

HB

1

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB001(HES)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: "An Act increasing the base student allocation RDU K-12 Support
for state funding of public education; and providing for an ..." Component: Foundation Program
Sponsor: Rep. Gatto
Requester: Special Committee on HESS Component No.: 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	70,089.5	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	70,089.5	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	70,089.5	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	70,089.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation to \$4,919 for FY06.

Prepared by: Eddy Jeans, Director
Division: School Finance
Approved by: Karen Rehfeld, Deputy Commissioner
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 2/16/05 12:53 PM
Date: 2/16/2005

School District	FY06	FY06	Difference
	Projection @ \$4,576	Projection @ \$4,919	
Alaska Gateway	4,915,667	5,192,690	277,023
Aleutian Region	1,059,727	1,110,660	50,933
Aleutians East Borough	3,501,788	3,812,563	310,775
Anchorage	223,154,797	245,967,497	22,812,700
Annette Island	1,398,131	1,593,730	195,599
Bering Strait	17,205,353	19,000,224	1,794,871
Bristol Bay Borough	1,239,140	1,386,688	147,548
Chatham	1,733,593	1,872,082	138,489
Chugach	1,905,637	1,978,080	72,443
Copper River	6,032,438	6,497,995	465,557
Cordova	3,087,845	3,372,144	284,299
Craig	3,698,050	4,008,891	310,841
Delta/Greely	8,942,900	9,611,194	668,294
Denali Borough	4,597,598	4,983,628	386,030
Dillingham	4,263,506	4,644,233	380,727
Fairbanks N. Star Borough	72,823,842	80,285,155	7,461,313
Galena	16,058,992	16,764,469	705,477
Haines Borough	1,563,785	1,743,143	179,358
Hoonah	1,535,829	1,668,803	132,974
Hydaburg	767,366	803,014	35,648
Iditarod Area	4,127,089	4,625,690	498,601
Juneau Borough	23,648,457	26,250,477	2,602,020
Take	1,190,539	1,293,220	102,681
Kashunamiut	2,546,629	2,834,773	288,144
Kenai Peninsula Borough	46,190,906	51,063,732	4,872,826
Ketchikan Gateway Borough	11,703,837	12,907,448	1,203,611
Klawock	1,331,394	1,399,699	68,305
Kodiak Island Borough	15,580,674	17,094,347	1,513,673
Kuspuk	4,610,680	5,049,449	438,769
Lake & Peninsula Borough	5,980,874	6,464,031	483,157
Lower Kuskokwim	39,975,145	42,978,925	3,003,780
Lower Yukon	18,120,223	19,967,178	1,846,955
Mat-Su Borough	83,064,699	90,438,280	7,373,581
Nenana	3,922,379	4,220,789	298,410
Nome	6,359,841	6,896,962	537,121
North Slope Borough	8,451,990	9,902,188	1,450,198
Northwest Arctic Borough	22,227,553	24,142,271	1,914,718
Pelican	404,184	417,829	13,645
Petersburg	3,691,527	4,044,656	353,129
Pribilof	1,258,266	1,393,079	134,813
Saint Mary's	1,992,370	2,142,593	150,223
Sitka Borough	7,265,034	8,018,193	753,159
Skagway	710,547	784,182	73,635
Southeast Island	3,069,832	3,200,434	130,602
Southwest Region	6,817,409	7,510,389	692,980
Tanana	1,027,629	1,108,498	80,869
Unalaska	2,405,593	2,670,021	264,428
Valdez	3,684,508	4,020,569	336,061
Wrangell	2,276,815	2,491,409	214,594
Yakutat	991,431	1,078,830	87,399
Yukon Flats	4,617,236	4,857,020	239,784
Yukon/Koyukuk	11,059,848	11,980,426	920,578
Yupit	4,225,753	4,661,819	436,066
Mt. Edgecumbe High School	1,842,250	2,036,360	194,110
Other	26,096,100	26,096,100	
Total	762,255,225	832,344,749	70,089,524

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB001(HES)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title "An Act increasing the base student allocation RDU K-12 Support
for state funding of public education; and providing for an ..." Component Special Schools
Sponsor Rep. Gatto
Requester Special Committee on HESS Component No. 2735

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	479.7	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	479.7	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	479.7	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	479.7	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation to \$4,919 for FY06.

The funding for the Alaska Challenge Youth Academy is authorized under AS 14.30.740. The funding of this program is directly linked to the based student allocation set out in AS 14.17.470.

Prepared by: Eddy Jeans, Director
Division: School Finance
Approved by: Karen Rehfeld, Deputy Commissioner
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 2/16/05 1:00 PM
Date: 2/16/2005

ALASKA MILITARY YOUTH ACADEMY

FY06 PROJECTION

175 x \$4919 x 7 =	6,025,775
289 x \$4919 x .6 =	852,955
less \$2,100,000	(2,100,000)
	4,778,730
FY06 Current Entitlement:	4,299,078
FY06 INCREASE TO AMYA:	\$ 479,652

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 1
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Military and Veterans Affairs
Title Increase Amount of Base Student RDU Military and Veterans Affairs
Allocation _____ Component Alaska Military Youth Academy
Sponsor Finance Component No. 1969
Requester Representative Gatto

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	447.5					
Miscellaneous						
TOTAL OPERATING	447.5	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (1007 Inter-Agency Receipts)	447.5					
TOTAL	447.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation, from \$4,576 to \$4,896 for FY2006.

The Alaska Challenge Youth Academy is authorized under AS 14.30.740. The funding of this program is directly linked to the based student allocation set out in AS 17.17.470. The funding would come to the the Alaska Military Youth Academy as Inter-Agency Receipts from the Department of Education.

Prepared by: John Cramer Phone (907) 465-4602
Division Division of Administrative Services Date/Time 2/23/05 11:27 AM
Approved by: Commissioner Craig E. Campbell Date 2/23/2005
Agency Military and Veterans Affairs

Department of Education and Early Development
Prepared on 2/11/05
FY06 Base Allocation Increase

Prepared by Mindy Lobaugh
HB 1

Alaska Military Youth Academy

FY2006 Projection	
175 x \$4,896 x 7 =	5,997,600
289 x \$4896 x .6 =	848,966
less \$2,100,000	(2,100,000)
	4,746,566
FY06 Current Entitlement:	4,299,078
FY06 INCREASE TO AMYA:	\$447,488

School District	HB1 \$4,589	HB18 \$4,901	HB73 \$4,880
Alaska Gateway	14,254	259,866	246,051
Aleutian Region	1,931	48,260	45,142
Aleutians East Borough	11,778	294,466	275,439
Anchorage	864,621	21,615,532	20,218,836
Annette Island	7,413	185,334	173,359
Bering Strait	68,028	1,700,680	1,590,790
Bristol Bay Borough	5,592	139,805	130,772
Chatham	5,249	131,222	122,743
Chugach	2,745	68,641	64,206
Copper River	17,645	441,125	412,622
Cordova	10,776	269,380	251,974
Craig	11,781	294,528	275,497
Delta/Greely	25,329	633,223	592,307
Denali Borough	14,631	365,771	342,137
Dillingham	14,430	360,747	337,437
Fairbanks N. Star Borough	282,790	7,069,757	6,612,642
Galena	43,297	669,507	629,946
Haines Borough	6,798	169,946	160,387
Hoonah	5,040	125,996	119,195
Hydaburg	1,351	33,777	31,995
Iditarod Area	7,527	188,179	176,020
Juneau Borough	98,619	2,465,471	2,306,163
Kake	3,892	97,292	91,006
Kashunamiut	10,921	273,023	255,382
Kenai Peninsula Borough	184,912	4,622,794	4,324,090
Ketchikan Gateway Borough	45,618	1,140,448	1,066,758
Klawock	2,589	64,720	60,538
Kodiak Island Borough	57,370	1,434,238	1,341,564
Kuspuk	16,630	415,743	388,880
Lake & Peninsula Borough	18,312	457,802	428,221
Lower Kuskokwim	82,341	2,813,763	2,592,076
Lower Yukon	70,001	1,750,031	1,636,952
Mat-Su Borough	279,465	6,986,629	6,535,186
Nenana	11,310	282,750	264,480
Nome	20,358	508,934	476,049
North Slope Borough	54,964	1,374,094	1,285,306
Northwest Arctic Borough	72,569	1,814,237	1,697,010
Pelican	517	12,928	12,093
Petersburg	13,384	334,598	312,977
Pribilof	5,110	127,738	119,484
Saint Mary's	5,693	142,340	133,143
Sitka Borough	28,545	713,635	667,523
Skagway	3,133	71,033	67,997
Southeast Island	6,905	123,855	115,983
Southwest Region	26,264	656,613	614,186
Tanana	3,065	76,625	71,674
Unalaska	6,615	249,162	231,352
Valdez	18,084	321,038	303,511
Wrangell	8,133	203,333	190,194
Yakutat	3,312	82,813	77,462
Yukon Flats	9,088	227,200	212,520
Yukon/Koyukuk	34,891	872,268	815,906
Yup'it	16,527	413,182	386,484
Mt. Edgecumbe High School	7,357	183,924	172,040
Total	2,649,500	66,379,996	62,058,420

24-LS0001M
Mischel
2/15/05

CS FOR HOUSE BILL NO. 1(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES GATTO, Chenault, Wilson, Lynn, Neuman, Thomas

A BILL

FOR AN ACT ENTITLED

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

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. AS 14.17.470 is amended to read:

5 Sec. 14.17.470. Base student allocation. The base student allocation is
6 \$4,919 [~~\$4,576~~].

7 * Sec. 2. This Act takes effect July 1, 2005.

HOUSE and SENATE CONFERENCE COMMITTEE

HB 1

April 25, 2005

5:07 p.m.

CALL TO ORDER

Senator Wilken called the HB 1 Conference Committee meeting to order at 5:07:17 PM.

MEMBERS PRESENT

Senator Wilken	Representative Meyer
Senator Green	Representative Chenault
Senator Hoffman	Representative Gara

MEMBERS ABSENT

None

#hb1

SUMMARY

CS FOR HOUSE BILL NO. 1(HES)

"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

SCS FOR CS FOR HOUSE BILL NO. 1(FIN)

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

HB 1 was heard and HELD in Committee for further consideration.

Chair Representative Meyer reviewed conference committee rules under Uniform Rule 42.

Representative Chenault MOVED to have the Senate recede from their amendments to HB 1.

Senator Wilken OBJECTED.

Co-Chair Wilken explained the intent of the Senate approach to HB 1. The Senate has tied the passage of HB 1 to the passage of retirement reform legislation (SB 141). HE emphasized the need to address the retirement issue, which also affects teachers. He acknowledged the importance of the

issues and the level of concern demonstrated by those that were present and those that had participated in the process.

Representative Gara spoke in support of the House version. He stressed that while the issues are serious, they are separate. He could not support holding back money to reduce class size contingent on the right of teachers to have a pension. He noted that the \$4,919 [base student allocation] will still result in layoffs. He noted that the pension issue is moving and requested that the issues be considered separately. He emphasized that school funding had always been considered as a separate issue.

5:14:39 PM

Senator Hoffman acknowledged the projected deficit of \$5.7 million in the retirement system, but maintained that the retirement system is fully funded. The problem lies in the health care component of the system. He felt that a better solution would be splitting the defined contribution with a tightened defined benefit: 50/50. He observed that HB 1, nor SB 141 addresses this issue of the \$5.7 million "hole". He maintained that the issues should be addressed separately to obtain the best solution.

5:16:47 PM

Senator Green stressed that there has been a number of discussions since the previous year. Plans presented to the TPS and PERS boards were turned down. The legislation is an attempt to strike a balance. She spoke in support of the retirement investment plan. She maintained that the Senate retirement proposal would create an attractive investment plan for employees. She observed that this is the most difficult issue that she had faced in her tenure as a legislator. The cost of retirement is growing. She disagreed that the TRS and PERS funding is a separate issue from the student base allocation and pointed out that a large percentage of [education funding] goes toward retirement. She maintained that in the future, only two teachers would be hired for every three of today if there is not a solution.

5:21:22 PM

Representative Chenault observed the desire for adequate and early funding of education. He acknowledged the importance of resolving the PERS and TRS issue as "the biggest issue we are going to face". He noted that SB 141 is moving through the system, but emphasized the attempt to take care of education funding.

5:23:48 PM

Representative Meyer noted the attempt to early fund education and pointed out that contingency language was added to HB 1. He agreed that PERS and TRS funding is a major issue. He spoke in support of separating the issues.

5:25:06 PM

Senator Wilken expressed the desire to reach an acceptable conclusion. He pointed to the passage of HB 158.

Representative Meyer expressed the hope that some resolution would occur regarding SB 141.

5:27:32 PM

Representative Gara noted that there are two issues and contingency language doesn't allow discussion on other options short of a complete reforming of the pension plan.

A roll call vote was taken on the motion.

IN FAVOR:

Senate: Hoffman

House: Gara, Chenault, Meyer

OPPOSED:

Senate: Green, Wilken

The MOTION FAILED.

#

ADJOURNMENT

The meeting was adjourned at 5:30 PM

CONFERENCE Committee HB 1
May 23, 2005
8:20 p.m.

CALL TO ORDER

Representative Meyer called the House Finance Committee meeting to order at 8:20:27 PM

MEMBERS PRESENT

Senate:

Senator Gary Wilken Vice-Chair
Senator Lyda Green, Member
Senator Lyman Hoffman, Member

House:

Representative, Kevin Meyer, Chair
Representative Mike Chenault, Member
Representative Les Gara, Member

MEMBERS ABSENT

None

ALSO PRESENT

SUMMARY

CS FOR HOUSE BILL NO. 1 (HES)

"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

SENATE CS FOR CS FOR HOUSE BILL NO. 1 (FIN)

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

CC CSHB 1 was REPORTED out of Committee with a "do pass" recommendation.

Representative Chenault MOVED to ADOPT CSHB 1 (HES) as the conference committee version.

8:21:18 PM

Representative Gara OBJECTED for the purpose of discussion. He agreed with the motion but pointed out that even with the \$4,919 [ADM] that there will be teacher cuts around the

state. He observed that the state of Alaska is preparing to fund a capital budget, which is \$600 - \$700 million more than the previous year's appropriation and suggested that additional education funding in the capital budget would avoid school cuts. He suggested that the \$38 million in PERS/TRS funding be added on top of the \$4,919 ADM. This would provide funding at the level requested by many of the school districts and would address shortfalls in education funding.

Representative Gara WITHDREW his OBJECTION.

8:23:03 PM

Senator Wilken acknowledged that some districts would have a shortfall, but maintained that many districts would do fine with the proposed funding level.

8:23:47 PM

Senator Hoffman observed that there are different facets to the budget, including the capital budget. He observed that the major maintenance list has been discussed and stressed the need for new schools. He maintained it is difficult for children to learn without adequate facilities.

8:24:54 PM

Representative Chenault observed that he has worked on cost differential issues and that there would be a task force to continue work on the issue. He maintained that there have been too many studies on cost differentials in recent years that have not resulted in change. He stressed that his district is hurting as much as most other districts in the state. He observed that \$4,919 is a large increase over past years. He noted that the capital budget would contain funding for deferred maintenance. He expressed the hope that savings in fuel costs or maintenance can be turned toward education.

8:26:58 PM

Representative Gara agreed that there had been improvements in the backlog of school maintenance and construction. He maintained that school districts representing more than half of the children in the state would suffer cuts under the \$4,919 funding level [Anchorage, Wrangell, Kake, Juneau, Kenai, Iditarod, Lake and Peninsula, Copper River, and Unalaska] but observed that several districts will still suffer cuts.

Representative Gara WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

8:28:38 PM

ADJOURNMENT

The meeting was adjourned at 8:28 PM

Received in the House: _____ | Received in the Senate: _____
(Date/Time) (Date/Time)

CONFERENCE COMMITTEE REPORT

Date: 5/23/05
(Reported out of Committee)

MR. SPEAKER: MR. PRESIDENT:

The **CONFERENCE COMMITTEE** with limited powers of free conference considering:
•House Version:

CS FOR HOUSE BILL NO. 1(HES)

"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

•Senate Version:

SENATE CS FOR CS FOR HOUSE BILL NO. 1(FIN)

(same title)

Recommends the:

CCS HB 1 be adopted.

New Title (see attached) Same Title as: House Version Senate Version

- or - Recommends the: House Version Senate Version be adopted.

Letter of Intent attached.

FN #	List by Dept(s)	New Fiscal Note	Previous Fiscal Note	Fiscal Impact	Indet.	Zero

House Conferees:
K Meyer
 Representative Meyer, Chair
Mike Chenault
 Representative Chenault
Jim Gara
 Representative Gara

Senate Conferees:
Gary Wilken
 Senator Wilken, Chair
Lyle Green
 Senator Green
Sen Hoffman
 Senator Hoffman

Return Conference Bill and attachments to the Chief Clerk's Office.

HOUSE FINANCE COMMITTEE

DATE: 4/28

Amendment: Rescind -
Sen Am
HB 1

MEMBER

Favor

Oppose

HB 1

HAWKER	Hoff	✓	
HOLM	Gracia	✓	
JOULE	Green		✓
KELLY	Chen	✓	
MOSES	Wilken		✓
STOLTZE	Mayer	✓	
WEYRAUCH			
CROFT			
FOSTER			
CHENAULT			
MEYER			

Sen

House



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

Official Business

State Capitol
Juneau, Alaska 99801-1182

April 25 2005

The Honorable Ben Stevens
President
Alaska State Senate
Juneau, Alaska

The Honorable John Harris
Speaker
House of Representatives
Juneau, Alaska

Dear Mr. President and Mr. Speaker,

The Conference Committee considering:

CS FOR HOUSE BILL NO. 1 (HES)

"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

SENATE CS FOR CS FOR HOUSE BILL NO. 1 (FIN)

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

respectfully requests limited powers of free conference on the following specific points (details listed in attached reports):

* Section 1. AS 14.17.470 is amended to read:
Sec. 14.17.470. Base student allocation. The base student allocation is \$4,919 [\$4,576].

HOUSE MEMBERS:

SENATE MEMBERS

Rep. Meyer

Sen. Wilken

Rep. Chenault

Sen. Green

Rep. Gara

Sen. Hoffman

February 17, 2005 - Thursday 1:30 p.m.

HB 1-INCREASE AMT OF BASE STUDENT ALLOCATION

HB 30-APPROP: K-12 EDU OPERATING/DEBT EXPENSES

Public Testimony on both bills:

In Juneau:

- ✓ Carl Rose, Exec. Dir., Association of Alaska School Boards
- ✓ Mike Ford, Alaska Kids Count
- ✓ Mary Hakala, Alaska Kids Count
- ✓ Laury Scandling, Yakoos Alternate High School
- ✓ Tatianna Sinnhuber, Yakoos Alternate High School
- ✓ Brianna Gunderson, Yakoos Alternate High School

On Teleconference we have:

- ✓ Tim Steele, Anchorage School Board
- ✓ Melody Douglas, Kenai Peninsula School District
- ✓ Kim Floyd, Matsu School District
- ✓ Kathy Summers, Matsu Educational Association
- ✓ Ann Kilkenny, Matsu
- ✓ Kay Andrews, SW Region School District, Sitka Back to Juneau:

Margaret Gilman, Juneau

Back to Juneau:

- ✓ Lillian Worl, Auke Bay Elementary School
- ✓ Andrea Doll, Self
- ✓ John Alcantra, NEA-Alaska
- ✓ Catherine Reardon, Self
- ✓ John Raster, Self
- ✓ Brittany Kasselder, Self

Mary Thompson, Juneau

Mike

Stora

Susan Pollard, Alaska Kids Count
John Alcantra, NEA-Alaska
Andi Story, Alaska Kids Count

Teleconference:

LIO's on line

Offnet:

Margaret Gilman, Kenai Peninsula School Board, Kenai

HB 1 - Base student allocation \$4,919.

Fiscal Notes: EED #1 \$
EED #2 \$

HB 2 - Appropriations K-12
in 2011, \$824,022.00

about:

Miss Gilly
up - Thomas

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Committee Action on Legislation

HOUSE RECORDS - COMMITTEE SECRETARY: A. Thomas
HOUSE _____ COMMITTEE

DATE: 2-17-05
PAGE: 1

#	SHORT TITLE	ACTION TAKEN ON LEGISLATION
	<u>HB 1</u>	<input type="checkbox"/> Moved _____ (____) Out of Committee <input checked="" type="checkbox"/> Heard and Held <input type="checkbox"/> Bill Postponed to _____ <input type="checkbox"/> Scheduled but not Heard <input type="checkbox"/> Failed to Move Out of Committee <input type="checkbox"/> Waived Out of Committee

#	SHORT TITLE	ACTION TAKEN ON LEGISLATION
	<u>HB 30</u>	<input type="checkbox"/> Moved _____ (____) Out of Committee <input checked="" type="checkbox"/> Heard and Held <input type="checkbox"/> Bill Postponed to _____ <input type="checkbox"/> Scheduled but not Heard <input type="checkbox"/> Failed to Move Out of Committee <input type="checkbox"/> Waived Out of Committee

#	SHORT TITLE	ACTION TAKEN ON LEGISLATION
		<input type="checkbox"/> Moved _____ (____) Out of Committee <input type="checkbox"/> Heard and Held <input type="checkbox"/> Bill Postponed to _____ <input type="checkbox"/> Scheduled but not Heard <input type="checkbox"/> Failed to Move Out of Committee <input type="checkbox"/> Waived Out of Committee

#	SHORT TITLE	ACTION TAKEN ON LEGISLATION
		<input type="checkbox"/> Moved _____ (____) Out of Committee <input type="checkbox"/> Heard and Held <input type="checkbox"/> Bill Postponed to _____ <input type="checkbox"/> Scheduled but not Heard <input type="checkbox"/> Failed to Move Out of Committee <input type="checkbox"/> Waived Out of Committee

My name is Laury Scandling and I am a principal and teacher at the alternative high school in Juneau, YK, which means House of Knowledge in Tlingit. We serve more than 100 students who have dropped out of high school. *About 1 in 3 JDHS Freshmen leave before*



First, let me thank you for your public service. Your job probably is ~~a~~ bit like being ^{an} the assistant principal ~~at a big high school~~ - ~~what was~~ at ~~JDHS here~~ - every single person who comes to see you has a problem or wants money . . . so I can imagine that over time you may become inured to the needs which parade before you.

I was born and raised in Alaska. I grew up in Anchorage, graduated from high school in Fairbanks ~~and began my college there~~. I worked nearly 25 years in private industry, ~~non-profits~~, and in government before ~~going back to college~~ to become ^{ing} a teacher.

In my 13 years in education, I can't say I've ever seen an extra penny in a school. We go for years without proper maintenance, years of huge class sizes, years without new ~~g~~ textbooks, years and years of making do.

2

I feel that it's important to put a face on school funding. I am passionate about helping kids graduate and I believe that you need to know the human consequences of the decisions you make in this room and on the floor. I feel compelled to speak on behalf of those you may never see here: young people who get squeezed out of a system that is too overwhelmed and too underfunded to help each of them.

I am grateful that oil dollars have prompted the governor to propose an increment in education funding . . . ~~but because of the enormous negative impact of PERS, TRS, and the cost of~~ the net effect for our district is that ~~we~~ we still will have to make cuts.

I am passionate about the diploma + I am compelled to put a face on the consequences of underfunding.
~~What will that look like for the young Alaskans + some?~~ Right now, I

have 9 computers and a whopping \$15,000 to serve more than a hundred kids for an entire school year for everything from photocopy paper to textbooks, to software to paperclips. I can live with that. I can make it work. I will apply for grants. I will chip in my own money – all teachers do.

~~not~~ ^{not being able to help kids who want to graduate}
What I can't live with is that I cannot fit one more student into our very
small space ^{when} I have more than 25 ^{drop-outs} ~~students~~ ^{list} on a wait. Funds for us to
rent an expanded space are on the critical unfunded needs list of our 3
district. Without a per pupil funding amount about ~~5000~~ ^{fifty-one hundred}, I will continue
to leave dozens of applicants on the streets . . . students who couldn't
find the help they need in the ~~class~~ ^{massive} classes of a ~~mainstream~~ ^{super large} high
school.

Every dollar matters. Every student matters. I invite you to visit our
school – and I am sincere. You will find young people serious about
their education. I hope you are, too.

Alaska Kids Count! Juneau

Our Goals for Foundation and Local Funding for Public Schools

Juneau's class sizes continue to grow and as a result the quality of our children's education continues to erode. For example, Harborview School has a kindergarten class with 26 children and Auke Bay School has a third grade class with 30 children this year. As parents, we see the need for smaller class sizes and know how fewer children in a classroom allow teachers more time for individual attention to meet each child's learning needs.

Alaska Kids Count supports reducing average class size to reach the Juneau School Board's published class size goals. These are modest ratios and do not reflect an ideal.

<u>Grades</u>	<u>Board Goal</u>	<u>Current Average Class Size</u>
K-2	20	K-5 combined at 25
3-5	25	
6-8	30	32
9-12	30	32

Alaska Kids Count also supports meeting specific instructional needs that affect the classroom such as special education and English as a Second Language, and matching requirements for independent Arts for Kids grant initiatives. These services directly impact the quality of education available to Juneau's students.

To meet these goals, Alaska Kids Count supports an increase in Foundation funding of approximately \$112 million statewide, \$50 million more than the Governor's proposed funding level. This would generate an increase of approximately \$1.8 million in state education funding for Juneau. This requires an estimated Base Student Allocation of \$5120.

The Governor's proposal is a \$62 million increase with \$38 million for retirement and \$24 million to compensate for inflation. Even assuming a \$900 thousand local contribution (to the "cap"), the Governor's proposal requires \$600 thousand in cuts to Juneau's schools. While Alaska Kids Count appreciates the Governor's proposal, we ask the Governor and the Legislature to do more for Alaskan students. Our example is specific to Juneau, but is representative of other school districts' needs.

Alaska Kids Count!



Who are we?

Alaska Kids Count! is a nonpartisan network of parents, educators and community members concerned about the quality of public education in Alaska and committed to making a positive contribution to improve Alaska's schools. It is a grassroots, volunteer effort.

The network's primary goal is to increase State funding to provide the resources needed to offer a high quality education to students in Alaska.

The network provides individuals with the tools and information needed to effectively voice concerns to state and local decision makers. Information is shared primarily through email. Participants are encouraged to attend legislative hearings, write letters to elected officials and newspapers, make phone calls and distribute information on education issues and pending legislation.

Our guiding principles:

- * Parents, voicing their individual and collective concerns, are a powerful and effective lobby.
- * Advocacy will be most effective if it is done collaboratively with parents, educators and organizations from across the state.
- * It is the State's constitutional obligation to provide a free K-12 public education. It is the Legislature's responsibility to determine the means of funding it.
- * To be effective, we must be persistent

Alaska Kids Count! originated in January 2004 in response to parent concerns about diminishing resources and opportunities in Juneau's public schools. We have evolved into a statewide organization with contacts across the state, with our base of operation in Juneau.

To learn more about Alaska Kids Count! write to williwaw@earthlink.net or visit our web site at www.AlaskaKidsCount.org.

Alaska Kids Count! Steering Committee
Mary Hakala, Mike Sigler, Mike Ford and Andi Story
January 2005

ANCHORAGE SCHOOL DISTRICT
ASDR 2004-2005-10

RESOLUTION IN SUPPORT OF INCREASED STATE FUNDING OF THE
ALASKA PUBLIC SCHOOL FUNDING PROGRAM

WHEREAS, state funding for public schools is essential to maintain an education system that meets the needs of the children of Alaska; and

WHEREAS, Governor Frank Murkowski has recognized the importance of increasing public school funding by recommending that foundation formula funding for public schools be increased; and

WHEREAS, public school students will require adequate education programs in order to meet student achievement requirements imposed under both state and federal law; and

WHEREAS, adequate education programs will require a significant increase in state education funding to allow school districts to have the education resources to meet student needs; and

WHEREAS, school districts are experiencing increased fixed costs in their retirement systems and in other areas including fuel and electricity; and

WHEREAS, improvements to the public school system require a combination of strategies including improving instructional quality, decreasing class sizes, providing safe and efficient transportation, and providing adequate employee compensation; and

WHEREAS, providing increased education funding benefits all the public schools in the state and all residents of the state by developing our most precious natural resource – children, and providing a foundation for economic growth; and

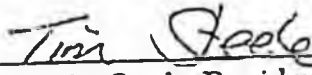
WHEREAS, in order to prevent program cuts, to assure a maintenance level of public school funding, and to make modest reduction in class sizes, public school funding will need to be increased by \$112 million dollars for the next fiscal year;

BE IT RESOLVED, that the Anchorage School District strongly supports increasing state support for public schools; and

BE IT FURTHER RESOLVED, that the Anchorage School District requests the Governor and legislature to increase the base student allocation in the foundation formula to \$5,120, which would provide an additional \$112 million dollars in state support for public schools.

DATED this 7th day of February 2005.

ANCHORAGE SCHOOL BOARD



Tim Steele, President

Crystal Kennedy
Jake Metcalfe
Macon Roberts

John Steiner
Jeff Friedman
Mary Marks

Carol Comeau, Superintendent

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Resolution 04-05-3

RESOLUTION ON STUDENT FUNDING

Whereas, the Governor recognizes the challenge of creating a quality educational system and desires to continue to improve education; and

Whereas, the Governor said in the State of the State Address: "... increases in the retirement system costs and unforeseen energy expenses have put too great a burden on local governments in the short term," and he introduced a funding bill to increase the foundation funding by \$62 million resulting in a base student allocation of \$4,850; and

Whereas, increasing student achievement and improving school performance (required by both the No Child Left Behind Act and Alaska statute and standards) will require schools to go beyond status quo operations and institute new or improved programs over the long term to address the specific unique needs of each student; and

Whereas, increasing student achievement and improving school performance require resources *beyond* those needed to simply address the increased costs of the retirement system and the unforeseen energy expenses; and

Whereas, the Kenai Peninsula Borough School District recognizes that improving student achievement will require a combination of the following strategies at a minimum:

- reducing Pupil Teacher Ratio (PTR) to 20:1 average at kindergarten
- reducing PTR to 22:1 average at 1-3rd grade
- reducing PTR to 26:1 at 4-6th grade
- expanding literacy resources and training in primary grades
- expanding distance education opportunities; and

Whereas, reaching a level of truly adequate foundation funding that will increase student achievement and improve school performance will require a reasonable and dependable trend of funding increases over a number of years; and

Whereas, by our district requesting a higher level of funding increase for 2006 than currently proposed by the Governor, we recognize that the benefit would accrue not only to our students but also to all students in Alaska, both urban and rural; now therefore be it

Resolved, That the Kenai Peninsula Borough School District strongly supports the funding bill introduced by the Governor to increase foundation funding; and be it further

Resolved, That the Kenai Peninsula Borough School District requests the Governor and Legislature increase the base student allocation to \$5086 for FY06 and make an additional appropriation of \$114 per Kenai Peninsula Borough School District student to assist with the additional fixed costs of operating rural schools. As the Kenai Peninsula Borough School District is a model for the State, with your support we can work together to make our children a true priority.

Attest:

Sammy Crawford, President
School Board

Sally Tachick
Notary Public
My Commission Expires 7/25/05

Kenai Peninsula Borough School District
Frequently Asked Questions
February 8, 2005

What are the District's statistics?

The District is the fourth largest district in the state with 9,546 students, housed in 44 schools in 21 communities covering 26,000 square miles. The District has 1125 employees: 600 certified staff, 470 support staff and 55 administrators. There are fifteen schools with under 100 students and five sites have severely limited access (they are not on a road system).

What base student allocation does the District need?

\$5200 is needed per the District's State Legislative Priorities, with a revised fiscal note, adopted at the February 7, 2005 Board of Education Meeting.

What will Governor Murkowski's recommended base student allocation of \$4880 cover for the District?

The Governor's recommendation does not cover the District's costs for FY06 operations due to scheduled increases in utility, insurance, salary and benefit costs. However, this increase in funding would enable the District to avoid a significant budget reduction process that has been experienced in recent years.

What does the District's Preliminary FY06 Budget include?

This is the District's first attempt to recover lost ground in pupil teacher ratios by lowering class sizes to more reasonable levels. The FY06 Preliminary Budget includes a modest change; primarily to the K-6 staffing formula. We have systematically increased class sizes in recent years in order to balance our budget to available revenue. The budget includes continuing other District programs as is.

What does the District need to address the true staffing needs of the District?

A base student allocation of \$5200 for FY06 is needed to address the needs outlined in the District's Legislative Priorities; this assumes continued funding to the cap by the Kenai Peninsula Borough.

What would a base student allocation of \$4995 do for the District?

This allocation would meet the obligations of the District for FY06 without use of fund balance and would allow the District to budget for a minimum number of unallocated temporary positions to offset, specifically at the 7-12 level, a portion of basic program offerings being lost through enrollment declines. In other words, schools of 400-500 students could possibly keep a minimum number of electives for one more year.

Attached for further clarification is the District's State Legislative Priorities and Resolution 04-05-3 approved by the Board of Education on February 7, 2005.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT 2005 STATE LEGISLATIVE PRIORITIES

**** Recognize that children are the first priority in the State of Alaska.***

By recognizing and declaring children as the top priority in Alaska, and encouraging support for programs guaranteeing their safety, health, and education, the stability of Alaska's future will be protected.

**** Assure that health and safety needs are met by providing accountability for all school-age children in the state.***

Having a choice of an educational delivery system is important to Alaskans. However, all children have a right to an education. A registration and educational accountability system for all school-age children will help protect their right to an education as well as help protect the health and safety needs of those least likely to care for themselves.

**** Fund education on a forward basis so that budgets are known prior to statutory requirements for notifying teachers of non-retention.***

School district issuance of teaching contracts is governed by state statute. Without knowledge of state funding, districts are required to balance their resources. In times of reduction, as a labor intensive workplace, this balancing occurs in school districts by having fewer people doing the job. A process of non-retaining teachers occurs in mid-March with reinstatement occurring once the budget amount is known, usually in mid-May. Funding for education should be established early so that adequate planning can occur.

**** Fully fund the contribution changes required to the Teachers Retirement System (TRS) and the Public Employees Retirement System (PERS) in addition to the State educational funding formula.***

An important factor in student academic achievement is highly qualified and committed employees. The state mandated employer contribution increase to TRS and PERS is in excess of \$2 million for KPBSD, equating to an increase of \$114 per student. Fully funding this increase in addition to the current educational funding formula ensures that the District is not forced to reallocate instructional funds to pay for this obligation.

**** Recognize, through adjustments to the area cost differential within the educational funding formula, the high cost of doing business in the Kenai Peninsula Borough School District.***

With fifteen schools of under 100 students, 44 separate school programs, and five sites with severely limited access, a cost differential of 1.004 is not sufficient to provide equitable education for communities throughout the peninsula. KPBSD continues to be efficient with low administrative costs, meeting 70/30% instructional/other cost requirements, and receiving the maximum funding available through the local contribution. Since 1984, studies have shown that KPBSD has received less consideration than other districts for the high cost of doing business. It is estimated that a single year's adjustment of over \$2 million to the cost differential for KPBSD (equates to an increase of \$114 per student) would result in a more equitable distribution of state resources for KPBSD students.

• Increase the foundation formula to reduce large class sizes.

With high academic achievement standards, federal mandates, and increased accountability, increasing class sizes are of concern to parents and educators. Due to budget constraints, KPBSD has been forced to increase the numbers of students in classrooms. Current pupil teacher ratios are 24:1 in grades K-3; 29:1 in grades 4-6, 24.5:1 in 7-12, and 19:1 in our K-12 small schools. In order to lower class sizes to the appropriate and research based averages of 18:1 in K-3, and 24:1 in 4-12, approximately sixty additional teachers would be needed in KPBSD. This would mean an increase of \$3.9 million, or the need for \$175 additional in the funding formula.

• Inflation-proof the educational funding formula.

Costs continue to rise in education as in any business. In Alaska, the Permanent Fund is adjusted for these increases but the educational funding formula is not. Therefore, regular expected increases to the cost of doing business each year require Districts to reduce budgets to account for inflationary costs. A regular mechanism for addressing increasing costs needs to be developed. An example of an annual estimated cost of living adjustment of 1.5% would be \$1.2 million, adding an additional \$69 per student to the funding formula.

Fiscal Note for KPBSD Legislative Priorities

	12-6-04 Legislative Priorities	1-5-05 Preliminary Budget	1-31-05 Revised Fiscal Note
Current per pupil state foundation formula amount	\$ 4,576	\$ -	\$ -
Governor's Proposal (\$62 million)	-	4,859	-
District needs per FY06 Preliminary Budget	-	-	4,580 ***
Retirement obligation (IRS/PEHS)	114	-	-
Recognize area cost differential issues in KPBSD	114	114	114
Reduce large class sizes	175	106 **	106 **
Address higher costs of doing business each year	69	-	-
	<u>\$ 5,048</u>	<u>\$ 5,089</u>	<u>\$ 5,200</u>

* Increase in base student allocation of \$293 (revised to \$304 by DEED for \$4890) used to address all salary and benefit increases, property, liability and workers compensation increases, distance delivery upgrade, elementary reading curriculum

** Preliminary Budget contains approximately \$1.2 million of \$3.9 million legislative priority for reducing large class sizes

*** Additional base student allocation amount needed over Governor's proposal to balance FY06 revenues to expenditures
Note: no fund balance allocation of \$1.7 million needed with this scenario

ASSOCIATION OF ALASKA SCHOOL BOARDS

Advocates for Alaska's Youth

February 8, 2005

Statement by the Association of Alaska School Boards on Foundation Formula Funding

Carl Rose, executive director of AASB, issued the following statement today in testimony to the House Special Committee on Education:

Thank you for the opportunity to testify today. Our 52 member school districts have a huge stake in the legislation before you. Nothing less than the future of our children, and the future of our state, will be shaped by the decisions the 24th Alaska Legislature makes in regards to education funding.

In late January, the AASB teleconferenced with our five largest districts to discuss the accelerated timetable the Legislature has established for considering the state operating budget. School districts appreciate the willingness of the Legislature to consider education funding early in the session. As a consequence, we need to establish our positions and make them known to the Legislature in a significantly shortened timeframe.

After discussions with our largest districts, AASB believes that the foundation formula increased proposed by the administration, while much appreciated as a starting point, simply won't provide the level of state support most of them require in fiscal year 2006. Our organization believes the precedent established last year, when the Legislature provided an increase of \$82.5 million in foundation funding, should guide this year's deliberations on the formula.

(more)

111 West 9th Street, Juneau, AK 99801

TT (907) 586-1083

F (907) 586-2025

✉ aasb@aasb.org

★ <http://www.aasb.org>

Using that yardstick, AASB urges the Legislature to increase the base student allocation to \$4,995 and appropriate an additional \$85 million in basic state support for K-12 education.

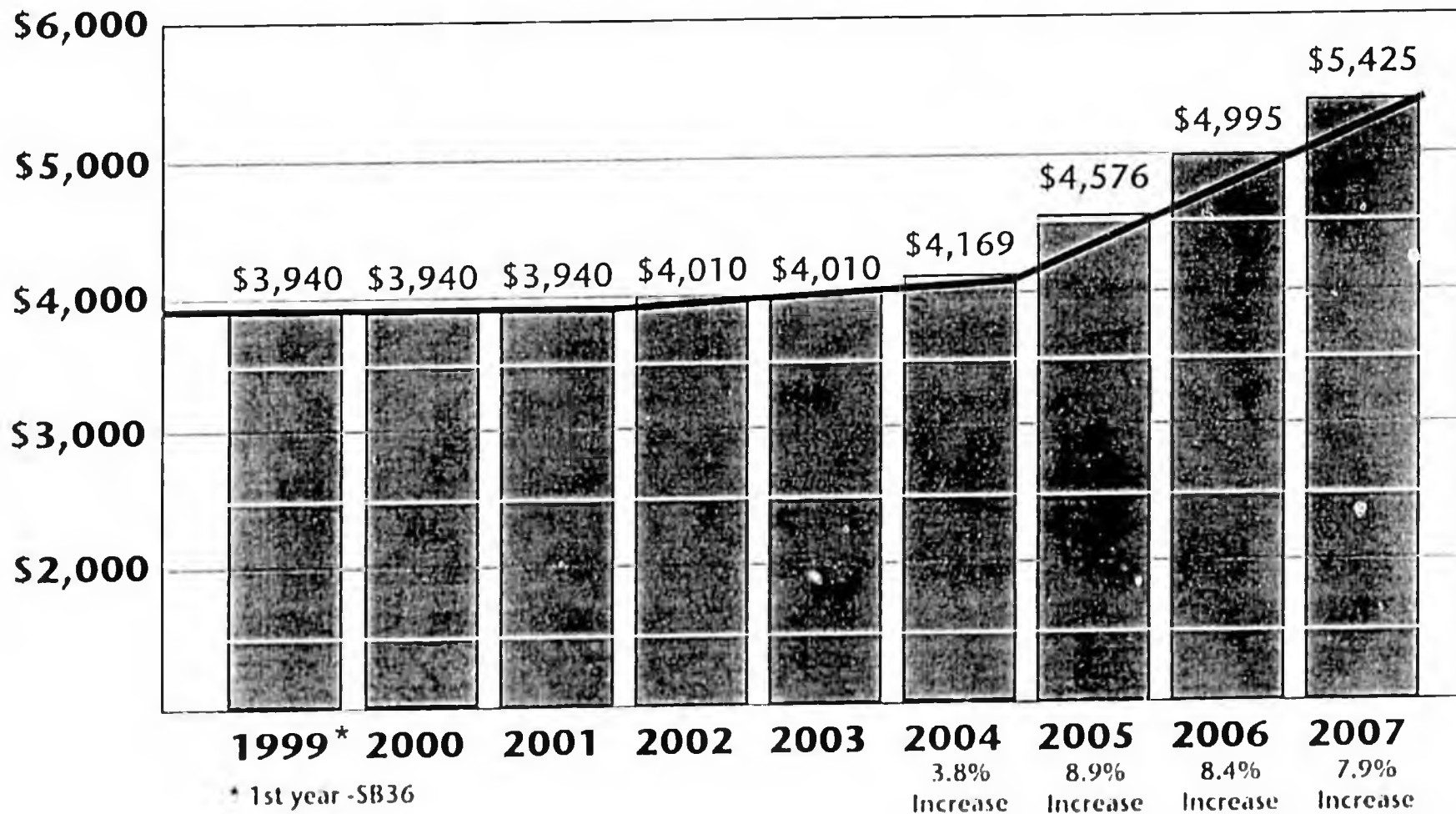
That is the minimum level of state support that is required by most of our school districts across the state. This increase is less than some teachers and parents support, but it is more than the administration has offered to date.

As you know, much of that extra state support will never reach the classroom. Because of requirements for funding increased retirement costs, \$38 million is earmarked for the PERS/TRS systems and \$47 million would go towards instruction and operations. (Note graphs that accompany this testimony).

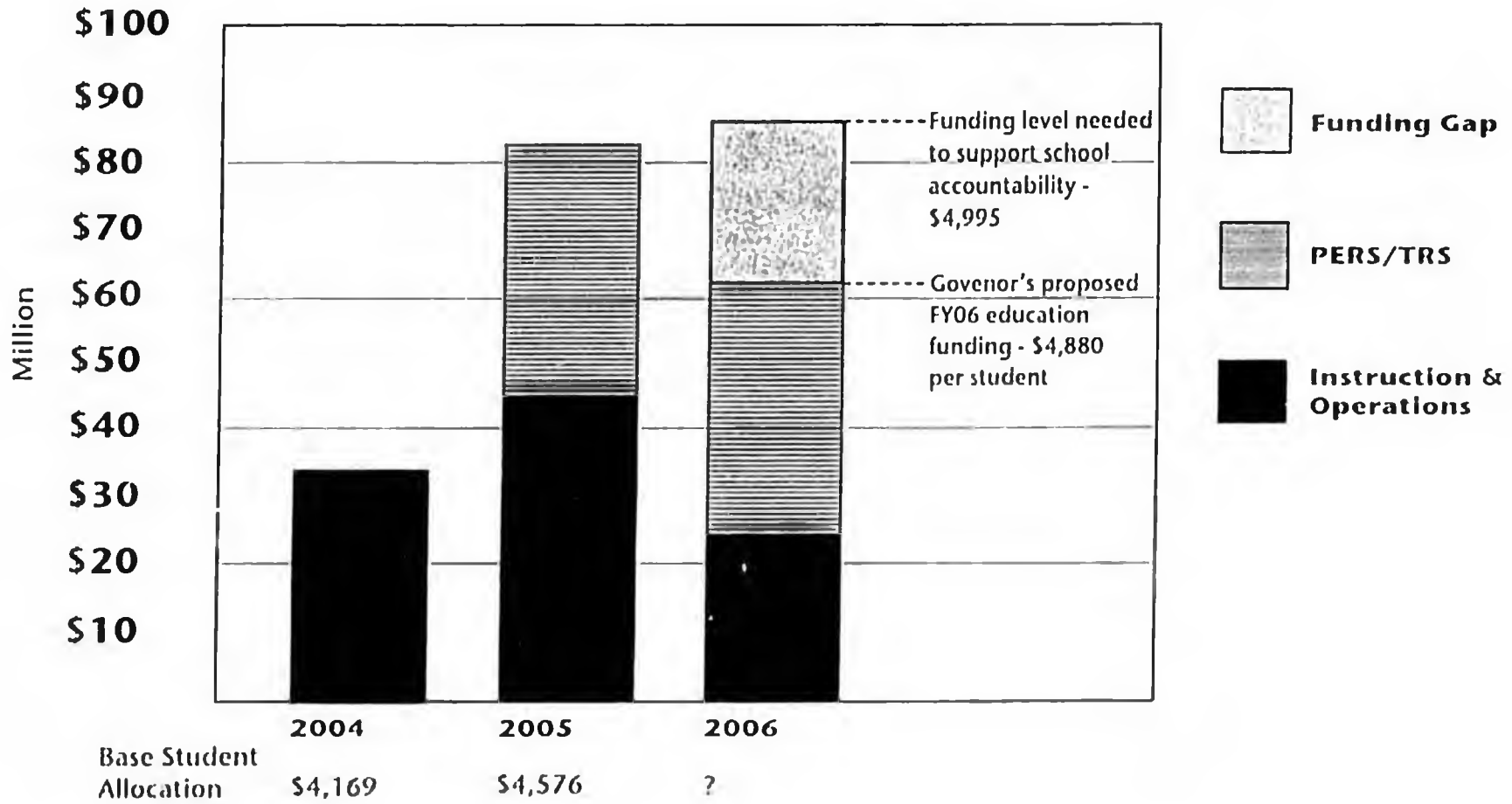
AASB believes that when the Legislature examines the need for increasing the foundation formula for K-12 education, you will see that this is a good investment in the future of Alaska. Certainly, the public will support you in making this investment happen.

Thank you.

Base Student Allocation 1999-2007



Proposed School Funding



ALASKA COUNCIL



OF SCHOOL ADMINISTRATORS

326 Fourth Street, Suite 404 • Juneau, Alaska 99801

Phone: (907) 586-9702 • Fax: 586-5879

web site: www.alaskaacsa.org

Alaska Council of School Administrators

15 February 2005

House Finance Committee members
Alaska State Capitol
Juneau, Alaska 99801

Dear Committee members:

I have a meeting that conflicts with the scheduled Finance Committee hearing on HB 1 and HB 30, so I offer this written testimony for the committee's consideration.

The Alaska Council of School Administrators supports increases to the education foundation program to address Alaska school districts' needs. The Council appreciates the progress made last year to provide additional funds to mitigate against rising costs of doing educational business. We seek a continuation of that forward momentum, so that school districts do not have to further reduce services to children.

ACSA supports HB 1 and HB 30 with the caveat that the Base Student Allocation is not sufficient to meet the needs of many school districts. With additional funds, class size issues can be addressed as well as further attention paid to enhancing student achievement in the curricular areas of state assessments.

Please consider increasing the Base Student Allocation, consistent with the growing needs of school districts. Thank you for your attention and the opportunity to testify.

Sincerely,

Mary A. Francis, Ph.D.
Executive Director

ALASKA COUNCIL



OF SCHOOL ADMINISTRATORS

326 Fourth Street, Suite 404 • Juneau, Alaska 99801

Phone: (907) 586-9702 • Fax: 586-5879

web site: www.alaskaacsaj.org

Alaska Council of School Administrators

Two highest priorities for education

- *long-term fix for TRS/PERS systems; look at combining small districts
- *pay for TRS/PERS increases; re-authorize bond debt reimbursement program
- *funds to address class size; pay for TRS/PERS increases
- *state data system to track students; supplement delivery system for at-risk students
- *funding to keep current staff; funding for maintenance of physical plant
- *pay for TRS/PERS increases and fix the problem
- *adequate funding; continue debt reimbursement program
- *help with TRS/PERS; long-range fiscal plan for the state
- *adequate funding
- *resources to train teachers
- *adequate funding; how and when a district can release tenured teachers
- *fund increases to TRS/PERS; increase educational funding; fulfill commitment to debt reimbursement program; change in transportation funding from by student to by bus
- *educational funding; local control; continue HR 242 regarding hire of retired teachers in hard to fill positions

*restore funding for early education program; volatile insurance costs

*forward funding; funding for building maintenance

*forward funding; fund increases to TRS/PERS

Many district superintendents expressed gratitude to Representative Neuman for asking for this information.

Andrew Dall

The educational and public health consequences of this level of reading failure are dire. Of the ten to 15 percent of children who will eventually drop out of school, over 75% will report difficulties learning to read. Likewise, only two percent of students receiving special or compensatory education for difficulties learning to read will complete a four-year college program. Surveys of adolescents and young adults with criminal records indicate that at least half have reading difficulties, and in some states the size of prisons a decade in the future is predicted by fourth grade reading failure rates. Approximately half of children and adolescents with a history of substance abuse have reading problems. It goes without saying that failure to learn to read places children's futures and lives at risk for highly deleterious outcomes. It is for this reason that the NICHD considers reading failure to reflect a national public health problem.

HOW READING DEVELOPS, AND WHY SO MANY OF OUR CHILDREN HAVE DIFFICULTY LEARNING TO READ

Converging scientific evidence obtained from studies supported by NICHD, the Office of Educational Research and Improvement (OERI) and the Office of Special Education Programs (OSEP) of the Department of Education, and the National Science Foundation (NSF), indicates that learning to read is a relatively lengthy process that begins very early in development and clearly before children enter formal schooling. Children who receive stimulating oral language and literacy experiences from birth onward appear to have an edge when it comes to vocabulary development, developing a general awareness of print and literacy concepts, and the goals of reading. If children are read to from their earliest days, they become exposed, in interesting and entertaining ways, to the sounds of our language. Oral language and literacy interactions open the doors to the concepts of rhyming and alliteration, and to word and language play that serves to begin to build the foundation for the development of phonemic awareness--the critical understanding that the syllables and words that are spoken are made up of small segments of sound (phonemes). Vocabulary and oral comprehension abilities are facilitated substantially by rich oral language interactions with adults that might occur spontaneously in conversations and in shared picture book reading.

However, the experiences that help develop vocabulary and general language and conceptual skills in preschoolers are different from the experiences that develop specific types of knowledge necessary to read, including knowledge about print, phonemic awareness, and spelling. These skills need to be explicitly taught. Preschool children who can recognize and discriminate letters of the alphabet are typically from homes in which materials such as magnetized letters and alphabet name books are present and are the source of teaching interactions with parents. Clearly these children will have less to learn when they enter kindergarten. The learning of letter names is also important because the names of many letters contain the sounds they most often represent. With this knowledge, the child is oriented to what is termed "the alphabetic principle"--a principle that explains how sounds of speech (phonemes) become associated with letters of the alphabet (phonics). It is this principle that stands at the core of learning and applying phonics skills to print. Ultimately, children's ability to comprehend what they listen to and what they read is inextricably linked to the depth of their background knowledge. Very young children who are provided opportunities to learn, think, and talk about new areas of knowledge will gain much more from the reading process.

With understanding comes the clear desire to read more and to read frequently, thus ensuring that reading practice and the development of new vocabulary takes place. Through these early interactions and the explicit instruction provided by parents, caregivers, and teachers, skilled readers learn to apply phonemic and phonics skills rapidly and accurately to the text they are reading, practice reading sufficiently to develop fluency, automaticity, and the ability to read with expression, and apply comprehension strategies to what they are reading to facilitate understanding. But it all starts early, with those initial language and literacy interactions that expose the child to the structure of our language and how print works. Unfortunately, few children who later have difficulties learning to read, and particularly children from

February 17, 2005

Thank you Co-chair Rep. Chenault and Co-chair Rep. Meyer and fellow House Finance committee members.

My name is Lillian Melisa Worl. I live at 9159 Wolfram Way, Juneau. I come as a representative of Auke Bay Elementary Site Council and as a concerned parent of two children who attend Auke Bay.

I am honored to be here before you today to speak to an issue that is very important to me, education. I recognize that most of you are quite familiar with education, funding and foundation formulas. What I want to share with you is what I've been seeing in the classrooms over the last four years. For the last few years, I've been volunteering in the classroom, in my daughter and son's class each week. I began volunteering initially to ease my child's transition into school. However, from the first day of school I was truly overwhelmed at the high level of demand required of the teachers.

To this day, I am impressed with how much teachers are doing with their scarce resources. In these past years, in the efforts to meet the requirements of No Child Left Behind, I've helped the teachers with math assessments, working with small reading groups, walking between the tables and desks helping the kids with their writing.

I've felt frustrated when I see how often one child, who desperately needs help from a special education teacher, can halt the class teaching as they act out their learning and behavioral frustrations. The teachers have no choice but to stop and help get that child's emotions under control, meanwhile 23 or more other students stand-by and watch. It is frustrating to me because I know with more resources, that child might get the help they need and more students could progress at a rate they need to meet the high academic standards placed upon our teachers.

I'm disappointed that I'm increasingly paying for public education through pushing my children's gift wrap sales, garden sales, art auctions, paying \$2 here, \$3 there for buses for field trips. And also while I'm juggling car pools to save gas on picking up my son from kindergarten now that there are no longer school kinder-buses, my two sisters don't have that option and must pay more of their limited income on Rally. Or worse, I worry about my nephew who walks to school along a heavy traffic, snowy road in the dark because the side-walks are not plowed and he doesn't live more than 1 ½ miles from his school so he no longer gets picked up by a school bus. Can it really be expected for a 5-year old, or even a 10-year old, to do so safely? If you think so, remember Skyler Lee.

I'm sad that my aunt who adopted a foster child is not getting the help she needs to continue the tutoring that child needs to learn the core requirements for

reading. You have all heard about crowded classrooms, torn textbooks, leaking roofs. What I am seeing in the classrooms is more than just that. I'm seeing kids who are already struggling to succeed, never mind meet the core, as early as kindergarten and second grade. I'm concerned that if they're struggling now, will they make it to graduation or even to high school. I'm seeing families, who make just enough money to pay their mortgage, food and childcare, who do not have the extra money to pay for after school programs like piano, dance, soccer. Those children are not getting the "luxuries" of art and sports since those programs have long been cut-back in the schools to mere half-time positions. My kids get library, music, and gym on a rotating monthly basis in school. Is it enough? I don't think so, but fortunately, my family is able to supplement. But what about the at-risk and lower-income kids who could benefit and be motivated from music, sports and art where perhaps the other academic areas are not.

What I'm trying to say is your vote to increase funding is critical. It will provide much needed special education specialists to help the students who need it most, reduce the class sizes giving teachers a number of students they can manage more productively, provide classroom supplies out-dated and worn, and possibly fund some of the basics we've cut from our schools over the years and have accepted as adequate. I am here to say as a parent and school site council representative, our education funding is not acceptable and is not adequate.

Thank you for your time.

House Finance Committee Members
Regarding HB 1 and HB 50
February 7, 2005

I am Sandy Wassilia, a member of the Kona Peninsula Borough School Board from Seward.
Thank you for the attention this committee and the legislative body as a whole are giving to
funding education adequately.

I was in Juneau earlier this week and spoke with several of you or your staff on the particular
needs of the Kona Peninsula and the fact that we need \$5200 per pupil to restore some of the
deficits of past years that have created higher class sizes and reduced subject matter offerings.

Let me just emphasize a couple of points that really speak to statewide needs as well.

1. To have a stable economy, we need a stable education system.
2. To have a stable education system (and economy), we need a long-range fiscal plan.

A stable education system keeps the economy stable at least in two ways.
For one thing, it keeps people here when we travel over the rough spots. On the Kona, we
have diversified our economy since the big cuts of 1985. We are facing another major plant
closure, which could lead to an economic implosion in our region. If our schools are great,
people will stay and take other employment or develop businesses. This helps to maintain our
local borough contribution and minimize state allocations.

The other major stabilizing effect on the economy is that with comprehensive education and
training, we prepare our children and youth for the jobs coming along with new resource
development and for current jobs being vacated by an aging workforce.

A long-range fiscal plan helps to stabilize education in several ways.

FEB-17-05 THU 03:29 PM SEWARD L10

FAX NO. 9072245067

P. 01

When we know we can count on adequate funding, we not only keep our families here and our enrollments stable, we also keep our teachers. Since we have a teacher shortage nationwide and a hard time recruiting them, this is a critical element. We can also acquire the resources to meet the accountability requirements even though our children are enrolling with greater achievement gaps than in the past.

Long range fiscal planning will help address the two big issues that really hurt our district: the unfunded liability of the PERS/TRS system and the inadequate value of the area cost differential. We support keeping the PERS/TRS a local one with the Base Student Allocation (BSA), because we do not presently have a state plan as to how it will be met and it is a long-term liability. We fear if this is outside the BSA, it will be more vulnerable to cutting, which will in turn lead to cuts in the classroom.

We support increasing the area cost differential for our district as the current value of 1.004 is more suited to an urban area. With forty-four schools spread over 25,600 square miles in a mix of villages, small towns and big towns, we are not urban. We have increasingly had to cut staff and programs in our schools. This has contributed to some loss in our enrollment as fiscally able parents with very bright students have moved, often out of state, where their children have better opportunities.

This is discouraging for me as a school board member and for those folks left behind in what communities are on the edge of dying. We cannot operate on faith alone. We need to support our very able teachers and administrators with the knowledge that adequate resources are forthcoming and will be maintained. Our district is requesting a BSA of \$5086 and a grant of \$114 per pupil to meet the deficit caused by the inadequate area cost differential. We also encourage you to address a long range fiscal plan.

Thank you

Sandy Wasske
P.O. Box 1576
Seward, AK 99684

School Boards United

The 52 member districts of the Association of Alaska School Boards met in district forums during the AASB Legislative Fly-In on February 13, 2005 and considered the following bills pending before the Alaska Legislature:

Bill/Topic	REAA/Rural Districts	Municipalities	Large Districts
Education Funding HB 1 - Base Student Allocation increase	\$4,995 minimum level in FY06, but not adequate	\$4,995 minimum, but not adequate	\$4,995 minimum, but not adequate
PERS/TRS funding (inside foundation)	Support	Support	Support
Early Funding HB 20, SB 13, SB 23	Support, but need option of supplemental	Support March 15, but need option of supplemental	Support, but need option of supplemental
Limit administrative expenses SB 57	Oppose	Oppose	Oppose
School Construction Debt HB 13	Support	Support	Support
School Safety HB 41 Min. 60 days for assault	Support	Support	Support
HB 88, SB 65 Waive minors into adult court	Monitor	Support	Monitor
SB 10 Remove cap on damage awards for vandalism	Monitor	Support	Support
Student Health HB 3 - Scoliosis tests	Oppose	Oppose	Oppose
HB 85 Self-administer drugs	Support	Support	Support
SB4 SB 35 First aid classes	Oppose	Oppose	Oppose
SB 48 Psychotropic Drugs	Oppose	Oppose	Oppose
HB 128 Physical fitness task force	Monitor	Monitor	Oppose
Teacher Recruitment SB 24, SB 31, SB 61	Support	Support	Support

Talking Points on Education Bills

Education Funding HB 1	\$4,995 minimum needed to provide education mandated by NCLB and higher costs Continue the positive investment trend line established in 2004 Districts already hurting from years of under-funding Many districts already at local funding cap Federal education cuts and under-funding will impact schools
PERS/TRS funding	Appreciate governor's initiative to fund at 100 percent; keep inside formula
Early Funding HB 20, SB 13, SB 23	Good idea to help district planning, but when revenues are available late in session, education should be at the table
Limit Administrative Expenses SB 57	30 percent ceiling is already unrealistic; 32 districts secured waivers this year
School Construction Debt HB 13	Districts have identified \$580 million in construction needs; governor requesting only \$30 million in FY 06 school repairs
School Safety HB 41, HB 88, HB 65, SB 10	School employees must be protected and our schools must be safe from violent acts. But legislature should be careful about removing discretion from the hands of school officials and the courts.
Student Health HB 85, HB 3, SB 4, SB 35, SB 48, HB 128	Districts are skittish about more unfunded mandates from the state and federal government. It makes sense to allow students to carry and self-administer allergy and asthma drugs (HB 85). We will monitor other bills as they move through the process.
Teacher Recruitment SB 24, SB 31, SB 61	Retire-rehire law has helped many districts cope with personnel emergencies & teacher shortages. Cost to the retirement program has been minimal. It's a local option that should be extended.



MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
501 N. GULKANA STREET
PALMER, ALASKA 99645

Board Memo No. 05-110

A Resolution of Matanuska-Susitna Borough School Board Regarding Education Funding.

WHEREAS, the Governor recognizes the challenge of creating a quality educational system and desires to continue to improve education; and,

WHEREAS, the Governor said in the State of the State Address, "Increases in the retirement system costs and unforeseen energy expenses have put too great a burden on local governments in the short term," and,

WHEREAS, he introduced a funding bill to increase foundation funding by \$62 million resulting in a base student allocation of \$4,880; and,

WHEREAS, increasing student achievement and improving school performance (required by both the No Child Left Behind Act and Alaska state standards) will require schools to go beyond status quo operations and institute new or improved programs that meet the unique needs of each student; and,

WHEREAS, increasing student achievement and improving school performance require resources beyond those needed to simply address the increased costs of the retirement system and the unforeseen energy expenses; and,

WHEREAS, the School Board of the Matanuska-Susitna Borough School District recognizes that improving student achievement will require a combination of the following strategies at a minimum:

- Extending instructional time with students,
- Restoring teaching supplies and textbooks,
- Strengthening professional development,
- Strengthening classroom assessments,
- Continuing with curriculum alignment,
- Expanding Career & Technical Education,
- Designing interventions to address challenges from growth and overcrowding, and,

WHEREAS, reaching a level of truly adequate foundation funding that will increase student achievement and improve school performance will require a reasonable and dependable trend of funding increases over a number of years; and,

WHEREAS, by our district requesting a higher level of funding increase for 2006 than currently proposed by the Governor, we recognize that the benefit would accrue not only to our students but also to all students in Alaska, both urban and rural; and,

WHEREAS, the MSBSD School Board strongly supports the funding bill introduced by the Governor to increase foundation funding; and,

THEREFORE BE IT RESOLVED, the MSBSD School Board requests the Governor and Legislature increase foundation funding in the Governor's bill by an additional \$23 million, for a total FY06

increase of \$85 million. With the resulting base student allocation of \$4995, schools could continue to work toward increasing student achievement and improving school performance.

BE IT FURTHER RESOLVED that the MSBSD School Board strongly opposes any change to its district cost factor (per the 2003 Alaska School District Cost Study). Such a change would negate any increases by the Governor and Legislature by shifting funds from districts with increasing enrollment and rapid growth, like Mat-Su, to districts with decreasing enrollment.

ADOPTED by Matanuska-Susitna Borough School District this 2nd day of February 2005.



Michael Chmielewski, Board President



Robert Doyle, Chief School Administrator

ATTEST:



Julena Felix, Administrative Assistant



**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
501 N. GULKANA STREET
PALMER, ALASKA 99645**

SUBJECT: 2004-05 Legislative Priorities with Board Approved Changes

Borough

- Comprehensive planning for future school sites
- Fall 2005 bond election for new schools
- Clarification of fund balance issues

State

- Funding for construction of 20 portable classrooms
- Reauthorization of Bond Debt Reimbursement to 90/10
- Foundation Funding
 - Funding to pay for mandatory PERS/TRS increases

Federal

- Fully fund NCLB mandates
- Amendments to NCLB:
 - Remove "Students with Disabilities" and "Limited English Proficient" subgroups from AYP calculations
 - Adopt a progress model, versus a cut-score model
 - Offer school-based supplemental support before school choice/transportation; stop requiring districts to withhold transportation funding
 - Require evaluation of supplemental service providers



MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Office of Public Information

501 N. Gulkana • Palmer, Alaska 99645

Phone: 907-746-9251 • Fax: 907-761-4076

Growth – Mat-Su Borough School District

MSBSD is growing by nearly 500 students each year, which is roughly equivalent to the population of an elementary school. We welcome the growth, yet it places significant strain on our existing school facilities and services. While we aren't responsible for the growth, we do consider the district to be a major player in the Valley's growing economy.

In fall 2007, the district will open a new Wasilla-area elementary school. By that time, the district's core area elementary schools will have well exceeded their actual capacity by approximately four 500-student buildings. The State's calculations for building capacity may tell a different story. However, the State's calculation inaccurately reflects available space. For instance, actual capacity changes based upon program needs (special education, for example) and class size. At this time, it is impossible to identify available classroom space in any of the district's core-area elementary schools.

As our community scrambles to address the largest growth rate in the state, we must continue to invest in the infrastructure of our schools. Research proves educated individuals are more likely to be employed and earn more. They contribute to the economy by spending more money and paying more in social security taxes. As education levels rise, the costs of social programs go down. Higher levels of education mean lower levels of spending on welfare, unemployment, health care, and criminal justice.

Business relies on quality K-12 education and higher education institutions to create a highly qualified workforce to serve the needs of a diverse economy and participate in democracy. The status of the local school system is a major quality of life consideration for relocating businesses and employees. Success in our economy requires attracting and retaining individual talent. Quality schools stabilize communities and increase housing values.

Again, we aren't driving growth in the Valley, but yet we must respond appropriately. Currently we're looking for solutions to overcrowding. Bonding for new schools is a major piece of any solution. Debt-reimbursement has been successfully used in the past to construct new facilities and complete major maintenance on our oldest buildings. Extending debt reimbursement may not be possible in light of opposition from the State Department of Education & Early Development and the Department of Revenue. With that in mind, we're requesting creative solutions to problems caused by rapid growth, perhaps to include direct capital appropriations and grants.

FY - 2006 Capital Budget
Six-Year Capital Improvement Plan

District : Matanuska-Susitna Borough School District Date: January 24, 2005 Page 1 of 4 Pages

District Priority	Project Location and Description	Primary Purpose	Year for which funding is being requested						Estimated Cost
			FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
1	Settlers Bay Elementary School Big Lake Attendance Area	Cat. B	X						\$13,000,000
2	Fire Alarm Upgrade, Palmer Junior Middle School	Cat. C	X						\$450,000
3	Wasilla High School Remodel Phase III	Cat. C	X						\$3,500,000
4	Re-Roof Su-Valley High School	Cat. C	X						\$1,000,000
5	New South Palmer Elementary School	Cat. B	X						\$13,000,000
6	New South Trunk Road Elementary School	Cat. B	X						\$13,000,000
7	Expand Cafeteria, Replace Gym Floor, Upgrade entry Lighting, Wasilla Middle School	Cat. F	X						\$2,200,000
8	New High School Core Area	Cat. B	X						\$35,000,000
9	New Mid-Valley High School	Cat. E		X					\$7,500,000

Submit with CIP Application

District Priority	Project Location and Description	Primary Purpose	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Estimated Cost
10	Valley Pathways Phase III New Building	Cat. B		X					\$6,451,000
11	Fire Alarm Upgrade, Colony High School	Cat. C		X					\$600,000
12	Reroof Snowshoe Elementary	Cat. C		X					\$350,000
13	Reroof Houston Middle School Big Lake Attendance Area	Cat. C			X				\$1,076,000
14	Fire Alarm Upgrade, Houston Middle School	Cat. C			X				\$300,000
15	Upgrade Running Tracks Three High Schools	Cat. C			X				\$616,000
16	Fire Alarm Upgrade, Colony Middle School	Cat. C			X				\$450,000
17	ADA Upgrades District-Wide	Cat. C				X			\$200,000
18	Lighting Upgrades District-Wide	Cat. C				X			\$300,000
19	Energy Upgrades District-Wide	Cat. C				X			\$400,000
20	Fencing Iditarod Site	Cat. C				X			\$100,000
21	Flooring Replacements Palmer Junior Middle	Cat. C				X			\$250,000


Submit with CIP Application

District Priority	Project Location and Description	Primary Purpose	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Estimated Cost
22	Flooring Replacements District-Wide	Cat. C				X			\$400,000
23	Career Center Addition	Cat. B					X		\$10,000,000
24	Re-Roofing Big Lake Elementary	Cat. C					X		\$350,000
25	Re-Roofing Administration Building	Cat. C					X		\$530,000
26	Flooring Replacements District-Wide	Cat. C					X		\$300,000
27	ADA Upgrades District-Wide	Cat. C					X		\$225,000
28	Reroofing District-Wide	Cat. C					X		\$300,000
29	Internal Renewal Su-Valley High School	Cat. C						X	\$3,000,000
30	Wasilla High School Auditorium	Cat. B						X	\$4,000,000
31	Mechanical Upgrades Wasilla Middle School	Cat. B						X	\$650,000
32	Internal Renewal Big Lake Elementary School	Cat. C						X	\$350,000
33	Lighting Upgrades District-Wide	Cat. C						X	\$300,000

Submit with CIP Application

District Priority	Project Location and Description	Primary Purpose	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Estimated Cost
34	Energy Upgrades District-Wide	Cat. C						X	\$400,000

I hereby certify that the information presented is true and correct to the best of my knowledge.

Signed  Date _____
 Chief School Administrator

Submit with CIP Application

1/24/2005

Juneau School District

DRAFT

UNFUNDED CRITICAL NEEDS LIST

		Add'l Foundation Needed
Reinstate Selected Reductions		
2.0 FTE SpedEd Aides	\$55,720	\$7
3.0 FTE Dropout Prevention Positions	\$172,761	\$23
1.0 Montessori	\$53,295	\$7
5.0 FTE Special Education Aides	\$151,335	\$20
1.0 FTE Special Education Teacher	\$61,822	\$8
1.0 ESL/ELL Teacher	\$61,822	\$8
Decrease PTR to Board Policy Target	\$978,000	\$128
Summer School Support	\$75,000	\$10
Textbooks		
Elementary LA Textbooks	\$130,260	\$17
Voc Ed Textbooks	\$40,000	\$5
Fine Arts Textbooks*	\$35,000	\$5
Tech Textbooks	\$25,000	\$3
Tech Coordinator	\$89,540	\$12
Technology Upgrades	\$1,400,000	\$184
Increase Sub Pay	\$150,000	\$20
Yaakoosge' Upgrade/Relocation	\$85,000	\$11
Reinstate Buses (within 15 miles)	\$250,000	\$33
Budget Reserve	\$400,000	\$52
TOTALS	\$4,214,555	\$553

* Art for Kids

BRISTOL BAY BOROUGH SCHOOL DISTRICT

P O BOX 169

NAKNEK ALASKA 99633

KELLY W. CASTLEBERRY

PRINCIPAL

PHONE (907) 246-4265

FAX (907) 246-4447

E-MAIL kcastleberry@nnk.gcsa.net

RICHARD D. HEBHARDT

SUPERINTENDENT

PHONE (907) 246-4225

FAX (907) 246-6857

E-MAIL rhehardt@nnk.gcsa.net



February 11, 2005

The Honorable Kevin Meyer
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

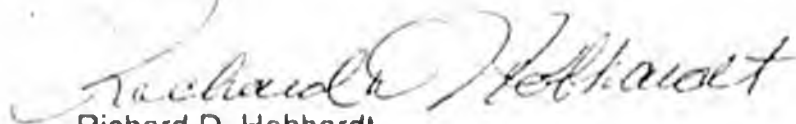
Dear Representative Meyer:

Please find enclosed, for your consideration, a resolution in support of an increase to the Base Student Allocation in the Alaska Public School Foundation Formula.

This resolution was adopted by the Bristol Bay Borough School Board at its regular meeting of February 10, 2005.

Your favorable consideration of this request is appreciated.

Sincerely,



Richard D. Hebardt
Superintendent of Schools

RDH/cm

FEB 15 2005

BRISTOL BAY BOROUGH SCHOOL DISTRICT

RESOLUTION IN SUPPORT OF INCREASING THE ALASKA PUBLIC SCHOOL FOUNDATION FORMULA PROGRAM

WHEREAS state funding for public schools is essential in order to maintain an education system that meets the needs of Alaska's children; and

WHEREAS Governor Frank Murkowski has recognized the importance of increasing public school funding by recommending that foundation formula funding for public schools be increased; and

WHEREAS public school students require adequate educational programs in order to meet student achievement requirements imposed by both state and federal law; and

WHEREAS adequate educational programs require a significant increase in state education funding in order to enable school districts to meet overall student needs; and

WHEREAS school districts are experiencing increased retirement (IRS/PERS) and employer health insurance costs, as well as rising maintenance and utilities expenses; and

WHEREAS public school systems must employ a combination of strategies in order to achieve the public's mandate, including, among other things, the improvement of instruction, the provision of safe and efficient transportation systems, as well as the affording of fair/competitive employee compensation; and

WHEREAS increased education funding benefits all public schools and communities in Alaska by developing the State's most precious natural resource (children); and

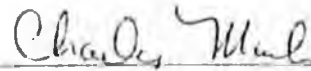
WHEREAS state public school funding must be increased by \$112 million for the 2005-2006 school year in order to provide an essential level of educational programming as well as to prevent further staffing cuts;

THEREFORE, BE IT RESOLVED that the Bristol Bay Borough School District strongly supports increasing state support for public schools for the coming fiscal year; and

BE IT FURTHER RESOLVED that the Bristol Bay Borough School District hereby requests the Governor and Legislature to increase the Base Student Allocation (BSA) in the foundation formula to \$5,120 per student, which would provide the additional \$112 million needed to meet school districts' educational needs in 2005-2006.

DATED this 10th day of February 2005.

BRISTOL BAY BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION



Charles Munk, President

Michael Swain, Clerk
Sharon Wilson

Abe Williams
Ralph "Bucko" Angasan

Richard Hebbardt, Superintendent

GALENA CITY SCHOOL DISTRICT

GALENA, ALASKA 99741

PHONE (907) 656-1205

FAX (907) 656-2238

SUPERINTENDENT

Jim Smith



To: House Education Committee
Re: Galena City School Position Statement
"School Finance"
Date: February 8, 2005

Please let me note the floor will consume much of any increase we might get, especially if it is applied to PERS/TERS additional dollars as well. Last year the floor was froze for that portion of the increase which helps. For the fifteen schools left with the floor, funding services continues to be a "slippery-slope". The Galena City School District has survived to date by diversifying our operations which for some in the education community is unsettling. If the floor must exist to expiration I would guess that some programs will exhaust with it. No matter what numbers we are using for budget planning next year, the current \$4,869 base or \$4880, the reductions driven by the floor leave us in a recession. Thus any chance we have of any increase is determined by how the floor is addressed for the increase covering PERS/TERS costs and or even the educational services portion of the legislated increase. If we had wish, the floor would be froze as was done a couple years ago, or it would be eliminated.

- 1) Using the current base number, FY 05 \$4,576.
- 2) Joining the FY05 (this year) increase, Galena has dealt with a loss in correspondence school numbers as well as the funding floor so our additional funding has not even covered the increased PERS/TERS costs. With the advent of the new state board spending limits for state-wide correspondence schools we are suffering a student count reduction in the neighborhood of 294 students (-\$1,072,380 in state ADM). At this point, schools haven't final funding numbers from DEED. I believe their waiting for final numbers on federal impact aid. Currently we have entered into collective bargaining with our employee groups. We have utility increases brought on from \$.70 per gallon increased fuel costs, of course increased PERS/TERS costs projected next year up \$391,706, and we still have a funding floor projection of \$919,767 that must be consumed which negates 40% of any increase to come our way all along with other inflationary increases?
- 3) I would project that Galena will be working with a \$700,000 to \$1,000,000 deficit. If we were to use the \$4880, that would generate an additional \$66,880 for the 220 students in the village and an additional \$75,542 for the 3434 correspondence school students. Thus a total increase of \$142,422 in ADM. Remember the floor consumes 40%. We're looking at better than a half million dollar shortfall. We've already identified four positions that will be gone into next year.

I hope these numbers represent our need. Galena finds little compassion from many sources regarding funding challenges which is the reason that we've worked so hard to diversify programs. We'll make the necessary cuts to meet the mark but not diminish quality. Thank you for any positive attention you might offer.

Jim Smith
Superintendent



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

(907) 452-2000 520 Fifth Avenue Fairbanks, AK 99701-4756 www.northstar.k12.ak.us

February 10, 2005

The Honorable Mark Neuman, Chairperson
House Special Committee on Education
State Capitol
Juneau, AK 99801

Dear Representative Neuman:

On Tuesday, February 08, 2005, the House Special Committee on Education took public testimony on various education funding bills. Nick Stayrook, Chief Information Services Officer for the Fairbanks North Star Borough School District, provided testimony during that meeting.

Representative Gatto asked for information on the total student enrollment and number of classroom teachers. Listed below is the information:

Total student enrollment (in FTE)	14,576
Total number of classroom teachers	651
* Total number of certificated staff	974

* Includes certificated counselors, librarians, special education teachers, mentor teachers, physical education and music teachers with no classroom assignments, etc.

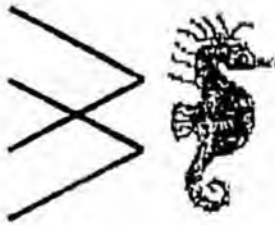
In addition, information was requested on the base student allocation. The Fairbanks School Board has not yet acted on a student funding resolution. The Fairbanks School Board will consider a resolution that calls for a base student allocation of \$4,995.00, at its February 15 meeting.

Thank you again for allowing public testimony on education funding.

Sincerely yours,

Ann E. Shortt, Ed. D.
Superintendent of Schools

cc: School Board Members
Interior Delegation



From the desk of Tanie Everton Fogle
481-2511 wk, 486-6259 hm
tanfogle@ptialaska.net

February 9, 2005

To: The House Special Committee on Education
Cc: Gabriel LeDoux, District 36 representative

I am writing in regards to the hearings occurring regarding K-12 funding. I am a parent with two elementary age daughters, and I have worked as a teacher for 7 years and a classroom aide for 2 years within the Kodiak Island Borough School District. I am also a product of the Alaskan school system, having attended elementary schools in both Ketchikan and Valdez, and then high school in Kodiak. After completing my undergraduate education at Harvard University, I returned to Kodiak and worked for several years as a substance abuse counselor before being hired by the school district. Recently, I completed my Master's degree through the University of Alaska, Fairbanks. I am an Alaskan. And I am worried.

In our school district we have experienced many cuts to funding. At first, these cuts appear to have had little impact, but as someone who has been a part of this community since 1982, I can see a gradual erosion of the programs, staff and materials that are necessary for a strong educational system.

The elementary schools have lost their band programs, swimming lessons and counselors. Cuts have forced music and PE to half the level it once was for both elementary and middle school students. The alternative programs at the high school which worked with struggling students and reached out to drop-outs is gone. Storage spaces and workrooms have been converted into classrooms throughout the district. Two of our schools were crowded to the point that the district is now bussing the 6th grade students out of their neighborhoods to help alleviate the problem. In the High School where I work, student enrollment has increased dramatically since I was a student, yet staff numbers are not significantly higher. Teachers have become very creative at masking and overcoming the difficulties which cuts have caused. But why should they be forced to do this?

While I appreciate any increase to funding that the governor and the legislature are willing to offer, the amounts and numbers I have been hearing will not begin to address the gradual erosion that has been occurring since the end of the 1980's. The amounts may meet the cost of inflation for this year. But I do not believe that the status quo is what education should aim for. We have been given mandates from both our State and Federal governments to provide a quality education for every child and not to leave any of them behind. At the moment, we can do a reasonably good job for the majority, but the funding is not sufficient to do an excellent job for all. If you truly want us to reach every child, you must provide the money that will make that possible.

I teach because I care deeply about the students in my community. I am afraid that leaving the erosion of our educational system at its current level will have drastic consequences for our children and our society. We need classroom spaces set up for learning, class sizes that allow learning to occur, programs that will help our children to grow into well rounded and intelligent adults and the materials and staff to meet our students' varied needs.

I urge you to listen to the many voices throughout the state that are asking for adequate funding for education. Thank you for your time.

Sincerely,

Tanie Everton Fogle, B.A., M.Ed.

February 10, 2005

Representative Neuman
House Special Committee on Education
907-465-4822

Dear Representative Neuman,

The Glacier Valley Site Council strongly supports arts education for all students in the Juneau School District. Substantial research shows that the arts positively affect not only children's academic achievement, but their social and emotional development, as well. Here are just a few of the reasons why the GV Site Council strongly encourages the House Special Committee on Education to make the arts a priority in our schools:

- The *No Child Left Behind Act's* definition of core academic subjects includes the arts
- Studies nation-wide show that the arts can be utilized as a remedy for the school district's Five Strategic Goals (Drop-Out, Native Success, Healthy Behaviors, Staff Development, Community), and
- Academic achievement through an arts-integrative model is already established at a local level, both quantitatively and qualitatively.

At Glacier Valley we believe in arts education and would like to see equitable art programs introduced into the schools, especially a visual art program for our elementary schools. The cost for such a program across the district would be \$200,000 per year. We hope that the legislature will consider this program's impact on our children's success in school, as well as the importance of equity in art education across the district. If you have any questions, please feel free to contact Glacier Valley's principal, Ted Wilson, at 463-1801.

Sincerely,

Members of the Glacier Valley Site Council



NEA-ALASKA

Affiliated with the National Education Association

Bill Bjork testimony before House Education February 10, 2004

Good Morning Chairman Neuman and members of the House Education Committee. For the record my name is Bill Bjork and I serve as President for the more than 12,500 members of NEA-Alaska.

To begin, let me applaud the committee for hearing all of the education legislation and allowing testimony from across Alaska to determine the level of State funding for K-12 education in Alaska.

You have heard from several districts and parents advocating for a per student figure in the Base Student Allocation (BSA). The numbers vary, because the specific pupil needs in each school district vary. Many are attempting to reduce large class sizes. Others cite the need for intervention programs and reading programs as a means to address the under-funded federal mandates of No Child Left Behind. While the numbers and needs vary, the reasoning behind the numbers is similar. What will it take to meet Alaska's constitutional mandate to establish and MAINTAIN a public education system open to all?

Last year, the 23rd Alaska Legislature passed a K-12 funding increase of \$407 per student in the BSA. NEA-Alaska applauds and sincerely appreciates this effort. The debate last session revolved around what amount of funding would it take to not have to cut programs and personnel. This year there appears to be the same conversation. Governor Murkowski has proposed a \$62 million (\$304 per student) increase that would indeed cover the TRS/PERS contribution rate increase and address inflation for the past year. This proposal covers two legs of the three-legged "education funding" stool. It does not take into account pupil needs; the resources needed for students to achieve up to State and federal standards.

We talk often about adequate funding for K-12 education. Most legislators, school board members, public school employees and parents ask us, what is adequate? Everyone wants a number, but adequacy in education truly means that Alaska's schools will have the resources necessary to offer opportunities for all students to achieve to standards--leaving no child behind!

Alaskans realize that there were 20 years (1983-2002) of flat funding that did not keep pace with inflation. During that timeframe inflation ate away 47% of the buying power of the student dollar. Former Senator Rick Halford was fond of saying "when you're trying to get out of a hole, stop digging." Two years ago the legislature quit digging. Last year the legislature began backfilling the funding hole. This year we are confident that there will be the resources available to continue addressing K-12 funding needs.

NEA-Alaska is advocating a BSA increase of \$739 per student (approx - \$148 million) to address TRS/PERS, inflation (About \$60-62 million total) and to make a down payment towards adequacy. This amount would not just stop at holding the status quo from last year, but start on the road to providing an adequate and meaningful education for the 133,000 students in Alaska's K-12 public schools.

Thank you for your time and I would be happy to answer questions.

Educational Funding

Testimony Given by Superintendent Banghart to the House Special Committee on
Education February 8, 2005

For the record, my name is Joe Banghart, I'm superintendent of the Iditarod Area School District. I come to you today as a superintendent and as a concerned Alaskan. My job, as you know, is to run the school district, which involves tending to important details like trying to balance the books, but also, and more importantly, helping to ensure that Alaska's children are well educated and prepared to graduate and meet the challenges that meet them in the world outside of our small school district. Allow me to familiarize you with some of the challenges of operating this school district: The Iditarod Area School District is not located on the road system and does not receive any local financial support for operation of schools. We are currently projecting at least a \$500,000 deficit for the Fiscal Year 2006. This deficit takes in to consideration current fund balance, increases in TRS and PERS, cost of living adjustments for Certified and Classified Staff and the loss of several grants that impact the overall district budget. This does not include a projected 25% increase in fuel cost nor the impact this will have on cost of travel, freight, and electric cost at all schools. Recently at two villages the water/sewer companies were taken over by other organizations and they raised our rates from \$600.00 a month at both sites to \$1,200.00 a month. This is a 200 percent increase in cost bore directly by the district. We are currently talking with another village local utility organization that has proposed a 118 percent increase in electric cost.

Taking all of this into consideration then looking at HB 1, 73, and 18 we are concerned. If the highest proposed offer (HB18) was approved and after our district receives the adjustment for the floor the total net gain to the Iditarod Area School District would only be \$62,000. The floor is determined by the states formula that compares the old foundation formula to the new and makes adjustments for many districts in what is called the floor. This figure is decreased yearly and with the current figure our district will not receive the majority of funds. When we look at what we actually need just to keep operating for next year it is a conservative 10% increase. If HB18 was approved and that is all we receive this amounts to a 1.3 percent increase. What's more, we need to do more than just keep our head above the water if we're going to get Alaska's kids educated.

In order for a school or district to meet Annual Yearly Progress each year, a series of 31 possible individual test must be satisfied. The Annual Yearly Progress Report for all eight schools in the district gives a clear picture of immediate need for severe intervention. Of these eight schools two are at level III, two at Level II, and two at Level I. The other two are so small we cannot obtain an accurate figure to determine AYP. When we examine state testing results for all students in grades 3-12 one site has 92% students who are not proficient in reading, another 90%, another 86%, with a district wide average of students not proficient in reading being 65%. We are required to designate more money to meet the standards set by NCLB yet we are not receiving adequate money from the state or federal government.

A larger portion of our money is going towards basic operating cost. The maintenance budget per student at two sites exceeds \$6,000, labor cost per student at two other sites over \$2,000 and utility cost per student at 4 sites over \$2,000. The cost to operate and maintain our buildings has increased and support money has not been received.

I want to do my job. I want to guarantee a good education for Alaska's children. But I just don't see how these proposed budgets will get us there. Thank you and I am available for any questions you have.

31 certified staff (includes 4 special education teachers)

Average teachers salary \$50,856 (with fringe benefits \$72,543)

33 Classified (only 11 average full time)(average hours worked per day is 2.5)

8 schools

272 students(plus 72 students in Distance Learning Correspondence Program)

Teacher student ration 1 to 11 (all teachers teach more than one grade level)

Maintenance Cost

Average maintenance budget per students	\$4,703
Average labor cost per student	\$1,542
Average utility cost per student	\$2,285
Average cost per square foot	\$ 11.90

Percent of budget towards instructions 61%



SCHOOL DISTRICT

P.O. BOX 226, TOK, AK 99780

907-883-5151

Fax: 907-883-5154

Dear Representatives, my name is Carol Doyle. I am the Superintendent of Alaska Gateway School District which you already know is an REAA. Thank you for the opportunity to speak with you about our district's needs today. Here at Alaska Gateway we appreciate all you have done in the past for education and that you have focused on education as a priority in our state.

First of all, I would like to tell you a little bit about our district. It is a district of about 450 students. These students are enrolled in 7 sites in our district. These sites include Tanacross, Dot Lake, Mentasta, Tetlin, Northway, Eagle, Tok, and a district only Correspondence School. Except for Tanacross which is 12 miles from Tok, most of the other sites are a good hour's drive from the central office with Eagle being 173 miles from the central location. Eagle is only accessible by charter plane 7 months out of the year and a 4 hour drive on dirt roads the other months when the road is maintained. Our school enrollments range anywhere from 10 to 220 students, with half the students in the district residing in Tok School.

All of our funding comes from the state. At the present time, even if the Governor's plan makes it through the legislature, we will be \$559,000 short for FY 06 to maintain the budget and expenses we currently have this year. Increased costs in TRS, PERS, medical insurance for employees, fuel, maintenance on 6 older buildings, along with some declining enrollment in Tok and Correspondence School attribute to this loss. If the district has to cut \$559,000 dollars from its budget, there will be many program cuts and staff cuts throughout the district. The district has already been cutting over the last three to five years. We have lost all the fine arts and vocational programs at the smaller sites. The district has cut 11 certified staff over the last several years along with several classified staff. Custodian time has been cut in half and all small schools less than 40 students have minimal secretary time, about an hour a day, if that. This year we had to use half our reserve to fund education in this district after our count proved that we were 48 students short of our prediction. We have also had to cut the hazard busing route for cold weather days even with temperatures in excess of 60 degrees below zero last year and this. As a matter of information for you, the money given the districts this year for increases in TRS and PERS was not enough. Our costs for TRS and PERS amounted to \$131,507. We received from the state \$77,802 so we had to make up the difference of \$53,705 with cuts.

At some points in time during the year, here at the central office, we have talked about closing some of our small schools and busing them to Tok School. This is really not a viable solution to our problem since our students' bus ride would be in excess of one hour each way, in extreme temperatures in the winter, and on icy and snowpacked roads.

What is keeping our district alive right now is 2.4 millions dollars worth of grants and 3.6 millions dollars worth of capital projects for our aging buildings, but with only 2 maintenance men for the whole district, improvements are slow. Winter months have these two men attending to freeze-ups and other problems related to extreme temperatures. Title grants and competitive grants pay for many benefits to our students, but they cannot pay for teachers to teach the basic skills in the classroom required by NCLB. We will not be able to come up with highly

"Where Teachers Are 'The Gateway To Learning'"

Dot Lake 907 882 2603 Fax 907 882 2112	Eagle 907 347 2210 Fax 907 347 2302	Mentasta 907 291 2327 Fax 907 291 2325	Northway 907 778 2287 Fax 907 778 2221	Tok 907 883 5161 Fax 907 883 5165	Tanacross 907 883 4391 Fax 907 883 4390	Tetlin 907 324 2104 Fax 907 324 2114
--	---	--	--	---	---	--

- qualified teachers in each of our schools by the deadline. The small school teachers teach K-12, all subjects. Even Tok School 7-12 teachers have many different preps in order to give our students all of what they need to meet the state and district requirements. All our schools this year made adequate yearly progress except one, but that will change without the needed funds. We need \$5362 for a student base allocation just to keep the status quo of where we are right now. \$559,000 worth of cuts in this district will significantly impact every student and they will not receive anything close to an adequate education. With the eroding floor we will actually have a deficit of \$697,993.

I have only hit the highlights here. Administrative staff are few. My job description is Superintendent, but I am also the Special Education Director and District Testing Coordinator and evaluate all the small schools' teachers, as well as principals, and district support staff. This is a result of cuts in the central office. Tok School and Northway School principals are the only other administrators in the district. The special programs and grant writer for the district also teaches one class at Tok School and does not have an administrative certificate.

We need your help to keep a viable education for our students in the future. I'm sorry, but HB 1, HB 73, and HB18 will not be enough. The most net gain we will receive from HB 18 is \$163,389. We will be \$395,000 short of what we need to give our students what they need. Amended HB 1 of \$4919 is not even close to meeting the needs of district. The eroding floor continues to take close to \$100,000 from us in whatever increase we might receive. Please repeal this law.

We have 35 classroom teachers. Other certified staff work in the central office, or in a grant program or are district wide special education teachers, or site principals of our two largest schools. In small schools housing K-12 students, all subjects, there must be adequate staff at those sites in order to meet the needs of students. Teachers teaching multiple grades and subjects require about 3-5 hours a day depending on the number of grades they teach to prepare for instruction and students. This is over and above their teaching time in the classroom. Also, special education students require added traveling staff and in house staff depending on the requirements of their IEP's under the federal IDEA law. Teachers at Tok School have a ration of about 25 to 1 and we will have to cut two teachers from that school if we don't receive adequate funding.

Thank you for your time and help. The district hopes we will have your cooperation in increasing our funding so our students can have an adequate education.

Sincerely,
Carol Doyle,
Alaska Gateway Superintendent

Suzanne Cunningham

From: Suey [suey@gci.net]
Sent: Wednesday, February 16, 2005 6:42 AM
To: Rep. Mike Chenault; Rep. Kevin Meyer; Rep. Bill Stoltze; Rep. Richard Foster; Rep. Mike Hawker; Rep. Tim Holm; Rep. Mike Kelly; Rep. Bruce Weyhrauch; Rep. Eric Crott; Rep. Reggie Jouló; Rep. Carl Moses
Cc: Governor@gov.state.ak.us
Subject: HB 1 & HB 30

Dear Representatives/ House Finance Committee Members,

Alaska's schools need your support. In Juneau, I volunteer in my children's schools, Harborview Elementary, DZ Middle School, and JDHS High School, and have done so for 15 years. The large class sizes that have been on the rise (it was so nice seven years ago when one of my kid's classes only had 20 children for an entire semester), make getting an education that focuses on their individual needs an impossibility. My eighteen year old son dropped out of the high school and got his GED to attend UAS, and instead of 40 kids in his trig class at JDHS, had 9 at UAS. My daughter, who is a freshman this year, is feeling the same pains: she asked me yesterday if she could drop out, because she feels she isn't learning anything. Unfortunately, this one can't, as we were hoping her 4.0 grades since elementary school would continue through these next four years and earn her a Scholars Award (scholarships to attend the UA system). I have a feeling we'll wind up homeschooling the third kiddo, as when she gets bored with the lack of challenge and individuality from teachers, she'll do "naughty" things.

My husband and I believe in public education, and the right each child has for a higher education. Failing to meet kids needs at the middle and high school levels, due to over crowding and a lack of resources, causes them to dislike learning and school. Please also think about the children whose families don't have time (single parents) or the resources (families uncomfortable with the public school system) to support their children through these important years as advocates for their education. Those kids deserve even greater nurturing and oversight from our schools.

Alaska is a wealthy state, and we can afford good schools for our children.

It is time for the Legislature to increase funding to IMPROVE Alaska's classrooms.

Sincerely,
Suey Linzmeier
4825 Thane Rd
Juneau 99801
209-5599

Suzanne Cunningham

From: Dan Cooley [dcooley@dgsd.k12.ak.us]
Sent: Wednesday, February 16, 2005 10:26 AM
To: Rep. Kevin Meyer
Subject: HB 1

Dear Representative Meyer,

I am writing to you to urge you to support HB 1 for increased funding to the BSA. The proposed level of 4919.00 while a step in the right direction, is not adequate in that it does not meet the level that any organization has proposed. I would ask that you take a look at the numbers proposed by the AASB, Anchorage, Kenai and the NEA. These numbers range from 4995 to 5315 and are based on actual need as assessed by professionals in the field, and are not just a random number picked for no apparent reason. I thank you for your support and recognition that K12 education funding is an important issue. Dan Cooley

Dan Cooley
P.O. Box 1059
Delta Junction, Alaska 99737

P.S. March 15th is looming for pink slips to teachers...please do all you can to expedite the process so that our teachers do not have to go through this difficult process this year!

Suzanne Cunningham

From: Casey Bowen [Casey.Bowen@matsuk12.us]
Sent: Wednesday, February 16, 2005 12:57 PM
To: Rep. Kevin Meyer
Subject: Dear Mr. Meyer:

Dear Mr. Meyer:

I teach school. This is my fifteenth year. We have over 600 students in a school built for 440. It is half way through the year. We have been notified that we are pushing our limit on copies. We are running out of materials, and there is no money to buy more. We have another hundred students anticipated for next year. We need help to plan and fund for the future before the crisis occurs, instead of after it occurs. We need proactive planning and funding. It amazes me that this wealthy state is constantly struggling to fund the schools. What do we do for representation? Do our representatives have "It was good enough for me" attitudes or just where are the priorities set?

Please reply,
Casey Bowen
580 Melrose Ct.
Wasilla, AK 99654

Suzanne Cunningham

From: Murv Cudney [mcudney@mlk.schoolaccess.net]
Sent: Wednesday, February 16, 2005 12:42 PM
To: Rep. Kevin Meyer
Subject: Funding for schools

Dear Mr. Meyer,

I am in my fifth year of teaching in Alaska. Before I became a teacher at the age of 49, I spent over 25 years in business, working for a major U.S. corporation for 15 years and spending 10 years running my own small business. So I know how hard it is to meet a payroll.

The "payroll" that the state of Alaska most needs to meet is its investment in our children. Each year our schools are asked to do more, and each year we are provided with less money to meet our obligations. We are sliding back toward the days of the one room schoolhouse.

We need a base allocation of \$5,500 per student for the next two years, not just to maintain the current level of services, but to allow us to keep focused on the business of education. Every hour or day spent in local fundraising robs from the time and attention that our children need. Please raise the allocation of money for schools to an adequate level, \$5,500 per student.

Murv Cudney
Teacher in Mentasta

Suzanne Cunningham

From: Becky Gallen [rjgallen@ort.schoolaccess.net]
Sent: Wednesday, February 16, 2005 12:21 PM
To: Rep. Kevin Meyer
Subject: Base Student Allocation

Please consider very seriously increasing the base student allocation.

At this point our school district, Alaska Gateway School District, will have to cut \$559,000 from our budget next year. Doing this will cause us to lose staff which we need to teach our students so they can pass the mandated tests that the state is requiring of us and provide our students an equal education.

We have made many cuts over the years, especially in our small schools in our district. We are making do with what we have and are to the point of being able to only teach basic classes.

I teach grades 6-12, Language Arts and Social Studies at Northway School. I have been involved with our educational system since 1977 in Northway, as a parent, Indian Ed./JOM board member, regional school

board member, and now a teacher. Over the years, I have seen the changes go from good to getting worst. We all want the best education for our schools, but with the cuts, we are threatened with bussing our

65 K-12 students to Tok. None of the parents want to see their child bussed 50 miles every day for school, especially the younger students.

We are also threatened with cuts of staff. Right now we have five teachers teaching 65 K-12 students.

We are faced with making sure our students pass the HSGQE and with less than what we had before this came about. I don't have a problem with the HSGQE, but we need the staff to make this happen. We have accepted that we have to do it with less materials or buy our own, but I don't see how we can have equal education when we continue to do with less.

I am sure that you know the problems that small schools in Native villages have and also know that we don't have everything that a larger school has. It hurts me, as a Native teacher, to see the Native students get less because they live in a village. We all work hard to give all we can to our students, but it gets harder when more is piled on us as cuts are being made.

Educating ALL of our students with equal education in Alaska should be a priority to all legislators. As we all hear over and over, they are the future of Alaska.

Please support an increase of the base student allocation.

Sincerely,

Becky Gallen

Northway, Alaska

Suzanne Cunningham

From: JSRASTER@aol.com
 Sent: Wednesday, February 16, 2005 11:31 AM
 To: Rep. Kevin Meyer
 Cc: Governor@gov.state.ak.us
 Subject: Education Funding

Dear Representative Meyer:

I am writing to express my support for increased funding for Alaska schools. I believe our schools are in a crisis and, although I believe strongly in the concept of public education for all children, my confidence that Alaska schools are able to provide a high quality education is deeply wavering. Our schools are in real need of your support.

I have a fourth grader and seventh grader in the Juneau School District. My husband and I have volunteered in their schools and classrooms for the past eight years. I am *actively* involved in PTO, Site Council, and various school wide programs and projects.

My husband and I are partially home schooling my daughter this year; we teach her all core subjects at home and she goes to school for two hours in the afternoon for recess, art, music, and computer.

Of the *twenty four children in my daughter's fourth grade classroom, eighteen of them are not meeting grade level requirements in reading or math or both*. This number is not an anomaly for Juneau classrooms nor is this a special needs classroom. I know all of the children in her classroom; my husband and I have volunteered in the classroom on at least a weekly basis since my daughter was in kindergarten. The students that were having problems in kindergarten, are the ones that had problems in first grade, and the ones had problems in second grade, then in third grade, and are the ones still having problems in fourth grade. How is a classroom teacher going to teach grade level curriculum when three quarters of the classroom is not prepared to learn it?

I do not believe for a minute that all of these kids are unable to master grade level curriculum. I need to emphasize that the teachers have all been excellent, experienced teachers. **There simply isn't enough money to provide small group instruction to all of the students who need it. One classroom teacher cannot be expected to adequately or successfully teach students at such disparate levels.** As my daughter's fourth grade classroom numbers clearly indicate, Alaska schools are not providing a quality education to Alaska's children. If all of the students who were having trouble were able to receive the proper intervention and instruction, there would not be 75% of a fourth grade classroom that was not at grade level.

It is not unreasonable to speculate that if a child is not at grade level in the fourth grade, then they may never reach grade level. They are not going to magically catch up as the work load increases in middle school or high school. They will be part of our state's alarming and embarrassingly high drop out rate. According to a 2000 study on public school graduation rates in the United States from the Manhattan Institute, Alaska's public school drop out rate is almost 39%, eight points above the country's average and placing Alaska as the state with the seventh highest drop out rate in the United States.

The Inclusion model present in our public school classrooms today demands and necessitates **smaller classroom size** and the consistent opportunity for **small group instruction** to accommodate the varied needs of students. It is unreasonable and irresponsible to expect that one classroom teacher can teach to so many different levels and abilities.

Why can't our state be a leader in education? Alaska is a wealthy state, and we can afford good schools for our children. As a law maker of our state, you have the power to make a difference. Increase funding and improve Alaska's public schools. I believe an increase in education funding is an investment worth making, an investment in Alaska's future. As George W. Bush said, "Reading is the new civil right...In order to make sure people have jobs for the 21st century, we've got to get it right in our education system"

Sincerely,

2/16/2005

Sara M. Raster
8313 Gladstone Street
Juneau, Alaska 99801



February 18, 2005

Alaska Kids Count

House Finance Committee
State Capital
Juneau, Alaska 99811

Dear Representatives,

Enclosed is testimony from a parent and English teacher at Juneau-Douglas High School. She is unable to attend the hearing today since she is teaching, and grading student work.

Please take a few moments out of your very busy day, to look at the magnitude of her job.

In the attached packet you will find the rubric, or guide, by which she evaluates each paper. Two essays, from Juniors, are enclosed as examples of work submitted by students. These are two, out of ninety-nine papers she will evaluate. This is one assignment.

I would like to reiterate her conclusion. "I believe lowering class size through the hiring of additional teachers will have a dramatic impact on student performance. The results would be noticeable in both the graduation rate and passing rate on the High School Graduation Qualifying Exam."

Put yourself in her shoes, and review the student essays. Time yourself. Multiply that by ninety-nine.

Thank you for your time.

Sincerely,

Mary Hakala, Coordinator
Alaska Kids Count!

First, let me say I love teaching English at Juneau-Douglas High School. I have been teaching for 17 years, at all grade levels. I have a Bachelor of English degree from the University of California, Davis, and a Master of Education degree from the University of Alaska, Southeast. According to federal guidelines, I am a Highly Qualified teacher.

My purpose is to provide information regarding my particular assignment at the high school. This year my English course load is comprised of five classes, whose enrollments are listed below:

Class	Grade Level	Number of Students
American Literature	11	31
American Literature	11	33
American Literature	11	35
Contemporary Literature	12	38
Introduction to Literature	09	20

You will notice the lower number of students in the freshman class; the English department made a conscious effort to keep class sizes lower for freshmen, who are adapting to high school culture. In an English class, 22 is a realistic number of students. Our pupil-teacher ratio in English classes at the high school is currently 31.5 to 1.

One way to see the impact of large class size is to consider the hours required to grade a set of essays for this class load. For the last set of 38 senior papers, I spent approximately thirty minutes evaluating each one, providing comments on ideas and content, sentence fluency, organization, grammar, and word choice. Additionally, I inserted editing marks and commentary, in order to provide helpful feedback to students. Given thirty minutes per paper, I spent an extra 19 hours outside of class time grading one set of senior essays.

Since our classes meet four days a week, once an essay is turned in, student work cannot simply stop. Students continue to turn in daily assignments, which are usually shorter, but still written in essay form. So for my current student load, I accept approximately 628 papers each week to grade. Students deserve my careful consideration of each one, but my time is limited.

Another consequence of huge classes is the overcrowded classroom. My room currently has 31 desks, which leaves seven seniors without a desk. We squeezed a table and chairs into the room in order to add seating. I can assure you, my classroom was not designed to hold 38 seventeen and eighteen-year-old students. We are elbow to elbow, with little room to move around. Discussions are difficult because not everyone can see the speakers. For small group work, students have to meet in the hall in order to hear each other.

I hope this information is helpful in giving you a picture of the effects of high pupil-teacher ratio at the high school. I believe lowering class size through the hiring of additional teachers will have a dramatic impact on student performance. The results would be noticeable in both the graduation rate and passing rate on the High School Graduation Qualifying Exam.

Carol Pratt
English Teacher
Juneau-Douglas High School

Essay Scoring Guide

Ideas and Content	Exceeds	Meets Standard	Below Standard
Organization	<ul style="list-style-type: none"> The writing is exceptionally clear, focused, and interesting. New insights and ideas hold the reader's attention. There is strong support for the thesis. 	<ul style="list-style-type: none"> Main ideas are clear Support is present though it may be limited or unclear 	<ul style="list-style-type: none"> Writing is unclear Minimal development of ideas
Word Choice	<ul style="list-style-type: none"> Overall strong order and structure Essay has a clear thesis statement and conclusion. Supporting points work well where they are placed Smooth and effective transitions 	<ul style="list-style-type: none"> Words communicate the message in an exceptionally interesting, accurate, and natural way. The writer uses a rich, broad range of words that have been carefully chosen and thoughtfully placed. 	<ul style="list-style-type: none"> Essay has an introduction with a thesis statement, a body with adequate support, and an effective conclusion. Adequate transitions
Conventions	<ul style="list-style-type: none"> Writing lacks a clear organizational structure Essay has an unclear or missing thesis statement, introduction, body, or conclusion. Transitions are ineffective or overused. 	<ul style="list-style-type: none"> Word choices do not necessarily make the writing more lively and interesting, but they are functional. 	<ul style="list-style-type: none"> Words are flat, repeated, general, or vague
Sentence Fluency	<ul style="list-style-type: none"> The writer demonstrates mastery of a variety of standard conventions, even in complex and less common situations. Errors, if any, are not obvious or significant. 	<ul style="list-style-type: none"> Writer demonstrates competent handling of standard conventions. Errors do not confuse or change the meaning 	<ul style="list-style-type: none"> Errors distract and confuse the reader Writer demonstrates limited control of standard conventions Lack of control over simple sentences
	<ul style="list-style-type: none"> Sentences are consistently varied and fluent 	<ul style="list-style-type: none"> Sentences are somewhat varied, making oral reading easy Writer demonstrates strong control over simple sentences 	<ul style="list-style-type: none"> Sentences are choppy, awkward, rambling, or incomplete. Essay is difficult to follow or read aloud

Why Evolution?

In a massive number of instances the theory of evolution by natural selection contradicts the Bible. By doing this it opposes religions based on the Bible and makes major alterations to the interpretation of the Bible. However, the Theory of Evolution, by natural selection, is an extremely well supported scientific theory. Evolution by natural selection is an excellent explanation for how life came to exist as it presently does on Earth; there is evidence for it wherever you look in nature and there is no evidence against it.

Natural selection is a scientific theory that, in times of evolutionary pressure, describes how organisms that are better adapted to their environment will survive and those that are less adapted to their environment will over time die off and become extinct. It is important to remember that in natural selection survival refers to a species' ability to continue and not the survival of an individual of that species. A species being defined as a group of organisms that can, in nature, interbreed to produce a continuing line of offspring (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). It is also important to remember that an organism's adaptation to its environment refers to its ability to survive long enough to produce fertile offspring that will give rise to fertile offspring and not directly its own ability to live through environmental changes in other respects (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). For instance some of the most evolutionarily capable species are in the domains of bacteria and archaea. However, the majority of these species have very short life spans relative to many other organisms that are evolutionarily less capable, and these individual organisms

die off very quickly to environmental change relative to other organisms that are evolutionarily less capable. On the other hand, the populations, as a whole, of these species have an excellent ability to adapt to their environment and will survive environmental changes that most other organisms could not survive.

It is bacteria's and archaea's ability to survive environmental changes that lead to the diversity of organisms that we find in the world today. The entropic coming together of molecules in Earth's primordial atmosphere that gave rise to organic molecules which formed the first organisms over the first several billion years of Earth's history lead to all life on Earth (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). Through the adaptive radiation of these first prokaryotic organisms the domains of bacteria and archaea came into existence. These organisms came into existence in an extremely harsh environment, which most organisms today could not survive in (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). Organisms adapted to be able to survive the environment, filling those niches that were available to them. The most capable organisms survived most often and a multitude of species formed.

Amongst these organisms was a group of species called cyanobacteria, commonly known by the inaccurate name of blue-green algae (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). The cyanobacteria used H_2O , water, rather than H_2S , hydrogen sulfide, to reduce CO_2 , carbon dioxide, for energy (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). Over the next few billion years these organisms filled the Earth's atmosphere with O_2 , oxygen gas, which caused a mass extinction and a mass evolution of new organisms that used oxygen to reduce organic molecules for energy (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). These

organisms then diversified over the next few billion years into the organisms that exist today (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999).

This current view of evolution works according to natural selection. It also is supported by our current analyses of genetic similarity and differences, the same analyses that enable us to manipulate those organisms in existence to become new organisms, an example being Monsanto corn. Further more, it is supported by and supports our current understanding of genetics. The same genetic understanding we use in our modern medicine and understanding of disease. We also use this understanding of genetics in our agriculture, molecule biology, nutrition, and almost all, if not all, of our other biological fields. This theory of evolution by natural selection is the basis of biology and as such is indirectly the basis of America's economical growth since the beginning of the green revolution.

This theory of evolution by natural selection is not only supported in modern societies, but in nature as well. Wherever you look in nature there is evidence of evolution (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). You can follow paths of how one organism lead to another which led to another. A perfect example of this is seen in plasmodial slime molds, cellular slime molds, and multicellular organisms such as fungi and animals. Even though the genetic placement of some of these organisms is currently unknown they demonstrate an evolutionary path quite well. The plasmodial slime molds have a stage of life where they are a huge (for single celled organisms) unicellular organism with a multitude of nuclei (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). From there it is not hard to imagine how the cellular slime molds came into existence. Cellular slime molds can live independently

but can also come together and function as a single organism that is on the edge of being multicellular (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). Then there are multicellular organisms such as some less complex molds where the cells acting together as an organism differentiate and take on specific functions to keep the organism as a whole alive. This path, although quite possibly inaccurate, shows how one thing that provides an organism an advantage is carried on and modified to provide an organism with a greater advantage within its environment.

Another example of evolution, which is supported and not just demonstrative of an idea, is the classic example of the Galapagos Finches. The Galapagos Finches are the finches that live on the Galapagos Islands. Each species of these finches is well suited to its particular environment (Smith, Jonathan, 2005). They have adapted over generations to be able to survive and thrive within their environment. There are also other species of finches in South America and in other places in the world with climates more similar to the Galapagos Islands than South America. If the finches had been created placed there wouldn't it make more sense for them to be more similar to the finches in environments to their own than the finches in South America? Why bother with making finches that are suited to an environment that is basically the same as another environment, but have less in common with the finches in a similar environment than the finches that are on the neighboring continent in a different environment (Smith, Jonathan, 2005)? The finches that inhabit the Galapagos Islands are much more similar in appearance and genetically to the finches on the nearby main land of South America, than the finches in other parts of the world with climates that are basically the same. This wouldn't make much sense if all of the finches were created in their environment, however if the finches on the

Galapagos Islands came from those on the main land and then evolved to be able to survive in their new environment the similarity to the finches on the main land and the differences with the finches in other parts of the world would be explained (Smith, Jonathan, 2005).

Another example along the same lines is seen in the Guppies (*Pocilia reticulata*) in Trinidad, a Caribbean Island. Two populations of guppies that were originally almost identical are less than one-hundred meters apart, but they are separated by a waterfall. In one population the guppies are feed upon by a fish called a killifish, which preys predominately on small, juvenile guppies. In the other population the guppies are eaten by pike-cichlid, which primarily eats relatively large, sexually mature individuals. The guppies in the population exposed to the pike-cichlids have more offspring, reproduce at younger ages, and are smaller at maturity than the guppies that are exposed to the killifish (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). This demonstrates natural selection. Those guppies that were more suited to their environment survived to produce offspring more often than those that didn't and thus the population on average changed. As time continues to pass the two populations of guppies will gradually become more different from each other. If the two populations continue to remain separate they will continue to change in the same manner as they have so far. If enough time is allowed to pass and then the two populations were reintroduced to each other they would eventual have gotten to the point where they could no longer interbreed to produce viable offspring, either due to prezygotic barriers, such as gametic isolation, or postzygotic barriers, such as reduced hybrid viability. The two populations would become different species, they would have evolved due to natural selection

A fourth piece of evidence for natural selection is found in the very existence of fungi, in particular the reproductive habits of fungi. Two lineages of the same species of fungi can go on for hundreds of generations dividing through mitosis to form identical clones of themselves. However, if the environment changes so that evolutionary pressure is applied to the fungi, for instance if the humidity in their environment changed, then the two lineages of fungi would suddenly undergo syngamy, the fusion of two gametes to form a zygote (Smith, Jonathan, 2005). This would cause new fungi that were genetically varied from each other and their parents, due to random recombination of the DNA, genetic material, by the process of meiosis (Smith, Jonathan, 2005). The range of variation would cause those fungi that were the most suited to the change in environmental conditions to survive and be able to reproduce again, while eliminating the fungi that were less suited to their environment. If this continued to happen over a multitude of generations the fungi that would result could no longer mate with the species of fungi from which they came. In the example of the humidity change the new fungi would eventually not be able to live in a climate with the humidity that the original species could live in and this would cause a prezygotic barrier that would stop there from being any possibility of the two different fungi mating in nature. The two fungi would be different species. The one fungus would have evolved by natural selection into a new species. The very existence of a sexual life cycle built specifically suited to allow survival of generations over other organisms by natural selection would be a tremendous advantage if natural selection was indeed the mechanism by which evolution occurs. The implementation of this reproductive life cycle by one of the most successful groups of organisms that currently exists on this planet is some of the most compelling evidence

that could possibly exist to support natural selection. Considering that two of the oldest, largest, and best adapted organisms on this planet are fungi that have been found in the United States, and that fungi are some of the most evolutionarily adapted organisms in existence, to say that they were not one the most successful organisms would be ridiculous (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). This is but a miniscule amount of the evidence for evolution by natural selection that's available in the world.

Given this colossal amount of evidence that supports evolution by natural selection for there to be as many people as there are that consider it to incorrect or false there must be some evidence against it? Right? Unfortunately, for those that would argue against the theory of evolution by natural selection, there currently is no evidence against it what so ever! Thousands of attempts to disprove evolution by natural selection have been made. None of them have yielded results that oppose evolution by natural selection and many have actually supported it in their failure to disprove it. Yet there are people in the world today, which live off of an economy based on information that supports natural selection and would be refuted if natural selection was to be refuted, who still believe evolution by natural selection to be a flawed concept.

There are very few arguments made against evolution. One of the main arguments against evolution is that it is just a theory (Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell, 1999). This argument is less than worthless. Evolution by natural selection is a scientific theory. In science a theory is as good as it gets (Smith, Jonathan, 2005). Sometimes theory can be incorrect, but most often as support for a theory increases the probability of that theory being incorrect decreases. Darwin's theory of

evolution by natural selection is one of the most supported theories in all of science! It is almost as well supported as Newton's theories of gravity and friction are supported! To say evolution is just a theory is a way to disprove it is about as ridiculous as saying everything in science is disproved because, at best, they are just theories. The reason for this argument is a general misconception that most people have due to the misuse of the word theory.

Most people consider a theory to be an educated guess, partially due to the misuse of the term in such things as Sherlock Homes and other mystery novels. An educated guess is actually a hypothesis, but for some reason, authors of these books decided to use the word *theory*, possibly because they thought that it sounded cooler. For whatever reason the general population usually considers a theory to be a hypothesis. In actuality a theory is an explanation of why something is the way that it is based on the entirety of available information that has something to do with the explanation.

If new information causes a problem with a theory the theory is modified so that it is compatible with the new information (Smith, Jonathan, 2005). If new information shows that a theory is exceptionally off the theory is done away with. This is why the current theory of evolution by natural selection is not just a guess it is the best explanation for why life is the way it is on the planet Earth that we have been able to come up with thus far!

In actuality the theory of evolution was immediately accepted, even by the Catholic Church (Smith, Jonathan, 2005). However, natural selection being the mechanism of evolution was not accepted by certain religious groups because it contradicted the Bible on several points. For one it contradicted the Bible on how long

the Earth had existed. Secondly, it contradicted all forms of life being made by god, also known as creationism. It also undermined the significance of humans and made us seem to be rather unremarkable. These are the main reasons that were given for opposition to the theory of evolution by natural selection, and with the given information, all opposition that has occurred has been, at best, exceedingly absurd.

There is one creationist view that the theory of evolution by natural selection does not contradict. At some point, the creation of the original matter of the universe is unexplained. The view that an all powerful being or force could have created this starting matter is currently unopposed by any commonly known hypothesis or scientific theory.

“Descended from the apes! My dear, let us hope that it is not true, but if it is, let us pray that it will not become generally known.” That was said by the wife of the Bishop of Worcester after she heard about the *Origin of Species*.’ (Horan, Patricia, 1979, page v). Ever since the publication of the *Origin of Species* by Charles Darwin in 1859 the theory of evolution by natural selection has had strong opposition from people including those in several religious groups. The opposition to this theory is due to it contradicting one of the most powerful and influential books ever written, the Bible. In a massive number of instances the theory of evolution by natural selection contradicts the Bible. By doing this it opposes religions based on the Bible and makes major alterations to the interpretation of the Bible. Creationism is more of a ledger of rules by which human beings are ethically and morally guided. It provides a certain level of comfort to know that there is an omniscient, omnipotent Being in charge of our worlds. However, the Theory of Evolution, by natural selection, is an extremely well supported scientific theory. Evolution by natural selection is an excellent explanation for how life came to

exist as it is presently does on Earth; there is evidence for it wherever you look in nature; and there is no evidence against it. Some might argue that while evolution is merely a theory, others might argue that creationism is at best, a good story for the ages.

Bibliography

Campbell, Neil A., Jane B. Reece, Lawrence G. Mitchell. *Biology Fifth Edition*. Addison Wesley Longman, Inc., 1999.

Darwin, Charles, with foreword by Patricia Horan. *The Origin of Species by Means of Natural Selection or The Preservation of Favoured Races in the Struggle for Life*. New York: Avenel Books, 1979.

Smith, Jonathan. Lecture. January 7th-February 7th, 2005.

Capital Punishment is the most controversial form of criminal punishment. The United States is one of the last modernized countries that still executes its criminals. People are put to death and later found innocent of the same crime. It is a cruel and immoral method of punishment and the U.S. should stop using it as a form of sentencing criminals. The U.S. should ban all methods of capital punishment and substitute life in prison as the maximum sentence.

The risk of putting innocent people to death is very high. Since 1973, 102 have been acquitted of their charges, mainly because they were proven innocent by DNA. Just within the past four years, 17 people were found innocent after being sentenced to death. In Illinois, over a twenty-year period, they freed more people from death row than executed. Today, police have opened at least 9 cases in that state in which they have found evidence that contradicts other evidence used to sentence people to death.

Malcolm Rent Johnson was sentenced to death by the state of Oklahoma in 2000. A year and a half after his execution, he was proven innocent. Johnson was convicted based on testimony of Oklahoma City police chemist Joyce Gilchrist who found that the blood type of Johnson matched sperm found in a 76-year-old woman's apartment who was killed in 1981. The Oklahoma City police reexamined the evidence and found that there was no sperm found at all. Oklahoma City police claim they simply have stretched the truth.

The practice of the death penalty is cruel and degrading. One method of the death penalty is electrocution, where the executioner sends a jolt between 500 and 2000 volts into a metal skullcap attached to the prisoners head. 11 states use the electric chair. The main method for the death penalty in the United States is by lethal injection. A prisoner is first drugged with an anesthetic that will put them to sleep. Then a paralyzing solution is injected to stop the breathing. Finally, a lethal dose of toxic agent is given and causes the inmate to go into cardiac arrest. Usually, the whole process of execution by lethal injection takes anywhere between 5 and 18 minutes to complete. The process of capital punishment is crueter as the original crime because it is completely stated.

The United States is one of the last civilized countries that still exercises capital punishment. The U.S. is also one of the few countries that executes mentally ill persons, persons with very low IQ, and murderers under the age of 18. Most modern developed nations have stopped executing prisoners and instead the most severe form of criminal punishment is a life sentence in prison. Recent polls show that there is an increase of people wanting life in prison as the maximum sentence.

Supporters of the death penalty argue that it is the best deterrent for murder. This only works when executions are carried out immediately. The idea of deterrence is supposed to encourage people not to kill. However, it sends a message that killing is okay. Studies show there is no unusual increase in murder in countries without the death penalty. Countries such as Sweden, the Netherlands, and Belgium have abolished the death penalty and have had no increase in murders. 112 countries have banned the death penalty. Life in prison works just as well as the death penalty in persuading a person not to commit a violent crime.

Supporters also claim the death penalty is a necessary form of retribution for terrible crimes. They say that people who have taken lives deserve to have their life taken. One supporter said, "If we fail to execute murderers, we have allowed the killing of a bunch of innocent victims." Life in prison is not allowing killings of innocent people but allowing the murderer to repay the damages to the family as well as be punished. Taking lives as a punishment lowers the social standards to the criminal and justifies what he or she did. The death penalty not only punishes the murderer, but his/her family and they too have a family member killed as a result.

Another position in favor of the death penalty is that it is a lot cheaper than to hold prisoners in jail for life. However, holding a person in jail is far cheaper over time than executing someone. The cost of executing someone is accumulated immediately, but the cost of life in prison is spread out over a longer period of time. For example, a million dollars today is a lot harder on the state than a million dollars that can be paid over a 40-year time period. Death penalty cases are clearly more expensive because of all of the appeals and cases being overturned. In America, only about 12% of the people sentenced to death are actually put to death. In Texas, the average cost of an execution costs about 3 times as much as 40 years in a maximum-security prison. Nearly every state that uses the death penalty spends millions extra per year on death penalty cases.

The death penalty is a brutal method of punishment and doesn't work any better than life in prison in regards to deterring crime. Every year people on death row are proven innocent and freed. It justifies the crime that a murderer commits and is more expensive than imprisonment. Executing a killer doesn't bring back the victim. The United States should stop practicing capital punishment altogether.

Bibliography

"Description of Execution Methods." Death Penalty Information Center. 11 2/7/05. <<http://www.deathpenaltyinfo.org/article.php?scid=8&did=479#injection>>

Henderson, Ky. "How Many Innocent Inmates Are Executed?" Section of Individual Rights and Responsibilities. Fall 1997. American Bar Association. 2/7/05 <<http://www.abanet.org/irr/hr/deathpen.html>>

"Lethal Injection." How Stuff Works. 1998-2004. Howstuffworks, INC. 2/7/05

Robinson, Bruce A. "Capital Punishment; the Death Penalty." Religious Tolerance. 1 Jan 2003. Ontario Consultants. 2/7/05. <<http://www.religioustolerance.org/execute.htm>>

Ruder, Eric. "The Innocent Man They Put to Death." Socialist Worker. 14 Sept 2001. International Socialist Organization. 2/7/05. <http://www.socialistworker.org/2001/377/377_02_OklahomaDP.shtml>



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

February 22, 2005

Representatives Meyer and Chenault
House Finance Committee
State Capitol
Juneau, Alaska 99801

Re: HB 135 – Fast Track Supplemental Bill – small city assistance

Dear Representative Meyer and Chenault and Committee Members,

Since municipal revenue sharing was established in 1969, 84 cities have incorporated voluntarily. While not the only reason for incorporation, revenue sharing represented a way to make a better life for people in communities with very small tax bases. For example, according to the "Alaska Taxable" Ambler receives only \$7500 revenue for each 1% of its 3% sales tax, and has virtually no local property tax base. While small cities can attract considerable grant and program money (much of which flows through urban areas), there are no continuing basic operation funds except for local taxes and municipal revenue sharing. There is strong evidence that approximately half of the small cities in Alaska are not able to operate or are in financial crisis primarily due to steeply rising local costs, and the loss of state revenue sharing. Therefore, the Alaska Municipal League strongly supports the need for fast track \$25,000 grants to cities under 100 population; \$50,000 grants to cities 101 to 600; \$75,000 grants to cities 601 to 1200.

Due to a lack of local revenue 10 cities have had their municipal insurance canceled while 33 more cities are on month-to-month payment plans for insurance. The \$6.5 million dollar cost of the Governor's revenue sharing proposal is likely far less than the potential state responsibility for uninsured losses in cities, especially in the unorganized borough which is constitutionally administered by the legislature (Art X Sec 6 "The legislature shall provide for services it deems necessary or advisable in the unorganized boroughs...").

Is it right for the legislature to financially help cities? Yes. Only the State has the power to share revenue to ensure that basic services are provided to all Alaskans and are affordable. According to a 2004 survey, Alaska is one of two states with no revenue sharing. Also, in a recent survey of Alaskans, 76.2% of respondents, largely urban, strongly to mildly agreed "it's important for state government to help rural communities that lack a tax base to generate sufficient tax revenue to provide basic local public services."

Thank you for your dedication to Alaska and your consideration of this important issue.

Sincerely



Kevin Ritchie
Executive Director

January, 2005
Local Government Issue Paper
Alaska's Small Cities in Crisis



In 2003, there were 94 cities with annual local government operating budgets under \$300,000 per year, and averaging \$164,000, to provide public services for an entire community (according to State figures, DCED). From 2003 to 2005, those 94 cities (out of a total of 146 cities in Alaska) lost an average of approximately 42% of the revenue required to provide basic public services. The crises are due to massive State cuts to cities at a time of skyrocketing local costs and economic downturns. In 2004, Alaska became one of two states that eliminated its local government revenue sharing programs. Most small rural cities operate in a cost effective manner with many part-time or volunteer positions. However, most of Alaska's small rural communities have very little local tax base due to cash poor subsistence economies.

2003 Average Operating Budget for two thirds of AK Cities	\$164,000
<u>Examples of Approximate 2003-04 Cuts/cost increases:</u>	<u>-\$69,000</u>
2003 State Cuts to Revenue Sharing/Match Grants	-\$10,000
2004 State Eliminates Revenue Sharing	-\$40,000
Fuel/electricity/goods rise due to oil prices	-\$7,000
Community insurance increases	-\$6,000
State mandated increases (PERS)	-\$4,000
New state inspection fees, service transfers, etc.	-\$2,000

Growing Impacts of Loss of Revenue Sharing, etc.

It is difficult to know the status of small rural communities. Few that fail have the administrative capacity to take steps to formally dissolve. They simply layoff their employees, cease being able to hold elections, cancel insurance for community facilities, stop providing services, etc. In some cases tribes or other organizations take over key government services.

As of last month, the following cities have either been unresponsive to contacts by the State, have not held local elections, entered into an agreement with a tribe to assume city responsibilities, or contacted the State regarding formal dissolution: **Akhiok, Ambler, Chevak, Holy Cross, Hughes, Kiana, Kivalina, Koyukuk, Lower Kalskag, Napaskiak, Nikolai, Platinum, Russian Mission, Scammon Bay**. Additionally, **10 cities or more** have had their insurance canceled for lack of payment to date, and approximately 33 more cities are on month-to-month payment plans because they can't afford the premiums currently.

While it is too early to say how many cities have ceased operations, a great number are unquestionably in peril. The loss of public safety, transportation, and other key local services is having a huge negative impact on the people of Alaska.



217 Second Street, Suite 200 Juneau, AK 99801
1907-586-3222 1907-463-5480 Toll Free in AK 1-800-337-3682 www.amlpa.org

February 11, 2005

Senators Lyda Green and Gary Wilken, Co-Chairs
Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

RE: SB 98 – Fast Track Supplemental Appropriation Bill

Dear Senators Green, Wilken and Finance Committee Members:

As the director of the self-insurance pool for approximately 140 municipalities and school districts in Alaska, I have seen first hand the financial hardships small communities are faced with since the elimination of municipal assistance and revenue sharing.

You may recall the newspaper articles in early December: I was forced to cancel workers' compensation, liability and property insurance for ten communities that were unable to pay their bills or stay current with payment contracts. Since that time, I have had to cancel several more. Even now, as many as seven communities are within a week of losing their coverage due to lack of payment, while a few others have been able to become current with their payments.

Many of these cities are like over-extended families, juggling their bills and trying to choose which creditor to pay next. Assistance with the high costs of fuel would help these communities to cross at least one creditor off their list, freeing up some funds to satisfy their other mandatory obligations to creditors such as the IRS and provide the necessary services to the citizens we all serve.

I support the Governor's proposal to provide at least \$6,450,000 in small city energy assistance, and ask you to support this as well. This small amount of money can make a big difference in many Alaskans' lives.

Thank you for your consideration.

Sincerely,

Kevin Smith
Executive Director

Enclosure: Anchorage Daily News, Dec. 6, 2004

City of Ambler

P.O. Box 09

Ambler, Alaska 99786

Phone (907) 445-2122/Fax (907) 445-2174

E-mail cityofamblerak@yahoo.com <<mailto:cityofamblerak@yahoo.com>>

*let tax
* in N/V Archic Bldg
w/ School Net tax*

3% sales tax

February 15, 2005

AMBLER POPULATION 291

Senator Gary Wilken
State Capitol Rm. 518
Juneau, Alaska 99801

*1% sales tax
PER CAPITA*

<i>*AMBLER</i>	<i>JUNEAU</i>
<i>\$26</i>	<i>\$196</i>

RE: Senate Bill 98 " Supplemental appropriations, Fast Track Bill"

Revenue each 1%

<i>\$7500/yr</i>	<i>\$6,105,000/yr</i>
------------------	-----------------------

To: Senate Finance Committee,

Increased value

<i>\$3.5 million</i>	<i>\$3 Billion</i>
----------------------	--------------------

Per capita AV

<i>\$12,159</i>	<i>\$97,199</i>
-----------------	-----------------

The City of Ambler is very much interested in receiving money from the Governor's Supplemental and Capital Appropriations Bill. We are struggling to keep things running. We had to reduce insurance coverage to a minimum. We dropped our VPO position because we couldn't afford the insurance coverage so we are completely dependent on the state troopers and our one VPSO, which puts a lot of pressure on one person to be available 24/7. Our insurance is one of our highest expenses at over \$22,000 per year. Last year it was over \$30,000. We are struggling to keep up with the insurance payments. We need to raise our 3% sales costs but we won't see any increase in revenues from that for a while and the public needs to vote on that also. There is a high unemployment rate in our village so rising costs are a hardship on everyone.

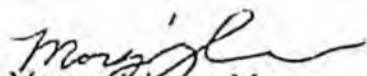
We need a dependable fuel supply. Our local fuel project runs out every 3-4 weeks and we have had to borrow fuel from AVEC from our other buildings and heavy equipment, and haul fuel from other villages to keep our water plant heated. We have 2200 gallon tanks to help us through the scarce times but we need to have a little more storage capacity and also some help in off setting the high cost of fuel. The Borough is trying to work on this problem but right now we could really use some help in meeting the high costs of fuel in our area. Gas is \$5.15 per gallon and stove oil is \$4.95 per gallon.

The costs of keeping our water and sewer plant running and also keeping up with maintenance of our heavy equipment is a challenge. Our heavy equipment rentals brings in necessary revenues during construction projects but the cost in keeping it running keeps going up and maintenance is high, as well as fuel. The cost of mapping in parts for our water/sewer project and heavy equipment, and fuel, etc. is one of the highest in the state, which makes the cost of everything go up more so here than in many other parts of the state. I was told yesterday one resident paid as much as \$1.75 per pound for freight on groceries in order to have something fresh.

Additional revenue at this time would be a God send to our village and would be a huge help to get us thru this difficult time while we figure out other possible options for dealing with our rising expenses.

Thank you for considering our village for receiving these additional funds. We would greatly appreciate this additional revenue for helping to operate our city at this time.

Most sincerely,



Morgan Johnson-Mayor



Barbara MacManus-Sec/Treas.

cc: file

CITY OF ALEKNAGIK

P.O. BOX 33, MAIN STREET
ALEKNAGIK, ALASKA 99555-0033
PHONE: 907-842-5953 OR 842-2528
FAX: 907-842-2107
EMAIL: cityalek@nuchtel.com

5% sales tax + 5% bet tax

ALEKNAGIK POPULATION 235

1% sales tax per capita

*ALEKNAGIK Knai Pen B02
130 \$145*

1% revenue over tax

\$18,000/yr \$7,450,000/yr

January 27, 2005

Governor Frank Murkowski
Office of the Governor
Mail Stop 0001
Juneau, AK 99801

RE: Reinstatement of the Revenue Sharing Program

To the Honorable Governor Murkowski:

The community of Aleknagik, Alaska would like to see the reinstatement of the state's revenue sharing program for municipalities. Many communities in Alaska are hurting financially due to the state's budget cuts for the revenue sharing program and the capital matching grants. A reinstatement of the revenue sharing program would help to provide a minimum of service and public safety to the neediest communities.

The legislators need to look at "level of service" not "dollar amount" in determining equity between the urban and rural communities. The cost of goods and services is higher in rural communities, so their need for funding is greater just to provide basic services. Please look at level of service, not cost, to determine what is equitable.

In response to the budget cuts, the City of Aleknagik has made cuts to its budget, and is working on increasing revenue. The City has a sales tax that does help to fund local government services. In addition, the City has cut back on employee's hours, meeting fees, senior transportation services, non-essentials, defer maintenance, and defer equipment upgrades.

The result of the City's budget cuts is a lower level of services and public safety. That in turn means that the personnel do not have enough time to provide an adequate level of service, and the buildings and equipment are in various stages of disrepair, so the airport is not always open, or the roads are not always maintained. This could be a disaster in the event of an emergency where someone needs to be Medivaced or we need to get a fire truck to someone's house. So if you live in a community where EMS and Fire services are available 24-7-365, remember that these basic services are not always available in the villages.

JOINT RESOLUTION
RESOLUTION 05-01

A JOINT RESOLUTION OF THE COUNCILS OF THE CITY OF ALEK NAGIK, ALEKNAGIK TRADITIONAL COUNCIL, AND BOARD OF DIRECTORS OF ALEKNAGIK NATIVES LIMITED SUPPORTING REINSTATEMENT OF THE STATE'S REVENUE SHARING PROGRAM FOR MUNICIPALITIES.

WHEREAS, Aleknagik Natives Limited, Aleknagik Traditional Council and the City of Aleknagik executed a Memorandum of Understanding on October 29, 2000 to recognize areas of mutual concern and support, and to establish a framework for cooperative relations and communication for the benefit of the community of Aleknagik as a whole as the desire of the three entities is to cooperate concerning legal and political matters inherent in their relationships to one another; and,

WHEREAS, the City of Aleknagik, Aleknagik Traditional Council and Aleknagik Natives Limited are representative of the community and are hereafter known as "The Councils"; and,

WHEREAS, due to fiscal problems for cities since the revenue sharing program was cut from the state budget, The Councils see a need to reinstate the state's revenue sharing program for municipalities; and,

WHEREAS, the recent state oil revenue "windfall," should be shared with communities to offset negative fiscal impacts. The increased oil revenue benefits the state, while local governments, businesses, and families are effected with higher prices for heating fuel and transportation.

NOW THEREFORE BE IT RESOLVED that The Councils support the reinstatement of the state's revenue sharing program for municipalities using the state's budget windfall as a source of funding to get it started.

BE IT FURTHER RESOLVED that the Governor and Legislature are urged to restore the revenue sharing program funding as a part of the long-range fiscal plan for the state.

PASSED AND APPROVED on the 20th day of January, 2005 by a duly constituted quorum of the Council of the City of Aleknagik, the Aleknagik Traditional Council and Board of Directors of Aleknagik Natives Limited at a public meeting hosted by Aleknagik Natives Limited.

SIGNED: Bobby Andrew
Bobby Andrew, Aleknagik Natives Limited President

ATTEST: Nina Tinker
Nina Tinker, Secretary, Aleknagik Natives Limited

SIGNED: Gusty Chythook
Gusty Chythook, Aleknagik Traditional Council Chair

ATTEST: Kay Gorman
Kay Gorman, Secretary, Aleknagik Traditional Council

SIGNED: Berna Andrews
Berna Andrews, City of Aleknagik Mayor

ATTEST: Patty Heyano
Patty Heyano, City of Aleknagik Acting City Clerk



City of Brevig Mission

North Tutu Street
Brevig Mission, Alaska

99785-5021

Phone/Fax (907) 642-3851



February 18, 2005

Attn: Senator Donald Olson
State Capital
Suite 510
Juneau, Alaska 99801-1182

Dear Senator Olson:

Greetings! I am writing to express my support for Governor Frank Murkowski's Supplemental and Capital Appropriations Bill. As Mayor for the City of Brevig Mission I support the section of the bill that addresses "Small City Energy Assistance" and the Governor's effort to provide assistance and avoid the growing crisis in rural communities such as Brevig Mission.

However, I also want to express continued support for a long-term solution such as "Community Revenue Sharing." We need such assistance to operate and maintain insurance, water & sewer services, and emergency services such as fire protection & search and rescue. The City of Brevig Mission is that "Point of Light" in this community that connects it to the support and services that the State of Alaska is seeking to provide to its citizens. Therefore, it is my hope that you will beseech the Senate Finance Committee on behalf of the Community of Brevig Mission saying, "Don't let the light go out!"

Thank you for your efforts to represent our community on this important issue.

Sincerely:

Brian Crockett
Mayor, City of Brevig Mission

Cc Governor Frank Murkowski
Cc State Representative Richard Foster
Cc Alaska Municipal League

CITY OF CLARKS POINT
P.O. BOX 110
CLARKS POINT, ALASKA 99569
PHO. (907) 236-1221
FAX (907) 236 1412

FEBRUARY 15, 2005

TO THE SENATE FINANCE COMMITTEE;

HELLO, WE ARE WRITING THIS LETTER TO EXPRESS OUR CONCERNS
TOWARDS THE "SMALL CITY ENERGY ASSISTANCE" BILL.
WITH THE LOSS OF THE REVENUE SHARING AND OTHER CUTS, US SMALL
COMMUNITIES ARE BARELY MAKING IT. THE HIGH COST OF FUEL TO HEAT
AND PROVIDE ELECTRICITY TO RESIDENTS IS GETTING CRUCIAL.
SO WE ARE 100% IN FAVOR OF YOUR PASSING THE "SMALL CITY ENERGY
ASSISTANCE" APPROPRIATION.
THIS WILL HELP US MAKE IT THROUGH ANOTHER YEAR.

THANK YOU,

THE CLARKS POINT CITY COUNCIL

CITY OF DEERING*Small City Energy Assistance appropriation*

The money appropriated from the Small City Energy Assistance would help the City of Deering's costs with high cost of fuel and the increase of our Insurance for 2005 year. Our community has been impacted by the State Revenue Sharing Budget cut, the City has had to cut down on 2 jobs at the City Office, 3 jobs at the Washeteria due to no funding to pay for such, also the fuel costs has gone up this year, which is effecting the whole community.

State Revenue Sharing:

City of Deering W. State Revenue	Current w/o State Rev
Budget: \$325659.00	Budget: \$264497.00
Profit/Loss: \$12384.00	Profit/Loss: - \$48778.00

Our community facilities has had to have a budget cut in all areas, which includes the City Office which is in need of an Administrator and the facilities in need of repair, the Cable which is in need of upgrades/repair , the Washeteria which is in need of two certified operators for the safety and health of our community water, a attendant to run the Washeteria on a daily basis and the upgrades that need to be done on our sewer system in order to have safe water to deliver to our community.

Submitted by:


Beverly Moto, City Clerk



City of Delta Junction

P.O. Box 229, Delta Junction, Alaska 99737
Ph 907-895-4656 Fax 907-895-4375
www.ci.delta-junction.ak.us
city@ci.delta-junction.ak.us

Welcome to the
Friendly Frontier

February 15, 2005

Attention: Alaska Municipal League / Alaska Senate Finance Committee

REF: Hearing on Governor's Supplemental and Capital Appropriations Bill

SUB: "Small City Energy Assistance"

Currently Diesel Fuel at the pump costs \$2.17 while in Fairbanks that price is \$2.01 per gallon and regular gasoline is \$2.19 in Delta Junction with Fairbanks prices at \$1.96 to \$2.03 per gallon. It was reported last week that gasoline in Anchorage could be brought at \$1.76 per gallon.

The small population centers in the State of Alaska could use the Governor appropriation to help defray the increase costs in shipping, insurance, and energy these past several years.

The City of Delta Junction has experienced large increases in operational costs

- HEATING OIL IS UP 51%.
- DIESEL FUEL IS UP 38%.
- GASOLINE COST IS UP 24%
- ELECTRICITY IS UP 8%.

The above costs are increases for the local area. They are not compared with other metropolitan sites in the State of Alaska.

Other costs increases have been in insurance – health, general liability, worker compensation.

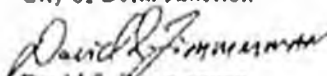
Health insurance costs for a single person increase 15.53% in FY 2004 and up again 10.25% in FY 2005. Family insurance coverage increases 15.52% in FY 2004 and was up 14.20% in FY 2005.

General Liability insurance costs were up 52% for FY 2004 but favorable down 19% for FY 2005. This is the only costs showing a decrease.

Worker Compensation insurance overall average a 27% increase for FY 2005.

Therefore, the City of Delta Junction with a population base under 1,000 people, the Governor "Small City Energy Assistance" appropriation would be greatly appreciated.

Sincerely,
City of Delta Junction


David S. Zimmerman
Finance Officer

CITY OF EEK
P.O. BOX 09
EEK, ALASKA 99578
PHONE # 907-536-5129

DATE: FEBRUARY 14, 2005

TO: THE SENATE FINANCE COMMITTEE

FR: MAYOR TERESA JACKSON, CITY OF EEK

RE: SUPPLEMENTAL APPROPRIATION FOR SMALL COMMUNITIES

TO WHOM IT MAY CONCERN, WE, THE CITY OF EEK, ARE REQUESTING THAT THIS BILL BE PASSED, SINCE IT IS NEEDED BY ALL COMMUNITIES IN RURAL ALASKA. IF THIS DOES NOT PASS, SMALL COMMUNITIES, LIKE EEK, WILL HAVE MAJOR PROBLEMS, WITH REGARDS TO STABILITY, FOR SERVICES PROVIDED TO COMMUNITY. WITHOUT AID FROM THE STATE, MANY OF OUR SERVICES WILL BE CUT IN THE NEXT FISCAL YEAR, WHICH WILL BE IN ABOUT 4 MONTHS. IN THE LAST COUNCIL MTG, CUTS WERE DISCUSSED, IN THE AREA OF POLICING, CUSTODIAL AND ROAD MAINTS. MOST OF THE EMPLOYEES, ALREADY, WORK LESS HOURS, THAN NORMAL. PRESENTLY WE HAVE ONE VILLAGE POLICE OFFICER THAT WORKS 6 HOURS PER DAY, WHICH WILL BE CUT TO 3 HOURS PER DAY, IN THE NEXT FISCAL YEAR. IN THE PAST THE CITY HAD 2 POLICE OFFICERS THAT WORKED 6 HRS A DAY BUT DUE TO CUTS TO STATE REVENUE SHARING, WE NOW HAVE ONE, WHICH LEAD TO A HIGH TURNOVER RATE FOR POLICE PERSONNEL. SINCE JULY OF LAST YEAR, THE CITY HAD REPLACE VPO'S THREE TIMES IN THAT SPAN. NONE OF THEM WERE NEVER FIRED, ALL QUIT, STATING, THAT IT IS TOO HARD TO WORK ALONE. WE, THE EEK CITY COUNCIL, FEEL ANY CUTS TO OUR PRESENT WORK FORCE WILL CRIPPLE OR HINDER SERVICES THE CITY PROVIDES TO THE COMMUNITY. PLUS, THE HIGH COST OF FUEL AND FREIGHT COST SHOULD BE CONSIDERED BY YOU, THE COMMITTEE, IN MAKING YOUR DECISION. ANOTHER ASPECT TO CONSIDER IS THE SITUATION IN CHEVAK, AK, THERE WILL BE A NUMBER OF COMMUNITIES THAT WILL HAVE THE SAME PROBLEMS, IF THIS BILL IS NOT PASSED BY YOUR COMMITTEE. A STATE OF EMERGENCY IS ON THE HORIZON FOR RURAL ALASKA, IF THIS BILL IS NOT CONSIDERED OR PASSED BY YOU THE COMMITTEE.

SIGNED: Gloria Kuper For
TERESA JACKSON, MAYOR

*Signed by Elias Keyes
vice mayor*

CITY OF FORT YUKON

INCORPORATED 1959

Post Office Box 269

Fort Yukon, Alaska 99740

Telephone (907) 662-2479 or 2379

Senate Finance Committee
State of Alaska
Juneau, AK

February 18, 2005

Dear Senator,

Much of our budget has to go towards the extreme high cost of heating fuel, which is necessary to keep our water system working. Yes, our lifestyle has improved since we have had piped water, yet this system is expensive to operate to prevent the pipes from freezing for the water lines must be continuously circulating. Because we are a remote village the fuel cost is high. We need the State to assist us so we can continue with a healthy lifestyle. This is clearly a priority for us.

Also, the increase cost of our insurance has not been easy for us to meet as well. We need the State to supplement our increased expenses which are mandatory to operate.

We, the City of Fort Yukon, are proud to be a part of this great strong state. Please help our community as the loss of the State Revenue Sharing has hurt us to meet needs. Again, we ask for your support on the Governor's Supplemental and Capital Appropriations Bill which includes the Small City Energy Assistance.

Sincerely,



Fannie Carroll
City Manager
Cc: file, AML



City of Gustavus
P.O. Box 1
Gustavus, AK 99826
Phone: (907) 697-2451

February 16, 2005

Senate Finance Committee
Juneau, Alaska


Distinguished Members,

As the mayor of the first community to incorporate in Alaska in at least 19 years, and the community with possibly the highest electrical rates in the United States, I can assure you that any monies directed our way will be used to offset the cost of utilities in the community.

The hydroelectric project in Gustavus has been a work in progress for more than a decade. The reason it has moved forward is due to its ability to pay for itself, but unfortunately, at no reduction in rates to the end user. Only by seeking out grants and putting money like this into the project will the community of Gustavus be able to enjoy electrical rates more in line with Alaskan communities of like size and circumstance.

As we all know, one of Alaska's means of bringing in additional revenue is tourism. Tourism in Alaska has made a steady decline for the past eight or nine years, regardless of the spin placed on tourism numbers by the cruise industry. Gustavus is one of those areas substantially impacted by the decline. That decline and the loss of revenue sharing have been instrumental in bringing the community to its knees. High fuel costs, high electrical rates and the ever-present dilemma of the community dock keep us in such a state of repression, we fear for the health of this small community. Our incorporation goal is to bring Gustavus back into a positive condition where people will be able to live, work and raise their families without the burden of such a high cost of living rate. We intend to keep our community's needs small, but will be unable to do so without the infusion of these types of assistance.

Respectfully,


Sandi Marchbanks, Mayor
City of Gustavus



CITY OF HOUSTON
office of
MAYOR
DALE ADAMS

Subject: Levy Property Tax Exemption.

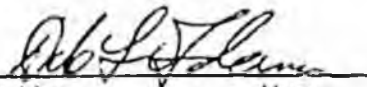
January 11, 2005

Dear Senator Wilken,

The City of Houston supports a property tax exemption for Seniors and Disabled Veterans. We also feel that the State should reimburse the city. Where this is a mandated exemption by the state, yet the state does not reimburse the local governments.

Some Seniors incomes are high and got the ability to pay property tax. But property taxes and assessments are rising and is leaving seniors with fixed income the inability to continue to afford there homes. The City of Houston is leasing about \$42,000.00 a year which is a lot of money for a small city like Houston.

Thank You,


Dale Adams Mayor

CITY OF HOUSTON • P.O. Box 940077 • HOUSTON, AK • 99694



City of Marshall

P.O. BOX 09 • MARSHALL, ALASKA 99585 • (907) 679-6215/6415

February 14, 2005

Co-Chairs: The Honorable Senators Green and Wilken
Vice Chair: The Honorable Senator Bunde

Finance Committee Members:
The Honorable Senators Dyson, Stedman, Hoffman and Olson

Re: Senate Bill 98 "Supplemental Appropriations, Fast Track Bill"
"Small City Energy Assistance"

The City Of Marshall's population currently stands at 384 and a distribution of \$50,000 to the City will assist us in purchasing fuel and paying for our insurance costs for the immediate future. The high cost of fuel this year has put the City in a financial crunch. Since the State Revenue Sharing Program was eliminated we have experienced a decrease in services provided to the residents of Marshall.

Thank you for your consideration.

Respectfully,

Raymond D. Alstrom
Mayor

CC: The Honorable Senator Kookesh
The Honorable Representative Salmon
Ms. Kathie Wasserman, AML



CITY OF MCGRATH

PO Box 30
McGrath, Alaska 99627
(907) 524-3825 ~ FAX (907) 524-3536
cityadmin@mcgrathalaska.net

February 15, 2005

Governor's Supplemental and Capital Appropriations Bill Small City Energy Assistance

Dear Members of the Senate Finance Committee:

The City of McGrath is in the same situation as every other small rural community in Alaska. We've had extraordinary fiscal burden thrust upon us from every direction, starting two years ago with a sudden and complete elimination of Revenue Sharing and Safe Communities funding along with the cessation of Capital Matching Grants. At the same time, vendor price increases on diesel and unleaded fuel that is required to keep our basic essential services functioning within our communities, such as electricity, water, sewer, and road maintenance.

Internally, our operating budget was slammed with dramatic increases in Worker's Compensation Insurance, Insurance premiums on our liability, vehicles, buildings and utilities infrastructure also soared. As with many other villages, McGrath is also dependent on shipping everything via air or a few commodities such as fuel by barge. These costs have also risen sharply, adding considerably to every aspect of the living expenses of our residents and to the cost of providing the services of our infrastructure.

Passing this Supplemental Appropriations Bill will assure the City of McGrath the ability to prudently sustain basic and essential services that our residents depend on and provide us the fiscal capacity to meet our existing obligations.

We look forward to hearing news that the Bill has been passed and that our fiscal crisis will be eased during this last half of FY05.

Sincerely,

A handwritten signature in cursive script that reads "Natalie Baumgartner".

Natalie Baumgartner
City Administrator

cc: Alaska Municipal League

City of New Stuyahok

P.O. Box 10
New Stuyahok, AK 99636
Phone: (907) 693-3171
FAX: (907) 693-3176

February 14, 2005

Senate Finance Committee

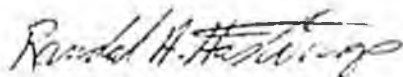
Dear Sir or Madam:

Revenue sharing is vital to the community of New Stuyahok and our children. It has helped paid our IRS bills, high insurance for our workers, paid for high cost of our oil and gas, helped maintained our heavy equipment needed for plowing and maintaining the roads esp. with our new airport being built. Our Head Start bus, school truck, fire truck, ambulance, and VPSO truck would have a hard time on the road or wouldn't be able to go on it if we don't have the capacity to keep it graded or maintained.

Without it we wouldn't be able to maintain this place that has about 600 people and growing rapidly. It is hard enough now to maintain the city and without revenue sharing we would be back in the stone ages. As of this moment right now it is very difficult to pay for our electricity, heating oil, phone, and gas. We need this to keep our 2nd class city moving forward and not going backwards.

Thank you very much for your time and please think of our children and community.

Sincerely,



Randal A. Hastings
Mayor



Mitch Chocknok
City Administrator

CITY OF NUIQSUT
Post Office Box 89148
Nuiqsut, AK 99789
Phone 907 480-6727 Fax 907 480-6928

February 11, 2005

The Honorable John Cowdery
Chair
Alaska State Senate Rules Committee
Alaska State Capitol
Juneau, Alaska 99811

FAX: 907 465 2069

Dear Senator Cowdery:

The duly elected members of the City of Nuiqsut City Council have instructed me to communicate with you and firmly assert their unqualified support for Senate Bill 98, the Supplemental Appropriations, Fast Track Bill.

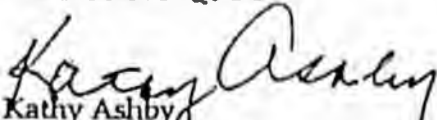
Alaska is indeed blessed with resource largesse of which many locales can only dream. Alaska's resources provide healthy economic activity and enviable lifestyles in metropolitan areas of the state. Those resources, as you well know, are located, explored, developed, and extracted in areas of the state where amenities are exceedingly few and far between, where the price of one container of milk compares with the expense of a bag of groceries in other areas.

The general fund is largely based upon resource revenues. Therefore, it is imperative that inherent inequities be ameliorated where possible. Senate Bill 98 purports to address, with general fund monies, the exorbitant cost of utilities in non-metropolitan areas of the State through energy assistance.

Please afford this bill your unqualified support as it traverses through the committee referrals and ensure its passage into law. Thank you for your assistance.

Sincerely,

CITY OF NUIQSUT


Kathy Ashby
City Administrator



CITY OF OUZINKIE

P.O. Box 109
3rd & C Street
Ouzinkie, AK 99644

Phone (907) 680-2209
Fax (907) 680-2223
cityofouzinkie@starband.net

COUNCIL MEMBERS

Zack Chichenoff - Mayor
Alex Ambrosia - Vice Mayor
Angeline Campfield - Sec./Treas.
Sharon Boskofsky - Member
Danny M. Clarton Sr. - Member
Katherine Panamarioff - Member
Darren Mullor - Member

February 15, 2005

Senate Finance Committee
State Capitol
Juneau, AK 99801

Dear Finance Committee Representatives;

I am writing to encourage you to take into consideration how important the Governor's Supplemental and Capital Appropriations Bill is to every community in this state.

As you know healthy communities can provide services in a more effective and efficient way that can the state. This only serves to save the state money in the future. By passing the above bill the communities can then use those funds to stabilize taxes and provide services.

We are being faced with skyrocketing fuel bills and insurance without the aid of revenue sharing. Communities with high transportation problems, a lack of insurance, exorbitant energy costs, crumbling infrastructure, and unaffordable shipping rates cannot provide a healthy environment with which to raise a family.

Sincerely,

Zack Chichenoff
Mayor



Office of the Mayor

P.O. Box 430
Pilot Point, Alaska 99649
Tel. (907) 797-2200
Fax (907) 797-2211

Senate Finance Committee
Juneau, Alaska


February 12, 2005

To Whom It May Concern:

We applaud the Governor's proposal to distribute financial energy relief to rural Alaska. The combined impacts of rising fuel prices, declining municipal revenues, Federal grant opportunities, commercial fisheries disasters, and the overall lack of economic opportunity in rural Alaska have hit all of us very hard.

In Pilot Point we have had to fly fuel in at \$4.66 per gallon for heating oil. The City cannot in good conscience charge our consumers a price that allows us to break even, consequently, we are absorbing a loss of over \$2.00 per gallon. Any financial relief at this time would be greatly appreciated.

Sincerely,



Gregory Kingsley
Pilot Point City Council

Kevin Ritchie

From: Kevin Smith [kevins@amljia.org]
 Sent: Monday, December 22, 2003 8:16 AM
 To: Terri McFarland; Tammy White; Rick Gifford; Kevin Ritchie; Karl Short; Joe Evans; Jerome Selby; Betty Glick; Clement Richards
 Cc: Venus Zink; Kevin Ritchie; Betty Jo Svensson; Annie McIlvain; Sarah Gilbertson
 Subject: Budget crunch burdens villages

<http://www.adn.com/front/story/4541566p-4516702c.html>

Here's an interesting article from yesterday's paper. Times are tough. Happy Holidays. Kevin



- [News](#)
- [Classifieds](#)
- [Marketplace](#)
- [Services](#)
- [Around Alaska](#)
- [Specials](#)
- [24-Hour News](#)
- [Today's ads](#)
- [Transportation](#)
- [Newspaper ads](#)
- [Travel Deals](#)
- [Iditarod](#)
-
- [Search ads](#)
- [Employment](#)
- [Directory](#)
- [Winter Guide](#)
- [Photo Galleries](#)
- [Place an ad](#)
- [Real Estate](#)
- [Alaska stores](#)
- [Alaska.com](#)
- [Editors' Picks](#)



- Registration
- Alaska
- Money
- Sports
- Outdoors
- Life
- Entertainment
- Obituaries
- Perfect World
- Video Clips
- Legislature
- Mike Doogan
- Opinion
- Letters to the Editor
- Voice of the Times
- Corrections
- Weather
- ADN Links
- Newsletters
- ADN Store
- Home

TOP ALASKA STORIES

Budget crunch burdens villages

CUTS: Slashed state aid leaves small towns facing financial straits.

By JOEL GAY
Anchorage Daily News
(Published: December 21, 2003)

Anchorage isn't the only community struggling to fill the hole in its budget after Gov. Frank Murkowski and the Alaska Legislature axed state aid to cities and boroughs earlier this year.

They're dousing the streetlights in Huslia and laying off cops in Hooper Bay. Taxes may triple in White Mountain, while Coffman Cove can't pay its insurance bill. And more than one village could merge its municipal operations with the local Native tribe.

These are tough times for the state's smallest communities, said Larsen King, mayor of Me Koryuk, a community of 200 on Nunivak Island. In villages where jobs are scarce and expenses are high, the state grants of \$25,000 to \$50,000 kept the city office open and the bills paid, he said.

The already rocky financial footing of rural Alaska villages has dramatically worsened, said King and other community leaders.



- [View all 20 Top Jobs](#)
- [Go to Employment](#)
- [Daily News job openings](#)

Search
in today's news

Search

- Previous days' news
- Advanced search
- Archives search

Editors' Picks

Read adn.com's best recent stories.

Top Ten Stories

See which stories other readers are sending to their friends.

Crossword

Play our interactive puzzle online.

ALASKA.com

Get information on travel, relocation and entertainment. The business directory allows you to locate stores and services statewide.

School News

Find your child's classroom in SchoolNews. Also, learn about Newspapers in Education.

Community News

Check out the Web sites for non-profit groups.

"How does anyone expect the little places to survive?" he asked.

The state has been providing grants to cities and boroughs since statehood, according to Bill Rolfzen of the state Division of Community Advocacy. The grant programs evolved and expanded as Alaska developed, and by 1985 the two main programs, Municipal Revenue Sharing and Safe Communities, paid out more than \$160 million.

Although Safe Communities grants were restricted to police, fire, emergency services or sanitation, Revenue Sharing could be spent on almost anything. That was the beauty of the program, Rolfzen said. The money might buy a winter's worth of diesel in one village and a year's worth of workers' compensation in another, he said.

Nearly 20 years of budget cuts eroded the two programs to \$25 million last year. But even that was more than Murkowski wanted, and he vetoed funding for both and for a third program that funded capital projects.

"It is clear to me," Murkowski wrote to the communities, "that Alaska's fiscal situation requires us all to make the tough choices. ... We must take responsibility for prioritizing what our governments can do based on what we can afford."

Murkowski gave the municipalities a one-year reprieve, splitting \$15 million in federal funds among them. But for the fiscal year that begins next July, they're on their own. Throughout Alaska this winter, city administrators and councils are coming to grips with the looming shortfall.

Some officials are optimistic.

"We'll just have to start tightening our belts and watch where our money goes," said Linda Getz, city clerk in Ouzinkie, a coastal village of 200 near Kodiak.

It will mean making do with old equipment, scrimping on paper clips and saving this year's grant, she said. The city hasn't even talked about raising taxes. But Ouzinkie will survive, she said. "I think we can do it."

Other administrators fear the effect on their cities but are resigned to it.

"When you don't have the money, you don't have the money," said Pete Platten, city manager in Tanana.

The cuts to rural communities were shortsighted, Platten said, because rural Alaska spends its money in the cities.

"Once they kill the Bush, they have no customers out here," he said. If villages shut down, "all that money is not going to Fairbanks anymore."

Rural communities are less able to cope than their urban cousins, said Raphael Murrin, city manager in Hooper Bay. The village of 1,100 on the Bering Sea coast has cut several city positions, including one police officer, and city employees have taken pay cuts.

But raising revenues will be difficult in Hooper Bay, Murrin said. The city has a 4 percent sales tax, but increasing it won't yield much more. "We don't have that much economy."

And the city can't charge property tax because there is no private property, Murrin explained. As in most rural villages, the land is owned by the village Native corporation or the federal government, which provides a small payment in lieu of taxes, or PILT.

During better times, the Yukon River village of Ruby built up a city savings account, said Mayor Donald Honea Sr., "but we've almost completely wiped the thing out now."

Ruby has reduced employee hours and city services, and now there's little left to cut, Honea said. It can no longer afford a public safety officer and may have to turn off the streetlights. Volunteers staff city hall, and the teen center remains closed unless an adult offers to open it for a night or two.

"We can't hire people to do a lot of the work we had before, like plowing snow," he said. "This year if we get a heavy snow, we have the guy do it when he can." Because the roads aren't getting plowed, Honea is nervous about house fires. "You'd have a hard time getting to the houses," he said.

The city has no sales tax, and just 200 residents to pay it if the council decides a tax would help.

"Like all the small villages, there's no employment and there's no revenue coming in, so it's pretty hard," Honea said. Commercial salmon fishing has been poor for years, and firefighting wages have declined. "The only thing is the (Permanent Fund) dividend, and a lot of people use it to catch up with their light bills."

But Ruby isn't throwing in the towel, Honea said.

"We'll continue to exist. We've existed before when times were tough. We're just going to have to cut what we had before," he said, perhaps returning to the kind of village it was before streetlights and running water.

They're also at a crossroads in small villages like Ouzinkie, White Mountain, Koyuk and Kiana, municipal officials there said. Losing the state grants will force crucial decisions that affect their communities' survival, they said.

"Insurance -- that's the scary thing. It's pretty well mandated," said city administrator Judy Willis of Coffman Cove, a former logging camp in Southeast. "Do you run the risk of not having insurance?"

Small communities are in a tough spot, acknowledged Mike Black, community development chief for the Department of Community and Economic Development. State and federal agencies that have poured millions of dollars into water plants or health clinics want those facilities insured, he said.

"But when you're the mayor or council, you're going to have to make decisions based on what you think your residents will support," Black said. "Insurance is one of those costs that doesn't immediately provide the local residents a demonstrated product. It's not like buying another policeman."

Many small communities operate their own water, sewer or electric utilities, and customers pay for the plant operations. But state municipal grants often paid for the clerks who did the billing.

"That's what pays my salary," said Dorothy Barr, city administrator in White Mountain, a village near Nome. She also writes grants, which have provided

services to White Mountain residents, such as a part-time librarian.

Her village voted down an increase to the 1 percent sales tax, and utility rates are as high as they can go, Barr said. She and other city employees have cut their hours.

"Right now we're looking at taxing pull-tabs and bingo winnings," she said. "We have to try to find different revenues."

State officials empathize with the ailing villages, but have little to offer except advice, said Rolfzen, with the state. Cities that can't afford to operate have few choices, he said. They can formally dissolve their municipal government, as several villages did as a statement of Native sovereignty in the 1980s or simply close the doors and stop functioning.

With the loss of municipal grants, Rolfzen said, "We might see a little of both, or a lot of both."

But some communities, including Mekoryuk, are considering a third option -- retaining the city government, but turning over the administration to the local tribe.

It may offer the best of both worlds, said Hultman Kiokun, administrator of the Native Village of Mekoryuk. The city can levy a sales tax -- it's 2 percent now -- and apply for grants available only to incorporated cities, while the tribe can tap federal resources.

"Having two governments in one small village, there's a lot of funds being wasted. We can eliminate those, and use that money for where it's needed most in the village," Kiokun said. "We need to make the best use of what little is coming to our village."

Mekoryuk's city and tribe are still negotiating, Kiokun said. The tribe doesn't want city liabilities to drag it down, he said, and may consider dropping money-losing services like cable television.

Nevertheless, the potential merger makes him more optimistic about Mekoryuk's future.

"It's got to change," Kiokun said. "The leaders have to understand that unless we make this change we're going to be stuck with the past, and possibly lose the services we have now."

Mekoryuk Mayor King agrees that a merger is likely, but isn't happy about it. He blames the village's poor financial condition on the "goody do-gooders" who brought water and sewer and other services to rural Alaska.

"These people bring these good things, but don't throw in operating and maintenance costs," King said. "There's no way the municipalities can survive if they cut revenue sharing off. If we raise funds like other little villages, with (bingo and pull-tab) gaming, we'll just exploit ourselves and make our community poorer and poorer."

Kiana and Koyukuk are also considering city/tribe mergers, and more villages could follow now that municipal funding is gone, said Anthony Caole, a former Quinhagak city and tribal administrator who is now an Anchorage consultant.

The merger "is not an ideal arrangement," Cao'e said. It will create an unwieldy council of 10 to 14 members working in a gray area that is both city and tribe.

"The ideal would be one form of government," he said. "It's just that nobody knows what that looks like."

And a merger is not for every community, he said. Some tribes may be reluctant to merge with their local municipality. Cities bring little to the bargaining table except sales tax powers, and many tribes are already overwhelmed with work, he said.

In addition, the future of tribal funding is uncertain. Sen. Ted Stevens has said it is increasingly difficult to secure funding for Alaska's 229 federally recognized tribes and has proposed they consider some form of consolidation.

In the meantime, the mergers may be the best option for foundering municipal governments, Cao'e said, though he doesn't see why it's necessary.

"I just can't imagine the state not providing resources to keep their sister governments alive," he said.

State officials are sympathetic to the plight of Mekoryuk, Ouzinkie and other small municipalities. But like the state, they'll have to find their own ways of balancing local needs and revenues, said Edgar Blatchford, commissioner of community and economic development. If that means dissolving their government because they can't afford it, "that's their decision," he said.

The Murkowski administration believes rural communities' fate lies with basic economics, Blatchford said. "If there's an economic base that local people can seize, there's hope for the future."

But where the only income is state and federal grants, the future looks bleak, Blatchford said.

"Sad to say," he said, "these are very challenging times for Alaska."

Daily News reporter Joel Gay can be reached at jgay@adn.com or at 257-4310.

The Anchorage Daily News • Get the whole story every day • Sign up for home delivery!

[Contact ADN](#) | [Forms](#) | [Subscriptions](#) | [Advertising](#) | [Sister Sites](#)

[Daily News Jobs](#) | [ADN History](#) | [ADN Store](#) | [Newspapers in Education](#)

 McClatchy Company Privacy Policy

For Alaska travel information and services, visit ALASKA.com

Copyright © 2003 The Anchorage Daily News



[Click here to return to the original story](#)

Tenakee eyes solutions to its fiscal crisis

Loss of revenue sharing means trouble for dozen small towns

It's not news to residents that Tenakee Springs has had some financial problems. But Shelly Wilson, mayor of the town of 150 people, said she was frightened when she realized how serious the problems are.

When Gov. Frank Murkowski stopped sharing revenues with local governments in 2004, Tenakee Springs lost \$40,000 a year. It is facing a \$25,000 deficit. The city is applying for a \$50,000 loan.

The Tenakee Springs City Council has proposed selling some city land to increase revenues and expects to put the issue on the ballot within the next two months. Council members also contemplated increasing the sales tax from 1 percent to 2 percent.

For the first time, the city might impose a property tax.

"These are some short-term solutions," Wilson said. "We look forward to receiving some funding from the state."

The Chichagof Island town is not alone.

According to the Alaska Municipal League, 14 small towns have contacted the state about formal dissolution or entered into an agreement with a tribe to resume city responsibilities - or simply have not held local elections. Twenty towns have had their insurance canceled for lack of payment.

An Alaska Municipal League report said the crises result from massive state cuts to cities at a time of skyrocketing local costs and economic downturn. In 2004, Alaska became one of a handful of states that eliminated its local government revenues-sharing programs.

"All the communities face the same problems," said Kevin Ritchie, executive director of Alaska Municipal League. "But the smallest communities, which have the smallest tax bases, have the biggest problems."

Becky Hultberg, spokeswoman for the governor, said Murkowski stopped the local government revenue-sharing program because he doesn't believe it is the state's responsibility to give block grants to local governments.

But Hultberg said when local governments experience the difficulties such as the rise of the fuel and the increase of the public employment retirement system, the state has a role in giving the community some temporary help.

In this session, Murkowski proposed giving \$6.5 million to towns with populations of fewer than 1,200 to help them deal with the rise in fuel prices. Towns with populations between 100 and 600, such as Tenakee Springs, can receive \$50,000. The governor also proposed to offer \$37.5 million for cities and \$77 million for school districts in the next two years to help them pay for the public employment retirement system.

"This is not ongoing funding. This is only temporary help," Hultberg stressed.

And that is exactly the problem, Ritchie said.

"Cities are part of the government," Ritchie said. "The Legislature is responsible for all the state to have some public services. Revenue-sharing is the most efficient way."

Wilson said she hopes the Alaska Legislature would approve the small city fuel assistance program as soon as possible.

"I will just pray we can hold that long," Wilson said. "I know it is just a one-time deal, though."

• I-Chun Che can be reached at ichun.che@juneauempire.com.

Click here to return to story:

http://www.juneauempire.com/stories/021505/sta_20050215001.shtml



[Click here to return to the original story](#)

Ten communities drop city insurance

Municipal League anticipates another dozen to follow

December 2, 2004

By **TIMOTHY INKLEBARGER**
JUNEAU EMPIRE

Ten small communities across the state have recently discontinued their municipal insurance due to a decline in assistance from the state and rising insurance and fuel costs.

Another dozen could follow within the next few months, according to Kevin Smith, executive director of the Alaska Municipal League Joint Insurance Association.

Smith would not release the names of the communities affected, but the league confirmed that Juneau is not one of the 10 cities. Juneau expects to pay roughly \$12 million in various forms of insurance in 2005, according to Juneau Finance Director Craig Duncan.

The league's insurance program covers workers' compensation, natural disasters, third-party injury liability and other costs for about 134 Alaska cities, boroughs and school districts.

Gov. Frank Murkowski vetoed \$22 million in municipal revenue sharing last year, which had helped many communities pay insurance costs in the past. Combined with the rising costs of fuel, the cuts have made it impossible for some cities to continue paying.

"In the past when they could count on a municipal assistance and revenue-sharing check, we'd carry them until the state checks were cut," Smith said. "They can't pledge zero, so I can't carry them. We carried them as long as we could and finally had to pull the plug."

In an effort to offset the cuts, Murkowski sent \$15 million to cities that same year in one-time federal money from President Bush's Jobs and Growth Tax Relief Act, with minimum payments of \$40,000 going to smaller communities.

This year Murkowski is asking the Legislature to approve \$6.8 million in aid for about 125 small, rural communities. The program would provide

\$25,000 for communities with fewer than 100 residents, \$50,000 for those with 100 to 500 residents and \$75,000 for those with 500 to 1,200 residents. The program is intended to offset rising fuel costs.

"These communities have experienced higher energy costs than the rest of Alaska and they have no tax base and insufficient commerce to support a sales tax," Murkowski said in a statement released in October.

But it is unlikely that the revenue-sharing program will be reinstated this year as it existed before the cuts, said Becky Hultberg, a Murkowski spokeswoman.

"Things are still open," she said. "We are still considering alternatives. The state this year will have some very important priorities, education being one of them. It is unlikely that insurance for cities would rise to that level. But the governor has recognized the needs of some of the smaller communities due to the disproportionately high cost of fuel and is making an effort to address those needs."

The Alaska Municipal League has made the reinstatement of some form of revenue sharing for cities its top priority this legislative session, which begins in January, according to program and policy coordinator Kathie Wasserman.

Wasserman, the former mayor of the Southeast coastal community of Pelican, said some communities drop their insurance before cutting other costs because citizens often are not informed.

"The mayor and councilmen have to react to their communities," she said. "If the roads aren't plowed, you'll get calls every day. They're not going to call you about the lack of insurance because it's not going to touch them."

Insurance costs have increased substantially, according to Mike Black, director of the state's Division of Community Advocacy, who also said the loss of insurance is often not visible to the public.

He said communities without insurance would have to appeal to the Legislature, Alaska's congressional delegation or some other state or federal agency for assistance. Black said he's advised communities with municipal employees to maintain their workers' compensation insurance policies because injured workers can sue the city, resulting in large court settlements.

"It's required under state law that an employer have workers' compensation insurance," he said. "We tell them that's something you have to retain."

• Timothy Inklebarger can be reached at timothy.inklebarger@juneauempire.com.



Ketchikan Daily News

A Division of Pioneer Printing Co., Inc.

501 Dock St./P.O. Box 7900 Ketchikan, Alaska 99901

(907) 225-3457 FAX (907) 225-1096 news@ketchikandailynews.com

Ten small Alaska communities drop city insurance

JUNEAU (AP) — Ten small Alaska communities have discontinued their municipal insurance because of declining assistance from the state and rising insurance and fuel costs.

Another dozen could follow within the next few months, said Kevin Smith, executive director of the Alaska Municipal League Joint Insurance Association.

Smith would not release the names of the communities affected, but the league confirmed that Juneau is not one of the 10 cities.

The league's insurance program covers workers' compensation, natural disasters, third-party injury liability and other costs for about 134 Alaska cities, boroughs and school districts.

Gov. Frank Murkowski vetoed \$22 million in municipal revenue sharing last year that had helped many communities pay insurance costs. Combined with the rising costs of fuel, the cuts have made it impossible for some cities to continue paying.

"In the past when they could count on a municipal assistance and revenue-sharing check, we'd carry them until the state checks were cut," Smith said. "They can't pledge zero, so I can't carry them. We carried them as long as we could and finally had to pull the plug."

In an effort to offset the cuts, Murkowski sent \$15 million to cities that same year in one-time federal money from President Bush's Jobs and Growth Tax Relief Act, with minimum payments of \$40,000 going to smaller communities.

This year Murkowski is asking the Legislature to approve \$6.8 million in aid for about 125 small, rural communities.

The program would provide \$25,000 for communities with fewer than 100 residents, \$50,000 for those with 100 to 500 residents and \$75,000 for those with 500 to 1,200 residents. The program is intended to offset rising fuel costs.

But it is unlikely that the revenue-sharing program will be reinstated this year as it existed before the cuts, said Becky Hultberg, a Murkowski spokeswoman.

"Things are still open," she said. "We are still considering alternatives. The state this year will have some very important priorities, education being one of them. It is unlikely that insurance for cities would rise to that level. But the governor has recognized the needs of some of the smaller communities due to the disproportionately high cost of fuel and is making an effort to address those needs."

The municipal league has made the reinstatement of some form of revenue sharing for cities its top priority this legislative session, which begins in January, according to program and policy coordinator Kathie Wasserman.

Insurance costs have increased substantially, according to Mike Black, director of the state's Division of Community Advocacy.

Communities without insurance would have to appeal to the Legislature, Alaska's congressional delegation or some other state or federal agency for assistance, according to Black. He said he has advised communities with municipal employees to maintain their workers' compensation insurance policies because injured workers can sue the city, resulting in large court settlements.

"It's required under state law that an employer have workers' compensation insurance," he said. "We tell them that's something you have to retain."

Wednesday, December 01, 2004

Fairbanks Daily News-Miner

10 Alaska communities forgo insurance

Friday, December 03, 2004 - Staff and Wire Reports

JUNEAU—Ten small Alaska communities have discontinued their municipal insurance because of declining assistance from the state and rising insurance and fuel costs.

Another dozen could follow within the next few months, said Kevin Smith, executive director of the Alaska Municipal League Joint Insurance Association.

Smith would not release the names of the communities affected.

Somewhat ironically, the city of Fairbanks just started purchasing insurance through the municipal league in July as a means of saving money.

The city was self-insured previously and was able to save money by purchasing insurance as part of the larger group, said Fairbanks Mayor Steve Thompson. "By going together in a pool with more people you can keep rates down," he said. He said the news that some communities might be dropping out and making the pool smaller is troubling.

"That's kind of a bother," he said.

The league's insurance program covers workers' compensation, natural disasters, third-party injury liability and other costs for about 134 Alaska cities, boroughs and school districts.

Thompson said Fairbanks received notice that its workers' compensation coverage through the AML would increase by 12 percent effective July 2005. The AML requires six-months' notice for dropping out of its program. The mayor did send a letter of tentative notice to the AML Thursday, he said, but he emphasized that the letter is standard procedure to allow the city to shop for other carriers and the city has no intention of going without coverage.

"It is only responsible for us to continually do that," he said. "It's no different that any responsible business would do to continually make sure they're saving as much money as possible."

The Fairbanks North Star Borough is self-insured and does not use the AML program.

Gov. Frank Murkowski vetoed \$22 million in municipal revenue sharing last year that had helped many communities pay insurance costs. Combined with the rising costs of fuel, the cuts have made it impossible for some cities to continue paying.

"In the past when they could count on a municipal assistance and revenue-sharing check, we'd carry them until the state checks were cut," Smith said. "They can't pledge zero, so I can't carry them. We carried them as long as we could and finally had to pull the plug."

In an effort to offset the cuts, Murkowski sent \$15 million to cities that same year in one-time federal money from President Bush's Jobs and Growth Tax Relief Act, with minimum payments of \$40,000 going to smaller communities.

This year Murkowski is asking the Legislature to approve \$6.8 million in aid for about 125 small, rural communities.

The program would provide \$25,000 for communities with fewer than 100 residents, \$50,000 for those with 100 to 500 residents and \$75,000 for those with 500 to 1,200 residents. The program is intended to offset rising fuel costs.

But it is unlikely that the revenue-sharing program will be reinstated this year as it existed before the cuts, said Becky Hultberg, a Murkowski spokeswoman.

"Things are still open," she said. "We are still considering alternatives. The state this year will have some very important

JUNEAU EMPIRE

ROBERT HALE
Publisher

LEE LESCHPER
Advertising director

MIKE LOCKRIDGE
Circulation director

FRED YATES
Controller

LORI THOMSON
Managing editor

CONNIE MCGEE
New-media director

JESSE SWANSON
Prepress director

GALEN WYATT
Pressroom director

Empire editorial

State needs to share the windfall with cities

Some states would be envious of Alaska even in our worst budget times, but once again financial fortune has smiled on this state and the result will be hundreds of millions of unexpected dollars into its lap.

Revenue from record-high oil prices likely will close the state's \$360 million budget gap and send an additional \$500 million to its general fund. This rare stroke of luck isn't going to last forever and state leaders therefore need to make sure the extra income isn't squandered.

Education is at the top of the list of items that need greater funding. Juneau is not the only city in the state in which teachers struggle with classrooms of more than 30 students. Key to improving education in this state is reducing class size by increasing the state's allocation to schools. Gov. Frank Murkowski already has called for a \$126 million increase in spending for K-12 education over the next two years. The Alaska Legislature needs to follow up on that and make sure that some of this fleeting wealth brings improvements in classrooms across the state.

The Murkowski administration also is looking at putting money back into social-service programs, many of which have been trimmed in recent years. The governor is proposing \$6 million for children's services, \$1.5 million for juvenile justice and \$7.1 million for preventing drug and alcohol abuse. These are all wise investments and could save the state money down the road, particularly in the criminal justice system.

With its financial windfall, the state needs to make sure that it avoids two things: using the money for pet capital projects and leaving cities to struggle

on their own.

Too many schools and other public buildings are in need of maintenance that has been delayed because of tight budgets in recent years. These need to be brought up to par before money is frittered away on new capital projects, which will in time need maintenance of their own.

Most importantly, though, Alaska's legislators cannot leave cities out in the cold financially. Lawmakers have failed to take real action to solve the state's long-term budget problems. Too worried about their own political careers, legislators haven't made the tough decisions that are needed on broad-based taxes, increasing revenue from the oil industry or other measures that would bring long-term financial stability. What lawmakers have done is shift the burden to cities by slashing their state funding.

As revenue sharing with cities has been cut, local governments statewide have had to increase property taxes by 33 percent and at least 30 rural communities have had to cut essential services, such as road maintenance or public safety, according to the Alaska Conference of Mayors. Ten small towns have had to drop their municipal insurance program, which covers workers' compensation, natural disasters and other costs.

With the unexpected oil revenues, the state needs to share the wealth and restore funds to its Municipal Revenue Sharing Program. Many of Alaska's small cities are desperate for a financial boost because of belt-tightening in recent years, and it's only fair that this windfall of cash should be used to bring them some relief.

ALASKA

10 towns

can't pay insurance

DECEMBER 6, 2004

■ **BROKE:** Without state aid to pay premium, small cities risk disaster.

By JOEL GAY
Anchorage Daily News

Nearly a dozen rural communities are flirting with financial disaster after failing to pay their insurance bills and dropping out of a statewide pool of self-insured cities, boroughs and school districts.

The 10 small cities are no longer carrying workers' compensation, snowplow insurance or basic liability coverage, in large part because the state has eliminated the grants they once relied on to pay such expenses, said Kevin Smith, executive director of the Alaska Municipal League Joint Insurance Association.

Now uninsured, they could be fined for failing to meet legal requirements. They also run the risk of bankruptcy if slapped with a big lawsuit, Smith said.

INSURANCE: *If town is sued, state may take hit*

Continued from B-1

much to collect from a bankrupt city, Smith said.

"He can be the proud owner of an old waste-water treatment plant," he said.

It's also possible that a person could turn to the state, if a city were bankrupt, Smith said.

"You might decide the deeper pocket is to go after the state," since every city is a political subdivision of the state government, he said.

That's untested legal ground in Alaska, he added.

The cities that lost their insurance could get it back, Smith said, but it will take work. Not only must they make up the last four months, but they'll have to pay ahead several months.

They could get help if the Alaska Legislature approves a Murkowski proposal to give communities another one-time grant, with the smallest receiving

1000 876 0001

Several small cities that last year had feared the loss of state aid said Friday that they are still financially solvent, though it has required extreme measures.

"We're still floating," and keeping up with insurance payments, said Larsen King, mayor of the Nunivak Island village of Mekoryuk.

But to save money, the city has merged with the local tribe, he said. The arrangement allows the city to tap state aid whenever it can but share the cost of administering the city's government with the tribe.

To the north, the village of Kiana did the same thing, said DeLores Tuckfield, deputy director of Kiana Traditional Council. In a move driven largely by the loss of revenue sharing, the city contracted with the council to administer city services, she said.

"It's been a lot of work" to establish the new system, which began July 1, Tuckfield said. But

so far, it's working well, she said, and the city has stayed ahead of its insurance bills.

The Southeast logging village of Coffman Cove is also meeting its financial obligations, though not without some sacrifices, said city administrator Judy Willis.

"Our (insurance) payments aren't always on time," she said. "But we haven't got a cancellation notice yet. I think they're being generous."

Insurance is a major expense in the city of 165, Willis said. Even after paring away nonessential costs, it was still more than \$20,000 a year, she said.

Coffman Cove has survived the loss of state revenue sharing so far, Willis said. But there's not much more the community can cut or raise without help from the Alaska Legislature. Willis wants to allow second-class cities such as hers to levy a flat property tax — say, \$100 an acre. Current law prohibits property

and the state may turn up among the cities bills anyhow, he said.

"You could make an argument that they're a political subdivision of the state, and if they're not making it (financially), the state is on the hook," he said.

Alaska's cities and boroughs received state aid for years. Some of the grants were specifically for public safety or construction. Others could be used for anything, including heating oil, city hall salaries and expenses such as insurance.

The three main sources of municipal aid dwindled over many years but finally expired when Gov. Frank Murkowski vetoed the last of them in 2003. Murkowski later used a federal grant to give municipalities a one-time check, which for the smallest communities was \$40,000.

Most cities absorbed the loss by cutting services, raising taxes and fees, or both. In small communities with fewer resources, the cuts meant reducing or shutting down popular services, such as snowplowing, teen centers and street lights.

But 10 communities, which Smith would not name, started falling behind on their monthly payments to the statewide insurance pool. This month, their insurance was canceled, he said.

The pool has "been carrying them for four months," Smith said. "I couldn't do it any longer." And another dozen or so communities are close to losing their insurance, as well, he said.

Cities are required to carry workers' compensation, and most provide it for their volunteer firefighters and emergency medical personnel, Smith said. Asked what the uninsured cities are doing now, he said, "panicking."

The Alaska Department of Labor could fine the cities for failing to insure their workers, Smith said. That would just drive the cities further into debt, he said.

If a worker got hurt or a visitor slipped on city property and successfully sued, there wouldn't be

See Page B-3, INSURANCE

taxes unless they're based on an assessment.

"If we had enough money to have everything assessed, we wouldn't need the tax," she said.

Otherwise, communities such as hers will have to rely on bake sales and raffles to raise money for expenses such as insurance and salaries, Willis said. She was going to a fund raiser Friday night for local sports teams. "Next week it's the fire department," she said.

■ Daily News reporter Joel Gay can be

reached at

INSURANCE JOURNAL

30% Commission

West News

Ten Small Alaska Communities Drop City Insurance

December 8, 2004

Ten small Alaska communities have discontinued their municipal insurance because of declining assistance from the state and rising insurance and fuel costs.

Another dozen could follow within the next few months, said Kevin Smith, executive director of the Alaska Municipal League Joint Insurance Association.

Smith would not release the names of the communities affected, but the league confirmed that Juneau is not one of the 10 cities.

The league's insurance program covers workers' compensation, natural disasters, third-party injury liability and other costs for about 134 Alaska cities, boroughs and school districts.

Gov. Frank Murkowski vetoed \$22 million in municipal revenue sharing last year that had helped many communities pay insurance costs. Combined with the rising costs of fuel, the cuts have made it impossible for some cities to continue paying.

"In the past when they could count on a municipal assistance and revenue-sharing check, we'd carry them until the state checks were cut," Smith said. "They can't pledge zero, so I can't carry them. We carried them as long as we could and finally had to pull the plug."

In an effort to offset the cuts, Murkowski sent \$15 million to cities that same year in one-time federal money from President Bush's Jobs and Growth Tax Relief Act, with minimum payments of \$40,000 going to smaller communities.

This year Murkowski is asking the Legislature to approve \$6.8 million in aid for about 125 small, rural communities.

The program would provide \$25,000 for communities with fewer than 100 residents, \$50,000 for those with 100 to 500 residents and \$75,000 for those with 500 to 1,200 residents. The program is intended to offset rising fuel costs.

But it is unlikely that the revenue-sharing program will be reinstated this year as it existed before the cuts, said Becky Hultberg, a Murkowski spokeswoman.

"Things are still open," she said. "We are still considering alternatives. The state this year will have some very important priorities, education being one of them. It is unlikely that insurance for cities would rise to that level. But the governor has recognized the needs of some of the smaller communities due to the disproportionately high cost of fuel and is making an effort to address those needs."

The municipal league has made the reinstatement of some form of revenue sharing for cities its top priority this legislative session, which begins in January, according to program and policy coordinator Kathie Wasserman.

Insurance costs have increased substantially, according to Mike Black, director of the state's Division of

Community Advocacy.

Communities without insurance would have to appeal to the Legislature, Alaska's congressional delegation or some other state or federal agency for assistance, according to Black. He said he has advised communities with municipal employees to maintain their workers' compensation insurance policies because injured workers can sue the city, resulting in large court settlements.

"It's required under state law that an employer have workers' compensation insurance," he said. "We tell them that's something you have to retain."

Find this article at:

<http://www.insurancejournal.com/news/wes/2004/12/08/48327.htm>

© 2004 Wells Publishing, Inc. [Reprint Information](#) | [Home Search](#) | [Contact Us](#)

Kevin Smith

From: "Annie McIlvain" <annie@akml.org>
To: "Kevin Ritchie" <kevin@akml.org>; "Kathie Wasserman" <kathie@akml.org>; "Kevin Smith" <kevins@amljia.org>
Sent: Monday, December 20, 2004 3:59 PM
Subject: homer news

HOMER
TRIBUNE

Editorial



Insurance woes taking toll on Alaska

By John Crowder
Homer Tribune

Alaska is not the only state of the union facing rising health insurance costs, but here in the far north we rank among the most uninsured in the nation. While we are only a microcosm of a much larger problem, it is clear that health care and insurance racketeers are pushing Alaska into the red.

Hikes in long-term care and Medicaid and prescription drugs

are also on the rise, according to a recent study sponsored by the Pew Charitable trust. The study showed that 22 percent of adult Alaskans are without health insurance. Although Alaska's Denali Kid Care program covers a significant number of children under 18 - boosting our national ranking to 35th - close to a fourth of our population is using the Medicaid system.

Insurance gouging is meanwhile taking a tremendous toll on local Alaska governments, and the state's decision to bail out our school system from rising costs likely kept them from deficit spending. Ten small communities in our state have recently discontinued municipal insurance plans because of rising costs and lack of state assistance. Many more are expected to do the same in the near future, according to reports from Alaska Municipal League. This type of insurance covers everything from natural disasters to workers' comp. Such a trend is opening communities up to enormous liability.

Homer is having its own budgetary problems. But will more state revenue sharing be the key to bailing communities out of this insurance bind? I believe the problem demands a more comprehensive overhaul at the

federal level.

The ramifications of these hikes are that insurance companies are allowed to cause rampant reductions in every other area of government spending, to make up the difference. The state's Health and Social Services budget has skyrocketed, causing infiltration into other departmental budgets. The city of Homer's Public Employee Retirement System and workers' comp levels are going through the roof, a large reason for the city's need to cut other areas of spending and boost fees in various departments. But where is the accountability for insurers and health care providers? That is the question that people are asking nationwide. While health care was a major focus in the recent election, one must concede that each political party has its hands in the pie. It appears that antitrust violations will simply continue as long as special interest partisan politics flourish.

Obviously, mere criticism will not do any good. And granted, there are a number of virtual epidemics that play into the problem, from the spread of HIV/AIDS to America's obesity rate and aging populous. In Alaska, health care providers also face tremendous travel costs in many cases. Perhaps there is more complexity to the situation than a few big wigs sitting in a smoky penthouse trying to concoct ways to gouge the commoner. Yet, neither can we deny the big money lobbying that keeps America uninsured.

Unfortunately, it will probably take even more individuals and corporate entities pulling out of the insurance grid altogether before regulators are willing to affect any meaningful change.

Meanwhile, what do we do? Splint our own broken bones and cross our fingers that nobody sues the pants off the city for slipping on the sidewalk?

Well, perhaps it's not that bad. We must acknowledge, with all its flaws, that at least we have a health care system that functions. There are plenty of countries that would gladly pay out the nose just to have a hospital available in every community. On that note, Homer and the rest of America is truly blessed to have the health providers that it does. Until there is change on the horizon, Alaskans will just continue to do the best with what they have.

Annie Mellvain
Director of Member Services
Alaska Municipal League
907.586.1325 phone
907.463.5480 fax