

SB

1

SFIN

FILE

SB 1

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

FAILED

SENATE FINANCE
COMMITTEE
Amendment # 1
To Bill Number: SB1
Sponsor: Hoffman
Date: 4/20/06 Logged by: Robin

AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SSSB 1

OFFERED BY: Senator Hoffman

DEPARTMENT: Dept. of Education

Page 1 line 6

Delete	\$5,352
Insert	\$5,380

FUNDING SOURCE: General funds

EXPLANATION: This amendment will add 6 million to the BSA above the governors proposed number.

SENATE FINANCE COMMITTEE
4 / 26 / 2006 COMMITTEE ACTION

Bill Number	SB1		
Amendment	#1		
Motion	to adopt		
<u>Motion by</u>	Hoffman		
<u>Objection by</u>	Green		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Bunde		✓	✓
Senator Dyson			✓
Senator Hoffman	✓		
Senator Olson	✓		
Senator Stedman		✓	
Co-Chair Wilken		✓	✓
Co-Chair Green		✓	✓
<u>Tally</u>			
Yea	2		
Nay	5		
Absent	1		
MOTION	FAILED		

GARY WILKEN
SENATOR
Fairbanks



State Capitol Building
Juneau, Alaska 99801-1182
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
Fax: (907) 465-4714
www.akrepublicans.org/wilken
E-Mail: Senator.Gary.Wilken@legis.state.ak.us

Senate

SPONSOR STATEMENT

Sponsor Substitute for Senate Bill 1 Increase the Amount of the Base Student Allocation

Since 1998, the K-12 public school funding formula has distributed state education dollars based on a per student allocation. Sponsor Substitute for Senate Bill 1 increases this allocation by \$433, establishing the per student dollar at \$5,352.

Sponsor Substitute for Senate Bill 1 recognizes that day-to-day educational costs continue to increase, causing a financial strain on the school budgets in all 53 school districts. The 8.8 percent proposed increase in the student dollar will help mitigate these rising costs, thus allowing local school boards to direct more education dollars into the classroom.

Unfortunately school districts are also burdened with a five percent increase in their required employer contribution to two retirement systems, Public Employees' Retirement System and Teachers' Retirement System. Sponsor Substitute for Senate Bill 1 will generate the needed funds to cover these costs, estimated to increase \$40 million statewide in FY07.

Please join me in support of our public school system and give your approval to Sponsor Substitute for Senate Bill 1.

A handwritten signature in cursive script that reads "Gary Wilken".

April 18, 2006



Education increase of 33%
during Murkowski
Administration

Alaska K-12 Funding

Per Student Amount FY 1999 ~ FY 2007 Proposed

\$5,500

\$5,000

\$4,500

\$4,000

\$3,500

\$3,000

\$3,940

\$3,940

\$3,940

1.8%
\$4,010

\$4,010

4.0%
\$4,169

9.8%
\$4,576

7.5%
\$4,919

8.8%
\$5,352

Fiscal Year 1999

2000

2001

2002

2003

2004

2005

2006

Proposed
2007

% reflects amount of increase when compared to prior year

distributed 4/20/06 Sen. Wilkin

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

The Governor's Foundation proposal translates into cuts to schools across Alaska. Rapidly escalating overhead costs - such as PERS/TRS, fuel, inflation, and health insurance premiums - exceed the \$90 million increase proposed by the Governor. Costs exceed revenues. This equates to a net loss to classrooms and students.

To meet overhead costs, and allow a small margin for improvement at the classroom level require an investment by the State of Alaska of approximately \$150 million, \$60 more than that proposed by the Governor.

Juneau offers one example of a community where students lose under the Governor's proposal. Although the District's revenues will increase by \$3.2 million, rising costs result in a net \$2 million deficit to Juneau schools.

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.

Mary Hakala, Alaska Kids Count! Network, 4/17/06

distributed 4/20/06
9:49 AM

* 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, and donations for school supplies.

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

- Elementary art modeled after the successful Fairbanks program - 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.
- Drop out prevention counseling - 3 counselors eliminated, one each at DZ, Floyd Dryden, and JDHS. This leaves one counselor per middle school, each serving ~ 600 students.
- Truancy Tracker - 1 position . Dropout prevention strategy
- 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, including administration, janitorial services, maintenance. Even High School activities was 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.

***Alaska's students deserve great schools.
Alaska can afford no less.***

Mary Hakala, Alaska Kids Count! Network, 4/17/06

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 \$260 above the Governor's \$433. 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).



Official Business

Alaska State Legislature

Senate

Office of the Secretary

State Capitol, Room 213
Juneau, Alaska 99801-1182
Phone: (907) 465-3701
Fax: (907) 465-2832
Email: senate_secretary@legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: 1/9/06
TO: Finance Committee
(Mindy, Room 520)
FROM: Office of the Senate Secretary
SUBJ: Sponsor Substitute

A Sponsor Substitute has been introduced on the following bill/resolution pending in your Committee:

RETRIEVE

SENATE BILL NO. 1

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

Please pull this bill/resolution (blue back) from your files and give to the page. The bill/resolution will be returned to you with the Sponsor Substitute.

Thank you.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



Alaska State Legislature

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

Committee on SB 1 Increase Base Student Allocation, dated 4-20-06
bill # / subject public hearing date

I'm currently a student at Homer High School under the KPBSD and I am strongly for more school funding. Each year our school suffers more classes being cut and therefore more teachers losing jobs. To keep schools in the best condition possible and have them provide the best classes for their students cannot happen without proper support from the state legislature. There are many classes that I am in now that have a large amount of students in them, and there is not enough space to accommodate them all. Yet teachers are still being cut and the quantity of classes has gone down, while the number of students stays the same. To convince the state to give schools in the district more money for education would be a step in solving the problem of losing teachers and classes and also help to spread things out so that the class sizes are smaller and easier to teach. This problem has gone on long enough and we need to be putting forth all our effort to stop it. I am not alone in this, and the majority of the students and teachers at my school would appreciate anything that could be done to improve this situation. Thank you for your time and I hope that you really consider this issue.

Sincerely,
Katie Miller, HHS student

Signed: Katie Miller
Testifier

Representing (optional)

40899 Waterman Rd. Homer, AK 99603
Address

Phone number



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance

committee name

Committee on SB 1 Increase Base Student Allocation, dated

bill # / subject

4-20-06

public hearing date

The Kenai Peninsula Borough School District (KPBSD) developed its preliminary budget using the Governor's proposed based student allocation (BSA). The revenue this generated fell short of the basically status quo (except for increased fuel, utility, retirement system rate and insurance rate increases) and a modest amount set aside to address the collective bargaining process.

This budget fell short of projected revenue by about \$3.6 million. A BSA of \$5570 is needed to balance the District's preliminary budget, absent an adjustment to the district cost factor portion of the funding formula or budgetary reductions.

The District has heard the direction from NCLB, parents and legislators for low pupil-teacher-ratios (PTR); so much so that the District budgeted fund balance in FY06 to ensure effective class sizes - not a sound financial practice. It's not prudent to use fund balance for ongoing operating expenses. Our fund balance is significantly below standards for such accounts - what we have is needed to address over expenditure of utility accounts and unforeseen situations.

The Board approved the FY07 budget April 3, 2006, with an increase to the PTR of 3 students to all staffing formulas. This equated to the loss of 41 teachers for next year. The total reduction in teachers for next year is 63 positions (22 due to declining enrollment + 41 due to the formula change) representing 13% of our teachers. This means some classes will be in excess of 30 students, the loss of voc-ed classes, arts, foreign languages, librarians, and counselors. We already have some administrators covering multiple schools; this practice will grow.

Thankfully, the Kenai Peninsula Borough Assembly approved funding at the cap for another year - so far. This level of support continues to be a struggle considering their financial constraints. An increase to the mill rate is needed to fund at the cap. As you are probably aware, a sales tax increase failed before the voters last fall; that matter will be presented to the voters again this fall. The Borough needs additional revenue in order to continue supporting the District at the cap.

If you have been following educational funding for anytime at all, you are aware of KPBSD's financial plight - it's getting worse each year. SOMETHING must be done to address a district faced with on-going declining enrollment. I understand the challenges of 'where to put the money' in the formula - statewide equity is important to consider. Frankly, for the Kenai it's getting to the point of 'we'll take it anyway we can get it!' District cost factors need to be adjusted in addition to an increase to the BSA.

Thank you for the opportunity to address educational funding issues with you.

Signed: Melody Douglas, CFO

Testifier

Kenai Peninsula Borough School District

Representing (optional)

148 N. Binkley St., Soldotna, AK 99669

Address

907-714-8841

Phone number

mdouglas@kpbsd.k12.ak.us



Alaska State Legislature

Please enter into the record my testimony to the

Senate Finance
committee name

Committee on SB 1 Increase Base Student Allocation,
bill # / subject

dated 4-20-06
public hearing date

My name is Jennie Hammond, I have two children attending Nikiski North Star Elementary in Nikiski. In my son's 1st grade class ~~there~~ are 26 students. He started the year with 24 students. I have noticed the difference in the classroom with just two more students. My son is distracted a little more. Next year we will have only 14 teachers instead of 16. The district has increased PTR by 3 students. In my daughter's all day kindergarten this year she had 20 students with no aide. Next year with the district's PTR it will be 23 students all day with no aide. We have at our school approx 415 students. Next year we could lose between 20-25 students. The class sizes could start at 26 students K-3 and 32 students in 4/6. In order for classes sizes to go back down again the children need more funding for teachers. I volunteer approx 14 hrs a week at their school. Nikiski North Star is a school that promotes parent and community involvement. This week we had our volunteer dinner it was stated that over 3,000 hrs of volunteering has taken place this year. Which could be about \$35,000 / year. Please for the children increase education funding to hire more teachers. Changing the cost differential would also help.

Thank you for your time.

Signed:

Testifier

Jennie R Hammond

Representing (optional)

Address

46210 Balto Nikiski AK 99635

Phone number

776-8561



Alaska State Legislature

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

Committee on SB 1 Increase Base Student Allocation, dated 4-20-06
bill # / subject public hearing date

Dear Senate Finance Committee:

Please consider increasing the Base Student Allocation for next year to \$5,511.00
I am a parent and teacher on the Kenai. The Kenai Peninsula Borough School district is facing serious financial difficulties for this coming school year. There is a possibility close to 100 teachers will be without jobs. Our high school counselors are looking at a 1 to 500 plus ratio. There are currently no full time librarians left in our district. These cuts will be devastating to our district and our community. Our children are our future and our public schools are the future of our communities.

Thank you,
LaDawn Druce

Signed: LaDawn Druce
Testifier

Representing (optional)

P.O. Box 2317 Soldotna, AK 99669
Address

262-3501
Phone number