

SB

1

SENATE COMMITTEE REPORT

DATE: 3/28/07

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 4/2/07

Community and Regional Affairs Committee considered SENATE BILL NO. 1

SB 1 INCREASE AMT OF BASE STUDENT ALLOCATION

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

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____




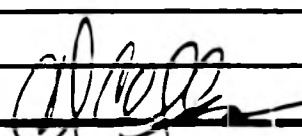
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Title	Zero	EN#
EED	4/2/07	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Title	Zero	EN#
EED - Fund.	2/5/07	✓			

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS		REC	AMEND
	Thomas	✓	
	Stevens	✓	
CHAIR: 	Olson	✓	

GARY WILKEN
SENATOR
Fairbanks



State Capital Building
Juneau, Alaska 99801-1182
Tel: 451-9581 (from Fbks)
Tel: (907) 465-3789 (outside Fbks)
Fax: (907) 465-4714
www.akrepublicans.org/wilken
E-Mail: Senator.Gary.Wilken@legis.state.ak.us

SPONSOR STATEMENT

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. Senate Bill 1 increases this allocation by \$430, establishing the per student dollar at \$5,810.

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 eight 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.

This legislation does not address the major cost increase facing each school district this year. The substantial rise to the required retirement contribution for each employee in every district totals over \$200 million statewide. The per student dollar amount would need to grow \$1,000 just to cover this year's increase. This financial burden must be addressed by the Legislature and in a manner acceptable to both our school districts as well as the State of Alaska. An alternative bill will address the solution.

Senate Bill covers an estimated inflation rate (Department of Labor, November, 2006) and provides additional funds to help school districts to reduce class size. Please join me in support of Alaska's public school system and give your approval to Senate Bill 1.

February 8, 2007

Proudly Representing the Golden Heart of Alaska



Alaska State Legislature

Senate Republican Minority

Web: www.aksenateminority.com

Sponsor: Senator Gary Wilken
Contact: Sheila Peterson, 465-3709
Bill Version: SB 1

Fact Sheet for: Senate Bill 1

Short Title: INCREASE AMOUNT OF BASE STUDENT ALLOCATION

Summary:

- Amends the education funding formula and establishes the per student dollar amount at \$5,810, an increase of \$430.

Benefits:

- Increases the per student dollar to cover an inflation rate of 4 percent in FY06.
- Provides school districts with additional funds, over and above the inflation rate, to help meet fixed costs.
- Provides additional funds to help school districts reduce class size, particularly in the early grades.

Background:

- The state's funding formula for K-12 public education is based on a per student allocation. This dollar amount is adjusted for the size and location of the school in which the student attends. Special needs students generate additional revenue to help school districts meet the unique needs of these students. For the past several years, the Legislature has increased the per student dollar amount annually.

The sponsor recognizes that each school district's required retirement contribution increased substantially this year, a statewide total of over \$200 million. The per student dollar amount would need to be increased \$1,000 to cover just this year's increase. This financial burden to our local school districts must be addressed by the Legislature in a manner acceptable to all school districts and the State of Alaska.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB001-EED-FP-2-5-07
 Bill Version SB1
 () 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 public education funding formula. Component Foundation Program
 Sponsor Sen. Wilken
 Requester Senate Special Committee on Education Component No 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2
Miscellaneous						
TOTAL OPERATING	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2

Estimate of any current year (FY2007) 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 (BSA) from \$5,380 to \$5,810. This is a \$430 increase to the BSA.

The GF appropriation in this fiscal note capitalizes the Public Education Fund (PEF). Money in the PEF flows to K-12 Support without further appropriation for distribution to school districts.

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

Phone 465-8679
 Date/Time 2/5/07 3:53 PM
 Date 2/5/2007

School District	Projected FY2008 State Aid at BSA \$5,380	Projected FY2008 State Aid at BSA \$5,810	DIFFERENCE
Alaska Gateway	5,350,621	5,794,596	443,975
Aleutian Region	1,260,566	1,347,179	86,613
Aleutians East Borough	3,414,525	3,747,865	333,340
Anchorage	265,515,050	294,228,915	28,713,865
Annette Island	1,844,016	2,093,270	249,254
Bering Strait	20,092,216	22,288,750	2,196,534
Bristol Bay Borough	1,617,977	1,808,269	190,292
Chatham	2,408,957	2,616,841	207,884
Chugach	2,031,587	2,145,294	113,707
Copper River	6,549,083	7,090,741	541,658
Cordova	3,417,676	3,744,145	326,469
Craig	4,741,962	5,159,638	417,676
Delta/Greely	10,140,267	10,955,942	815,675
Denali Borough	3,989,753	4,359,149	369,396
Dillingham	4,840,971	5,306,171	465,200
Fairbanks N. Star Borough	85,741,301	94,966,581	9,225,280
Galena	17,599,787	19,008,846	1,409,059
Haines Borough	2,180,726	2,429,580	248,854
Hoonah	1,494,178	1,629,684	135,506
Hydaburg	787,257	858,186	70,929
Iditarod Area	4,736,097	5,067,305	331,208
Juneau Borough	26,319,028	29,491,035	3,172,007
Kake	950,981	1,040,004	89,023
Kashunamiut	3,024,014	3,383,954	359,940
Kenai Peninsula Borough	54,838,057	60,837,477	5,999,420
Ketchikan Gateway Borough	13,948,298	15,433,092	1,484,794
Klawock	1,267,320	1,390,980	123,660
Kodiak Island Borough	18,369,480	20,212,013	1,842,533
Kuspuk	5,436,829	5,974,767	537,938
Lake & Peninsula Borough	7,435,119	8,060,292	625,173
Lower Kuskokwim	47,659,626	52,291,139	4,631,513
Lower Yukon	2,096,121	23,420,301	2,324,180
Mat-Su Borough	95,453,603	104,731,687	9,278,084
Nenana	4,363,220	4,717,497	354,277
Nome	7,451,085	8,118,587	667,502
North Slope Borough	10,473,573	12,241,096	1,767,523
Northwest Arctic Borough	26,110,677	28,442,971	2,332,294
Pelican	401,248	421,884	20,636
Petersburg	4,353,634	4,784,146	430,512
Pribilof	1,495,502	1,658,863	163,361
Saint Mary's	2,387,186	2,578,945	191,759
Sitka Borough	9,088,107	10,065,032	976,925
Skagway	677,855	754,156	76,301
Southeast Island	3,163,711	3,394,183	230,472
Southwest Region	7,962,081	8,800,159	838,078
Tanana	749,593	812,218	62,625
Unalaska	2,956,546	3,324,325	367,779
Valdez	3,842,277	4,407,426	565,149
Wrangell	2,697,221	2,957,887	260,666
Yakutat	972,207	1,067,826	95,619
Yukon Flats	5,135,933	5,570,695	434,762
Yukon/Koyukuk	10,248,890	11,158,215	909,325
Yupitit	5,416,738	5,985,942	569,204
Mt. Edgecumbe High School	2,621,487	2,874,327	252,840
Total	858,121,820	947,050,068	88,928,248

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB001-EED-AMYA-4-2-07
 Bill Version: SB1
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title An act increasing the base student allocation
used in the public education funding formula.
 Sponsor Sen. Wilken
 Requester C&RA

Dept. Affected: Education & Early Development
 RDU K-12 Support
 Component AK Challenge Youth Academy
 Component No. 2837

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	300.9	300.9	300.9	300.9	300.9	300.9
Miscellaneous						
TOTAL OPERATING	300.9	300.9	300.9	300.9	300.9	300.9

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

1002 Federal Receipts						
1003 GF Match						
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TOTAL	300.9	300.9	300.9	300.9	300.9	300.9

Estimate of any current year (FY2007) cost: 0.0

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ANALYSIS: (Attach a separate page if necessary)

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 Approved by: Barbara Thompson, Deputy Commissioner
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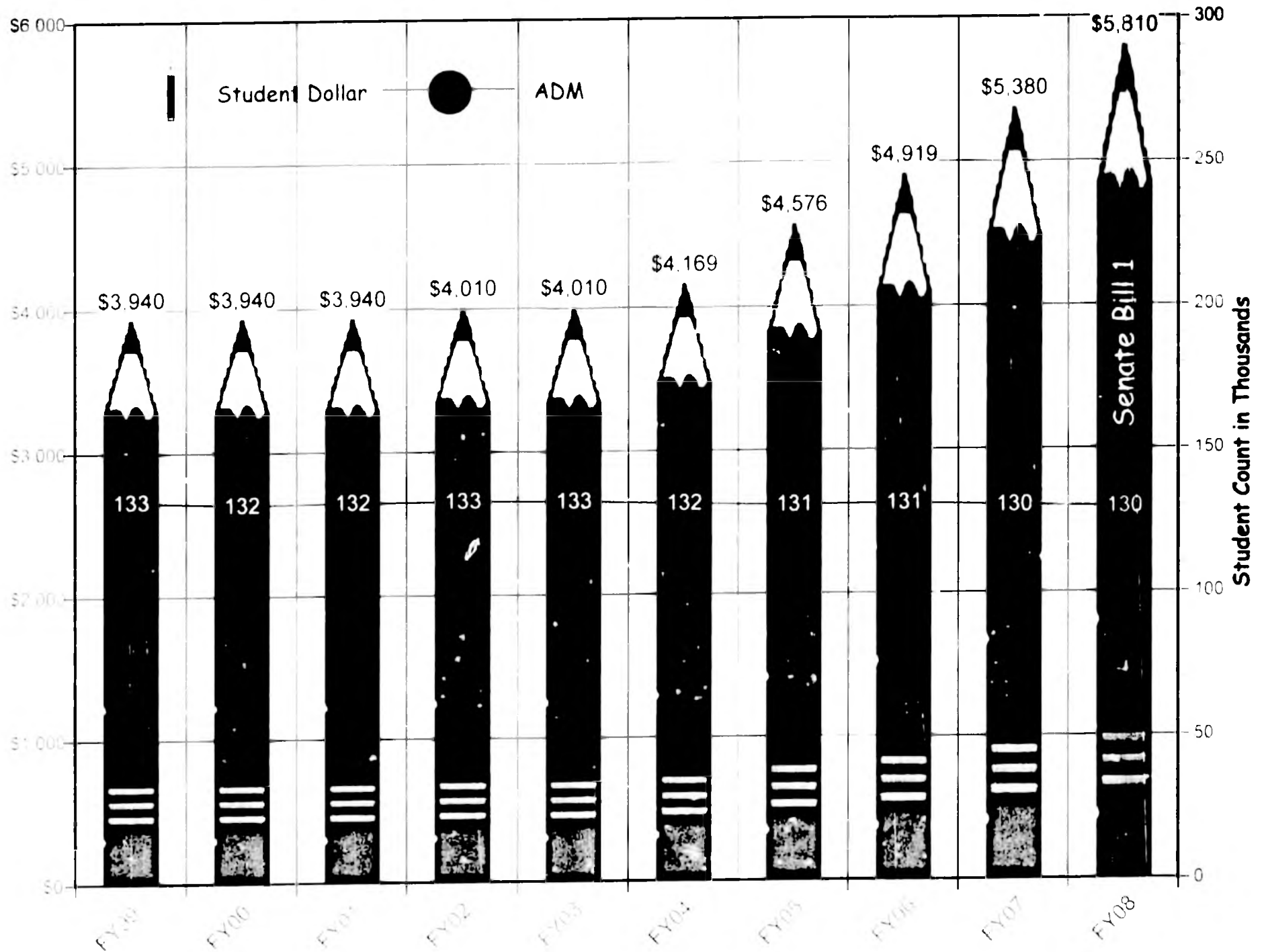
Phone 465-8679
 Date/Time 4/2/07 11:52 AM
 Date 4/2/2007

ALASKA MILITARY YOUTH ACADEMY

FY08 PROJECTION for FY08

257 x \$5810 x 7 =	10,452,190
203 x \$5810 x 60% =	707,658
less \$2,625,000	(2,625,000)
	8,534,848
<i>FY08 Projected State Aid at \$5,380</i>	8,233,904
FY08 INCREASE TO AMYA:	\$ 300,944

Student Dollar 1999-2008 with Student Enrollment



Fiscal Year

Prepared by Gary Wilken's Office

RE: Senate Bill 1 Raising the Base Student Allocation

Thank you for the opportunity to urge you to raise the base student allocation to \$5810. If you cut everything else in the states budget to get this raised you have my support. I see fully funded education as the foundation on which we should build the state's future. Taking care of our children, physically and mentally, will do more to insure our future prosperity than building pipe lines, prisons or bridges. Please vote to raise the base student allocation.

**Patricia Linville
Box 1753
Seward, AK 99664
907-224-3252
linville@ak.net**