

**SB**

**114**

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 114  
 (S) Publish Date: 2/22/01

Revision Date/Time \_\_\_\_\_ Dept. Affected: Educator - Early Development  
 Title: An Act relating to increasing the base student BRU: K-12 Support  
allocation and the maximum amount of quality school.... Component: Foundation Program  
 Sponsor: Rules Committee  
 Requester: Governor 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	34,686.0	48,010.5	60,912.0	74,236.5	87,561.0	87,561.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>34,686.0</b>	<b>48,010.5</b>	<b>60,912.0</b>	<b>74,236.5</b>	<b>87,561.0</b>	<b>87,561.0</b>

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

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	34,686.0	48,010.5	60,912.0	74,236.5	87,561.0	87,561.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>34,686.0</b>	<b>48,010.5</b>	<b>60,912.0</b>	<b>74,236.5</b>	<b>87,561.0</b>	<b>87,561.0</b>

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)

This legislation will increase the quality school funding grant amount in AS 14.17.480(a) from \$16 to \$65 per adjusted Average Daily Membership (ADM). This legislation also increases the base student allocation in AS 14.17.470 from \$3,940 to \$4,055 per adjusted ADM in FY2002. The base student allocation will then be adjusted to \$4,118 in FY2003, \$4,179 for FY2004, \$4,242 for FY2005 and \$4,305 for FY06 and beyond.

Prepared by: Eddy Jeans, School Finance Manager  
 Division: Education Support Services  
 Approved by: Commissioner Shirley J. Holloway, Ph.D.  
 Agency: Education & Early Development

Phone 465-8679  
 Date/Time 2/20/01 12:00 AM  
 Date 2/21/01

For distribution information, call the Governor's Legislative Office

Alaska Department of Education & Early Development  
 Public School Funding Formula  
 Prepared 2/20/2001

Amount increased >>>	\$49	\$115	\$63	\$61	\$63	\$63
New allocation amount >>>	QS Grants	Base Allocation	Base Allocation	Base Allocation	Base Allocation	Base Allocation
Districts	\$65	\$4,055	\$4,118	\$4,179	\$4,242	\$4,305
	FY02	FY02	FY03	FY04	FY05	FY06
Alaska Gateway	57,456	134,845	73,872	71,527	73,872	73,872
Aleutian Region	15,202	35,679	19,546	18,925	19,545	19,545
Aleutians East B.	46,391	108,878	59,646	57,752	59,646	59,646
Anchorage	3,286,950	7,714,271	4,226,079	4,091,918	4,226,079	4,226,079
Annette Island	30,214	70,911	38,847	37,614	38,847	38,847
Bering Strait	263,359	618,087	338,604	327,855	338,604	338,604
Bristol Bay B.	29,276	68,708	37,640	36,445	37,640	37,640
Chatham	30,276	71,056	38,927	37,691	38,926	38,926
Chugach	15,425	36,200	19,831	19,202	19,831	19,831
Copper River	67,573	158,589	86,879	84,120	86,879	86,879
Cordova	40,814	93,788	52,475	50,809	52,476	52,476
Craig	44,384	104,167	57,065	55,254	57,065	57,065
Delta/Greely	50,575	118,699	65,026	62,962	65,026	65,026
Denali B.	36,094	84,711	46,407	44,934	46,407	46,407
Dillingham	56,507	132,618	72,652	70,345	72,652	72,652
Fairbanks B.	1,082,052	2,539,509	1,391,209	1,347,045	1,391,209	1,391,209
Galena	157,439	369,501	202,422	195,996	202,422	202,422
Haines B.	33,994	79,783	43,707	42,319	43,707	43,707
Hoonah	23,592	55,368	30,332	29,369	30,332	30,332
Hydaburg	10,977	25,762	14,113	13,666	14,113	14,113
Iditarod Area	68,455	160,659	88,013	85,218	88,013	88,013
Juneau B.	383,430	899,885	492,981	477,330	492,980	492,980
Knife Point	16,018	37,595	20,595	19,942	20,596	20,596
Kashunamiut	38,276	89,831	49,212	47,649	49,212	49,212
Kenai Peninsula B.	726,490	1,705,028	934,059	904,406	934,059	934,059
Ketchikan Gateway B.	173,642	407,526	223,253	216,165	223,254	223,254
Klawock	21,145	49,627	27,187	26,324	27,187	27,187
Kodiak Island B.	227,323	533,512	292,272	282,994	292,272	292,272
Kuspuk	73,302	172,034	94,245	91,253	94,245	94,245
Lake & Peninsula B.	80,027	187,820	102,893	99,626	102,893	102,893
Lower Kuskokwim	484,678	1,137,509	623,157	603,374	623,157	623,157
Lower Yukon	256,444	601,860	329,714	319,247	329,714	329,714
Mat-Su B.	924,944	2,170,788	1,189,213	1,151,461	1,189,214	1,189,214
Nenana	75,953	178,257	97,654	94,554	97,653	97,653
Nome	70,786	166,131	91,011	88,122	91,011	91,011
North Slope B.	255,172	598,872	328,079	317,663	328,078	328,078
Northwest Arctic B.	293,238	688,210	377,020	365,051	377,020	377,020
Pelican	3,372	7,914	4,336	4,198	4,336	4,336
Petersburg	50,085	117,549	64,396	62,352	64,396	64,396
Pribilof	20,798	48,810	26,740	25,891	26,740	26,740
Sitka B.	111,980	262,810	143,973	139,404	143,974	143,974
Skagway	15,146	35,545	19,473	18,854	19,472	19,472
Southeast Island	33,894	79,547	43,578	42,194	43,578	43,578
Southwest Region	108,355	254,303	139,314	134,891	139,314	139,314
St. Mary's	20,543	48,214	26,413	25,574	26,412	26,412
Tanana	16,265	38,173	20,912	20,248	20,913	20,913
Unalaska	35,998	84,485	46,283	44,813	46,283	46,283
Valdez	70,517	165,499	90,664	87,786	90,665	90,665
Wrangell	36,744	86,235	47,242	45,742	47,241	47,241
Yakutat	18,123	42,531	23,300	22,560	23,300	23,300
Yukon Flats	56,110	131,688	72,142	69,852	72,142	72,142
Yukon/Koyukuk	79,758	187,188	102,546	99,291	102,547	102,547
Yupik	60,456	141,885	77,728	75,261	77,728	77,728
Alyeska Central School	53,743	126,132	69,098	66,905	69,098	69,098
Mt. Edgecumbe High School	23,738	55,710	30,520	29,551	30,520	30,520
<b>TOTAL</b>	<b>\$10,363,498</b>	<b>\$24,322,492</b>	<b>\$13,324,495</b>	<b>\$12,901,494</b>	<b>\$13,324,495</b>	<b>\$13,324,495</b>

**OFFICE OF THE GOVERNOR**  
**Press Releases****ALASKA IN THE NEWS**

February 20, 2001

Release 01052

**KNOWLES CALLS FOR NEW INVESTMENT IN SCHOOL EXCELLENCE**  
***Backs Task Force Report, Will Seek \$45 Million More for Education in FY02***

Saying a new investment in education is necessary as the next step toward school excellence in Alaska, Gov. Tony Knowles today announced his intent to increase funding for education by nearly \$45 million in the upcoming budget year.

"This is a big investment in Alaska's future," Knowles said at a news conference at Anchorage's Kincaid Elementary School. "If we truly are serious about improving student achievement - about preparing our students for the jobs of the 21st century - then this is also a very necessary investment."

Knowles said he has accepted all the recommendations of an Education Funding Task Force he appointed in December and will submit necessary budget amendments and bills to the Legislature beginning Wednesday. The 11-member task force was comprised of business, education, and elected leaders from around the state.

Several task force members were on hand for today's Anchorage announcement, including Roger Chan, vice president and chief financial officer for VECO, Inc., who was vice chair of the task force; and Ernie Hall, an Anchorage businessman who serves on the state Board of Education and Early Development. Also on hand for the announcement was Shirley Holloway, commissioner of Education and Early Development.

"I am pleased that, after careful consideration, Gov. Knowles has agreed with the recommendations of the task force, and will support new funds to help all students and schools meet high academic standards," said the chair of the task force, Ketchikan City mayor and former school superintendent Bob Weinstein. "Members of the task force are ready to work with the Governor and the many members of the Legislature who have indicated that education funding is a top priority for this session."

Knowles said he was impressed by the approach of the task force, which recommended very specific initiatives and programs to improve student achievement in Alaska. "Unlike many past proposals to increase education funding, the task force recommendation clearly defines how the task force arrived at the amount needed by local school districts," Knowles said. "It was also specific about additional dollars that need to be spent at the state level to support local efforts."

As a result of the report Knowles said he will introduce three bills that total \$36.6 million and will:

- Boost education formula funding by \$34.6 million - \$24.6 million to increase the base student allocation in the funding formula from \$3,940 to \$4,055 per student, and \$10 million to increase Quality Schools grants from \$16 to \$65 per student.
- Allocate \$800,000 to a teacher loan assumption program that will help recruit new Alaska teachers by paying off their student loans - no matter where they went to school - at a rate of \$2,000 per year up to a total of \$10,000. The proposal will help attract and keep top-notch teachers.
- Keep school funding fair by suspending a provision in the old SB36 that pays only 60 cents on

the dollar for new enrollment growth in some rural school districts while urban districts get full payment for more students. The Department of Education and Early Development estimates it will cost \$1.2 million next year to make sure enrollment growth is funded at 100 percent for all school districts. The task force recommends suspending the 60 percent provision while a complete study of district education costs is under way.

Knowles said he also will introduce budget amendments Wednesday totaling approximately \$8 million:

- \$7 million to support the task force recommendations for direct assistance to low-performing schools, incentives for excellent schools and a Center for School Excellence to coordinate and deliver assistance to students and schools not making the grade.
- Approximately \$1 million to back task force recommendations to fund the district cost factor study and data collection and analysis necessary to determine which schools need the most help.

The budget amendments can be covered within the governor's original school foundation budget for FY02 because he kept the foundation formula for next year at current levels even though the state's share of school aid will drop due to increases in local and federal aid. Knowles did this in anticipation of the task force report, saying that this was not the time to reduce state support for educational excellence.

The full task force report is available on the Department of Education and Early Development's web page at [www.eed.state.ak.us](http://www.eed.state.ak.us). Look for it under an item entitled "In the News."

The state Board of Education and Early Development last week adopted the report and forwarded a recommendation to the Governor that he vigorously seek funding to implement its findings.

Besides Weinstein, Chan and Hall, the other eight members of the task force were Carl Marrs, president and CEO, Cook Inlet Region Inc.; Janice Loudon, president, Alaska Parent-Teacher Association; Jim Palmer, vice president, BP Exploration; Rich Kronberg, president, NEA-Alaska; Carl Rose, executive director, Association of Alaska School Boards; Pat Abney, Anchorage assembly member and longtime teacher; Darroll Hargraves, executive director, Alaska Council of School Administrators; and Roy Nageak, state Board of Education and Early Development.

-30-

**Contact:**

Bob King, Press Secretary at 907-465-3996

Claire Richardson, Deputy Press Secretary at 907-465-3996

[Press Releases](#) | [Press Office](#) | [Contact the Governor](#) | [Webmaster](#) | [State of Alaska](#)

**WWW.GOV.STATE.AK.US**

funding task force  
SB114

**Alaskan News**

- [ArcticCam](#)
- [Yukon Quest](#)
- [Fairbanks Headlines](#)
- [Sports Headlines](#)
- [Statewide News](#)
- [Local News](#)
- [Obituaries](#)
- [Opinion](#)
- [Business News](#)
- [Today's Cole Column](#)
- [Search News Archives](#)

**Site Index**

**Weekly Features**

- [Outdoors, T.Mowry](#)
- [Photo Album](#)
- [Heartland Magazine](#)
- [Heartland Back Issues](#)

**Special Features**

- [Visitors Guide](#)
- [Journeys](#)
- [Winter Survival Guide](#)
- [Archived Features](#)

**Classifieds**

- [Classifieds](#)
- [MoreCities MoreChoices](#)
- [Real Estate](#)
- [Place a Classified](#)

**Entertainment**

- [Daily Thought](#)
- [Daily Trivia](#)
- [Northern Chat](#)
- [CD Audio Review](#)
- [Book Reviews](#)
- [Comics](#)
- [Video Reviews](#)
- [Movie Reviews](#)
- [Radio Room](#)

**Featured Employee**

**Columnists**

- [Kelly Bosilan](#)
- [Judith Kleinfeld](#)

Article last updated:  
Wednesday, February 21, 2001 6:22 AM MST

[Index](#) [>](#)

[Print this Article](#) [E-Mail to a Friend](#) [Link to this Article](#)

## Knowles asks \$45 million more for education

By DIANA CAMPBELL  
Staff Writer

Gov. Tony Knowles said Tuesday he is asking for a \$45 million increase in the state's \$900 million education budget. Knowles based the increase on recently appointed state education funding task force recommendations.

"It's a very balanced approach to funding," Knowles said.

Knowles was in Fairbanks making rounds announcing his education plans, as well as a plan to increase veteran beds in the state-run Pioneers' Homes. He also discussed the natural gas line with community leaders.

The governor appointed the education task force in December to study school funding in Alaska. The 11-member panel of business, education and elected leaders issued a report Feb. 1 that called for the increase.

Knowles said he will introduce three bills as a result of the report. He will ask that the education formula be increased by \$36.6 million. Part of the increase will be used to increase the per student allocation in the funding formula from \$3,940 to \$4,055.

He is also going to ask that \$10 million of the increase go toward upping Quality Schools grants from \$16 to \$65 per student.

Knowles also wants to introduce a bill to allocate \$800,000 to a teacher loan assumption program that will help recruit new Alaska teachers by paying off student loans.

He will also ask the state Legislature to suspend a provision of state law that pays 60 cents on the dollar for new student enrollment in some rural school districts while paying urban districts 100 percent.

The governor will introduce amendments that will add \$7 million to help low-performing schools and reward excellent schools.

**Service**

- [Business](#)
- [Fairbanks](#)
- [Employment](#)
- [Help](#)
- [FAQ](#)
- [What's New](#)
- [Find](#)
- [News](#)
- [Home](#)
- [Send](#)
- [Report](#)
- [Phone](#)
- [Buy](#)

**Lifestyle**

- [Alaska](#)
- [Church](#)
- [Health](#)
- [Inspection](#)
- [Horse](#)
- [Lottos](#)
- [Soap](#)

**Features**

- [Conc](#)
- [Weat](#)
- [Maps](#)



- [Free](#)
- [Head](#)
- [News](#)
- [Spec](#)
- [Travel](#)
- [Real](#)
- [Empl](#)

Knowles is also asking for \$1 million to study which schools need the most help.

The state education board backs the task force plan, Knowles said.

"Education isn't just about money, it's about results," Knowles told the Greater Fairbanks Chamber of Commerce at its general membership meeting.

Knowles later visited the Pioneers' Home to discuss his plan to establish a Pioneers' and Veterans Home system that will add beds for older military veterans.

Alaska is one of two states without a veterans' home. By combining the two, the state can provide homes for at least 125 veterans while reviving the Pioneers' Home system.

Knowles wants \$5.1 million for the Pioneers' Home budget. About \$2.6 million will come from residential fees, and the rest will come from the state's general fund.

Currently 100 beds are unfilled because the homes do not have enough staff due to budget cuts over the years, Knowles said.

The new system would increase space for other Alaskans, he said.

Concerning the natural gas pipeline, Knowles again voiced support for an Alaska Highway route while speaking at the chamber meeting. His plan is to begin the permitting process this year, he said.

He has asked the Legislature for \$2 million. Part of that money will be for staff of the Department of Natural Resources, Department of Fish and Game and the Department of Environmental Conservation to begin permitting work.

---

© 1999-2001 MediaNews Group, Inc. and Fairbanks Publishing Company, Inc.