

SB

178

SFIN

FILE

SENATE FINANCE
COMMITTEE #1
Amendment #
To Bill Number: SB 178
Sponsor: Elton
Date: 2/3/07 Logged by: Mindy

AMENDMENT

Offered in the Senate Finance Committee
To: SB 178

Page 4, line 4:

Following the semicolon, add "or"

Page 4, line 5 through 6:

Delete "for all other districts"

Two-Year Education Funding Proposal SB 178

Key Features:

Forward funding - \$1.0 Billion set aside in Public Education Fund

Early funding - establishes FY09 funding level in advance

Elements	FY 2008 Increases	FY2009 Increases
1. Required Local Effort set at 3 mils <ul style="list-style-type: none"> • Provide uniform application of the RLE provision • Eliminates disparities between municipalities • Example, Lake & Peninsula Borough currently pays 4 mils while Mat-Su Borough pays 2.8 mils 	\$9.9 million	Projected the Full Value Determination based on 3 year avg. change. Increased property values at 3 mils.
2. Intensive student funding based on 2% of ADM <ul style="list-style-type: none"> • Districts over 1,000 ADM will receive intensive funding based on 2% of the ADM • Provides predictable level of funding for intensive services • Eliminates EED audits unless district claims more than 2% or those districts with fewer than 1,000 ADM 	\$18.7 million	
3. District Cost Factors <ul style="list-style-type: none"> • Permanently adopts 50% of the ISER cost factor study in FY08. • Updates original cost factors included in SB36. Meets statutory requirement to review and recommend changes 	\$48.6 million	
4. Hold Harmless for declining state funding due to <ul style="list-style-type: none"> • Declining enrollment • Consolidating schools for efficiencies • Formula adjustments • Examples - when a community falls below 100 students they are funded for 1 school instead of two schools; or - when a school falls below 10 students 	\$0.4	
5. Increase Base Student Allocation in FY2009 <ul style="list-style-type: none"> • \$200 increase per student from \$5,380 to \$5,580 		\$23.7 million
Total Formula Increases	\$77.6 million	\$23.7 million
Less Funding already in Governor's budget	- \$34.6 million	
General Fund Increase	\$43.0 million	\$23.7 million
Retirement System Funding outside Formula TRS employer rate set at 12.56% <ul style="list-style-type: none"> • FY07 rate currently 26% • Proposal will set employer rate at 12.56% in law • FY08 appropriation of \$270 million directly to TRS • Allows more funding to go to the classroom • Requires annual appropriation directly into the TRS 	\$77.5 million	
Total Two-Year Education Funding	\$120.5 million	\$23.7 million

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 178
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education
Title An Act relating to school funding, the base RDU K-12 Support
student allocation, district cost factors... Component Foundation Program
Sponsor Senate Finance Committee
Requester Senate Finance Committee 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	152,600.0	23,663.4	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	152,600.0	23,663.4	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	152,600.0	23,663.4				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	152,600.0	23,663.4	0.0	0.0	0.0	0.0

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 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The \$152,600.0 for FY08 is a result of \$77.6 million in funding formula changes and \$75.0 million that was reduced in the FY08 operating budget to buy the TRS down from 26% to 12.56%.

Formula changes include required local effort set at 3 mills, intensive funding for districts with more than 1,000 students set at 2% of total student population, 50% of ISER recommended increase in districts cost factors and hold harmless for declining enrollments.

This bill also increases the Base Student Allocation in FY09 from \$5,380 to \$5,580

Monies from this fiscal note will be deposited into the public education fund.

Prepared by: Eddy Jeans, Director Phone 465-8679
Division: School Finance Date/Time 5/13/07 12:00 AM
Approved by: Eddy Jeans, Director Date 5/13/2007
Agency: Education & Early Development

School Districts	funding available in school districts budgets from TRS rate decrease from 26% to 12.56%	FY08 Governor Budget	FY08 - Year 1	FY09 - Year 2		
		FY08 Projection 1-Time Grant School Improve Grant & 25% ISER	3 Mill rate, 50% ISER, 2% Intensive Blk Grant, Hold Harmless, BSA \$5380	DIFFERENCE of Year 1 over Gov Budget	3yr Average F/V adjusted for Req. Local Effort & BSA \$5580	DIFFERENCE of FY09 Year 2 over FY08 Year 1
ALASKA GATEWAY	282,465	5,694,345	5,966,143	271,798	6,195,457	229,314
ALEUTIAN REGION	83,188	1,287,552	1,324,874	37,322	1,371,230	46,356
ALEUTIANS EAST BOROUGH	287,445	3,831,244	4,341,898	510,654	4,522,320	180,422
ANCHORAGE	26,643,771	269,460,352	275,449,015	5,988,663	279,720,831	4,271,816
ANNETTE ISLAND	258,765	2,086,557	2,332,408	245,851	2,466,442	134,034
BERING STRAIT	1,899,375	22,292,840	24,757,111	2,464,271	25,951,657	1,194,546
BRISTOL BAY BOROUGH	145,640	1,736,007	1,972,360	236,353	2,056,478	84,118
CHATHAM	128,154	2,683,476	2,921,793	238,317	3,037,491	115,698
CHUGACH	169,752	2,093,784	2,116,293	22,509	2,159,573	43,280
COPPER RIVER	389,642	6,782,943	6,925,291	142,348	7,191,169	265,878
CORDOVA CITY	264,238	3,580,107	3,830,344	250,237	4,007,527	177,183
CRAIG CITY	320,713	4,957,700	5,149,664	191,964	5,352,742	203,078
DELTA/GREELY	573,925	10,494,790	10,631,626	136,836	11,029,222	397,596
DENALI BOROUGH	311,439	4,047,173	4,061,244	14,071	4,186,581	125,337
DILLINGHAM CITY	399,048	4,985,624	5,150,665	165,041	5,311,434	160,769
FAIRBANKS NORTH STAR BOI	8,147,609	87,735,989	90,049,959	2,313,970	92,177,032	2,127,073
GALENA CITY	591,947	17,925,809	17,662,764	(263,045)	18,317,824	655,060
HAINES BOROUGH	195,703	2,340,607	2,582,293	241,686	2,645,381	63,088
HOONAH CITY	146,381	1,643,139	1,767,674	124,535	1,839,595	71,921
HYDABURG CITY	90,867	846,290	952,677	106,387	991,300	38,623
IDITAROD AREA	263,278	4,937,937	5,260,233	322,296	5,473,397	213,164
JUNEAU BOROUGH	2,979,446	27,989,774	29,529,772	1,539,998	29,401,334	(128,438)
KAKE CITY	93,727	1,083,964	1,328,423	244,459	1,382,826	54,403
KASHUNAMIUT	250,183	3,231,230	3,388,999	157,769	3,569,941	180,942
KENAI PENINSULA BOROUGH	5,258,894	58,574,820	64,779,094	6,204,274	66,951,660	2,172,566
KETCHIKAN GATEWAY BOROI	1,379,302	14,892,484	16,906,635	2,014,151	17,513,995	607,360
KLAWOCK CITY	150,223	1,385,159	1,503,356	118,197	1,564,302	60,946
KODIAK ISLAND BOROUGH	1,865,120	19,586,583	21,762,651	2,176,068	22,596,256	803,605
KUSPUK	351,933	5,823,310	6,142,949	319,639	6,419,325	276,376
LAKE AND PENINSULA BOROI	446,827	8,014,222	8,580,407	566,185	8,917,447	337,040
LOWER KUSKOKWIM	3,855,234	49,580,126	51,419,397	1,839,271	53,712,943	2,293,546
LOWER YUKON	1,231,247	23,325,027	26,082,726	2,757,699	27,348,566	1,265,840
MATANUSKA-SUSITNA BOROI	8,522,562	98,341,562	101,460,760	3,119,198	101,049,108	(411,652)
NENANA CITY	245,019	4,447,713	4,448,421	708	4,610,790	162,369
NOME CITY	460,170	7,707,215	7,991,498	284,283	8,269,976	278,478
NORTH SLOPE BOROUGH	1,971,061	11,667,400	13,194,668	1,527,268	14,117,628	922,960
NORTHWEST ARCTIC BOROU	1,797,386	27,551,540	29,615,796	2,064,256	30,812,950	1,197,154
PELICAN CITY	17,045	409,726	431,654	21,928	441,675	10,021
PETERSBURG CITY	389,597	4,717,782	5,183,702	465,920	5,370,585	186,883
PRIBILOF	95,551	1,593,096	1,692,023	98,927	1,775,289	83,266
SAINT MARYS	105,989	2,530,138	2,765,915	235,777	2,868,805	102,890
SITKA BOROUGH	1,001,863	9,747,842	10,499,400	751,558	10,737,825	238,425
SKAGWAY CITY	98,937	693,848	692,749	(1,099)	734,691	41,942
SOUTHEAST ISLAND	219,025	3,290,865	3,492,917	202,052	3,623,121	130,204
SOUTHWEST REGION	636,802	8,497,431	8,915,338	417,907	9,340,474	425,136
TANANA	33,311	797,239	914,045	116,806	948,747	34,702
UNALASKA CITY	313,302	3,155,607	3,618,275	462,668	3,691,919	73,644
VALDEZ CITY	551,497	4,020,310	4,074,953	54,643	4,346,437	271,484
WRANGELL PUBLIC	220,855	2,854,273	3,098,262	243,989	3,231,981	133,719
YAKUTAT	91,638	1,071,495	1,318,354	246,859	1,374,808	56,454
YUKON FLATS	277,387	5,372,579	5,739,994	367,415	5,877,642	137,648
YUKON/KOYUKUK	642,224	10,708,930	10,945,568	236,638	11,394,332	448,764
YUPIIT	389,953	5,758,299	6,024,921	266,622	6,312,209	287,288
Mt Edgecumbe	-	2,806,479	2,930,893	124,414	3,059,961	129,068
TOTAL	77,536,657	892,672,333	935,680,844	43,008,511	959,344,231	23,663,387

School Districts	funding available in school districts budgets from TRS rate decrease from 26% to 12.56%	3 Mill rate, 50% ISER, 2% Intensive Blk Grant, Hold Harmless, BSA \$5380 less Gov. Proposed	YEAR 1 FY08 funding available over Gov. Budget	Year 2 FY09 funding available over FY08
ALASKA GATEWAY	282,465	271,798	554,263	229,314
ALEUTIAN REGION	83,188	37,322	120,510	46,356
ALEUTIANS EAST BOROUGH	287,445	510,654	798,099	180,422
ANCHORAGE	26,643,771	5,988,663	32,632,434	4,271,816
ANNETTE ISLAND	258,765	245,851	504,616	134,034
BERING STRAIT	1,899,375	2,464,271	4,363,646	1,194,546
BRISTOL BAY BOROUGH	145,640	236,353	381,993	84,118
CHATHAM	128,154	238,317	366,471	115,698
CHUGACH	169,752	22,509	192,261	43,280
COPPER RIVER	389,642	142,348	531,990	265,878
CORDOVA CITY	264,238	250,237	514,475	177,183
CRAIG CITY	320,713	191,964	512,677	203,078
DELTA/GREELY	573,925	136,836	710,761	397,596
DENALI BOROUGH	311,439	14,071	325,510	125,337
DILLINGHAM CITY	399,048	165,041	564,089	160,769
FAIRBANKS NORTH STAR BOROUGH	8,147,609	2,313,970	10,461,579	2,127,073
GALENA CITY	591,947	(263,045)	328,902	655,060
HAINES BOROUGH	195,703	241,686	437,389	63,088
HOONAH CITY	146,381	124,535	270,916	71,921
HYDABURG CITY	90,867	106,387	197,254	38,623
IDITAROD AREA	263,278	322,296	585,574	213,164
JUNEAU BOROUGH	2,979,446	1,539,998	4,519,444	(128,438)
KAKE CITY	93,727	244,459	338,186	54,403
KASHUNAMIUT	250,183	157,769	407,952	180,942
KENAI PENINSULA BOROUGH	5,258,894	6,204,274	11,463,168	2,172,566
KETCHIKAN GATEWAY BOROUGH	1,379,302	2,014,151	3,393,453	607,360
KLAWOCK CITY	150,223	118,197	268,420	60,946
KODIAK ISLAND BOROUGH	1,865,120	2,176,068	4,041,188	803,605
KUSPUK	351,933	319,639	671,572	276,376
LAKE AND PENINSULA BOROUGH	446,827	566,185	1,013,012	337,040
LOWER KUSKOKWIM	3,855,234	1,839,271	5,694,505	2,293,546
LOWER YUKON	1,231,247	2,757,699	3,988,946	1,265,840
MATANUSKA-SUSITNA BOROUGH	8,522,562	3,119,198	11,641,760	(411,652)
NENANA CITY	245,019	708	245,727	162,369
NOME CITY	460,170	284,283	744,453	278,478
NORTH SLOPE BOROUGH	1,971,061	1,527,268	3,498,329	922,960
NORTHWEST ARCTIC BOROUGH	1,797,386	2,064,256	3,861,642	1,197,154
PELICAN CITY	17,045	21,928	38,973	10,021
PETERSBURG CITY	389,597	465,920	855,517	186,883
PRIBILOF	95,551	98,927	194,478	83,266
SAINT MARY'S	165,952	135,777	341,766	102,890
SITKA BOROUGH	1,001,863	751,558	1,753,421	238,425
SKAGWAY CITY	93,937	(1,099)	97,838	41,942
SOUTHEAST ISLAND	219,025	202,052	421,077	130,204
SOUTHWEST REGION	636,802	417,907	1,054,709	425,136
TANANA	33,311	116,806	150,117	34,702
UNALASKA CITY	313,302	462,668	775,970	73,644
VALDEZ CITY	551,497	54,643	606,140	271,484
WRANGELL PUBLIC	220,855	243,989	464,844	133,719
YAKUTAT	91,638	246,859	338,497	56,454
YUKON FLATS	277,387	367,415	644,802	137,648
YUKON/KOYUKUK	642,224	236,638	878,862	448,764
YUPIIT	389,953	266,622	656,575	287,288
Mt. Edgecumbe	0	124,414	124,414	129,068
TOTAL	77,536,657	43,008,511	120,545,168	23,663,387

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 178
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title An Act relating to school funding, the base RDU K-12 Support
student allocation, district cost factors... Component AK Challenge Youth Academy
Sponsor Senate Finance Committee
Requester Senate Finance Committee 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	384.2	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	384.2	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	384.2	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	384.2	0.0	0.0	0.0	0.0	0.0

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 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation (BSA) in FY09 from \$5,380 to \$5,580. This is a \$200 increase to the BSA.

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

Phone 465-8679
Date/Time 5/13/07 4:29 PM
Date 5/13/2007

ALASKA MILITARY YOUTH ACADEMY

FY09 PROJECTION for FY09

257 x \$5580 x 7 =	10,038,420
203 x \$5580 x 60% =	679,644
less \$2,625,000	(2,625,000)
	8,093,064
<i>FY08 Projected State Aid at \$5,380</i>	7,708,904
FY09 INCREASE TO AMYA:	\$ 384,160