

SB

182

<TARGET><BILL>SB 182</BILL><SUBJECT>SB
182</SUBJECT><COMM>HFIN27</COMM></TARGET>

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 3, 2012

FURTHER REFERRALS:

Date of Committee Action: 4/14/12

The FINANCE Committee considered:

CSSB 182(EDC)

CS FOR SENATE BILL NO. 182(EDC)

"An Act amending the amount of state funding provided to school districts for pupil transportation."

SB 182-PUPIL TRANSPORTATION FUNDING

Recommends it be replaced with HCS or CS for CSSB 182 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent Senate EDC Committee

List of Abbrev for Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- DHS
- LWF
- LAW
- LEG
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	EED	✓		
	EED	✓		
	EED			✓
	EED	✓		
	EED			✓

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	FAIRCLOUGH	✓			
	G. A. A. A.	✓			
	C. W. E. B. E. R. D. B.	✓			
	J. O. U. L. E.	✓			
	T. Wilson	✓			
	NEUMA			✓	
	POSTELLA	✓			
	Edgmon	✓			
	DOOGAN	✓			
Chair:	S. P. O. L. I. T. Z. E.	✓			
Chair:	T. H. O. W. A. S.	✓			

FISCAL NOTE

STATE OF ALASKA cost # codes
 2012 LEGISLATIVE SESSION

Bill Version CSSB182(FIN)
 Fiscal Note Number _____
 Publish Date _____

Identifier (file name) SB182CS(FIN)-EED-PEF-4-13-12 Dept. Affected Fund Transfers
 Title "An Act amending the amount of state funding provided to school districts for pupil transportation." Appropriation Designated Savings
 Allocation Savings Public Education Fund
 Sponsor Senate Education Committee
 Requester House Finance OMB Component Number 2929

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits	86,811.0			41,031.3	41,031.3	41,031.3	41,031.3
Miscellaneous							
TOTAL OPERATING	86,811.0	0.0	0.0	41,031.3	41,031.3	41,031.3	41,031.3

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF	86,811.0	0.0	41,031.3	41,031.3	41,031.3	41,031.3
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		86,811.0	0.0	41,031.3	41,031.3	41,031.3	41,031.3

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

THE AMOUNT SHOWN IN THE FY13 APPROPRIATION HAS AN EFFECTIVE DATE OF JUNE 30, 2012.

CSSB182 implements changes to the Pupil Transportation program and the Public School Funding (Foundation) program. The funding for these programs is deposited to the Public Education Fund (PEF) Separate fiscal notes for pupil transportation and the Public School Funding program show calculations for the funding increases. This note is prepared to deposit the funding for the calculated increase into the Public Education Fund (PEF) for FY12.

Prepared by Elizabeth Nudelman, Director Phone 465-8679
 Division School Finance & Facilities Date/Time 4/13/12 12:17 PM
 Approved by Mike Hanley Date 4/13/2012
Commissioner

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB182(FIN)

Analysis

This fiscal note capitalizes the Public Education Fund (PEF) as set out in CSSB182 in order to provide sufficient funding to address Pupil Transportation and the Public School Funding program (Foundation.)

The \$86,812.0 deposited into the fund under 2013 includes: FY2012 supplemental \$8,103.3; FY2013 \$11,593.2 pupil transportation, plus \$21,296.4 local effort foundation, plus \$5,911.3 Career and Technical/Voc Ed. In addition the forward funding for FY2014 at: \$12,700.2 pupil transportation plus \$21,296.4 local effort foundation, plus \$5,911.3 Career and Technical/Voc Ed.

Because FY2014 is forward funded there is no cost reported in the FY2014 column.

FY2015 through FY2018 maintains the \$21,296.4 and \$5,911.3 increases in foundation and adds 1.5% to the pupil tran formula for pupil transportation fiscal note increase of \$13,823.7; totaling \$41,031.4

FISCAL NOTE

STATE OF ALASKA cost # codes
 2012 LEGISLATIVE SESSION

Bill Version CSSB182(FIN)
 Fiscal Note Number _____
 Publish Date _____

Identifier (file name) SB182CS(FIN)-EED-TLS-4-13-12 Dept. Affected Education & Early Development
 Title "An Act amending the amount of state funding provided to school districts for pupil transportation." Appropriation Teaching & Learning Support
 Allocation Early Learning Coordination
 Sponsor Senate Education
 Requester House Finance Committee OMB Component Number 2912

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	119.5		119.5	119.5				
Travel	12.0		12.0	12.0				
Services	8.5		8.5	8.5				
Commodities	2.5		2.5	2.5				
Capital Outlay								
Grants, Benefits	3,760.0		3,760.0	3,760.0				
Miscellaneous								
TOTAL OPERATING	3,902.5	0.0	3,902.5	3,902.5	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	3,902.5		3,902.5	3,902.5			
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		3,902.5	0.0	3,902.5	3,902.5	0.0	0.0	0.0

POSITIONS								
Full-time		1.0		1	1			
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

FY13 FN form. Updated to reflect the provisions of HB49 Parents As Teachers that were added into SB182. This fiscal note reflects the costs of the Parents As Teachers program.

Prepared by Cynthia Curran, Director
 Division Teaching & Learning Support
 Approved by Mike Hanley
 Commissioner

Phone 465-2857
 Date/Time 4/13/12 8:00 PM
 Date 4/13/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB182(FIN)

Analysis

This bill establishes a statewide parents as teachers program for children who are under 5 years of age. The department is charged with developing and entering into local partnerships to implement the program.

Annual costs were determined as follows:

53,000 children + 1.34 average Pre-K per household = 39,552 families

39,552 families x 4.4% qualifying families = 1,740 families

1,740 families - 800 Federally funded families = 940 families

940 families x \$4,000 = \$3,760,000 Total Grant.

In addition to the grant the department will need to hire one position to oversee and service this program.

Education Specialist II = \$119,531

Travel = \$12,000

Contractual Services costs allocated to position counts for centralized services = \$8,500

Supplies to support general office activities of the program = \$2,500

The legislation includes a requirement for a report to the legislature on or before January 15, 2015.

The program will sunset at the end of FY2015.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

cost # codes

Bill Version

CSSB182(FIN)

Fiscal Note Number

Publish Date

Identifier (file name) SB182CS(FIN)-EED-ESS-4-10-12

Dept. Affected Education & Early Development

Title "An Act amending the amount of state funding provided to school districts for pupil transportation."

Appropriation K-12 Support

Allocation Foundation Program

Sponsor Senate Education Committee

Requester House Finance

OMB Component Number 141

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF		0.0	0.0	0.0	0.0	0.0
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This fiscal note reports the calculation for the provision added to CSSB182 to set the Public Education Formula required local effort component at 2.65 mills of Full and True Value from the current provision of 4 mills of the Education Value. The fiscal note effect of \$21.3 million for FY2013 and \$21.3 million for FY2014 is reported in the Public Education Fund fiscal note. The analysis and attached calculation is presented here for explanation.

Prepared by Elizabeth Nudelman, Director
Division School Finance & Facilities

Approved by Mike Hanley
Commissioner

Phone 465-8679
Date/Time 4/10/12 12:00 AM
Date 4/10/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB182(FIN)

Analysis

The state cost for the two Foundation program items in House for CSSB182, 1) setting the required local mill rate to 2.65 mills for all city and borough school districts and 2) increasing the Career Technical Education/ VOC ED factor in the formula from 1.01 to 1.015 is presented in a fiscal note for the Public Education Fund, as the funding is deposited to the fund not into the Foundation Program component.

The analysis and attached calculation is presented here for explanation.

CSSB182 provides two changes to the Public Education Formula. 1) The required local effort mill rate is set to a consistent 2.65 mills for city and borough school districts as explained below.

1) This bill amends the required local contribution for city and borough school districts in the Public School Funding Formula under AS 14.17.510 (c).

Since 2001, the required local effort for city and borough school districts has been calculated by applying the four mills to a reduced assessed value, thereby creating a lower "effective mill rate." Under current law the local effort is determined by including only 50% of the increase in assessed value since 1999 into the base for the mill rate calculation. For example, $[(\text{full and true assessed value at 1999} + (\text{full and true assessed value increases after 1999} * 50\%)) * (4 \text{ mill})]$. Each year the reduction in local effort due to only including 50% of increased assessed value is paid for with state general fund. As assessed values continue to grow, the discount gets larger and the state pays more of the required local effort.

Because the growth of assessed value since 1999 has been different for each city and borough school district, the effective mill or Education mill rate paid for each city and borough school district is different.

Currently, based on Full and True Value, the lowest mill rate is 2.65 mills.

This legislation sets all city and borough mill rates at 2.65 mills of the Full and True Value and removes the provision for the 50% deduction of assessed value after 1999.

The cost to level all city and borough school districts to the same Full and True Value 2.65 mill rate is \$21.3 million. Under this application, all city and borough school districts will continue to pay the same 2.65 mills and the growth in assessed value will not further impact the state general fund or create separate effective rates between school districts.

Since the change in the determination of the local requirement in FY2002, the state has paid more than \$450 million, through 2012, in state aid to cover the difference in basic need under AS 14.17.410 (b) (1).

2) The legislation increases the Career and Technical Education/Voc Ed factor from 1.01 to 1.015 which sends an additional \$5.9 million dollars to school districts annually. In accordance with 14.17.420 (3) the law directs districts to spend these resources on secondary vocational and technical instruction.

The funding mechanism is a general fund transfer to the Public Education Fund.

Department of Education & Early Development
 Prepared 4/10/2012
 FY2013 and FY2014 Projected Required Local - Mill Equivalent

Prepared by School Finance

District	A 4 Mills of Actual and True Full Value Assessment	B Current Required Local Effort Based on Discounted Education Value	C * 2.65 Mill Required Local	B - C FY2013 Increased State Aid	B - C Increased State Aid FY2014 Forward Funding of PEF, Estimate Based on FY2013 Projection
Alaska Gateway	-	-	-	-	-
Aleutian Region	-	-	-	-	-
Aleutians East Borough	936,263	661,979	620,274	41,705	41,705
Anchorage	142,535,804	102,589,817	94,429,970	8,159,847	8,159,847
Annette Island	-	-	-	-	-
Bering Strait	-	-	-	-	-
Bristol Bay Borough	1,066,862	953,523	706,796	246,727	246,727
Chatham	-	-	-	-	-
Chugach	-	-	-	-	-
Copper River	-	-	-	-	-
Cordova	1,117,567	889,414	740,388	149,026	149,026
Craig	507,409	460,212	336,159	124,053	124,053
Delta/Greely	-	-	-	-	-
Denali Borough	981,114	736,048	649,988	86,060	86,060
Dillingham	673,416	629,245	446,138	183,107	183,107
Fairbanks North Star Borough	38,618,976	28,737,831	25,585,072	3,152,759	3,152,759
Galena	119,897	95,915	79,432	16,483	16,483
Haines Borough	1,278,436	1,035,341	846,964	188,377	188,377
Hoonah	290,205	195,746	192,261	3,485	3,485
Hydaburg	60,042	46,467	39,778	6,689	6,689
Iditarod Area	-	-	-	-	-
Juneau Borough	17,976,873	13,976,029	11,909,678	2,066,351	2,066,351
Kenai	112,391	92,324	74,459	17,865	17,865
Kashunamiut	-	-	-	-	-
Kenai Peninsula Borough	33,354,567	24,779,109	22,097,401	2,681,708	2,681,708
Ketchikan Gateway Borough	6,370,866	5,357,581	4,220,699	1,136,882	1,136,882
Klawock	207,594	168,344	137,531	30,813	30,813
Kodiak Island Borough	5,513,028	4,629,984	3,652,381	977,603	977,603
Kuspuk	-	-	-	-	-
Lake & Peninsula Borough	580,725	428,845	384,730	44,115	44,115
Lower Kuskokwim	-	-	-	-	-
Lower Yukon	-	-	-	-	-
Mat-Su Borough	36,254,721	24,086,928	24,018,753	68,175	68,175
Nenana	112,191	92,248	74,326	17,922	17,922
Nome	1,307,759	1,037,732	866,390	171,342	171,342
North Slope Borough	-	-	-	-	-
Northwest Arctic Borough	2,744,201	2,134,472	1,818,033	316,439	316,439
Pelican	57,155	53,158	37,865	15,293	15,293
Petersburg	1,399,399	1,187,397	927,102	260,295	260,295
Pribilof	-	-	-	-	-
Saint Marys	51,309	34,656	33,992	664	664
Sitka Borough	4,609,850	3,576,461	3,054,025	522,436	522,436
Skagway	-	-	-	-	-
Southeast Island	-	-	-	-	-
Southwest Region	-	-	-	-	-
Tanana	37,116	30,226	24,589	5,637	5,637
Unalaska	2,223,988	1,863,680	1,473,392	390,288	390,288
Valdez	-	-	-	-	-
Wrangell	770,596	681,357	510,520	170,837	170,837
Yakutat	278,025	227,605	184,192	43,413	43,413
Yukon Flats	-	-	-	-	-
Yukon/Koyukuk	-	-	-	-	-
Yupit	-	-	-	-	-
Mt. Edgecumbe	-	-	-	-	-
TOTAL	302,148,347	221,469,674		21,296,396	21,296,396

Annual Increase

Alaska Gateway	\$	33,434
Aleutian Region		5,925
Aleutians East Borough		29,619
Anchorage		1,790,994
Annette Island		18,285
Bering Strait		178,342
Bristol Bay Borough		12,931
Chatham		15,949
Chugach		7,235
Copper River		32,125
Cordova		20,051
Craig		19,138
Delta Greely		43,803
Denali Borough		18,285
Dillingham		29,449
Fairbanks N. Star Borough		587,086
Galena		19,822
Haines Borough		17,943
Hoonah		9,228
Hydaburg		4,500
Iditarod Area		26,429
Juneau Borough		218,100
Kake		7,519
Kashunamiut		24,948
Kenai Peninsula Borough		418,541
Ketchikan Gateway Borough		102,471
Klawock		9,341
Kodiak Island Borough		132,717
Kuspuk		37,252
Lake and Peninsula Borough		46,478
Lower Kuskokwim		342,045
Lower Yukon		194,119
Mat-Su Borough		654,641
Nenana		14,012
Nome		44,429
North Slope Borough		134,766
Northwest Arctic Borough		175,437
Pelican		1,994
Petersburg		28,253
Pribilof		8,999
Saint Mary's		15,493
Sitka Borough		64,193
Skagway		4,671
Southcast Island		21,588
Southwest Region		62,029
Tanana		4,330
Unalaska		27,910
Valdez		34,518
Wrangell		17,772
Yakutat		8,373
Yukon Flats		37,479
Yukon Koyukuk		34,005
Yupiit		43,005
Mount Edgecumbe		19,254
Totals	\$	5,911,255

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

cost # codes

Bill Version

CSSB182(FIN)

Fiscal Note Number

Publish Date

Identifier (file name) SB182CS(FIN)-EED-ESS-4-13-12

Dept. Affected Education & Early Development

Title "An Act amending the amount of state funding provided to school districts for pupil transportation."

Appropriation Education Support Services

Allocation School Finance & Facilities

Sponsor Senate Education Committee

Requester House Finance

OMB Component Number 2737

Expenditures/Revenues

(Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	95.3		95.3	95.3	95.3	95.3	95.3
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	95.3	0.0	95.3	95.3	95.3	95.3	95.3

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	95.3		95.3	95.3	95.3	95.3	95.3
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		95.3	0.0	95.3	95.3	95.3	95.3	95.3

POSITIONS							
Full-time		1.0		1	1	1	1
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This fiscal note reports the cost of Pupil Transportation oversight to implement the provisions for accountability measures in CSSB182.

Prepared by Elizabeth Nudelman, Director
 Division School Finance & Facilities
 Approved by Mike Hanley
Commissioner

Phone 465-8679
 Date/Time 4/13/12 8:00 PM
 Date 4/13/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB182(FIN)

Analysis

This fiscal note presents the costs of one full-time School Finance Specialist II position in Education Support Services, School Finance and Facilities to implement the accountability measures for the Pupil Transportation Program included in the bill. This position is paid from the general fund.

The position is necessary to implement oversight and cost saving measures in section 2 part (e) of the bill.

Under previous legislation, effective FY2004, the accountability measures were removed and the department deleted the pupil transportation staff position and funding from the FY2004 authorized budget.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

cost # codes

Bill Version

CSSB182(FIN)

Fiscal Note Number

Projected Publish Date

Identifier (file name) SB182CS(FIN)-EED-K12-4-13-12

Dept. Affected Education & Early Development

Title "An Act amending the amount of state funding provided to school districts for pupil transportation."

Appropriation K-12 Support

Allocation Pupil Transportation

Sponsor Senate Education Committee

Requester House Finance

OMB Component Number 144

Expenditures/Revenues

(Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

(Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time						
Part-time						
Temporary						

CHANGE IN REVENUES

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This fiscal note reports the calculation for the provision added to CSSB182 for funding increases to the Pupil Transportation Formula. The fiscal effect is presented in a fiscal note for the Public Education Fund, as the funding is deposited to the Public Education Fund not into the Pupil Transportation Program component. The analysis and attached calculations are presented here for explanation.

Prepared by Elizabeth Nudelman, Director
Division School Finance & Facilities
Approved by Mike Hanley
Commissioner

Phone 465-8679
Date/Time 4/13/12 8:00 PM
Date 4/13/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB182(FIN)

Analysis

The fiscal note effect for Pupil Transportation is presented in a fiscal note for the Public Education Fund, as the funding is deposited to the Public Education Fund not into the Pupil Transportation Program component. This analysis and attached calculations are presented for explanation.

This CSSB182 increases the amount of pupil transportation funding provided to school districts through the Pupil Transportation Program funding formula at AS 14.09.010. The program provides state funding for pupil transportation by assigning each participating school district an individual per student factor and then multiplying the factor by the current annual average daily membership (ADM) to arrive at each school district's annual funding.

The bill sets new per student factors for FY2012 and FY2013, these rates are multiplied by each school district's annual ADM to determine annual funding per school district. For FY2014, a 1.5% increase is added to the FY2013 per student factors to increase funding. For FY2015, a 1.5% increase is added to the FY2014 per student factors to increase funding. For FY2016 and forward, the per student factors are the FY2015 factors without change.

In Section 1, the bill adds language that clarifies the state's pupil transportation system is for transportation to and from school as opposed to extra curricular or other transportation.

The bill also directs the department to set regulations for oversight and support in achieving safe and cost-effective student transportation.

The fiscal note adds one School Finance Specialist II position for a cost of \$95.3, which is paid from the general fund. This position is necessary to implement regulations and accountability measures as directed in section 2 part (e) of the bill.

The current annual cost of the Pupil Transportation Program is \$62,274.5 for FY2012; under CSSB182 the total program costs are estimated to be:

<u>New cost</u>		<u>Cost increase over prior year</u>	<u>Cumulative cost increases</u>
\$70,377.8	FY2012	\$8.1 million	\$8.1 million
\$73,795.9	FY2013	\$3.4 million	\$8.1 + 3.4 = \$11.5 million
\$74,902.8	FY2014	\$1.1 million	\$8.1 + 3.4 + 1.1 = \$12.6 million
\$76,026.4	FY2015	\$1.1 million	\$8.1 + 3.4 + 1.1 + 1.1 = \$13.7 million
\$76,026.4	FY2016	\$0	\$13.7 million
\$76,026.4	FY2017	\$0	\$13.7 million
\$76,026.4	FY2018	\$0	<u>\$13.7 million</u>
			\$87.0 million total increases

Cost for FY2012 - FY2018 at current rate of \$62.2 annually = \$435.4 million

Cost for FY2012 - FY2018 at CSSB 182 rate = \$522.4 million

School District	Current Per Child Cost	FY12 Preliminary ADM	Projected FY2012 Dollars	CSSB182 FY12 Per Child Cost	FY12 Preliminary ADM	Projected FY2012 CSSB182 Dollars	Difference
Alaska Gateway	\$ 1,658	322	\$ 534,208	\$ 2,081	322	\$ 670,498	\$ 136,290
Aleutian Region	-	31	-	-	31	-	-
Aleutians East Borough	280	227	63,462	311	227	70,488	7,026
Anchorage	407	47,545	19,350,697	435	47,545	20,681,949	1,331,252
Annette Island	65	276	17,921	182	276	50,177	32,256
Bering Strait	48	1,594	76,490	48	1,594	76,490	-
Bristol Bay Borough	2,315	150	346,648	2,672	150	400,105	53,457
Chatham	77	147	11,300	280	147	41,090	29,790
Chugach	-	60	-	-	60	-	-
Copper River	1,468	430	631,754	1,586	430	682,535	50,781
Cordova	294	325	95,403	335	325	108,708	13,305
Craig	281	341	95,793	423	341	144,201	48,408
Delta Greely	1,496	793	1,186,104	1,656	793	1,312,960	126,856
Denali Borough	1,808	230	415,388	1,808	230	415,388	-
Dillingham	1,080	462	499,068	1,218	462	562,838	63,770
Fairbanks N. Star Borough	704	14,004	9,858,534	817	14,004	11,440,941	1,582,407
Galena	255	294	75,047	255	294	75,047	-
Haines Borough	626	300	187,894	626	300	187,894	-
Hoonah	298	114	33,898	298	114	33,898	-
Hydaburg	-	44	-	-	44	-	-
Iditarod Area	188	195	36,604	211	195	41,082	4,478
Juneau Borough	556	4,886	2,716,644	604	4,886	2,951,174	234,530
Kake	204	93	18,890	271	93	25,095	6,205
Kashunamiut	5	312	1,558	5	312	1,558	-
Kenai Peninsula Borough	675	8,149	5,500,393	766	8,149	6,241,927	741,534
Ketchikan Gateway Borough	727	2,102	1,528,227	727	2,102	1,528,227	-
Klawock	223	136	30,295	584	136	79,336	49,041
Kodiak Island Borough	593	2,409	1,428,288	799	2,409	1,924,455	496,167
Kuspuk	654	346	225,957	654	346	225,957	-
Lake and Peninsula Borough	381	309	117,706	384	309	118,633	927
Lower Kuskokwim	209	3,972	830,096	277	3,972	1,100,175	270,079
Lower Yukon	1	1,987	1,987	1	1,987	1,987	-
Mat-Su Borough	768	15,681	12,042,816	910	15,681	14,269,483	2,226,667
Nenana	561	196	109,984	587	196	115,081	5,097
Nome	390	674	262,763	621	674	418,399	155,636
North Slope Borough	948	1,599	1,515,947	1,120	1,599	1,790,992	275,045
Northwest Arctic Borough	22	1,803	39,674	25	1,803	45,084	5,410
Pelican	72	18	1,296	72	18	1,296	-
Petersburg	276	427	117,755	374	427	159,567	41,812
Pribilof	-	82	-	-	82	-	-
Saint Mary's	75	181	13,568	193	181	34,914	21,346
Sitka Borough	428	1,281	548,105	428	1,281	548,105	-
Skagway	36	59	2,114	36	59	2,114	-
Southeast Island	1,101	164	180,344	1,155	164	189,189	8,845
Southwest Region	598	633	378,594	598	633	378,594	-
Tanana	478	34	16,252	478	34	16,252	-
Unalaska	648	414	268,013	648	414	268,013	-
Valdez	666	676	449,883	735	676	496,493	46,610
Wrangell	596	312	185,833	701	312	218,572	32,739
Yakutat	723	105	75,843	744	105	78,046	2,203
Yukon Flats	251	256	64,193	264	256	67,518	3,325
Yukon Koyukuk	299	282	84,378	299	282	84,378	-
Yupitit	2	448	896	2	448	896	-
Totals	26,514	117,901	\$ 62,274,505	30,304	117,901	\$ 70,377,799	\$ 8,103,294

School District	FY2013			Projected FY2013 Dollars	Projected FY2013 CSSB182			Difference
	Current Per Child Cost	Preliminary ADM			FY2013 Per Child Cost	Preliminary ADM	Dollars	
Alaska Gateway	\$ 1,658	343	\$ 568,694	\$ 2,148	343	\$ 736,764	\$ 168,070	
Aleutian Region	-	30	-	-	30	-	-	
Aleutians East Borough	280	228	63,840	321	228	73,188	9,348	
Anchorage	407	47,682	19,406,574	449	47,682	21,409,218	2,002,644	
Annette Island	65	252	16,406	188	252	47,451	31,045	
Bering Strait	48	1,620	77,760	50	1,620	81,000	3,240	
Bristol Bay Borough	2,315	145	335,675	2,758	145	399,910	64,235	
Chatham	77	156	12,012	289	156	45,084	33,072	
Chugach	-	63	-	-	63	-	-	
Copper River	1,468	431	632,341	1,637	431	705,138	72,797	
Cordova	294	323	94,962	346	323	111,758	16,796	
Craig	281	326	91,606	437	326	142,462	50,856	
Delta Greely	1,496	791	1,183,336	1,709	791	1,351,819	168,483	
Denali Borough	1,808	225	406,800	1,866	225	419,850	13,050	
Dillingham	1,080	450	486,000	1,257	450	565,650	79,650	
Fairbanks N. Star Borough	704	14,091	9,920,064	843	14,091	11,878,713	1,958,649	
Galena	255	304	77,520	263	304	79,952	2,432	
Haines Borough	626	283	177,158	646	283	182,818	5,660	
Hoonah	298	114	33,972	308	114	35,112	1,140	
Hydaburg	-	47	-	-	47	-	-	
Iditarod Area	188	203	38,164	218	203	44,254	6,090	
Juneau Borough	556	4,908	2,728,848	623	4,908	3,057,684	328,836	
Take	204	97	19,706	280	97	27,048	7,342	
Kashunamiut	5	316	1,578	5	316	1,578	-	
Kenai Peninsula Borough	675	8,093	5,462,775	944	8,093	7,639,792	2,177,017	
Ketchikan Gateway Borough	727	2,043	1,485,261	750	2,043	1,532,250	46,989	
Klawock	223	126	28,098	603	126	75,978	47,880	
Kodiak Island Borough	593	2,401	1,423,793	825	2,401	1,980,825	557,032	
Kuspuk	654	339	221,706	675	339	228,825	7,119	
Lake and Peninsula Borough	381	310	118,205	396	310	122,859	4,654	
Lower Kuskokwim	209	3,972	830,148	286	3,972	1,135,992	305,844	
Lower Yukon	1	2,022	2,022	1	2,022	2,022	-	
Mat-Su Borough	768	15,563	11,952,384	939	15,563	14,613,657	2,661,273	
Nenana	561	201	112,761	606	201	121,806	9,045	
Nome	390	715	278,850	641	715	458,315	179,465	
North Slope Borough	948	1,577	1,494,996	1,156	1,577	1,823,012	328,016	
Northwest Arctic Borough	22	1,921	42,262	26	1,921	49,946	7,684	
Pelican	72	11	792	74	11	814	22	
Petersburg	276	435	120,060	386	435	167,910	47,850	
Pribilof	-	81	-	-	81	-	-	
Saint Mary's	75	175	13,125	199	175	34,825	21,700	
Sitka Borough	428	1,280	547,840	442	1,280	565,760	17,920	
Skagway	36	63	2,268	37	63	2,331	63	
Southeast Island	1,101	164	180,399	1,192	164	195,309	14,910	
Southwest Region	598	635	379,461	617	635	391,517	12,056	
Tanana	478	35	16,730	493	35	17,255	525	
Unalaska	648	420	272,160	669	420	280,980	8,820	
Valdez	666	665	442,890	759	665	504,735	61,845	
Wrangell	596	312	185,952	723	312	225,576	39,624	
Yakutat	723	94	67,962	768	94	72,192	4,230	
Yukon Flats	251	263	66,013	272	263	71,536	5,523	
Yukon Koyukuk	299	267	79,833	309	267	82,503	2,670	
Yupit	2	452	904	2	452	904	-	
Totals	\$ 26,514	118,062	\$ 62,202,666	\$ 31,278	118,062	\$ 73,795,877	\$ 11,593,211	

School District	FY2013			1.015 FY2014		FY2015		FY2016 & Forward
	CSSB182 FY2013 Per Child Cost	FY2013 Preliminary ADM	Projected FY2013 CSSB182 Dollars	FY2014 = FY2013 Per Child Cost estimated at 1.5%	FY2014 CSSB182 Dollars (FY2014 Per Student * FY2013 Preliminary ADM)	FY2015 = FY2014 Per Child Cost estimated at 1.5%	FY2015 CSSB182 Dollars (FY2015 Per Student * FY2013 Preliminary ADM)	FY2016, FY2017, FY2018 = Carry forward FY2015 costs
Alaska Gateway	\$ 2,148	343	\$ 736,764	\$ 2,180	\$ 747,815	\$ 2,213	\$ 759,033	\$ 759,033
Aleutian Region	-	30	-	-	-	-	-	-
Aleutians East Borough	321	228	73,188	326	74,286	331	75,400	75,400
Anchorage	449	47,682	21,409,218	456	21,730,356	463	22,056,312	22,056,312
Annette Island	188	252	47,451	191	48,163	194	48,885	48,885
Bering Strait	50	1,620	81,000	51	82,215	52	83,448	83,448
Bristol Bay Borough	2,758	145	399,910	2,799	405,909	2,841	411,997	411,997
Chatham	289	156	45,084	293	45,760	298	46,447	46,447
Chugach	-	63	-	-	-	-	-	-
Copper River	1,637	431	705,138	1,662	715,715	1,686	726,451	726,451
Cordova	346	323	111,758	351	113,434	356	115,136	115,136
Craig	437	326	142,462	444	144,599	450	146,768	146,768
Delta Greely	1,709	791	1,351,819	1,735	1,372,096	1,761	1,392,678	1,392,678
Denali Borough	1,866	225	419,850	1,894	426,148	1,922	432,540	432,540
Dillingham	1,257	450	565,650	1,276	574,135	1,295	582,747	582,747
Fairbanks N. Star Borough	843	14,091	11,878,713	856	12,056,894	868	12,237,747	12,237,747
Galena	263	304	79,952	267	81,151	271	82,369	82,369
Haines Borough	646	283	182,818	656	185,560	666	188,344	188,344
Hoonah	308	114	35,112	313	35,639	317	36,173	36,173
Hydaburg	-	47	-	-	-	-	-	-
Iditarod Area	218	203	44,254	221	44,918	225	45,592	45,592
Juneau Borough	623	4,908	3,057,684	632	3,103,549	642	3,150,102	3,150,102
Kake	280	97	27,048	284	27,454	288	27,866	27,866
Kashunamiut	5	316	1,578	5	1,602	5	1,626	1,626
Kenai Peninsula Borough	944	8,093	7,639,792	958	7,754,389	973	7,870,705	7,870,705
Ketchikan Gateway Borough	750	2,043	1,532,250	761	1,555,234	773	1,578,562	1,578,562
Klawock	603	126	75,978	612	77,118	621	78,274	78,274
Kodiak Island Borough	825	2,401	1,980,825	837	2,010,537	850	2,040,695	2,040,695
Kuspuk	675	339	228,825	685	232,257	695	235,741	235,741
Lake and Peninsula Borough	396	310	122,859	402	124,702	408	126,572	126,572
Lower Kuskokwim	286	3,972	1,135,992	290	1,153,032	295	1,170,327	1,170,327
Lower Yukon	1	2,022	2,022	1	2,053	1	2,083	2,083
Mat-Su Borough	939	15,563	14,613,657	953	14,832,862	967	15,055,355	15,055,355
Nenana	606	201	121,806	615	123,633	624	125,488	125,488
Nome	641	715	458,315	651	465,190	660	472,168	472,168
North Slope Borough	1,156	1,577	1,823,012	1,173	1,850,357	1,191	1,878,113	1,878,113
Northwest Arctic Borough	26	1,921	49,946	26	50,695	27	51,456	51,456
Pelican	74	11	814	75	826	76	839	839
Petersburg	386	435	167,910	392	170,429	398	172,985	172,985
Pribilof	-	81	-	-	-	-	-	-
Saint Mary's	199	175	34,825	202	35,347	205	35,878	35,878
Sitka Borough	442	1,280	565,760	449	574,246	455	582,860	582,860
Skagway	37	63	2,331	38	2,366	38	2,401	2,401
Southeast Island	1,192	164	195,309	1,210	198,239	1,228	201,212	201,212
Southwest Region	617	635	391,517	626	397,390	636	403,351	403,351
Tanana	493	35	17,255	500	17,514	508	17,777	17,777
Unalaska	669	420	280,980	679	285,195	689	289,473	289,473
Valdez	759	665	504,735	770	512,306	782	519,991	519,991
Wrangell	723	312	225,576	734	228,960	745	232,394	232,394
Yakutat	768	94	72,192	780	73,275	791	74,374	74,374
Yukon Flats	272	263	71,536	276	72,609	280	73,698	73,698
Yukon Koyukuk	309	267	82,503	314	83,741	318	84,997	84,997
Yupit	2	452	904	2	918	2	931	931
Totals	\$ 31,278	118,062	\$ 73,795,877	\$ 31,902	\$ 74,902,816	\$ 32,381	\$ 76,026,358	\$ 76,026,358
Increase from current cost	\$ 62,202,666		\$ 11,593,211	\$ 12,700,150		\$ 13,823,692	\$ 13,823,692	

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning Senate Bill No. 182, amending the amount of state funding**
3 **provided to school districts for pupil transportation.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
7 changes to the title of a bill, are suspended in consideration of Senate Bill No. 182, amending
8 the amount of state funding provided to school districts for pupil transportation.

HOUSE CS FOR CS FOR SENATE BILL NO. 182(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act amending the amount of state funding provided to school districts for pupil**
2 **transportation; relating to the local contribution for public education; relating to the**
3 **vocational and technical instruction funding factor for public school funding;**
4 **establishing in the Department of Education and Early Development a voluntary parent**
5 **and early childhood education program for pre-elementary aged children; and**
6 **providing for an effective date."**

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

8 *** Section 1.** AS 14.09.010(a) is repealed and reenacted to read:

9 (a) A school district that provides student transportation services for the
10 transportation of students who reside a distance from established schools is eligible to
11 receive funding for operating or subcontracting the operation of the transportation
12 system for students to and from the schools within the student's transportation service
13 area. Subject to appropriation, the amount of funding provided by the state for

operating the student transportation system is the amount of a school district's ADM, less the ADM for the district's correspondence programs during the current fiscal year, multiplied by the per student amount for the school district as follows:

DISTRICT	PER STUDENT AMOUNT	
	(1) for the school year beginning July 1, 2011	(2) for the school years beginning on or after July 1, 2012
Alaska Gateway	\$2,081	\$2,148
Aleutians East	311	321
Anchorage	435	449
Annette Island	182	188
Bering Strait	48	50
Bristol Bay	2,672	2,758
Chatham	280	289
Copper River	1,586	1,637
Cordova	335	346
Craig	423	437
Delta/Greely	1,656	1,709
Denali	1,808	1,866
Dillingham	1,218	1,257
Fairbanks	817	843
Galena	255	263
Haines	626	646
Hoonah	298	308
Iditarod	211	218
Juneau	604	623
Kake	271	280
Kashunamiut	5	5
Kenai Peninsula	766	944

1	Ketchikan	727	750
2	Klawock	584	603
3	Kodiak Island	799	825
4	Kuspuk	654	675
5	Lake and Peninsula	384	396
6	Lower Kuskokwim	277	286
7	Lower Yukon	1	1
8	Matanuska-Susitna	910	939
9	Nenana	587	606
10	Nome	621	641
11	North Slope	1,120	1,156
12	Northwest Arctic	25	26
13	Pelican	72	74
14	Petersburg	374	386
15	Saint Mary's	193	199
16	Sitka	428	442
17	Skagway	36	37
18	Southeast Island	1,155	1,192
19	Southwest Region	598	617
20	Tanana	478	493
21	Unalaska	648	669
22	Valdez	735	759
23	Wrangell	701	723
24	Yakutat	744	768
25	Yukon Flats	264	272
26	Yukon/Koyukuk	299	309
27	Yupiit	2	2.

28 * **Sec. 2.** AS 14.09.010 is amended by adding a new subsection to read:

29 (d) The department shall adopt regulations that provide for oversight of and
30 support to school districts in achieving a safe and cost-effective student transportation
31 system. The regulations must include a requirement for contract terms of not less than

1 three years, if feasible, standardized conditions and bid periods, and standards that
2 ensure cost efficiencies and exclusions.

3 * **Sec. 3.** AS 14.17.410(b) is amended to read:

4 (b) Public school funding consists of state aid, a required local contribution,
5 and eligible federal impact aid determined as follows:

6 (1) state aid equals basic need minus a required local contribution and
7 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
8 obtained under (D) of this paragraph, multiplied by the base student allocation set out
9 in AS 14.17.470; district adjusted ADM is calculated as follows:

10 (A) the ADM of each school in the district is calculated by
11 applying the school size factor to the student count as set out in AS 14.17.450;

12 (B) the number obtained under (A) of this paragraph is
13 multiplied by the district cost factor described in AS 14.17.460;

14 (C) the ADMs of each school in a district, as adjusted
15 according to (A) and (B) of this paragraph, are added; the sum is then
16 multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the
17 secondary school vocational and technical instruction funding [HIGH
18 SCHOOL VOCATIONAL EDUCATION] factor set out in
19 AS 14.17.420(a)(3);

20 (D) the number obtained for intensive services under
21 AS 14.17.420(a)(2) and the number obtained for correspondence study under
22 AS 14.17.430 are added to the number obtained under (C) of this paragraph;

23 (E) notwithstanding (A) - (C) of this paragraph, if a school
24 district's ADM adjusted for school size under (A) of this paragraph decreases
25 by five percent or more from one fiscal year to the next fiscal year, the school
26 district may use the last fiscal year before the decrease as a base fiscal year to
27 offset the decrease, according to the following method:

28 (i) for the first fiscal year after the base fiscal year
29 determined under this subparagraph, the school district's ADM adjusted
30 for school size determined under (A) of this paragraph is calculated as
31 the district's ADM adjusted for school size, plus 75 percent of the

1 difference in the district's ADM adjusted for school size between the
2 base fiscal year and the first fiscal year after the base fiscal year;

3 (ii) for the second fiscal year after the base fiscal year
4 determined under this subparagraph, the school district's ADM adjusted
5 for school size determined under (A) of this paragraph is calculated as
6 the district's ADM adjusted for school size, plus 50 percent of the
7 difference in the district's ADM adjusted for school size between the
8 base fiscal year and the second fiscal year after the base fiscal year;

9 (iii) for the third fiscal year after the base fiscal year
10 determined under this subparagraph, the school district's ADM adjusted
11 for school size determined under (A) of this paragraph is calculated as
12 the district's ADM adjusted for school size, plus 25 percent of the
13 difference in the district's ADM adjusted for school size between the
14 base fiscal year and the third fiscal year after the base fiscal year;

15 (F) the method established in (E) of this paragraph is available
16 to a school district for the three fiscal years following the base fiscal year
17 determined under (E) of this paragraph only if the district's ADM adjusted for
18 school size determined under (A) of this paragraph for each fiscal year is less
19 than the district's ADM adjusted for school size in the base fiscal year;

20 (G) the method established in (E) of this paragraph does not
21 apply to a decrease in the district's ADM adjusted for school size resulting
22 from a loss of enrollment that occurs as a result of a boundary change under
23 AS 29;

24 (2) the required local contribution of a city or borough school district is
25 the equivalent of a 2.65 [FOUR] mill tax levy on the full and true value of the taxable
26 real and personal property in the district as of January 1 of the second preceding fiscal
27 year, as determined by the Department of Commerce, Community, and Economic
28 Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a
29 district's basic need for the preceding fiscal year as determined under (1) of this
30 subsection.

31 * **Sec. 4.** AS 14.17.410(e) is amended to read:

1 (e) If a city or borough school district is established after July 1, 1998, for the
 2 first three fiscal years in which the city or borough school district operates schools,
 3 local contributions may be less than the amount that would otherwise be required
 4 under (b)(2) of this section, except that

5 (1) in the second fiscal year of operations, local contributions must be
 6 at least the greater of

7 (A) the local contributions, excluding federal impact aid, for
 8 the previous fiscal year; or

9 (B) the sum of 10 percent of the district's eligible federal
 10 impact aid for that year and the equivalent of a one [TWO] mill tax levy on the
 11 full and true value of the taxable real and personal property in the city or
 12 borough school district as of January 1 of the second preceding fiscal year, as
 13 determined by the Department of Commerce, Community, and Economic
 14 Development under AS 14.17.510 and AS 29.45.110; and

15 (2) in the third year of operation, local contributions must be at least
 16 the greater of

17 (A) the local contributions, excluding federal impact aid, for
 18 the previous fiscal year; or

19 (B) the sum of 10 percent of the district's eligible federal
 20 impact aid for that year and the equivalent of a two [THREE] mill tax levy on
 21 the full and true value of the taxable real and personal property in the district as
 22 of January 1 of the second preceding fiscal year, as determined by the
 23 Department of Commerce, Community, and Economic Development under
 24 AS 14.17.510 and AS 29.45.110.

25 * **Sec. 5.** AS 14.17.420(a) is amended to read:

26 (a) As a component of public school funding, a district is eligible for special
 27 needs and secondary [HIGH] school vocational and technical instruction funding and
 28 may be eligible for intensive services funding as follows:

29 (1) special needs funding is available to a district to assist the district
 30 in providing special education, gifted and talented education, vocational education,
 31 and bilingual education services to its students; a special needs funding factor of 1.20

1 shall be applied as set out in AS 14.17.410(b)(1);

2 (2) in addition to the special needs funding for which a district is
3 eligible under (1) of this subsection, a district is eligible for intensive services funding
4 for each special education student who needs and receives intensive services and is
5 enrolled on the last day of the count period; for each such student, intensive services
6 funding is equal to the intensive student count multiplied by 13;

7 (3) in addition to the special needs and intensive services funding
8 available under (1) and (2) of this subsection, secondary [HIGH] school vocational
9 and technical instruction funding is available to assist districts in providing vocational
10 and technical instruction to students who are enrolled in a secondary school; a
11 secondary [GRADES NINE THROUGH 12; A HIGH] school vocational and
12 technical instruction funding factor of 1.015 [1.01] shall be applied as set out in
13 AS 14.17.410(b)(1); in this paragraph, "vocational and technical instruction" excludes
14 costs associated with

15 (A) administrative expenses; and

16 (B) instruction in general literacy, mathematics, and job
17 readiness skills.

18 * **Sec. 6.** AS 14.17.440(a) is amended to read:

19 (a) Except as provided in AS 14.17.400(b), funding for state boarding schools
20 established under AS 14.16.010 includes an allocation from the public education fund
21 in an amount calculated by

22 (1) determining the ADM of state boarding schools by applying the
23 school size factor to the student count as described in AS 14.17.450;

24 (2) multiplying the number obtained under (1) of this subsection by the
25 special needs factor in AS 14.17.420(a)(1) and the secondary school vocational and
26 technical instruction funding [HIGH SCHOOL VOCATIONAL EDUCATION]
27 factor set out in AS 14.17.420(a)(3) and multiplying that product by the base student
28 allocation; and

29 (3) multiplying the product determined under (2) of this subsection by
30 the district cost factor that is applicable to calculation of the state aid for the adjacent
31 school district under AS 14.17.460.

1 * **Sec. 7.** AS 14.17.490(b) is amended to read:

2 (b) A city or borough school district is not eligible for additional funding
3 authorized under (a) of this section unless, during the fiscal year in which the district
4 receives funding under (a) of this section, the district received a local contribution
5 equal to at least the equivalent of a 2.65 [FOUR] mill tax levy on the full and true
6 value of the taxable real and personal property in the district as of January 1 of the
7 second preceding fiscal year as determined by the Department of Commerce,
8 Community, and Economic Development under AS 14.17.510 and AS 29.45.110.

9 * **Sec. 8.** AS 14.17.510(c) is repealed.

10 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 **STUDENT TRANSPORTATION FUNDING ADJUSTMENT.** For fiscal years 2014
13 and 2015, funding provided to a school district under AS 14.09.010(a), as repealed and
14 reenacted in sec. 1 of this Act, shall be adjusted annually on October 1 by multiplying the
15 total amount of funding under that section for the previous fiscal year by 1.5 percent.

16 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 **PARENTS AS TEACHERS PROGRAM ESTABLISHED.** (a) The department shall
19 devise and implement a statewide parents as teachers program for the benefit of children who
20 are under five years of age. The program must provide a system of early childhood education
21 that

22 (1) is evidence-based;

23 (2) involves parents;

24 (3) is consistent with available research and best practices for high quality
25 early childhood education;

26 (4) incorporates guidelines adopted by the department for early learning that

27 (A) enhances school readiness;

28 (B) increases parent understanding of child development and
29 developmental milestones;

30 (C) reduces the incidence of child abuse and neglect;

31 (D) increases identification of health problems and developmental

1 delays through regular screenings;

2 (E) improves child health indicators, including immunization rates;

3 (F) increases parental involvement; and

4 (5) provides for effective and efficient coordination with or expansion of pre-
5 elementary education programs operating in the state, to the extent permitted by law.

6 (b) A school district shall, to the extent space is needed and available, provide for the
7 use of a room in a school at no charge to support the program established under this section.

8 (c) The department shall develop and enter into local partnerships to implement the
9 program established under this section.

10 (d) On or before January 15, 2015, the department shall provide a report to the
11 legislature on the effectiveness and participation rates of the program established in this
12 section. The report must include measures of efficiency and effectiveness that demonstrate the
13 effects of the program on school readiness.

14 (e) The program established under this section terminates on July 1, 2015.

15 (f) In this section, "department" means the Department of Education and Early
16 Development.

17 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 RETROACTIVE EFFECT. If sec. 1 of this Act takes effect after June 30, 2012, sec. 1
20 of this Act is retroactive to June 30, 2012.

21 * **Sec. 12.** Section 1 of this Act takes effect June 30, 2012.

22 * **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2012.

*Adopted
4/14/12*

27-LS1283\O
Mischel
4/13/12

HOUSE CS FOR CS FOR SENATE BILL NO. 182(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act amending the amount of state funding provided to school districts for pupil**
2 **transportation; relating to the local contribution for public education; relating to the**
3 **vocational and technical instruction funding factor for public school funding;**
4 **establishing in the Department of Education and Early Development a voluntary parent**
5 **and early childhood education program for pre-elementary aged children; and**
6 **providing for an effective date."**

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

8 *** Section 1.** AS 14.09.010(a) is repealed and reenacted to read:

9 (a) A school district that provides student transportation services for the
10 transportation of students who reside a distance from established schools is eligible to
11 receive funding for operating or subcontracting the operation of the transportation
12 system for students to and from the schools within the student's transportation service
13 area. Subject to appropriation, the amount of funding provided by the state for

operating the student transportation system is the amount of a school district's ADM, less the ADM for the district's correspondence programs during the current fiscal year, multiplied by the per student amount for the school district as follows:

DISTRICT	PER STUDENT AMOUNT	
	(1) for the school year beginning July 1, 2011	(2) for the school years beginning on or after July 1, 2012
Alaska Gateway	\$2,081	\$2,148
Aleutians East	311	321
Anchorage	435	449
Annette Island	182	188
Bering Strait	48	50
Bristol Bay	2,672	2,758
Chatham	280	289
Copper River	1,586	1,637
Cordova	335	346
Craig	423	437
Delta/Greely	1,656	1,709
Denali	1,808	1,866
Dillingham	1,218	1,257
Fairbanks	817	843
Galena	255	263
Haines	626	646
Hoonah	298	308
Iditarod	211	218
Juneau	604	623
Kake	271	280
Kashunamiut	5	5
Kenai Peninsula	766	944

1	Ketchikan	727	750
2	Klawock	584	603
3	Kodiak Island	799	825
4	Kuspuk	654	675
5	Lake and Peninsula	384	396
6	Lower Kuskokwim	277	286
7	Lower Yukon	1	1
8	Matanuska-Susitna	910	939
9	Nenana	587	606
10	Nome	621	641
11	North Slope	1,120	1,156
12	Northwest Arctic	25	26
13	Pelican	72	74
14	Petersburg	374	386
15	Saint Mary's	193	199
16	Sitka	428	442
17	Skagway	36	37
18	Southeast Island	1,155	1,192
19	Southwest Region	598	617
20	Tanana	478	493
21	Unalaska	648	669
22	Valdez	735	759
23	Wrangell	701	723
24	Yakutat	744	768
25	Yukon Flats	264	272
26	Yukon/Koyukuk	299	309
27	Yupiit	2	2.

* **Sec. 2.** AS 14.09.010 is amended by adding a new subsection to read:

(d) The department shall adopt regulations that provide for oversight of and support to school districts in achieving a safe and cost-effective student transportation system. The regulations must include a requirement for contract terms of not less than

1 three years, if feasible, standardized conditions and bid periods, and standards that
2 ensure cost efficiencies and exclusions.

3 * **Sec. 3.** AS 14.17.410(b) is amended to read:

4 (b) Public school funding consists of state aid, a required local contribution,
5 and eligible federal impact aid determined as follows:

6 (1) state aid equals basic need minus a required local contribution and
7 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
8 obtained under (D) of this paragraph, multiplied by the base student allocation set out
9 in AS 14.17.470; district adjusted ADM is calculated as follows:

10 (A) the ADM of each school in the district is calculated by
11 applying the school size factor to the student count as set out in AS 14.17.450;

12 (B) the number obtained under (A) of this paragraph is
13 multiplied by the district cost factor described in AS 14.17.460;

14 (C) the ADMs of each school in a district, as adjusted
15 according to (A) and (B) of this paragraph, are added; the sum is then
16 multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the
17 secondary school vocational and technical instruction funding [HIGH
18 SCHOOL VOCATIONAL EDUCATION] factor set out in
19 AS 14.17.420(a)(3);

20 (D) the number obtained for intensive services under
21 AS 14.17.420(a)(2) and the number obtained for correspondence study under
22 AS 14.17.430 are added to the number obtained under (C) of this paragraph;

23 (E) notwithstanding (A) - (C) of this paragraph, if a school
24 district's ADM adjusted for school size under (A) of this paragraph decreases
25 by five percent or more from one fiscal year to the next fiscal year, the school
26 district may use the last fiscal year before the decrease as a base fiscal year to
27 offset the decrease, according to the following method:

28 (i) for the first fiscal year after the base fiscal year
29 determined under this subparagraph, the school district's ADM adjusted
30 for school size determined under (A) of this paragraph is calculated as
31 the district's ADM adjusted for school size, plus 75 percent of the

1 difference in the district's ADM adjusted for school size between the
2 base fiscal year and the first fiscal year after the base fiscal year;

3 (ii) for the second fiscal year after the base fiscal year
4 determined under this subparagraph, the school district's ADM adjusted
5 for school size determined under (A) of this paragraph is calculated as
6 the district's ADM adjusted for school size, plus 50 percent of the
7 difference in the district's ADM adjusted for school size between the
8 base fiscal year and the second fiscal year after the base fiscal year;

9 (iii) for the third fiscal year after the base fiscal year
10 determined under this subparagraph, the school district's ADM adjusted
11 for school size determined under (A) of this paragraph is calculated as
12 the district's ADM adjusted for school size, plus 25 percent of the
13 difference in the district's ADM adjusted for school size between the
14 base fiscal year and the third fiscal year after the base fiscal year;

15 (F) the method established in (E) of this paragraph is available
16 to a school district for the three fiscal years following the base fiscal year
17 determined under (E) of this paragraph only if the district's ADM adjusted for
18 school size determined under (A) of this paragraph for each fiscal year is less
19 than the district's ADM adjusted for school size in the base fiscal year;

20 (G) the method established in (E) of this paragraph does not
21 apply to a decrease in the district's ADM adjusted for school size resulting
22 from a loss of enrollment that occurs as a result of a boundary change under
23 AS 29;

24 (2) the required local contribution of a city or borough school district is
25 the equivalent of a 2.65 [FOUR] mill tax levy on the full and true value of the taxable
26 real and personal property in the district as of January 1 of the second preceding fiscal
27 year, as determined by the Department of Commerce, Community, and Economic
28 Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a
29 district's basic need for the preceding fiscal year as determined under (1) of this
30 subsection.

31 * **Sec. 4.** AS 14.17.410(e) is amended to read:

1 (e) If a city or borough school district is established after July 1, 1998, for the
 2 first three fiscal years in which the city or borough school district operates schools,
 3 local contributions may be less than the amount that would otherwise be required
 4 under (b)(2) of this section, except that

5 (1) in the second fiscal year of operations, local contributions must be
 6 at least the greater of

7 (A) the local contributions, excluding federal impact aid, for
 8 the previous fiscal year; or

9 (B) the sum of 10 percent of the district's eligible federal
 10 impact aid for that year and the equivalent of a one [TWO] mill tax levy on the
 11 full and true value of the taxable real and personal property in the city or
 12 borough school district as of January 1 of the second preceding fiscal year, as
 13 determined by the Department of Commerce, Community, and Economic
 14 Development under AS 14.17.510 and AS 29.45.110; and

15 (2) in the third year of operation, local contributions must be at least
 16 the greater of

17 (A) the local contributions, excluding federal impact aid, for
 18 the previous fiscal year; or

19 (B) the sum of 10 percent of the district's eligible federal
 20 impact aid for that year and the equivalent of a two [THREE] mill tax levy on
 21 the full and true value of the taxable real and personal property in the district as
 22 of January 1 of the second preceding fiscal year, as determined by the
 23 Department of Commerce, Community, and Economic Development under
 24 AS 14.17.510 and AS 29.45.110.

25 * **Sec. 5.** AS 14.17.420(a) is amended to read:

26 (a) As a component of public school funding, a district is eligible for special
 27 needs and secondary [HIGH] school vocational and technical instruction funding and
 28 may be eligible for intensive services funding as follows:

29 (1) special needs funding is available to a district to assist the district
 30 in providing special education, gifted and talented education, vocational education,
 31 and bilingual education services to its students; a special needs funding factor of 1.20

1 shall be applied as set out in AS 14.17.410(b)(1);

2 (2) in addition to the special needs funding for which a district is
3 eligible under (1) of this subsection, a district is eligible for intensive services funding
4 for each special education student who needs and receives intensive services and is
5 enrolled on the last day of the count period; for each such student, intensive services
6 funding is equal to the intensive student count multiplied by 13;

7 (3) in addition to the special needs and intensive services funding
8 available under (1) and (2) of this subsection, secondary [HIGH] school vocational
9 and technical instruction funding is available to assist districts in providing vocational
10 and technical instruction to students who are enrolled in a secondary school; a
11 secondary [GRADES NINE THROUGH 12; A HIGH] school vocational and
12 technical instruction funding factor of 1.015 [1.01] shall be applied as set out in
13 AS 14.17.410(b)(1); in this paragraph, "vocational and technical instruction" excludes
14 costs associated with

15 (A) administrative expenses; and

16 (B) instruction in general literacy, mathematics, and job
17 readiness skills.

18 * **Sec. 6.** AS 14.17.440(a) is amended to read:

19 (a) Except as provided in AS 14.17.400(b), funding for state boarding schools
20 established under AS 14.16.010 includes an allocation from the public education fund
21 in an amount calculated by

22 (1) determining the ADM of state boarding schools by applying the
23 school size factor to the student count as described in AS 14.17.450;

24 (2) multiplying the number obtained under (1) of this subsection by the
25 special needs factor in AS 14.17.420(a)(1) and the secondary school vocational and
26 technical instruction funding [HIGH SCHOOL VOCATIONAL EDUCATION]
27 factor set out in AS 14.17.420(a)(3) and multiplying that product by the base student
28 allocation; and

29 (3) multiplying the product determined under (2) of this subsection by
30 the district cost factor that is applicable to calculation of the state aid for the adjacent
31 school district under AS 14.17.460.

1 * **Sec. 7.** AS 14.17.490(b) is amended to read:

2 (b) A city or borough school district is not eligible for additional funding
3 authorized under (a) of this section unless, during the fiscal year in which the district
4 receives funding under (a) of this section, the district received a local contribution
5 equal to at least the equivalent of a 2.65 [FOUR] mill tax levy on the full and true
6 value of the taxable real and personal property in the district as of January 1 of the
7 second preceding fiscal year as determined by the Department of Commerce,
8 Community, and Economic Development under AS 14.17.510 and AS 29.45.110.

9 * **Sec. 8.** AS 14.17.510(c) is repealed.

10 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 STUDENT TRANSPORTATION FUNDING ADJUSTMENT. For fiscal years 2014
13 and 2015, funding provided to a school district under AS 14.09.010(a), as repealed and
14 reenacted in sec. 1 of this Act, shall be adjusted annually on October 1 by multiplying the
15 total amount of funding under that section for the previous fiscal year by 1.5 percent.

16 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 PARENTS AS TEACHERS PROGRAM ESTABLISHED. (a) The department shall
19 devise and implement a statewide parents as teachers program for the benefit of children who
20 are under five years of age. The program must provide a system of early childhood education
21 that

22 (1) is evidence-based;

23 (2) involves parents;

24 (3) is consistent with available research and best practices for high quality
25 early childhood education;

26 (4) incorporates guidelines adopted by the department for early learning that

27 (A) enhances school readiness;

28 (B) increases parent understanding of child development and
29 developmental milestones;

30 (C) reduces the incidence of child abuse and neglect;

31 (D) increases identification of health problems and developmental

1 delays through regular screenings;

2 (E) improves child health indicators, including immunization rates;

3 (F) increases parental involvement; and

4 (5) provides for effective and efficient coordination with or expansion of pre-
5 elementary education programs operating in the state, to the extent permitted by law.

6 (b) A school district shall, to the extent space is needed and available, provide for the
7 use of a room in a school at no charge to support the program established under this section.

8 (c) The department shall develop and enter into local partnerships to implement the
9 program established under this section.

10 (d) On or before January 15, 2015, the department shall provide a report to the
11 legislature on the effectiveness and participation rates of the program established in this
12 section. The report must include measures of efficiency and effectiveness that demonstrate the
13 effects of the program on school readiness.

14 (e) The program established under this section terminates on July 1, 2015.

15 (f) In this section, "department" means the Department of Education and Early
16 Development.

17 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 **RETROACTIVE EFFECT.** If sec. 1 of this Act takes effect after June 30, 2012, sec. 1
20 of this Act is retroactive to June 30, 2012.

21 * **Sec. 12.** Section 1 of this Act takes effect June 30, 2012.

22 * **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2012.

Alaska State Legislature



Senator Meyer, Co-Chair

State Capitol, Room 103
Juneau, Alaska 99801-1182
(907) 465-4945

Senator_Kevin_Meyer@legis.state.ak.us

Senator Thomas, Co-Chair

State Capitol, Room 514
Juneau, Alaska 99801-1182
(907) 465-2327

Senator_Joe_Thomas@legis.state.ak.us

SENATE EDUCATION COMMITTEE

LETTER OF INTENT FOR SENATE BILL 182

It is the intent of the Senate Education Committee that the Department of Education and Early Development establish minimum standards for proposals and contracts entered into by school districts to provide pupil transportation services. It is also the intent of the Senate Education Committee that the minimum standards include (1) a standardized time frame for the issuance and acceptance of requests for proposals; (2) minimum terms of requests for proposals and contracts that take into account unique regional conditions, including climate patterns; (3) the opportunity for departmental review of the terms of the requests for proposals and contracts, before issuance, for consistency with statewide standards; (4) alignment of contract terms, by July 1, 2016, with statewide standards for the Anchorage, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, and Matanuska-Susitna areas; and (5) alignment of contract terms, when feasible, with statewide standards for all other areas of the state not covered in (4).

Alaska State Legislature

Senate Education Committee

Senator Meyer, Co-Chair

State Capitol, Room 103
Juneau, Alaska 99801-1182
(907) 465-4945 Phone
(907) 465-3476 Fax
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Senator Thomas, Co-Chair

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SENATE EDUCATION COMMITTEE

Senators Kevin Meyer & Joe Thomas, Co-Chairs

Senate Bill 182

School districts in the state of Alaska are facing shortfalls in overall funding, in part due to the rising cost of pupil transportation programs. It is costing more each year to transport our students safely to and from school. Senate Bill 182 changes the pupil transportation funding, which allows school districts to keep more of their foundation funding in the classroom. Currently most districts have to subsidize their pupil transportation programs, which takes foundation formula dollars out of the classroom.

This legislation recalibrates the funding for pupil transportation based on the most recent audits by the Department of Education and Early Development. The amounts will be adjusted annually according to the Consumer Price Index (CPI) for Anchorage. This change allows the funding to match the amounts agreed to in their most recent contract negotiations, providing a more realistic figure for the actual cost of pupil transportation.

Although pupil transportation is an indirect cost of education, it is extremely important in Alaska. Road conditions are often dangerous, daylight during the school year is minimal, and sometimes the distance of transporting students is immense. If we cannot get the students to school, we cannot give them the education they need to thrive.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 31, 2012

SUBJECT: Sectional Summary for SB 182 (Work Order No. 27-LS1283\M)

TO: Senator Kevin Meyer
Chair of the Senate Education Committee
Attn: Edra Morledge

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Beginning in fiscal year 2013, modifies the funding provided by the state to school districts for pupil transportation to the amount reported by the district in fiscal year 2012, as adjusted for inflation under sec. 2 of the bill.

Section 2. Provides for an inflation adjustment to pupil transportation funding provided under sec. 1 of the bill.

Section 3. Repeals AS 14.09.010(b), which provided state funding for pupil transportation as a per student amount for each school district in the state.

Section 4. Provides a one year retrospective per student amount for each school district in the state for pupil transportation based on adjusted amounts to former AS 14.09.010(b) for the current school year.

JMM:ljw
12-068.ljw

Changes to CSSB 182: Pupil Transportation

SECTION	SB 182	CSSB 182 (EDC)
1	<p>ESTABLISHES A REIMBURSABLE PROGRAM BEGINNING FY13</p> <p>“Beginning July 1, 2012, and subject to appropriation, the amount of funding provided by the state under this section is the amount reported to the department in the audited financial statement of the school district as actual pupil transportation expenditures for the school year ending June 30, 2012, as adjusted for inflation under (d) of this section.”</p>	<p>ESTABLISHES A REIMBURSABLE PROGRAM BEGINNING FY14</p> <p>“Beginning July 1, 2013, and subject to appropriation, the amount of funding provided by the state under this section is the amount reported to the department in the audited financial statement of the school district as actual pupil transportation expenditures for the school year ending June 30, 2013, as adjusted for inflation under (d) of this section.”</p>
2	NO CHANGE	<p>ADDED AUTHORITY FOR DEED TO REGULATE THE RFP PROCESS</p> <p>Page 2, lines 3 through 7 – section (e) adds regulatory authority to oversee the RFP process for pupil transportation</p>
3	NO CHANGE	NO CHANGE
4	<p>ESTABLISHES PER STUDENT AMOUNTS FOR FY12</p> <p>“... for the school year beginning July 1, 2011...”</p>	<p>ESTABLISHES PER STUDENT AMOUNTS FOR FY12 <u>AND</u> FY13</p> <p>“... for the school year beginning July 1, 2011...” <u>AND</u> “... for the school year beginning July 1, 2012...”</p>



The Honorable Senator Joe Thomas
The Honorable Senator Kevin Meyer
Co-Chairs of Education Committee
State Capitol Building
Juneau, Alaska

March 28, 2012

Dear Senator Thomas and Senator Meyer,

During AASB's Spring Legislative Fly-in, local school board members testified eloquently about what their districts require in state support to continue providing a quality education to Alaska's public school students. I am writing this letter to summarize what many of them told the House Finance Committee and individual legislators this week.

The elected leaders who are most familiar with the operations of our 510 public schools statewide believe that they can best address the following budgetary challenges at home if the Legislature and Governor agree on a plan for K-12 education funding:

Personnel

School board members testified that salaries and benefits for their employees make up the largest part of their budgets, ranging from 76 percent in Wrangell to 87 percent in Fairbanks and Anchorage. Even with a modest increase (\$125) to the Base Student Allocation, the seven largest districts are projecting the need to reduce their staffs by more than 200 positions next fall. Districts have negotiated in good faith with their employees and settled contracts at or below increases in the CPI. Just as in the private sector, school districts and employees are agreeing to share the cost of future increases in health insurance.

Energy

Alaskans statewide are experiencing the shock of fuel cost spikes, and school districts are no different. The smaller and more rural districts are suffering the biggest impacts, with Wrangell budgeting for a fuel bill that is 21 percent higher in the fall and Bristol Bay School District expecting a 12.8 percent increase in fuel costs. Mat-Su and Fairbanks are predicting costs will go up at least 7 percent in each district.

Transportation

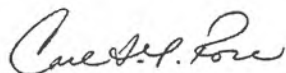
A related budgetary concern for the largest school districts is the cost of transporting students from home to school and back. In particular, Mat-Su and Anchorage are devoting increasingly larger shares of their general fund budgets to transportation costs. A fix to the transportation formula envisioned in Senate Bill 182 would help many of our larger districts on the road system to devote instructional dollars to the classroom, instead of the bus system.

Health Insurance

Kodiak testified that its budget for health insurance has ballooned 110 percent since FY 2009. Anchorage is anticipating a 17.3 percent increase next year alone in premium payments on behalf of employees. Cordova and Wrangell employees now have a co-pay of approximately \$200 a month each for health benefits.

These very real cost increases underscore the need for the Legislature and Governor to agree to a K-12 funding plan for FY 13 and beyond. We recognize these are reoccurring costs that require reoccurring revenue. An increase in the Base Student Allocation would be the most appropriate way to address them.

Sincerely,



Carl Rose
Executive Director

CC: The Honorable Senator Davis
The Honorable Senator French
The Honorable Senator Stevens

Senate Bill 182
Senate Education Committee

Debbie V. Cary
P.O. Box 39317
Ninilchik, AK 99639

Dear Committee,

Thank you for taking the time to read my testimony. I urge you to fully fund the cost of transportation to the school districts, so we will not be forced to make cuts which will change our start and end times.

We all understand the need to be financially responsible but cutting education and or services to the students is unacceptable, so where do we make cuts? I don't know. I do know the proposed two tier bussing system for the lower Kenai Peninsula isn't the answer.

The question of pupil transportation is one that adversely affects many of our rural Alaskan communities. From how do I get my child to and from school while I continue to work, how do I provide child care before and after school, how will my child be able to participate in extra curricular activities but most importantly how will this change the academic performance of my child.

In my opinion Education must come first and the Kenai Peninsula proposal is wrong on so many basic levels.

First studies show a decrease in academic performance of adolescents as it relates to early start times. Our teenagers already show up to school in a sleep deprived state, so you say send high school students late and elementary school students earlier. My response is to say this would eliminate their ability to participate in extra curricular activities. I realize education has to be our focus and not sports but I would argue the reason so many high school students do well is to be eligible to participate in extra curricular activities.

There are scientific studies to support the fact sending adolescents to school in the early morning is not beneficial. According to studies conducted by the Center for Applied Research and Educational Improvement. "From the onset of puberty until late teen years, the brain chemical melatonin, which is responsible for sleepiness, is secreted from approximately 11 p.m. until approximately 8 a.m, nine hours later. This secretion is based on human circadian rhythms. In other words, typical youth are not able to fall asleep much before 11 p.m. and their brains will remain in sleep mode until about 8 a.m., regardless of what time they go to bed."

Safety has to be factored into any decision made to change our current start times. According to a Comparison of Young and Adult driver crashes, conducted

for the years of 1991-1995 by Martha Moore of Alaska Department of Health and Social Services P.O. Box 110616 Juneau, AK 99801 motor vehicle crashes are the leading cause of death to Alaskans between the ages of 16-20. This is obviously on old study and with the advancement in technology I am sure the numbers would be higher. According to the insurance industry most accidents occur in the dark hours, which we have a lot of here in Alaska. Our roads are barely plowed now, Department Of Transportation is not going to change their schedule to accommodate us. An earlier start time is only going to intensify a potentially dangerous problem for commuters, truck drivers, students and most importantly bus drivers who are transporting, our most precious natural resource, our children. Do you really want to put elementary age (Ninilchik is a k-12 school) children on dark roads in the middle of winter to catch a bus at 6:30 a.m.?

The economic impact on already struggling families while not directly related to education must be factored in for the simple fact that stress and economic woe can cause increases in domestic violence and major discord of the family unit, in a state with such a high rate of domestic violence this can not be ignored. Parents are now going to worry about everything from childcare cost to the increased energy cost associated with starting households an hour earlier than normal.

The Kenai Peninsula team of Administrators actively tried to encourage more vendors to submit proposals in hopes of reducing cost. Last year they received one bid and the school board granted a one year extension at a cost of 750,000 from the general fund. The 750,000 should have gone directly into classrooms. Regardless of all efforts to attract additional vendors to the Kenai Peninsula, they once again received one proposal by the February 17th, 2012 cut off. So Yes the cost of transporting our students in this state, and particularly on the Kenai Peninsula, is going up, with the lower projected enrollments, higher number of special education students, the higher cost of fuel, insurance and employee compensation we all realize this reality.

Over the past twenty years I have sat back and watched the state cut funding and services to education. Up till now I have said nothing, now I am asking, Please don't continue this trend.

Alaska has a track record of funding development of our natural resources, but on some fundamental level we have lost sight of the fact that our most precious and renewable natural resource is our children. It is our children who are going to solve the future problems of this great state so Invest in them, Educate them, Help them to aspire to be the best they can.

I implore you to fully fund the transportation contracts at the actual cost to the districts so we can maintain our current routes and level of service.

Respectfully,
Debbie V Cary

From: LIO Homer
Sent: Friday, February 24, 2012 9:03 AM
To: Sen. Kevin Meyer
Subject: FW: SB 182

Please include in the record on SB182.

Thanks.

From: Peter Swanson [<mailto:PSwanson@KPBSD.k12.ak.us>]
Sent: Friday, February 24, 2012 9:01 AM
To: LIO Homer
Subject: SB 182

To Whom it will make a difference:

As the father of three children who call Alaska home and who are schooled on the Kenai, as an educator employed by the KPBSD, and as a principal of one of the many small rural elementary schools that serve the children of the Greatland, it is my responsibility to encourage your support and active involvement in seeing that SB 182 be passed to support the very important transportation needs/shortfalls that we currently face.

You are certainly aware of how important transportation of students to and from school is to their regular attendance and how that in turn is directly related to their academic performance. We are currently anticipating a significant cut to our FY13 transportation options in the Kenai if we do not receive some financial help specific to our per student transportation costs. The proposed changes to transportation options for my school, McNeil Canyon Elementary(2004 National Blue Ribbon School), will be devastating for two of my most needy sub populations, English Language Learners and Students with Disabilities. These children and their families rely on the current transportation options to make sure that they can access the programs that allow them to succeed on the Standards Based Assessments. If the proposed transportation cuts are made, McNeil Canyon will no longer be able to ensure(their parents will not/cannot drive to drop-off or pickup) that all students have access to educational programming that has proven to be highly successful with those populations for more than fifteen years. I urge you to move this very important legislation forward and ensure that students across our great State will have access to the educational programs that ultimately will benefit all of us.

Sincerely,



Principal, National Distinguished Principal '06

McNeil Canyon Elementary

Life is not...a journey to the grave with the intention of arriving safely in a pretty and well preserved body but rather.... we are meant to skid in broadside, thoroughly used up, totally worn out, and loudly proclaiming "WOW!! What a Ride!!"

Enjoy the ride!

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