforts to receive these additional grant funds.

In addition to the financial burden that this will create for the NSBSD, SB 174 directly violates the Alaska State Constitution. Specifically, Article VII, Section 1, provides that the legislature shall by general law establish and maintain a system of public schools open to all children of the State. This measure effectively deprives North Slope students of their constitutional rights.

Living in a rural school district, our students are not able to avail themselves of the advantages presented to students residing in Anchorage or Fairbanks. Students in Anchorage and Fairbanks enjoy cultural opportunities, such as the opportunity to visit a number of different museums and libraries. For our students, these opportunities are limited.

Residents of Anchorage and Fairbanks frequently speak about the "wealth, advantage and privilege" that is rumored to exist on the North Slope. For example, many are under the impression that our students enjoy an "Olympic-sized" swimming pool and their own aircraft. The half sized Pool was built as part of schools fire suppression system. The assertion of their own aircraft is simply not true and demonstrates the misconceptions that urban Alaska has about the North Slope School District.

SB 174 discriminates against the North Slope community. The majority of whom are Inupiat Eskimos. Let's give our children a chance. Education is important for all children in the State of Alaska, not a just select few. I feel we on the North Slope deserve the same consideration for funding as those in urban areas. Education of our next generation is one of our greatest responsibilities as Alaskans.

We must not forget that Alaska's children need to pass the current exit exam. . With reduced funding, the NSBSD will have increased difficulty in recruiting and retaining teachers and other staff members. Without the personal and professional advantages offered in typical urban communities, the North Slope School District already has a difficult time in filling our jobs with qualified, dedicated professionals. Simply living in a bush community presents challenges of its own. Residents of Anchorage and Fairbanks, and proponents of this legislation, take these facts for granted

I invite each and every one of the proponents of SB 174 to come to the North Slope in order to gather accurate information about our day-to-day life in this community. Many residents of Anchorage and Fairbanks refuse to travel to bush Alaska, even for a brief visit, because of the "harsh" life style and "lack of opportunity." Yet, they have no problem in pushing for legislation that will effectively take North Slope funds away from North Slope children and place them in the hands of the advantaged students in urban

Alaska. Again, our constitution requires our citizens to act responsibly and for the benefit of all of the children, and future leaders, of Alaska. I thank you for your time.

Sincerely,

Eduardo Q. DePerio
EDUARDO Q. DEPERIO

SENATE FINANCE COMMITTEE

SIGN-IN

SB 174-EDUCATION FUNDING

NAME: Eddy Jeans Subject/Bill No: SB 174
 Co./Dept./Title: School Finance Manager Phone: 8679
 Address: 801 West 10th, JUNEAU Zip: 99801

Do you wish to testify? Yes No Respond To Questions

NAME: Steve Cathers Subject/Bill No: SB 174
 Co./Dept./Title: Valdez Schools Phone: 835-4357
 Address: PO Box 398, Valdez Zip: 99686

Do you wish to testify? Yes No Respond To Questions

NAME: Duane F. Edelman Subject/Bill No: SB 174
 Co./Dept./Title: Valdez City School / Board member Phone: 835-4357
 Address: P.O. Box 398, Valdez, AK Zip: 99686

Do you wish to testify? Yes No Respond To Questions

NAME: Carl Rose Subject/Bill No: SB 174
 Co./Dept./Title: AASB Phone: _____
 Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions