

SB

91

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 91
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title "An Act relating to the base student allocation RDU K-12 Support
used in the formula for state funding of public education:..." Component Foundation Program
 Sponsor Senator Davis
 Requester Health, Education and Social Services Component No. 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	11,289.5	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	11,289.5	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	11,289.5	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	11,289.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the base student allocation from \$4,169 to \$4,225. A \$56 increase to the Base Student Allocation.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
 Division Education and Support Services Date/Time 2/27/04 9:10 AM
 Approved by: _____ Date 2/27/2004
 Agency Education & Early Development

School District	Increase to Basic Need	Change to Floor	Net Increase	Local Contribution Increase
Alaska Gateway	67,654	(27,062)	40,592	-
Aleutian Region	13,859	(5,544)	8,315	-
Aleutians East Borough	52,100	-	52,100	11,983
Anchorage	3,767,854	-	3,767,854	866,607
Annette Island	28,663	-	28,663	-
Bering Strait	289,325	-	289,325	-
Bristol Bay Borough	25,598	-	25,598	5,887
Chatham	29,760	-	29,760	-
Chugach	18,278	-	18,278	-
Copper River	75,595	-	75,595	-
Cordova	47,464	-	47,464	10,917
Craig	73,733	-	73,733	16,958
Delta/Greely	102,314	-	102,314	-
Denali Borough	62,129	-	62,129	14,289
Dillingham	59,846	-	59,846	13,764
Fairbanks N. Star Borough	1,196,390	-	1,196,390	275,170
Galena	197,424	(78,970)	118,454	45,408
Haines Borough	32,081	-	32,081	7,379
Hoonah	20,359	-	20,359	4,682
Hydaburg	9,979	-	9,979	2,296
Iditarod Area	57,977	-	57,977	-
Juneau Borough	431,558	-	431,558	99,258
Take	16,661	-	16,661	3,832
Kashunamiut	49,015	-	49,015	-
Kenai Peninsula Borough	790,912	-	790,912	181,910
Ketchikan Gateway Borough	205,286	-	205,286	47,216
Klawock	17,232	-	17,232	3,964
Kodiak Island Borough	249,402	-	249,402	57,363
Kuspuk	72,336	-	72,336	-
Lake & Peninsula Borough	83,740	(33,496)	50,244	19,260
Lower Kuskokwim	583,766	(233,506)	350,260	-
Lower Yukon	303,520	-	303,520	-
Mat-Su Borough	1,155,092	-	1,155,092	265,671
Nenana	65,869	-	65,869	15,150
Nome	83,589	-	83,589	19,225
North Slope Borough	251,854	-	251,854	-
Northwest Arctic Borough	311,722	-	311,722	71,696
Pelican	3,713	(1,485)	2,228	854
Petersburg	59,076	-	59,076	13,588
Pribilof	22,165	(7,901)	14,264	-
Saint Mary's	24,526	-	24,526	5,641
Sitka Borough	119,372	-	119,372	27,455
Skagway	13,379	(5,352)	8,027	-
Southeast Island	35,737	(14,295)	21,442	-
Southwest Region	112,329	-	112,329	-
Tanana	12,755	(38)	12,717	2,933
Unalaska	47,212	(18,885)	28,327	10,859
Valdez	80,246	(19,665)	60,581	-
Wrangell	34,590	-	34,590	7,956
Yakutat	14,165	-	14,165	3,258
Yukon Flats	64,373	(25,749)	38,624	-
Yukon/Koyukuk	122,300	-	122,300	-
Yupitit	69,966	(27,986)	41,980	-
Alyeska Central School	26,432	-	26,432	-
Mt. Edgecumbe High School	27,129	-	27,129	-
Total	11,789,401	(499,934)	11,289,467	2,132,429

Alaska State Legislature

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Senator Bettye Davis

Sponsor Substitute, Senate Bill 91

"An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

Sponsor Statement

The burden of financing Schools in Alaska has been shifting from the state to local government over the past ten years. School Districts are mandated by the state to have 70% of their budgets allocated and spent on instructional areas of the budget. The foundation formula statute does not have an inflationary adjustment for the base student allocation of \$4010.

Sponsor Substitute for SB 91 attempts to address school funding in three ways:

- (1) Increase base student allocation to \$4600;***
- (2) Inflation proof educational funding for the future;***
- (3) Provide an annual increase for the next five years for class size reduction and compliance with the Federal No Child Left Behind (NCLB) act.***

Past funding has not kept up with inflation and the result has been higher retirement and insurance costs. The base student allocation amount of \$4600 makes up for these costs, holding districts harmless from last year, and puts back the \$10M cut from last year.

The second part of the bill would inflation-proof education funding for the future; it is aimed at preventing our current situation from happening again. The Consumer Price Index (CPI) for Anchorage rose approximately 21 percent from 1992 to 2002. Over the last ten years, the legislature increased the base foundation formula only seven percent. SS SB 91 would place an inflationary adjustment in Alaska Statute 14.17.470 based on the CPI for the Anchorage area compiled by the Bureau of Labor Statistics, U.S. Department of Labor

The final part of this bill would provide a two percent increase to the base student allocation for the next five years. These funds are focused on two critical components of our system: class size reduction and compliance with NCLB.

I respectfully request your positive support for this legislation.

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/1/04

FURTHER: Finance

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

DATE TURNED
IN TO OFFICE: 3.1.04

Health, Education & Social Services Committee considered SPONSOR SUBSTITUTE FOR SENATE BILL NO. 91

SB 91 INCREASE AMT OF BASE STUDENT ALLOCATION

"An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- 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 Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
EED		✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>				✓
CHAIR: <i>[Signature]</i>				✓

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

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 () Publish Date: _____

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 Sponsor Senator Davis
 Requester Health, Education and Social Services Component No. 141

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	86,907.1	37,252.4	39,568.7	41,540.9	21,501.1	22,138.2
Miscellaneous						
TOTAL OPERATING	86,907.1	37,252.4	39,568.7	41,540.9	21,501.1	22,138.2

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	86,907.1	37,252.4	39,568.7	41,540.9	21,501.1	22,138.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	86,907.1	37,252.4	39,568.7	41,540.9	21,501.1	22,138.2

Est.imate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the base student allocation from \$4,169 to \$4,600 in FY05. Representing a \$431 Increase to the Base Student Allocation.
 Effective in FY06 there will be an annual increase based on the change in the Consumer Price Index (CPI-U) for all urban consumers for the Anchorage Metropolitan Area. Since the future CPI-U is unknown, the department averaged the last five years of change in the CPI-U to come up with an average of 2%, which was applied to the projections for FY06 to FY10. In addition to the CPI-U adjustment there will also be a general 2% increase effective for FY06 - FY08. In FY09 the general 2% increase will be repealed.
 FY05 \$4,600 FY08 2% CPI-U & 2% = \$5,174
 FY06 2% CPI-U & 2% = \$4,784 FY09 2% CPI-U = \$5,277
 FY07 2% CPI-U & 2% = \$4,975 FY10 2% CPI-U = \$5,383

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
 Division Education Support Services Date/Time 3/3/04 10:14 AM
 Approved by: _____ Date 3/3/2004
 Agency Education & Early Development

Prepared 3/3/04

SSSB91 - \$4600 increase to Base Allocation,
plus CPI-U, plus 2%

School District	Increase to Basic Need	Change to Floor	Net Increase	Local Contribution Increase
Alaska Gateway	520,695	(138,486)	382,209	-
Aleutian Region	106,668	(42,668)	64,000	-
Aleutians East Borough	400,989	-	400,989	92,227
Anchorage	28,999,016	-	28,999,016	6,669,774
Annette Island	220,603	-	220,603	-
Bering Strait	2,226,770	-	2,226,770	-
Bristol Bay Borough	197,010	-	197,010	45,312
Chatham	229,042	-	229,042	-
Chugach	140,670	-	140,670	-
Copper River	581,807	-	581,807	-
Cordova	365,303	-	365,303	84,020
Craig	567,480	-	567,480	130,520
Delta/Greely	787,450	-	787,450	-
Denali Borough	478,169	-	478,169	109,979
Dillingham	460,605	-	460,605	105,939
Fairbanks N. Star Borough	9,207,931	-	9,207,931	2,117,824
Galena	1,519,460	(607,784)	911,676	349,476
Haines Borough	246,903	-	246,903	56,788
Hoonah	156,686	(19,118)	137,568	36,037
Hydaburg	76,796	(22,397)	54,399	17,663
Iditarod Area	446,214	(146,113)	300,101	-
Juneau Borough	3,321,450	-	3,321,450	763,933
Take	128,227	(26,110)	102,117	29,493
Kashunamiut	377,241	-	377,241	-
Kenai Peninsula Borough	6,087,198	-	6,087,198	1,400,056
Ketchikan Gateway Borough	1,579,968	-	1,579,968	363,393
Klawock	132,619	(23,978)	108,641	30,503
Kodiak Island Borough	1,919,502	-	1,919,502	441,486
Kuspuk	556,731	(31,163)	525,568	-
Lake & Peninsula Borough	644,504	(62,846)	581,658	148,235
Lower Kuskokwim	4,492,912	(1,797,164)	2,695,748	-
Lower Yukon	2,336,016	-	2,336,016	-
Mat-S . Borough	8,890,078	-	8,890,078	2,044,718
Nenana	506,951	-	506,951	116,599
Nome	643,336	-	643,336	147,967
North Slope Borough	1,938,379	-	1,938,379	-
Northwest Arctic Borough	2,399,144	-	2,399,144	551,803
Pelican	28,575	(11,430)	17,145	6,572
Petersburg	454,671	-	454,671	104,574
Pribilof	170,590	(7,901)	162,689	-
Saint Mary's	188,765	-	188,765	43,416
Sitka Borough	918,737	-	918,737	211,309
Skagway	102,970	(41,188)	61,782	-
Southeast Island	275,051	(110,021)	165,030	-
Southwest Region	864,530	-	864,530	-
Tanana	98,169	(38)	98,131	22,579
Unalaska	363,367	(145,347)	218,020	83,575
Valdez	617,610	(234,611)	382,999	-
Wrangell	266,220	-	266,220	61,230
Yakutat	109,017	(25,048)	83,969	25,074
Yukon Flats	495,443	(198,177)	297,266	-
Yukon/Koyukuk	941,270	-	941,270	-
Yupit	538,483	(137,564)	400,919	-
Alyeska Central School	203,432	-	203,432	-
Mt. Edgecumbe High School	208,794	-	208,794	-
Total	90,736,217	(3,829,152)	86,907,065	16,412,074

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