

HB

362

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 362(FIN)
() 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
used in the formula for state financing of public education; and Component Foundation Program
Sponsor Governor
Requester House Finance Component No. 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	96,020.9	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	96,020.9	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	96,020.9	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	96,020.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation from \$4,919 to \$5,380 for FY07. This is a \$461 increase in the base student allocation.

Prepared by: Eddy Jeans, Director
Division: School Finance
Approved by: _____
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 4/20/06 8:24 AM
Date: 4/20/2006

School District	FY07 Projected Entitlement@ \$4,919	FY07 Projected Entitlement @ \$5,380	Difference
Alaska Gateway	4,978,445	5,444,316	465,871
Aleutian Region	1,121,420	1,194,845	73,425
Aleutians East Borough	3,325,972	3,700,599	374,627
Anchorage	244,050,660	275,043,349	30,992,689
Annette Island	1,675,995	1,943,339	267,344
Bering Strait	17,437,843	19,797,084	2,359,241
Bristol Bay Borough	1,421,610	1,616,908	195,298
Chatham	2,201,204	2,430,492	229,288
Chugach	2,164,454	2,275,384	110,930
Copper River	6,281,510	6,889,910	608,400
Cordova	3,287,264	3,659,812	372,548
Craig	4,382,366	4,841,504	459,138
Delta/Greely	9,352,944	10,229,503	876,559
Denali Borough	4,577,977	5,058,643	480,666
Dillingham	4,539,483	5,047,169	507,686
Fairbanks N. Star Borough	79,210,194	89,237,853	10,027,659
Galena	16,338,781	17,318,318	979,537
Haines Borough	1,702,312	1,944,143	241,831
Hoonah	1,727,275	1,907,562	180,287
Hydaburg	759,317	804,408	45,091
Iditarod Area	4,332,341	4,660,042	327,701
Juneau Borough	26,043,291	29,600,063	3,556,772
Kake	994,106	1,103,165	109,059
Kashunamiut	2,511,616	2,881,407	369,791
Kenai Peninsula Borough	49,089,231	55,509,061	6,419,830
Ketchikan Gateway Borough	12,644,267	14,248,796	1,604,529
Klawock	1,182,829	1,260,769	77,940
Kodiak Island Borough	17,475,639	19,534,793	2,059,154
Kuspuk	5,309,727	5,918,114	608,387
Lake & Peninsula Borough	6,511,945	7,160,807	648,862
Lower Kuskokwim	43,562,282	48,564,676	5,002,394
Lower Yukon	19,400,947	21,869,809	2,468,862
Mat-Su Borough	94,129,068	104,608,991	10,479,923
Nenana	4,229,269	4,631,814	402,545
Nome	6,752,945	7,465,393	712,448
North Slope Borough	10,610,182	12,678,223	2,068,041
Northwest Arctic Borough	23,970,992	26,555,063	2,584,071
Pelican	381,855	398,810	16,955
Petersburg	3,834,767	4,294,974	460,207
Pribilof	1,116,853	1,269,845	152,992
Saint Mary's	2,008,361	2,197,726	189,365
Sitka Borough	8,425,674	9,482,673	1,056,999
Skaaway	702,306	802,949	100,643
Southeast Island	3,071,481	3,232,662	161,181
Southwest Region	7,097,884	7,976,006	878,122
Tanana	701,901	771,512	69,611
Unalaska	2,628,614	3,020,602	391,988
Valdez	3,647,045	4,188,856	541,811
Wrangell	2,455,013	2,739,763	284,750
Yakutat	1,045,496	1,159,796	114,300
Yukon Flats	4,916,456	5,264,080	347,624
Yukon/Koyukuk	10,180,358	11,215,838	1,035,480
Yupit	4,756,298	5,362,808	606,510
Mt Edgcombe High School	2,141,906	2,405,847	263,941
Other	26,027,300	26,027,300	
Total	824,427,271	920,448,174	96,020,903

NOTE: The above estimates were calculated using FY07 Projections.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 362(FIN)
() 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
used in the formula for state financing of public education; and Component Special Schools
Sponsor Governor
Requester House Finance Component No. 2735

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	646.9	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	646.9	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	646.9	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	646.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation from \$4,919 to \$5,380 for FY07.

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: _____
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 4/20/06 8:20 AM
Date: 4/20/2006

ALASKA MILITARY YOUTH ACADEMY

FY07 PROJECTION for FY07

184 x \$5380 x 7 =	6,929,440
192 x \$5380 x .6 =	619,776
less \$2,100,000	(2,100,000)
	5,449,216
<i>FY07 Projected Entitlement at \$4919</i>	4,802,341
FY07 INCREASE TO AMYA:	\$ 646,875

CS FOR HOUSE BILL NO. 362(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing the base student allocation used in the formula for state financing 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 \$5,380
6 [\$4,919].

7 * Sec. 2. This Act takes effect July 1, 2006.

awaiting replacement

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 362
() 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
used in the formula for state financing of public education; and Component Special Schools
Sponsor Governor
Requester Rules Committee Component No. 2735

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	607.6	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	607.6	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	607.6	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	607.6	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal.

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation from \$4,919 to \$5,352 for FY07.

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: _____
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 4/7/06 10:59 AM
Date: 4/7/2006

ALASKA MILITARY YOUTH ACADEMY

FY07 PROJECTION for FY07

184 x \$5352 x 7 =	6,893,376
192 x \$5352 x .6 =	616,550
less \$2,100,000	(2,100,000)
	5,409,926
<i>FY07 Projected Entitlement at \$4919</i>	4,802,341
FY07 INCREASE TO AMYA:	\$ 607,585

awaiting replacement

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 362
(H) Publish Date: 1/13/06

Revision Date/Time (Note if correction): Dept. Affected: Education & Early Development
Title: An act increasing the base student allocation RDU: K-12 Support
used in the formula for state financing of public education; and Component: Foundation Program
Sponsor: Governor
Requester: Rules Committee Component No.: 141

Expenditures/Revenues (Thousands of Dollars)

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

Table with 7 columns: OPERATING EXPENDITURES, FY 2007, FY 2008, FY 2009, FY 2010, FY 2011, FY 2012. Rows include Personal Services, Travel, Contractual, Supplies, Equipment, Land & Structures, Grants & Claims, Miscellaneous, and TOTAL OPERATING.

CAPITAL EXPENDITURES table with 7 columns.

CHANGE IN REVENUES () table with 7 columns.

FUND SOURCE (Thousands of Dollars)

Table with 7 columns: FUND SOURCE, FY 2007, FY 2008, FY 2009, FY 2010, FY 2011, FY 2012. Rows include 1002 Federal Receipts, 1003 GF Match, 1004 GF, 1005 GF/Program Receipts, 1037 GF/Mental Health, Other, and TOTAL.

Estimate of any current year (FY2006) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal: []

POSITIONS

Table with 7 columns for POSITIONS: Full-time, Part-time, Temporary.

ANALYSIS: (Attach a separate page if necessary)
This bill would increase the Base Student Allocation from \$4,919 to \$5,352 for FY07.

Prepared by: Edly Jeans, Director
Division: School Finance
Approved by:
Agency: Education & Early Development
Phone: 465-8679
Date/Time: 12/20/05 9:30 AM
Date: 12/20/2005

Pass

CONCEPTUAL AMENDMENT 2a

OFFERED IN THE HOUSE
TO: HB 362

BY REPRESENTATIVE MEYER

- 1 Page 1, line 5
- 2 Delete "\$5,352"
- 3 Insert "\$5,380"
- 4
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HOUSE BILL NO. 362

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/13/06

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing the base student allocation used in the formula for state financing 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 \$5,352
6 [\$4,919].

7 * Sec. 2. This Act takes effect July 1, 2006.

*failed
3 to 8*

4/19

24-GH2038VA.4
Kurtz/Mischel
4/7/06

AMENDMENT

2

OFFERED IN THE HOUSE
TO: HB 362

BY REPRESENTATIVE WEYHRAUCH

1 Page 1, line 5:

2 Delete "\$5.352"

3 ~~Insert "\$6.776"~~

\$ 5,474

HOUSE FINANCE COMMITTEE ROLL CALL

HB 362

DATE: 4/19/06

Amendment: # 2 ² ~~prop~~ meyer

MEMBER

Favor

Oppose

JOULE	✓	
KELLY		✓
KERTTULA	✓	
MOSES	✓	
STOLTZE	✓	
WEYHRAUCH	✓	
FOSTER	✓	
HAWKER	✓	
HOLM		✓
CHENAULT		✓
MEYER	✓	

**HOUSE FINANCE
COMMITTEE
ROLL CALL**

HB 362

DATE: 4/19

Amendment: #2 Wey

MEMBER

Favor

Oppose

KELLY		✓
KERTTULA	✓	
MOSES	✓	
STOLTZE		✓
WEYHRAUCH	✓	
FOSTER		✓
HAWKER		✓
HOLM		✓
JOULE		✓
MEYER		✓
CHENAULT		✓

Hold

Withdraw 4/19

24-GH2038VA.2
Mischel
4/5/06

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE CHENAULT

TO: HB 362

1 Page 1, line 1, following "Act":

2 Insert "relating to school district cost factor adjustments for school funding;"

3

4 Page 1, following line 3:

5 Insert a new bill section to read:

6 "* Section 1. AS 14.17.460(a) is amended to read:

7 (a) For purposes of calculating a district's adjusted ADM under
8 AS 14.17.410(b)(1), the district cost factor for a school district is as follows:

9	DISTRICT	DISTRICT COST FACTOR
10	Alaska Gateway	<u>1.367</u> [1.291]
11	Aleutians East	<u>1.565</u> [1.423]
12	Aleutians Region	<u>1.787</u> [1.736]
13	ALYESKA CENTRAL SCHOOL	1.000]
14	Anchorage	1.000
15	Annette Island	<u>1.093</u> [1.011]
16	Bering Strait	<u>1.643</u> [1.525]
17	Bristol Bay	<u>1.316</u> [1.262]
18	Chatham	<u>1.234</u> [1.120]
19	Chugach	<u>1.345</u> [1.294]
20	Copper River	<u>1.211</u> [1.176]
21	Cordova	<u>1.131</u> [1.096]
22	Craig	<u>1.059</u> [1.010]
23	Delta/Greely	<u>1.140</u> [1.106]

1	Denali	<u>1.318</u> [1.313]
2	Dillingham	<u>1.277</u> [1.254]
3	Fairbanks	<u>1.047</u> [1.039]
4	Galena	<u>1.359</u> [1.348]
5	Haines	<u>1.056</u> [1.008]
6	Hoonah	<u>1.141</u> [1.055]
7	Hydaburg	<u>1.190</u> [1.085]
8	Iditarod	<u>1.564</u> [1.470]
9	Juneau	<u>1.040</u> [1.005]
10	Kake	<u>1.134</u> [1.025]
11	Kashunamiut	<u>1.447</u> [1.389]
12	Kenai Peninsula	<u>1.046</u> [1.004]
13	Ketchikan	<u>1.043</u> [1.000]
14	Klawock	<u>1.088</u> [1.017]
15	Kodiak Island	<u>1.142</u> [1.093]
16	Kuspuk	<u>1.509</u> [1.434]
17	Lake and Peninsula	<u>1.667</u> [1.558]
18	Lower Kuskokwim	<u>1.534</u> [1.491]
19	Lower Yukon	<u>1.544</u> [1.438]
20	Matanuska-Susitna	<u>1.025</u> [1.010]
21	Mt. Edgecumbe	<u>1.049</u> [1.000]
22	Nenana	<u>1.287</u> [1.270]
23	Nome	<u>1.352</u> [1.319]
24	North Slope	<u>1.576</u> [1.504]
25	Northwest Arctic	<u>1.618</u> [1.549]
26	Pelican	<u>1.337</u> [1.290]
27	Petersburg	<u>1.061</u> [1.000]
28	Pribilof	<u>1.487</u> [1.419]
29	Sitka	<u>1.049</u> [1.000]
30	Skagway	<u>1.151</u> [1.143]
31	Southeast Island	<u>1.194</u> [1.124]

1	Southwest Region	<u>1.489</u> [1.423]
2	St. Mary's	<u>1.419</u> [1.351]
3	Tanana	<u>1.569</u> [1.496]
4	Unalaska	<u>1.294</u> [1.245]
5	Valdez	<u>1.114</u> [1.095]
6	Wrangell	<u>1.040</u> [1.000]
7	Yakutat	<u>1.138</u> [1.046]
8	Yukon Flats	<u>1.780</u> [1.668]
9	Yukon/Koyukuk	<u>1.585</u> [1.502]
10	Yupiit	<u>1.533</u> [1.469]."

11

12 Page 1, line 4:

13 Delete "Section 1"

14 Insert "Sec. 2"

15

16 Renumber the following bill section accordingly.



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4-19-06
bill # / subject public hearing date

I am a student at Homer High School in Alaska. I heard about this meeting and since our school is cutting its French and Art classes next year, I decided to write and inform you that our school needs those programs. It also needs more funding. The reason those classes are being cut (although you probably already know it) is because our school doesn't have the funding to support them. I happen to be a French student and as you can probably guess I am less than appreciative to French being dropped. Most colleges want at least 2 years of a foreign language, preferably more. This will be my second year in French, but I was planning on taking it all though high school, unfortunately it looks like I won't be doing that after all. Unless our school gets more funding so it can keep its programs many kids will be left hanging educationally. All I ask is that you inform whoever is in charge of the school funding that they need to give us more funding because we need it, and I'm sure our school isn't the only one.

Sincerely,

Rosanna H. a student just wondering what will be cut next

Signed: Rosanna Hunting
Testifier

Representing (optional)

69075 Karen Ave Anchor Point AK 99556
Address

907-235-8894
Phone number

THE
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FAX (907) 465-3532
WWW.GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 13, 2006

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would raise the base student allocation for students attending public school grade levels kindergarten through 12 (K-12) beginning in fiscal year 2007. Under the bill, the base student allocation would increase from \$4,919 to \$5,352 on July 1, 2006, an approximately 8.8 percent increase over last year. This is the fourth increase in the base student allocation since 2003, when the allocation was \$4,010. These four increases amount to a 33 percent increase during this administration.

This bill is an important element of my continuing effort to finance K-12 public education at a level that meets the increased costs our school districts have experienced over the last several years. This increase in the base student allocation will add approximately \$90 million to the state financing of public education, bringing the total state contribution to \$928,087,440.

I urge your prompt and favorable action on this measure, for the sake of Alaska's public schools and our children.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure

School District	FY06 Projected Entitlement@ \$4,919	Projected Entitlement @ \$5,352	Difference
Alaska Gateway	4,978,445	5,414,866	436,421
Aleutian Region	1,121,420	1,190,687	69,267
Aleutians East Borough	3,325,972	3,677,845	351,873
Anchorage	244,050,660	273,160,930	29,110,270
Annette Island	1,675,995	1,927,101	251,106
Bering Strait	17,437,843	19,653,789	2,215,946
Bristol Bay Borough	1,421,610	1,605,046	183,436
Chatham	2,201,204	2,416,565	215,361
Chugach	2,164,454	2,268,647	104,193
Copper River	6,281,510	6,852,957	571,447
Cordova	3,287,264	3,637,185	349,921
Craig	4,382,366	4,813,617	431,251
Delta/Greely	9,352,944	10,176,263	823,319
Denali Borough	4,577,977	5,029,448	451,471
Dillingham	4,539,483	5,016,333	476,850
Fairbanks N. Star Borough	79,210,194	88,628,797	9,418,603
Galena	16,338,781	17,264,238	925,457
Haines Borough	1,702,312	1,929,455	227,143
Hoonah	1,727,275	1,896,612	169,337
Hydaburg	759,317	801,669	42,352
Iditarod Area	4,332,341	4,645,128	312,787
Juneau Borough	26,043,291	29,384,034	3,340,743
Kake	994,106	1,096,541	102,435
Kashunamiut	2,511,616	2,858,947	347,331
Kenai Peninsula Borough	49,089,231	55,119,137	6,029,906
Ketchikan Gateway Borough	12,644,267	14,151,341	1,507,074
Klawock	1,182,829	1,256,036	73,207
Kodiak Island Borough	17,475,639	19,409,725	1,934,086
Kuspuk	5,309,727	5,881,162	571,435
Lake & Peninsula Borough	6,511,945	7,121,397	609,452
Lower Kuskokwim	43,562,282	48,260,843	4,698,561
Lower Yukon	19,400,947	21,719,856	2,318,909
Mat-Su Borough	94,129,068	103,972,466	9,843,398
Nenana	4,229,269	4,607,364	378,095
Nome	6,752,945	7,422,121	669,176
North Slope Borough	10,610,182	12,552,615	1,942,433
Northwest Arctic Borough	23,970,992	26,398,113	2,427,121
Pelican	381,855	397,781	15,926
Petersburg	3,834,767	4,267,023	432,256
Pribilof	1,116,853	1,260,552	143,699
Saint Mary's	2,008,361	2,186,224	177,863
Sitka Borough	8,425,674	9,418,474	992,800
Skagway	702,306	798,935	96,629
Southeast Island	3,071,481	3,222,871	151,390
Southwest Region	7,097,884	7,922,671	824,787
Tanana	701,901	767,284	65,383
Unalaska	2,628,614	2,996,794	368,180
Valdez	3,647,045	4,151,172	504,127
Wrangell	2,455,013	2,722,468	267,455
Yakutat	1,045,496	1,152,854	107,358
Yukon Flats	4,916,456	5,245,636	329,180
Yukon/Koyukuk	10,180,358	11,152,945	972,587
Yupik	4,756,298	5,325,970	569,672
Mt. Edgecumbe High School	2,141,906	2,389,816	247,910
Other	26,027,300	26,027,300	
Total	832,344,749	922,362,816	90,198,375

NOTE: The above estimates were calculated using FY07 Projections

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 362
(H) Publish Date: 1/13/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: An act increasing the base student allocation RDU: K-12 Support
used in the formula for state financing of public education; and Component: Special Schools
Sponsor: Governor
Requester: Rules Committee Component No.: 2735

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	633.1	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	633.1	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	633.1	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	633.1	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation from \$4,919 to \$5,352 for FY07.

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: _____
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 12/20/05 9:35 AM
Date: 12/20/2005

ALASKA MILITARY YOUTH ACADEMY

FY06 PROJECTION for FY07

184 x \$5352 x 7 =	6,893,376
290 x \$5352 x .6 =	931,248
less \$2,100,000	(2,100,000)
	5,724,624
<i>FY07 Projected Entitlement at \$4919</i>	5,091,578
FY07 INCREASE TO AMYA:	\$ 633,046



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4-7-06
bill # / subject public hearing date

I am a grauating Senior from homer High, and I knew that our school is cutting funding. In future years there is talk of getting rid of the Art Department, auto shop, welding and construction. These departments strengthen soem kids and need to desperately be there. When I was a sophomore I wanted to be in the photography class in our school. That year they decided to cut it from our school budget. I am planning on going to college now for photojournalisim, and without the necessary photography class skills it will be a lot harder for me. We need to keep funding the schools so we have less crimes, and increased attending rate. I know a lot of kids that wouldn't even come to school if they didn't have their passions - Art, Autoshop, and extra-curricular. I am in the High Schools brand new journalism team, and in the yearbook class. without these classes, I probably would be still a little lost on what to go to college for. These classes help people find what they like and what they don't. I know a lot of people go to Avetech from Homer, and Autoshop is a class most of them take. Do not cut funding from Homer High, otherwise you will see an increase in drug, alehol, and criminal activity among teens. Haven't you seen an increase over the past years, when classes were being dropped?

Please hear my voice for the underclassmen of the school.

Heather Ericson. 12th grade

Signed: Heather Ericson
Testifier

Representing (optional)

P.O. Box 3475 Homer, Ak 99603

Address

Phone number



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4-7-06
bill # / subject public hearing date

It is shameful and unacceptable for the schools in Alaska to be cutting teachers and programs. We are one of the richest states in the union. We have money for this, and yet we refuse to use it for our students. Our students are caught in the middle of a political agenda, yet they are the ones who are permanently set back, set aside and injured by this mindset. They are the future of Alaska, and they have no say in the debate. Colleges are denying our students acceptance already because college-mandated, required high school classes are being cut.

We need to require Borough funding for schools to the cap.
We need to recognize and act on the area cost differential.
We need to increase the overall funding for schools.

Thank you,
Laura Inghima

Signed: Laura Inghima
Testifier
Self
Representing (optional)
60210 Bear Creek Dr Homer, AK 99603-9440
Address

Phone number

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 362
(H) Publish Date: 1/13/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: An act increasing the base student allocation RDU: K-12 Support
used in the formula for state financing of public education; and Component: Foundation Program
Sponsor: Governor
Requester: Rules Committee Component No.: 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	90,198.4	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	90,198.4	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF	90,198.4	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	90,198.4	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation from \$4,919 to \$5,352 for FY07.

Prepared by: Eddy Jeans Director
Division: School Finance
Approved by: _____
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 12/20/05 9 30 AM
Date: 12/20/2005

School District	FY06 Projected Entitlement@ \$4,919	Projected Entitlement @ \$5,352	Difference
Alaska Gateway	4,978,445	5,414,866	436,421
Aleutian Region	1,121,420	1,190,687	69,267
Aleutians East Borough	3,325,972	3,677,845	351,873
Anchorage	244,050,660	273,160,930	29,110,270
Annette Island	1,675,995	1,927,101	251,106
Barrow	17,437,843	19,653,789	2,215,946
Bristol Bay Borough	1,421,610	1,605,046	183,436
Chatham	2,201,204	2,416,565	215,361
Chugach	2,164,454	2,268,647	104,193
Copper River	6,281,510	6,852,957	571,447
Cordova	3,287,264	3,637,185	349,921
Craig	4,382,366	4,813,617	431,251
Delta/Greely	9,352,944	10,176,263	823,319
Denali Borough	4,577,977	5,029,448	451,471
Dillingham	4,539,483	5,016,333	476,850
Fairbanks N. Star Borough	79,210,194	88,628,797	9,418,603
Galena	16,338,781	17,264,238	925,457
Haines Borough	1,702,312	1,929,455	227,143
Hoonah	1,727,275	1,896,612	169,337
Hydaburg	759,317	801,669	42,352
Iditarod Area	4,332,341	4,645,128	312,787
Juneau Borough	26,043,291	29,384,034	3,340,743
Kake	994,106	1,096,541	102,435
Kashunamiut	2,511,616	2,858,947	347,331
Kenai Peninsula Borough	49,089,231	55,119,137	6,029,906
Ketchikan Gateway Borough	12,644,267	14,151,341	1,507,074
Klawock	1,182,829	1,256,036	73,207
Kodiak Island Borough	17,475,639	19,409,725	1,934,086
Kuspuk	5,309,727	5,881,162	571,435
Lake & Peninsula Borough	6,511,945	7,121,397	609,452
Lower Kuskokwim	43,562,282	48,260,843	4,698,561
Lower Yukon	19,400,947	21,719,856	2,318,909
Mat-Su Borough	94,129,068	103,972,466	9,843,398
Nenana	4,229,269	4,607,364	378,095
Nome	6,752,945	7,422,121	669,176
North Slope Borough	10,610,182	12,552,615	1,942,433
Northwest Arctic Borough	23,970,992	26,398,113	2,427,121
Pelican	381,855	397,781	15,926
Petersburg	3,834,767	4,267,023	432,256
Pribilof	1,116,853	1,260,552	143,699
Saint Mary's	2,008,361	2,186,224	177,863
Sitka Borough	8,425,674	9,418,474	992,800
Skagway	702,306	798,935	96,629
South east Island	3,071,481	3,222,871	151,390
Southwest Region	7,097,884	7,922,671	824,787
Tanana	701,901	767,284	65,383
Unalaska	2,628,614	2,996,794	368,180
Valdez	3,647,045	4,151,172	504,127
Wrangell	2,455,013	2,722,468	267,455
Yakutat	1,045,496	1,152,854	107,358
Yukon Flats	4,916,456	5,245,636	329,180
Yukon Koyukuk	10,180,358	11,152,945	972,587
Yupik	4,756,298	5,325,970	569,672
Mt. Edgecumbe High School	2,141,906	2,389,816	247,910
Other	26,027,300	26,027,300	
Total	832,344,749	922,362,816	90,198,375

NOTE: The above estimates were calculated using FY07 Projections

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 362
(H) Publish Date: 1/13/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: An act increasing the base student allocation RDU: K-12 Support
used in the formula for state financing of public education; and Component: Special Schools
Sponsor: Governor
Requester: Rules Committee Component No.: 2735

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	633.1	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	633.1	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	633.1	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	633.1	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation from \$4,919 to \$5,352 for FY07.

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: _____
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 12/20/05 9:55 AM
Date: 12/20/2005

ALASKA MILITARY YOUTH ACADEMY

FY06 PROJECTION for FY07

184 x \$5352 x 7 =	6,893,376
290 x \$5352 x .6 =	931,248
less \$2,100,000	(2,100,000)
	5,724,624
<i>FY07 Projected Entitlement at \$4919</i>	5,091,578
FY07 INCREASE TO AMYA:	\$ 633,046



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4-7-06
bill # / subject public hearing date

Dear committee members:

Alaska has such oil wealth, and yet the money allocated for students by our legislators seems to reflect an increasingly miserly and short-sighted vision. As a twenty-year veteran teacher, I am very concerned by the low priority that currently is given to education in this state. I find it difficult to understand this trend.

Teachers this week are receiving projected class numbers for next year, based on current projected funding. The situation is grim. We are looking at 30+ kids in our classes for next year, with perhaps 28 kids in Kindergarten and 32 in 6th grade. I invite legislators to spend a week in a classroom with such numbers, trying to deliver quality education. To provide stimulating, appropriate and differentiated activities that meet all students' needs (remembering that many students have serious, severe needs), we must have a reasonable number of kids in our classrooms! Besides their in-school needs, each student represents a minimum average of, say, 5 minutes teacher-time outside of class for phone calls home, paper correcting and teacher planning and reflecting time. Reality reveals that those phone or in-person conferences, or notes on papers, or IEP meetings, often require 30 or more minutes - per student. Given 30 students and multiplying by a mere (and non-realistic) 5 minutes per student, the teacher spends a minimum 2 and a half hours outside of class each day to meet student needs. A minimum! In this incredibly demanding profession, focused as it is on our future citizens, why is the legislature so resistant to provide adequate funding?

And what are the plans to provide adequate and fair funding to the Kenai School District, a district that has been under-funded, for years. Every independent study has come to the same conclusion: because of its costly rural, off-road schools, the KPBSD is clearly underfunded, yet no action is taken to remedy the situation. How can legislators ignore these studies and ignore our pressing needs? Must a lawsuit be filed to address these inequities?

Please seriously consider these earnest opinions. Thank you.

Signed: Sherry Matson, Intermediate Staff Development Coach
Testifier

Soldotna, Sterling and Tustumena Elementary Schools
Kenai Peninsula Borough School District

Representing (optional)

148 N. Binkley Street
Soldotna, AK 99669

Address

Phone: 260 2545 Home phone: 776 5255 e-mail: smatson@kpbsd.k12.ak.us

Phone number



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4-7-06
bill # / subject public hearing date

Dear Representatives,

I am a teacher in Seward, Alaska. I've taught elementary school for sixteen years. I also have three high achieving children attending public school in Seward. We have just recently returned from a four year teaching stint in Venezuela. Our family is appalled at the status of education in Seward upon returning to our home. Despite having a hard working and dedicated staff at the schools here, this once excellent educational system is in disrepair, and it appears this will get worse unless it receives adequate funding. I sincerely fear for my children and my students. This is a travesty. Our future depends on a well educated population. The world is getting more and more competitive, and our state desperately needs intelligent, creative thinkers. We absolutely must make this a priority. I've worked in schools that are adequately funded, and it makes a terrific difference in the quality of a student's experience in the classroom. Rural Alaska is slowly becoming too similar to the third world country I just left. Democracy doesn't thrive in such an atmosphere. Please fund education adequately, and in particular, correct the Kenai Peninsula's funding formula this year!

Sincerely,

Robert Barnwell

Signed: Robert Barnwell
Testifier

Representing (optional)

Box 2611 Seward, Alaska 99664

Address

224-5129

Phone number



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4/7/2006
bill # / subject public hearing date

Every district in Alaska has stated that the Governor's proposed K-12 increase of \$90 million is NOT ADEQUATE. Why is the legislature reluctant to ADD to the Governor's number?

What is the legislature's plan to get needed resources to the Kenai School District and other schools throughout the state?

Schools need a BSA of at least \$5511, which means \$145 million in increased funding.

With the loss of the Carl Perkins grant; increased costs to address the demands for schools to meet AYP per NCLB regulations; drastic changes in the TRS/PERS Retirement system; the continued impact of teacher shortages throughout our state; and in Alaska, more than 110,000 residents have no medical insurance and the price of treatment is increasing with the health care costs in our school district comprising approximately 10% of the budget; it is therefore paramount that our legislature addresses the funding needs of our schools.

Furthermore, **funding education on a forward basis so that budgets are known prior to statutory requirements for notifying teachers of non-retention is important.** The Kenai School District is losing 75 non-tenured teachers this year. Funding for education should be established early in the legislative session so that adequate planning can occur. School district issuance of teaching contracts is governed by state statute. Without knowledge of state funding, districts are required to balance their resources in the spring by reducing their workforce. The Kenai has 15 schools of under 100 students, 44 separate programs, five sites with severely limited access, and over 7000 miles per day on school buses, a cost differential of 1.004 is hardly adequate to provide equitable education for communities throughout the Kenai Peninsula. Since 1984, studies have shown that KPBSD has received less consideration than other districts for the high cost of doing business. It is past time to remediate this inequity. **Providing equity to the students of the KPBSD through implementation of an appropriate Area Cost Differential is necessary.**

In conclusion, addressing costs associated with federal and state mandates and increased costs of doing business ensures that school districts are not forced to use instructional funding to pay for obligations beyond its control. Implementation of the Area Cost Differential Study findings, in addition to increasing retirement, utility, insurance (property, liability, etc.), and inflation adjustments, would allow continued emphasis on high academic achievement and increased accountability through appropriate class sizes, materials and high quality staff and teachers. **The legislature must provide adequate full forward funding to maintain programs at current levels.**

Our legislature must ensure that Children are Alaska's #1 Priority by Increasing the BSA to \$5511.

Signed: Mariah Taylor Thomas-Wolf
Testifier

Self
Representing (optional)

P.O. Box 39674 / 67454 Berussa Road Ninilchik, Alaska 99639
Address

(907) 567-7440
Phone number



Alaska State Legislature

Please enter into the record my testimony to the _____ House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4-7-06
bill # / subject public hearing date

Please add my voice to those requesting funding aid to the Kenai Peninsula and Education in general. We desperately need a better way to fund schools. Now with the huge oil revenue someone clever needs to step forward with an idea, maybe something like the Permanent Fund for Education. The Governor's proposed increase is NOT enough.

Schools need a BSA of at least \$5511.

Sincerely,
Jennifer Carr

Signed: Jennifer Carr
Testifier

Representing (optional)

P.O. Box 1828 Seward, AK 99664
Address

Phone number

ASSOCIATION OF ALASKA SCHOOL BOARDS

Advocates for Alaska's Youth

Reps. Mike Chenault and Kevin Meyer
Co-Chairmen, House Finance Committee
State Capitol Building
Juneau, Alaska 99801

April 5, 2006

Dear Representative Chenault and Meyer,

As your committee considers HB 362, adjusting the Base Student Allocation in the school foundation funding formula, or similar legislation, I would like the House Finance Committee to remember two realities: that the \$90.2 million foundation funding increase proposed by Governor Murkowski has already been budgeted for FY 2007 by Alaska's 53 school districts, and that despite this proposed increase, many local school budgets still face difficult challenges next year because of inequities in the Area Cost Differential of the funding formula.

The member districts of AASB have lived with the cumulative impacts of an inequitable Area Cost Differential since passage of SB 36 in 1998. Those eight years of under-funding have had a drastic impact on several districts, such as the Kenai Peninsula Borough School District, and to a lesser degree on many others. Quite simply, the time is long past for the Alaska Legislature to address this portion of the funding formula for K-12 education; our children, schools and communities deserve nothing less than equity in the distribution of additional funds for K-12 education. One means to address this issue is HB 173, now in the possession of the committee.

By way of background, at our annual membership meeting in November, 2005, each school district in the state voted in favor of a resolution requesting the Legislature to adopt changes to the funding formula "adequate to bring all Alaska students to proficiency and beyond." The resolution finds that "sustainable funding requires the immediate implementation of a revised area cost differential that more accurately reflects the higher cost of operating schools in Alaska. Any adjustment to the area cost differential should be accompanied by an increase to the base student allocation for all district, to better assure adequate funding for all districts regardless of the cost differential adjustment."

With this letter I have attached a more detailed list of budget impacts anticipated by some of our member districts assuming the Base Student Allocation called for in HB 362 is adopted and funded. As the list shows, these districts are anticipating the need to reduce staff, spend one-time reserve funds, delay

Reps. Chenault and Meyer – Page 2

improvements and scramble to meet higher fuel and insurance costs next year, despite the passage of HB 362 or similar legislation.

I would be pleased to discuss this with you or the committee in more detail.

Sincerely,

A handwritten signature in cursive script that reads "Carl".

Carl Rose
Executive Director

Attachment: Budget Impact Statement

**Projected Budget Impact to Select School Districts
With Projected \$90.2M State Foundation Increase
April 5, 2006**

District	Projected Enrollment	Total Reduction	Layoffs Class./Cert.	Transportation Increase	Fuel Increase	Insurance Increase
Kenai	9244 (-148)	\$5.4M (6%)	104	\$983,000	20-30%	Reserves
Kodiak	2680 (-30)	\$900,000	?	Out-to-Bid	\$367,000	10%
Mat-su	16,025 (+585)	\$5.8M (3.33%)	Private Custodial contract*	?	?	19.5%
Valdez	777 (-23)	\$600,000 (6%)	4/3	—	\$300,000--Utilities	20%
Juneau	5,143 (-83)	\$1.3M	4/30.5	Reserves	15%	10-15%
Ketchikan	2332 (-12)	—	—	—	25%--Fuel 25%--Utilities	12%
Petersburg	573 (-20)	—	—	Reserves	22%--Fuel 8%--Elec.	10%
Sitka	1455 (-24)	\$50,000 (1%)	—	\$40,000	—	7.5%
Wrangell	365 (-5)	\$281,000 (6%)	1	—	100%	14%

*Mat-su contracting with NANA for all custodial personnel and supplies.



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4-7-06
bill # / subject public hearing date

Hello, my name is Chelsey Nieman and I am currently a sophomore at Homer High School. I have heard recent news that the school does not have enough funding to keep certain programs. Because of the lack of funding in our school, we will no longer be able to have and Art Program or a French Program at our school next year.

This will affect many students. Some students need four years of a foreign language to be accepted into the college of their choice. Many students, who are currently enrolled in French classes, will not be able to take the required four years. Also, the community of Homer is a very art centered community, and cutting out the art program will devastate every single student at the High School.

With less funding at the high school, we also have fewer teachers. Class sizes are now already awkwardly high. Soon, classes will be so high, that students will have to sit on the floor instead of in a desk, and students will not receive the teacher support they need. Vocational classes, which can only hold twenty students maximum for security reasons, might have to turn away student who wish to take those classes.

Our education should be valued, not wasted. The students at the High School today, will grow up to be the future, tomorrow. The future of the nation rests on the education of today's students. And that is something we need to care for. With less teachers, with less funding, students, like me, can't get the education they want and need to succeed in life.

This is something that affects every student at the High School; from the honors kids to the band members. Think of all the teenagers you know. Chances are 95% of them go to the high school and want to get the best education that they can. Don't ignore them. Give them the funding they deserve.

Thank you for your time.

Chelsey Nieman

Signed: Chelsey Nieman
Testifier

sell
Representing (optional)

P.O. Box 1845 Homer, AK 99603
Address

(907) 399-1608 Snow pixi99@hotmail.com
Phone number / Email



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on HB 362 Increase Base Student Allocation, dated 4-7-06
bill # / subject public hearing date

I live in the Homer area. Homer, Alaska is known as an artistic community.
In our High School we are having to cut the art program altogether, even with the Governor's
\$90 million increase.
Please increase funding to 145 million.

Thank you,
Michael (Richie)

Signed: Michael Caffroy
Testifier

Representing (optional)

37887 Cranberry Pl. Anchor Point, Ak, 99556

Address

caffroy@xyz.net

Phone number / email



JUNEAU SCHOOL DISTRICT

CITY AND BOROUGH OF JUNEAU
OFFICE OF THE SUPERINTENDENT

10014 CRAZY HORSE DRIVE • JUNEAU, ALASKA 99801-8529 • (907) 463-1700 • FACSIMILE (907) 463-1768

April 7, 2006

Alaska State Legislature
House Finance Committee
State Capitol Building
Juneau, AK 99801

Dear House Finance Committee Members:

The Juneau Board of Education has asked me to write an explanation of the discrepancy between the AASB reported budget shortfall for Juneau School District using the Governor's BSA and the level the district has been reporting. The School Board's Association lists Juneau as needing an additional \$1.3 million to have a balanced budget, the School District's number is around \$2 million.

The \$1.3 million figure was taken from our budget worksheet which lists \$1,269,724 expenditures in excess of revenues using all projected revenues and the district's entire fund balance. The administrative recommendation to the school board is that additional reductions will be necessary to allow a modest fraction of a percent fund balance and to pay for necessary expenditures such as special education teachers and specialists required by students' special education Individual Education Plans (IEP's) formerly paid for by federal funds. The additional reductions in current program to allow these expenses is estimated to come to \$1,920,818, or around \$2 million.

Thank you for your continued support and prioritizing of education and the students of Alaska. I am grateful for the funding increases in recent years and for the initial increase proposed by the Governor's budget. It is unfortunate that this level of increase will still result in an erosion of programs for Juneau and other district's students. I join the Juneau Board of Education in requesting that you increase the Base Student Allocation to provide the funding to allow districts to provide the quality education program that Alaskan students deserve.

Sincerely,

Peggy Cowan
Superintendent

**Juneau School District
Proposed Operating Fund Budgets
FY 2007 and FY 2008**

As recommended to the
School Board
March 7, 2006

	FY 2006 Revised Budget	FY 2007 Projected Budget	BSA In- crease	FY 2008 Projected Budget	BSA In- crease
REVENUES and OTHER AVAILABLE RESOURCES					
Foundation	26,244,185	28,078,182		30,083,145	
CBJ Direct Appropriation	19,795,864	21,257,232		22,406,935	
Other Local Revenue	128,400	60,000		60,000	
Rental of Facilities	6,000	0		0	
E-Rate	30,000	50,000		60,000	
Medicaid: Administrative Claims	47,000	47,000		47,000	
Medicaid: Direct Billing	27,941	30,000		30,000	
Prior Year Fund Balance	1,267,267	250,000		0	
	<u>47,546,657</u>	<u>49,772,414</u>		<u>52,667,080</u>	
EXPENDITURES and OTHER FINANCING USES					
Baseline budget		47,533,631		49,772,414	
Adjustments for change in student enrollment					
Non-personnel allocations to schools		-34,589		-9,750	
Juneau Charter School (also revised BSA)		38,571		13,840	
Teachers, based on targeted FY 2006 PTR		-920,000		-425,000	
<i>Subtotal</i>		<u>46,617,613</u>		<u>49,351,504</u>	
Known Adjustment:					
Adjust CBJ Insurance		-205,300		43,700	
Known Additions					
FERS' and TRS' increases		1,421,400		1,421,400	
Workers' Compensation Insurance		221,800		61,900	
JEA minimum increase to annualize salary schedule and steps		639,800		401,300	
JESS increase for steps		238,100		235,000	
Steps for the other employee groups		93,200		96,000	
Anticipated Additional Personnel Costs		1,796,000		1,203,000	
Additional Energy Costs		60,000		0	
Annualize 4 paraprofessional positions added FY 2006		70,000		4,000	
Restore maintenance equipment budget to FY 06 original		72,125		0	
5 FTE para for new Juneau Youth Services facility		19,400		1,000	
<i>Tentative Expenditures</i>		<u>51,042,138</u>		<u>52,818,804</u>	
<i>Subtotal Expenditures in Excess of Revenues</i>		<u>-1,269,724</u>	<u>138</u>	<u>-151,724</u>	<u>17</u>
Required Expenditures formerly paid by grant Special Education positions		<u>312,000</u>			
<i>Tentative Expenditures in Excess of Revenues</i>		<u>-1,581,724</u>			
Potential Budget Reductions					
Recently Added Positions					
Change K - 2 PTR back to 25 to 1		480,000	52	30,000	3
Change 3 - 5 PTR to 26 to 1		160,000	17	10,000	1
Change 6 - 8 PTR back to 22 5 to 1 (class size becomes 31 5)		160,000	17	10,000	1
Change 9 - 12 PTR back to 26 5 (class size becomes 31 8)		80,000	9	5,000	1
Eliminate HSGQE teacher position at HS		60,000	9	5,000	1
Eliminate Drop Out Specialist Positions (3 FTE)		240,000	26	15,000	2
Other Reductions					
Eliminate Truancy Tracker position		41,000	4	3,000	0
Central Office Administration		141,818	15	10,383	9
Change custodial coverage to 10 months		224,000	24	10,000	1
Reduce 1 0 FTE Secondary Literacy		80,000	9	5,000	1
Reduce maintenance of plant		30,000	3	0	0
Reduce fiscal services		4,000	0	0	0
Reduce Activity contribution from general fund		174,000	19	5,000	1
Reduce Support Services - Instruction		26,000	3	0	0
<i>Subtotal</i>		<u>1,920,818</u>	<u>207</u>	<u>177,383</u>	<u>21</u>
Total Projected Reserve		<u>330,094</u>		<u>256,177</u>	

Susan Sciabbarasi, Superintendent, Wrangell Public Schools, Wrangell, AK 99929

Thank you for the opportunity to speak regarding HB362.

When school districts developed their school budgets for next year, they budgeted the Governor's proposed Base Student Allocation (BSA) increase of \$90.2 million, however, districts are still having to make huge budget cuts. From the information I have received, the hardest hit districts this year are **Kenai, Valdez and Wrangell**. **Each must cut an equivalent of 6% from their current budget.** That is a large proportion when considering that cuts have been made annually for the past several years. Their budget deficits are due mainly to the continued increases in the Cost of Living and increases to TRS/PERS, insurance and fuel.

In 1998, SB36 initiated a means for school districts to be funded both adequately and equitably. The Base Student Allocation (BSA) would reflect an amount per student to adequately fund a child in Alaska. Equity issues were addressed through the Area Cost Differential. While the Governor's proposed increase from \$4919 to \$5352 may be an adequate number, I do not feel that it is equitable in relation to the Area Cost Differential. Specifically, schools in **Senate District (Wrangell, Petersburg, Sitka, Ketchikan)** are the only school districts in the state that have not received a differential with the current District Cost Factors.

Senate Bill 36 required the updating and monitoring of District Cost Factors. However, that has not happened and many school districts like Wrangell, have been cutting staff and programs for the past 7 years. In July 2004 the Legislative Budget and Audit Committee contracted with ISER to update and modify the previously determined flawed AIR District Cost Study. Anchorage will still remain at 1.0 because they are the 'base' in which to determine equality. However, adequacy must be met and then the adjustment for equity.

House Bill 362 addresses adequacy and would hold Anchorage harmless, however, in order to also meet equity it should be in conjunction with the implementation of the District Cost Factors determined by the ISER study. If only one is updated, as is currently proposed in HB362, then the directive from Senate Bill 36 in 1998 is not being fully met.

Again, I want to reiterate that even with the proposed \$90.2 million to the Base Student Allocation, districts are experiencing large deficits up to 6%. Therefore, I urge you to accept, not only the proposed \$90.2 million, but also fully implement the new District Cost Factors. Only then will both adequacy and equity be met for ALL of Alaska's children.

Thank you for you time and consideration.



JUNEAU SCHOOL DISTRICT

CITY AND BOROUGH OF JUNEAU

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April 7, 2006

Alaska State Legislature
House Finance Committee
State Capitol Building
Juneau, Alaska 99801

Dear House Finance Committee Members:

Thank you for the opportunity for Public testimony on HB 352 Base Student Allocation.

We are here today, as elected members of the Juneau School Board to testify on behalf of the Juneau Board of Education in support of an increase to the Student Base Allocation. The current proposed BSA is \$5,352, which unfortunately means, \$2 million in cuts to Juneau schools. We are recommending a base student allocation of \$5,552, an additional increase of 200 dollars to the base student allocation. Or to implement the proposed District Cost Factors recommended by the University of Alaska Institute for Social and Economic Research, ~~while holding harmless the other districts; during the implementation of the new District Cost Factor.~~ ⁷⁰ ~~above the \$90 million~~

First, we want to underscore the importance of education in our changing state, nation and world. The most dynamic economies in the world economy, China and India, are growing because of their investments in infrastructure. The infrastructure they are investing in is education. The United States is now 17th in the world in the number of young Americans receiving science degrees, from 3rd three decades ago. Disparities among Asian and American high school achievement are worrisome.

The number one factor for student achievement is not class size, but the quality of instruction, according to the Education Institute. It is important that each state commit to education the resources that will retain and attract highly qualified teachers. It is important that each state commit to programs that offer instruction on best teaching methods and delivery of those methods. Thank you for your funding of the teacher mentoring program which does just that.

The U.S. average for teachers' salaries grew 31.5 percent in the decade from school year 1990-1991 to school year 2000-2001. During that same decade Alaska teachers' average salary grew just 10.9 percent, last among all states and the District of Columbia. This statistic is from the State of Alaska, Dept. of Education, 2005 - 2006 20/20 report, page 5.

This report also says that the percentage of the Alaska state budget that goes to K-12 education is the lowest of the nation.

In Juneau, we have been fortunate to have a community that elects public officials committed to public education. We would like to publicly thank our current Assembly and Mayor and past elected officials, for the tradition of funding to the CAP for education in Juneau. However, even this continued support has not been adequate to maintain level support for our schools. Each year, we fall further behind.

How can that be, you may be asking? Simply put, our increased expenditures exceed the increased revenue for the coming year.

HB 362 proposed \$5,352 for the student base allocation. This translates into 2 million in cuts that our Board will need to make to the Juneau School District budget for next year, if more revenues are not invested in education.

AASB handed out a letter to the House Finance Committee with an attached chart yesterday. Juneau's shortfall is incorrect. It should be \$2 million, not \$1.3 million. The wrong number was taken from our budget worksheet. I have copies of a letter from the Superintendent explaining the discrepancy and a copy of our budget worksheet. On the worksheet you will see a column titled BSA increase. That column shows what the BSA increase should be to provide for needed services and their costs. The budget worksheet shows how we arrived at the BSA increase we are suggesting for your consideration.

We want to stress that these cost increases are either beyond our control, such as heating, fuel costs, and workman's compensation; federally mandated, such as special education; or inflationary, not to mention our need to offer salaries that attempt to retain and attract highly qualified teachers. The salary increases, while are costly as a whole, are very modest increases for our individual staff. It is a 1.5% and 25 cent per hour increase for support staff, and a 2 percent increase for teaching staff for next year in addition to step and column and increased health benefits.

Another way to help meet the needs of Juneau students instead of an increase to the Base student allocation is to adjust the cost differentials, ~~while holding districts harmless~~. Currently Juneau receives a factor of .005, a half a penny more from the base of 1 in Anchorage. The most recent study, recommends an adjustment to 14.5%. Implementation of even half of the recommended amount would restore maintenance level funding to Juneau schools.

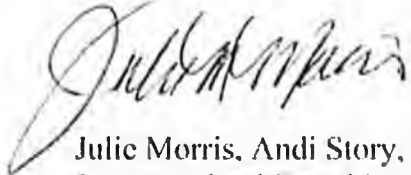
Many other school districts face a similar problem: erosion of the purchasing power of the BSA due to the wrong Cost Differential. To name some; Kenai, Sitka, Petersburg, Wrangell and Ketchikan.

House Finance Committee Members
April 7, 2006
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The three of us all ran for public office because we believe in quality schools for our children and our neighbor's children. In our experience while serving on the School Board, we do not see inflated budgets, but budgets that have been trimmed down and scrutinized for revenue to meet increased costs. This does not allow for supporting promising instructional strategies or improved tools for Alaska's school children.

Juneau residents, like most in the state of Alaska, want a quality school experience for their children. Please support a Base Student Allocation and/or implementation of an area cost differential that will not mean cuts to school districts across the state. Thank you.

Respectfully submitted,



Julie Morris, Andi Story, Margo Waring
Juneau School Board Members

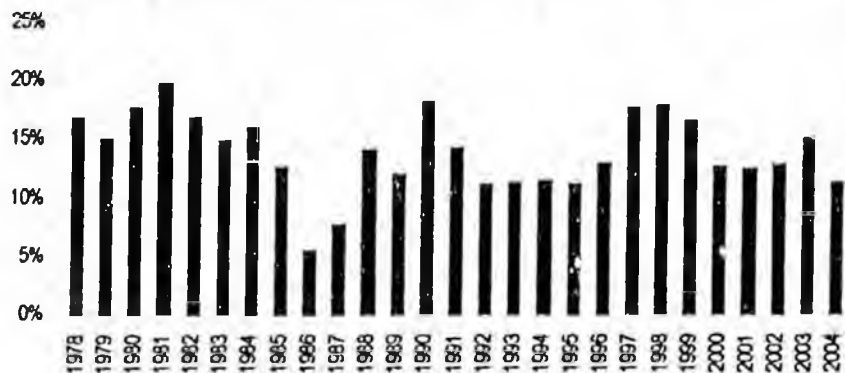
5. Teachers

Research consistently shows teacher quality and experience to be among the most important influences on student performance.

There is a lack of consensus on how to measure teacher quality. Peer review, years of experience, subject matter knowledge, academic degrees, skills mastery, and certification are all popular methods.

Recruiting and retaining top quality teachers is a challenge, especially in rural Alaska where once-higher salaries are no longer the norm.

Teacher turnover in Alaska, 1978 - 2004 (% new to district):



Source: Institute of Social & Economic Research

SOURCE: Abridged from "Teachers," by Melinda Bruno and Dan Robinson in *Alaska Economic Trends*, February 2003.

Teacher shortages

The most current ten-year forecast calls for a modest 4 percent increase in total teaching positions from 1998 to 2008; however, a large portion of the current teaching workforce is expected to retire in the next decade. As already noted,

retention is an ongoing concern. As a result, education officials are concerned about the state's ability to fill all of its expected openings with qualified teachers.

Rural teachers

Rural Alaska school districts have always struggled to attract and retain enough quality teachers. Historically, the state has been able to offer significantly higher salaries than other states, but as the salary gap has narrowed in the last decade, applications have fallen and the problem has become more acute.

One of the reasons teacher turnover is high in rural Alaska is because most teachers are either from the lower forty-eight or from Alaska's urban areas. They are usually unprepared for the harsh climate, isolation, and cultural differences in rural communities. The average turnover rate in rural districts is 20 percent compared to 7 percent in urban districts.

Alaska Natives make up about 23 percent of the public school population, yet less than five percent of the teacher population. In rural areas the proportion of Native students is much higher. More Native teachers may reduce the drop-

out rate for Native students which is disproportionately high.

Teacher salaries

In the mid-1980s, Alaska was flush with oil revenue and the state's teachers were making 170 percent as much as the national average teacher salary. Since then, however, the gap has narrowed significantly, and by the 2000-2001 school year Alaska teachers made about 111 percent as much as the national average.

The U.S. average for teacher salaries grew 31.5 percent in the decade from school year 1990-91 to school year 2000-01. During that same decade, Alaska teachers' average salary grew just 10.9 percent, last among all states and the District of Columbia.

The average turnover rate in rural districts is 20 percent compared to 7 percent in urban districts.

In 2000-2001 the average salary for beginning teachers in Alaska (with BA degrees only) is more than \$3,000 higher than in any other state. Offsetting higher beginning salaries is the high cost of living.

Alaska 20/20 notes

The No Child Left Behind Act requires that all public school teachers be "highly qualified" in their core subjects by the end of the 2005-06 school year. This will be a problem for rural teachers since they tend to teach many subjects.

Teacher turnover measured as "% new to district" will be high if a district is hiring many new teachers. Measuring turnover as "% not returning to prior year's district" compensates for this but understates the effect of students being taught by new teachers.

More Information

Alaska Economic Trends article: labor.state.ak.us/trends/tob03.pdf

Institute of Social and Economic Research: iser.uaa.alaska.edu/Home/ResearchAreas/EducationStudies.htm

Teacher quality brief at Education Week: www.edweek.org/context/topic/issuespage.cfm?id=50

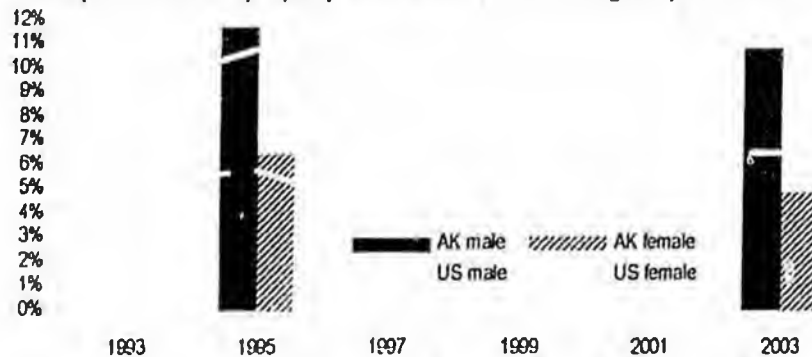
6. Schools

Safe, healthy and comfortable learning environments produce greater student achievement and higher teacher retention rates.

Moderate size schools are conducive to higher student performance, while there is less consensus about the effects of class size.

Adequate funding of preventive maintenance to reduce operational costs is important. So too are technology and equipment.

% of high school students who report being threatened or injured with a weapon on school property one or more times during the past 12 months:



Source: Alaska Youth Risk Behavior Survey 2003

Crime & violence in schools

In the 2003 Alaska Youth Risk Behavior Survey of high school students 10.9% of boys and 4.9% of girls report having been threatened or injured with a weapon such as a gun, knife or club on school property within the past 12 months, little changed from 1995 reports.

Fewer than 5% of either boys or girls reported they did not go to school because they felt unsafe. Boys reported a slight increase of 1.3% from 1995, whereas among girls there appears to be no difference.

9.5% of Alaska high school boys report having had property stolen at school compared to 28.1% of girls. Although girls report a drop from 1995, boys report no real change.

Physical fighting reports among high school boys on school property has decreased by over 50% since 1995, from 25.0% to 12.0%, well below 18.0% for U.S. boys. Among Alaska high school girls the reported drop is less significant, dropping from 7.5% in 1995 to 4.8% in 2003. When compared to 1995 data, significant decreases have been reported by both sexes.

Maintenance & operations

American School & University magazine reports that nationwide the median school district in 2003-04 spent 7.7% of total district expenditures on maintenance and operations, up slightly from a historic low of 7.4% the prior year.

In 2003 Alaska high school boys reported 50% fewer physical fights on school property compared to 1995.

Education funding from the state is prioritized for capital improvement projects that are scored competitively based on criteria such as seriousness of life/safety issues, projected savings and number of unhoused students.

To be eligible for state funding districts must be in compliance with all five areas assessed by the Alaska Department of Education and Early Development: maintenance management, energy, custodial, training and repair and replacement schedule.

Currently 38 of 53 school districts meet this requirement. The fifteen districts not in compliance are all located in rural Alaska. Four of the fifteen are not in compliance in any of the five areas assessed.

Alaska 20/20 notes

The percentage of the state budget that goes to K-12 education is the lowest in the nation.

Another measure of school violence recorded by staff instead of students is suspensions/expulsions, usually reported per 1,000 enrolled students. Other popular school measures are school size, class size and pupil to teacher ratios. Planned improvements include data on deferred maintenance and code violations.

More information

Alaska Youth Risk Behavior Survey 2003: www.epi.hss.state.ak.us/pubs/YRBS/2003/YRBS%202003.pdf

Alaska educational facilities information: aed.state.ak.us/facilities

Association of Alaska School Boards: www.aasb.org

The Alaska Kids Count! Network's goal : For schools across Alaska to have the resources needed to offer students a solid instructional program, and the support services needed to help all students succeed.

*Juneau - What does \$2 million in cuts mean to Juneau students?
Instructional quality will diminish:*

* Class sizes will increase, and teacher positions will be cut

<u>Grades</u>	<u>Current Ave. Class Size</u>	<u>Projected Ave class size (06-07 school year)</u>
K-2	22:1	25: 1
3-5	25:1	26: 1
6-8	30:1	31-32: 1
9-12	30:1	32: 1

Class sizes, for all grades, on average will increase. These are AVERAGES. Middle School classrooms, will AVERAGE 31-32 students per class. I walked into a class last week, and it smelled like a locker room with about 30 kids crammed into a confined space. Students couldn't traverse the room without bumping into each other or desks.

Note, too, that the emphasis on lowering class size in early elementary grades, to help young children get off to a good start, may be lost. K-2 class sizes will grow, with the AVERAGE, again, at 25.

Approximately 25 teacher positions will be eliminated, with each school losing at least one teacher.

* Instructional materials for students and teachers will further diminish

Examples: There has been no budget for replacing aging textbooks for years. An \$80,000 increase in photocopying costs will further diminish access to instructional materials at the classroom level. As Brenda Taylor, parent at Auke Bay noted in testimony, teachers already spend from \$500 to \$2,000 out of their own pockets each year for classroom supplies. More of the burden is falling on parents, too, for field trips, lab fees, donations for school supplies.

* Student-centered programs will be eliminated or substantially curtailed. Specifics include:

- Elementary art- curtailed or eliminated
- Elementary Counseling - 2 FTE counselors eliminated (previously funded with a federal grant which is ending) Most elementary schools will lose half their counseling positions/services.

Mary Hakala, Alaska Kids Count! Network, 4/7/06

- Drop out prevention counseling - 3 counselors eliminated, one each at DZ, Floyd Dryden, and JDHS. This leaves one counselor per middle school, to serve approximately 600 students.
- Truancy Tracker - 1 position
- Secondary literacy specialist - 1 position
- High School Qualifying Exit Exam Instructor - 1 position (tutoring to prepare students for the high school exit exam)

- Note: Reductions are spread across the budget and include: Central Office Administration (141,612), custodial staff reduced to 10 months (224,000), maintenance (30,000), fiscal services (4,000), Support Services - Instruction (26,000) Even High School Activities were not spared, with a cut of \$174,000.

* Juneau is doing its part to support its schools

Juneau already contribute to the cap with local property tax dollars. Local dollars represents 43% of the Juneau school budget. There is also tremendous community support for athletics, arts and student initiatives above and beyond the local tax contribution. However, there is a limit to the capacity of any community to increase or sustain this level of fundraising and financial support for its youth.

Scrimping and cutting and squeezing is counterproductive and DIMINISHES the quality of learning opportunities for Alaska's students.

What level of funding will keep Juneau Schools whole?

* An increase in state funding of approximately \$150 million. There are two known foundation options:

BSA increase only: To offset Juneau's \$2 million deficit the Foundation BSA must increase by approximately \$259 above the Governor's \$433, for a net increase of \$692 (BSA of \$5611). This equates to a statewide cost of ~ \$145 million (Governor's \$90 plus \$55).

or//

50% implementation of ISER District Cost Factors, in addition to adopting the Governor's proposed BSA increase of \$433 (BSA of \$5352). This approach costs the state approximately \$135 million (\$90 + \$45).