

**HB**

**30**



24-LS0193V  
Utermohle  
2/15/05

**CS FOR HOUSE BILL NO. 30(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 HARRIS, Chenault, Thomas, Wilson, Neuman, Samuels, Olson, Seaton,  
LeDoux, Elkins**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act making appropriations for K-12 education operating and school debt expenses;**  
2 **and providing for an effective date."**

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

4 **\* Section 1. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT -- K-12**  
5 **SUPPORT FOR FY 2006. The sum of \$826,037,800 is appropriated to the Department of**  
6 **Education and Early Development for the fiscal year ending June 30, 2006, for the purposes**  
7 **described and allocated in the amounts listed from the general fund and from other sources in**  
8 **the amounts set out:**

	PURPOSE	ALLOCATION
10	Foundation program	\$762,255,200
11	Boarding home grants	185,900
12	Youth in detention	1,100,000
13	Special schools	7,469,600
14	Pupil transportation	55,027,100

1	FUND SOURCE	AMOUNT
2	General fund receipts	\$793,299,500
3	Federal impact aid for K-12 schools	20,791,000
4	Public school trust fund (AS 27.14.110)	11,947,300

5 \* **Sec. 2. CONTINGENT APPROPRIATIONS FOR FOUNDATION PROGRAM AND**  
6 **SPECIAL SCHOOLS PROGRAM.** (a) Subject to sec. 4 of this Act, the sum of \$70,089,524  
7 is appropriated from the general fund to the Department of Education and Early Development  
8 for the foundation program for the fiscal year ending June 30, 2006.

9 (b) Subject to sec. 4 of this Act, the sum of \$479,652 is appropriated from the general  
10 fund to the Department of Education and Early Development, special schools, for the Alaska  
11 Military Youth Academy for the fiscal year ending June 30, 2006.

12 (c) The appropriations made by this section to the foundation program and the special  
13 schools program are in addition to the amounts appropriated for those purposes by sec. 1 of  
14 this Act.

15 \* **Sec. 3. SCHOOL DEBT REIMBURSEMENT.** The sum of \$86,463,500 is appropriated  
16 to the Department of Education and Early Development for the fiscal year ending June 30,  
17 2006, for state aid for costs of school construction under AS 14.11.100 from the following  
18 sources:

19	Alaska debt retirement fund (AS 37.15.011)	\$59,463,500
20	School fund (AS 43.50.140)	27,000,000

21 \* **Sec. 4. CONTINGENCY.** The appropriations made by sec. 2 of this Act are contingent  
22 upon the passage by the Twenty-Fourth Alaska State Legislature and enactment into law  
23 before July 1, 2005, of a bill that increases the base student allocation under AS 14.17.470 to  
24 at least \$4,919 for the fiscal year ending June 30, 2006.

25 \* **Sec. 5.** This Act takes effect July 1, 2005.

# Alaska State Legislature

*Session: (Jan-May)*  
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Juneau, AK 99801-1182  
(907) 465-4859  
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**John Harris**  
**Speaker of the House**

**SPONSOR STATEMENT**  
**COMMITTEE SUBSTITUTE FOR HOUSE BILL 30 (EDU)**

*“An Act making appropriations for K-12 education operating and school debt expenses; and providing for an effective date.”*

CS for House Bill 30 (EDU) will provide funds needed to achieve early funding of the FY 06 education foundation formula and school debt reimbursement programs.

This version of the bill covers the base foundation program, boarding home grants, youth in detention, special schools, pupil transportation and school debt reimbursement. Contingency language is also included that provides an additional \$65.4 million for the foundation program should a bill that increases the base student allocation to at least \$4896 be enacted into law.

By passing an early education funding bill, school districts will know the level of funding for the upcoming fiscal year, thus negating the need to send out pink slips to teachers because of anticipated budget cuts.

Prepared on 2/2/05

Base Allocation Increase of

Various Fiscal Notes

School District	HB1 \$4,589	HB18 \$4,901	HB73 \$4,880	CS HB 1 7.0% \$4896
Alaska Gateway	14,254	259,866	246,051	256,577
Aleutian Region	1,931	48,260	45,142	47,518
Aleutians East Borough	11,778	294,466	275,439	289,936
Anchorage	864,621	21,615,532	20,218,836	21,282,986
Annette Island	7,413	185,334	173,359	182,483
Bering Strait	68,028	1,700,680	1,590,790	1,674,516
Bristol Bay Borough	5,592	139,805	130,772	137,654
Chatham	5,249	131,222	122,743	129,203
Chugach	2,745	68,641	64,206	67,585
Copper River	17,645	441,125	412,622	434,339
Cordova	10,776	269,380	251,974	265,236
Craig	11,781	294,528	275,497	289,997
Delta/Greely	25,329	633,223	592,307	623,481
Denali Borough	14,631	365,771	342,137	360,144
Dillingham	14,430	360,747	337,437	355,197
Fairbanks N. Star Borough	282,790	7,069,757	6,612,942	6,960,992
Galena	43,297	669,507	627,542	659,516
Haines Borough	6,798	169,946	158,965	167,331
Hoonah	5,040	125,996	117,854	124,057
Hydaburg	1,351	33,777	31,595	33,258
Iditarod Area	7,527	188,179	176,020	185,284
Juneau Borough	98,619	2,465,471	2,306,163	2,427,540
Kake	3,892	97,292	91,006	95,796
Kashunamiut	10,921	273,023	255,382	268,823
Kenai Peninsula Borough	184,912	4,622,794	4,324,090	4,551,674
Ketchikan Gateway Borough	45,618	1,140,448	1,066,758	1,122,903
Klawock	2,589	64,720	60,538	63,724
Kodiak Island Borough	57,370	1,434,238	1,341,564	1,412,173
Kuspuk	16,630	415,743	388,880	409,347
Lake & Peninsula Borough	18,312	457,802	428,221	450,759
Lower Kuskokwim	82,341	2,813,763	2,592,076	2,760,980
Lower Yukon	70,001	1,750,031	1,636,952	1,723,107
Mat-Su Borough	279,465	6,986,629	6,535,186	6,879,143
Nenana	11,310	282,750	264,480	278,400
Nome	20,358	508,934	476,049	501,104
North Slope Borough	54,964	1,374,094	1,285,306	1,352,954
Northwest Arctic Borough	72,569	1,814,237	1,697,010	1,786,326
Pelican	517	12,928	12,093	12,730
Petersburg	13,384	334,598	312,977	329,450
Pribilof	5,110	127,738	119,484	125,773
Saint Mary's	5,693	142,340	133,143	140,150
Sitka Borough	28,545	713,635	667,523	702,656
Skagway	3,133	71,033	67,997	70,310
Southeast Island	6,905	123,855	115,983	121,980
Southwest Region	26,264	656,613	614,186	646,512
Tanana	3,065	76,625	71,674	75,446
Unalaska	6,615	249,162	231,352	244,922
Valdez	18,084	321,038	303,511	316,865
Wrangell	8,133	203,333	190,194	200,204
Yakutat	3,312	82,813	77,462	81,539
Yukon Flats	9,088	227,200	212,520	223,705
Yukon/Koyukuk	34,891	872,268	815,906	858,848
Yupitit	16,527	413,182	386,484	406,826
Mt. Edgecumbe High School	7,357	183,924	172,040	181,094
<b>Total</b>	<b>2,649,500</b>	<b>66,379,996</b>	<b>62,058,420</b>	<b>\$ 65,351,053</b>

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](http://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



# 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

# 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 24<sup>th</sup> 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)

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***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.***

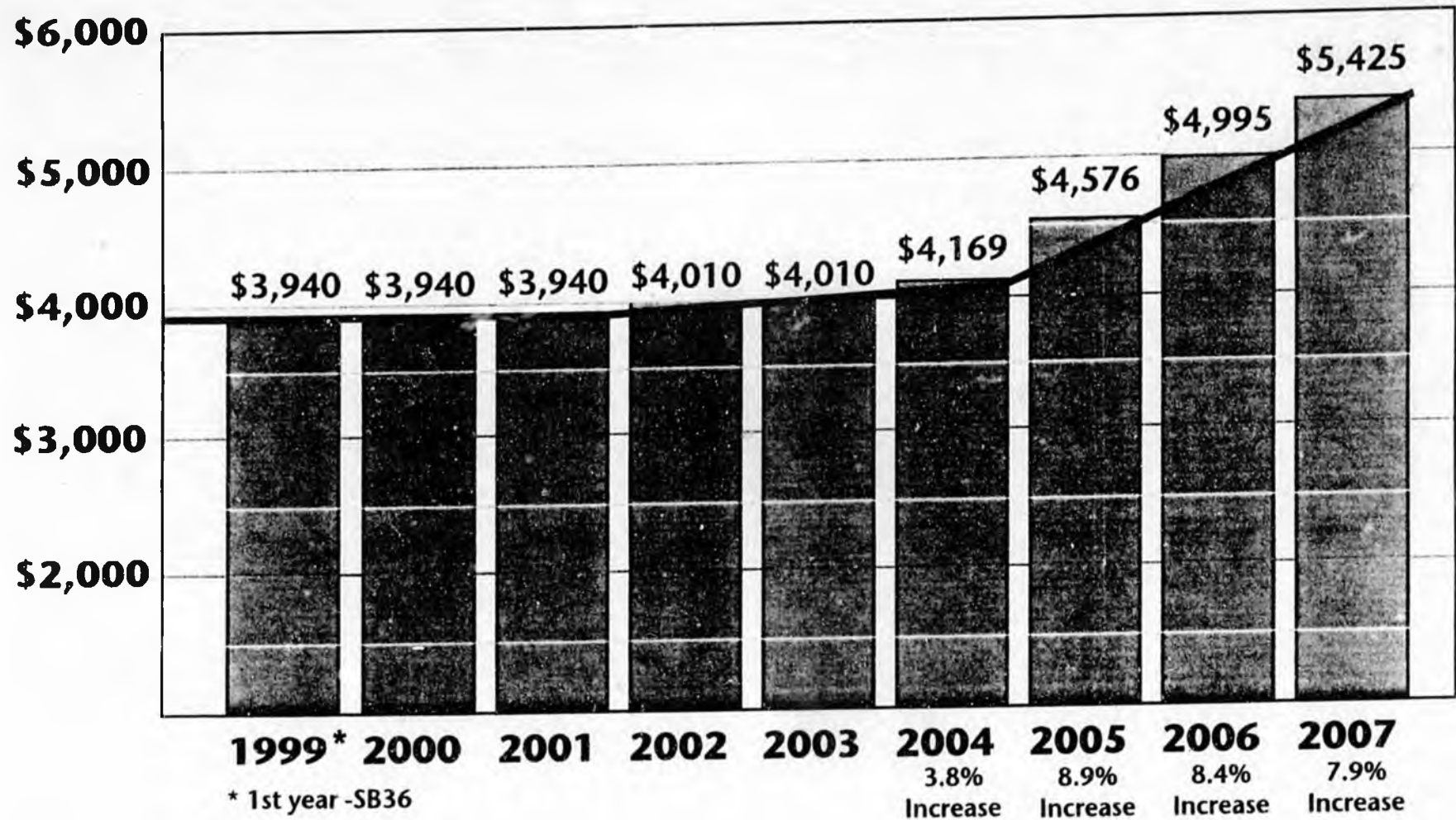
That is the minimum level of state support that is required by most of our school districts across the state. This increase is less than some teachers and parents support, but it is more than the administration has offered to date.

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).

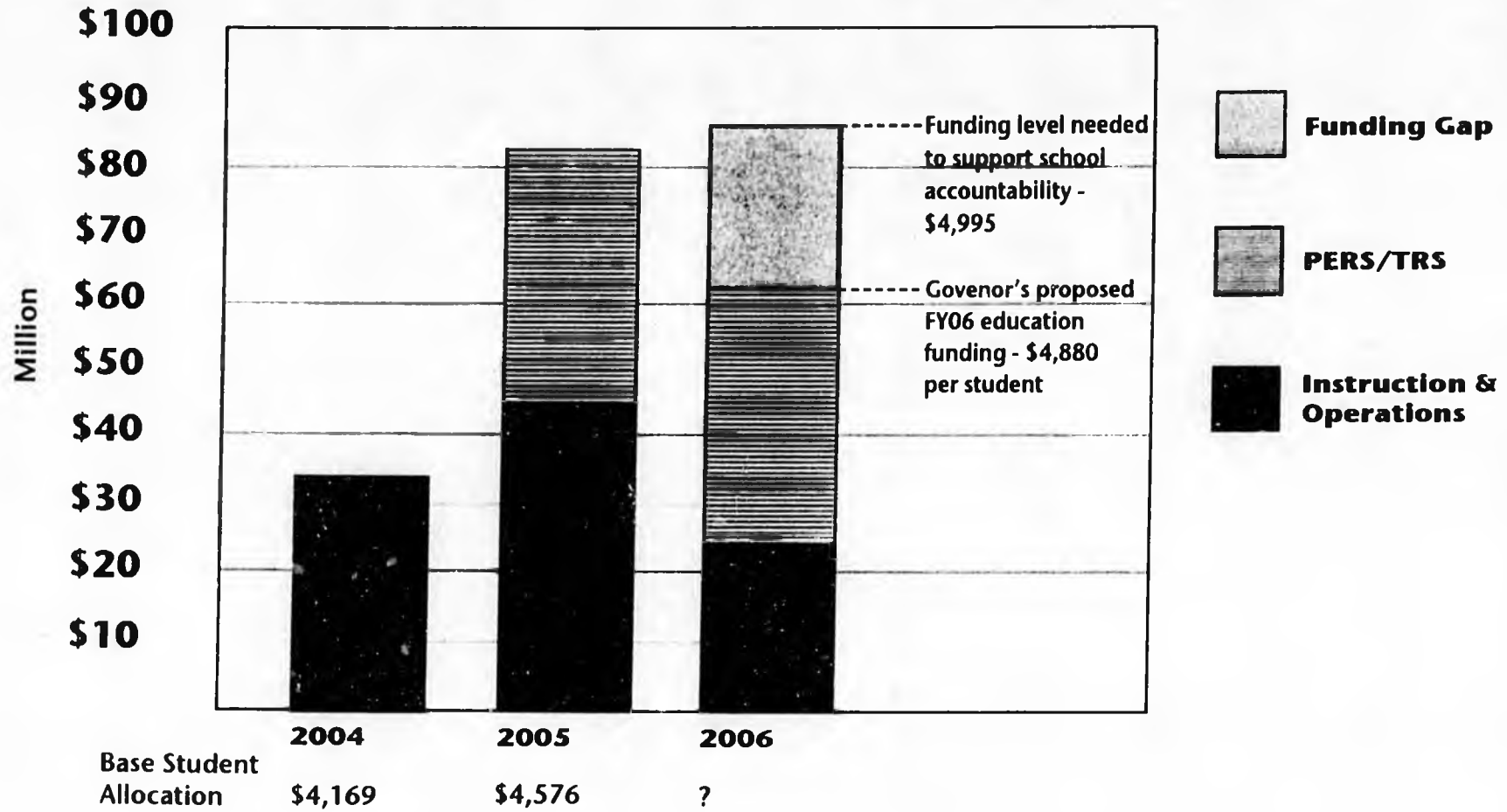
AASB believes that when the Legislature examines the need for increasing the foundation formula for K-12 education, you will see that this is a good investment in the future of Alaska. Certainly, the public will support you in making this investment happen.

Thank you.

## Base Student Allocation 1999-2007



## Proposed School Funding



# 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
<b>Education Funding</b> 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
<b>Early Funding</b> 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
<b>Limit administrative expenses</b> SB 57	Oppose	Oppose	Oppose
<b>School Construction Debt</b> HB 13	Support	Support	Support
<b>School Safety</b> 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
<b>Student Health</b> 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
<b>Teacher Recruitment</b> SB 24, SB 31, SB 61	Support	Support	Support

## Talking Points on Education Bills

<p><b>Education Funding</b> HB 1</p>	<p>\$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</p>
<p>PERS/TRS funding</p>	<p>Appreciate governor's initiative to fund at 100 percent; keep inside formula</p>
<p><b>Early Funding</b> HB 20, SB 13, SB 23</p>	<p>Good idea to help district planning, but when revenues are available late in session, education should be at the table</p>
<p><b>Limit Administrative Expenses</b> SB 57</p>	<p>30 percent ceiling is already unrealistic; 32 districts secured waivers this year</p>
<p><b>School Construction Debt</b> HB 13</p>	<p>Districts have identified \$580 million in construction needs; governor requesting only \$30 million in FY 06 school repairs</p>
<p><b>School Safety</b> HB 41, HB 88, HB 65, SB 10</p>	<p>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.</p>
<p><b>Student Health</b> HB 85, HB 3, SB 4, SB 35, SB 48, HB 128</p>	<p>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.</p>
<p><b>Teacher Recruitment</b> SB 24, SB 31, SB 61</p>	<p>Retire-rehire law has helped many districts cope with personnel emergencies &amp; teacher shortages. Cost to the retirement program has been minimal. It's a local option that should be extended.</p>



**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 statute and 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.

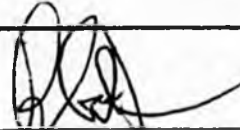
BE IT FURTHER RESOLVED that the MSBSD School Board strongly opposes any change to its district cost factor (per the 2003 Alaska School District Cost Study). Such a change would negate any increases by the Governor and Legislature by shifting funds from districts with increasing enrollment and rapid growth,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

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

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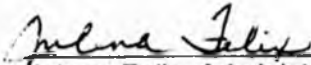


Michael Chmielewski, Board President



Robert Doyle, Chief School Administrator

ATTEST:



Julena Felix, Administrative Assistant