

**SB**

**182**

<TARGET><BILL>SB 182</BILL><SUBJECT>SB  
182</SUBJECT><COMM>SFIN27</COMM></TARGET>

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/24/12

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Finance Committee considered SENATE BILL NO. 182

## SB 182-PUPIL TRANSPORTATION FUNDING

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

and recommends:

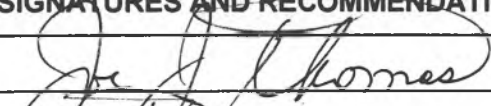



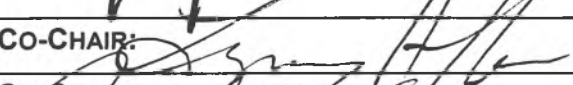

- be replaced with CS \_\_\_\_\_ ( \_\_\_\_\_ )  Same Title  New Title
- adopt previous CS SB 182 ( EDC )  Same Title  New Title
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

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

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
EED	X			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	EGAN	✓			
	OLSON			✓	
	ELLIS	✓			
	Hoffman	✓			
	Stedman			✓	

# FISCAL NOTE

STATE OF ALASKA cost # codes  
2012 LEGISLATIVE SESSION

Bill Version CSSB182(EDC)  
Fiscal Note Number \_\_\_\_\_  
Publish Date \_\_\_\_\_

Identifier (file name) SB182CS-EED-ESS-2-22-12 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 Senate 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					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services	95.3		95.3	95.3	95.3	95.3	95.3	95.3
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits	10,355.0	62,202.7	12,676.8	15,073.0	17,545.8	20,097.7	22,731.4	
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>10,450.3</b>	<b>62,202.7</b>	<b>12,772.1</b>	<b>15,168.3</b>	<b>17,641.1</b>	<b>20,193.0</b>	<b>22,826.7</b>	

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	10,450.3	62,202.7	12,772.1	15,168.3	17,641.1	20,193.0	22,826.7
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<b>TOTAL</b>		<b>10,450.3</b>	<b>62,202.7</b>	<b>12,772.1</b>	<b>15,168.3</b>	<b>17,641.1</b>	<b>20,193.0</b>	<b>22,826.7</b>

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

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs 8,103.3 (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 CS changes the per pupil amounts for 2012 and places those amounts in Sec. 4. The CS adds per pupil amounts for 2013 in Sec. 4. The CS changes the effective date to FY2014 to begin using total district dollars for a funding mechanism at Sec. 1. The CS adds direction on department oversight at Sec 2. (e.) The department has recalculated the annual cost estimates and added a pcn for pupil transportation program oversight. FY2013 governor's request was corrected to \$62,202.7

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

Phone 465-8679  
Date/Time 3/1/12 5:00 PM  
Date 3/1/2012

FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSSB182(EDC)

Analysis

This bill, CSSB182, amends the amount of funding provided to districts through the pupil transportation funding formula at AS 14.09.010. The current program provides state funding for pupil transportation by assigning each participating district an individual per student factor, and then multiplying the factor by the current annual average daily membership (ADM) to arrive at each districts annual funding. The bill also directs the department to set regulation for oversight and support in achieving safe and cost-effective student transportation.

In section 4 the bill sets new per student rates for FY2012 and FY2013.

In section 1, the bill provides that beginning in FY2014 the funding will be distributed as a total dollar amount per district. The bill sets FY2014 funding at the amount districts will report as their year ended June 30, 2013 audited pupil transportation expenditures.

In section 1 the bill adds an annual Anchorage Consumer Price Index percentage increase each year.

Calculations Overview:

The fiscal note increase of \$8.1 million for FY2012 was calculated by using the new per student amounts in for FY2012 multiplied by FY2012 projected ADM.

The fiscal note increase of \$10.4 million for FY2013 was calculated by using the new per student amounts in for FY2013 multiplied by FY2013 projected ADM.

The fiscal note increase of \$12.7 for FY2014 is calculated by estimating what districts will report as FY2013 expenditures; the FY2013 fiscal note funding was used as an estimate, actual expenditures could be different. Plus, a consumer price index was applied as set out in Section 1.

The fiscal note increases for FY2015 - 2018 were calculated by adding an estimated 3.2% consumer price index increase to the prior year funding.

The fiscal note adds one school finance specialist II position at a range 18 A for a cost of \$95.3. This position is necessary to implement regulations and accountability measures as directed in section 2 part (e) of the bill.

Section 3 repeals the definition for ADM and district ADM in the old law.

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:

\$70,377.8	FY2012
\$72,557.6	FY2013
\$74,879.5	FY2014
\$77,275.6	FY2015
\$79,748.5	FY2016
\$82,300.4	FY2017
\$84,934.0	FY2018

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	-
<b>Totals</b>	<b>26,514</b>	<b>117,901</b>	<b>\$ 62,274,505</b>	<b>30,304</b>	<b>117,901</b>	<b>\$ 70,377,799</b>	<b>\$ 8,103,294</b>

School District	Current Per Child Cost	FY13 Preliminary ADM	Projected FY2013 Dollars	CSSB182 FY13 Per Child Cost	FY13 Preliminary ADM	Projected FY2013 CSSB182 Dollars	Difference
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
Kake	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	791	8,093	6,401,563	938,788
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
Yup'it	2	452	904	2	452	904	-
<b>Totals</b>	<b>26,514</b>	<b>118,062</b>	<b>\$ 62,202,666</b>	<b>\$ 31,278</b>	<b>118,062</b>	<b>\$ 72,557,648</b>	<b>\$ 10,354,982</b>

State of Alaska Department of Education & Early Development

CSSB182 Pupil Transportation - FY2014 - Per CSSB182 Program no longer based on per student, based on total dollars districts spend in FY2014 to district.

Prepared 2/29/2012

Current estimate for FY2014

0.032

School District	Current estimate for FY2014			Estimate for June 30, 2013. Based on fiscal note dollars from FY2013. This amount will be dependent on how much districts spend. Actual may be different.			Annual CPI Estimated at most recent January 2012 of 3.2%	Total Projected FY2014 CSSB182 Dollars	Difference
	Current Per Child Cost	FY13 Preliminary ADM	Projected FY2013 Dollars						
Alaska Gateway	\$ 1,658	343	\$ 568,694	\$ 736,764	23,576	\$ 760,340	\$ 191,646		
Aleutian Region	-	30	-	-	-	-	-		
Aleutians East Borough	280	228	63,840	73,188	2,342	75,530	11,690		
Anchorage	407	47,682	19,406,574	21,409,218	685,095	22,094,313	2,687,739		
Annette Island	65	252	16,406	47,451	1,518	48,969	32,563		
Bering Strait	48	1,620	77,760	81,000	2,592	83,592	5,832		
Bristol Bay Borough	2,315	145	335,675	399,910	12,797	412,707	77,032		
Chatham	77	156	12,012	45,084	1,443	46,527	34,515		
Chugach	-	63	-	-	-	-	-		
Copper River	1,468	431	632,341	705,138	22,564	727,702	95,361		
Cordova	294	323	94,962	111,758	3,576	115,334	20,372		
Craig	281	326	91,606	142,462	4,559	147,021	55,415		
Delta Greely	1,496	791	1,183,336	1,351,819	43,258	1,395,077	211,741		
Denali Borough	1,808	225	406,800	419,850	13,435	433,285	26,485		
Dillingham	1,080	450	486,000	565,650	18,101	583,751	97,751		
Fairbanks N. Star Borough	704	14,091	9,920,064	11,878,713	380,119	12,258,832	2,338,768		
Galena	255	304	77,520	79,952	2,558	82,510	4,990		
Haines Borough	626	283	177,158	182,818	5,850	188,668	11,510		
Hoonah	298	114	33,972	35,112	1,124	36,236	2,264		
Hydaburg	-	47	-	-	-	-	-		
Iditarod Area	188	203	38,164	44,254	1,416	45,670	7,506		
Juneau Borough	556	4,908	2,728,848	3,057,684	97,846	3,155,530	426,682		
Kake	204	97	19,706	27,048	866	27,914	8,208		
Kashunamiut	5	316	1,578	1,578	50	1,628	50		
Kenai Peninsula Borough	675	8,093	5,462,775	6,401,563	204,850	6,606,413	1,143,638		
Ketchikan Gateway Borough	727	2,043	1,485,261	1,532,250	49,032	1,581,282	96,021		
Klawock	223	126	28,098	75,978	2,431	78,409	50,311		
Kodiak Island Borough	593	2,401	1,423,793	1,980,825	63,386	2,044,211	620,418		
Kuspuk	654	339	221,706	228,825	7,322	236,147	14,441		
Lake and Peninsula Borough	381	310	118,205	122,859	3,931	126,790	8,585		
Lower Kuskokwim	209	3,972	830,148	1,135,992	36,352	1,172,344	342,196		
Lower Yukon	1	2,022	2,022	2,022	65	2,087	65		
Mat-Su Borough	768	15,563	11,952,384	14,613,657	467,637	15,081,294	3,128,910		
Nenana	561	201	112,761	121,806	3,898	125,704	12,943		
Nome	390	715	278,850	458,315	14,666	472,981	194,131		
North Slope Borough	948	1,577	1,494,996	1,823,012	58,336	1,881,348	386,352		
Northwest Arctic Borough	22	1,921	42,262	49,946	1,598	51,544	9,282		
Pelican	72	11	792	814	26	840	48		
Petersburg	276	435	120,060	167,910	5,373	173,283	53,223		
Pribilof	-	81	-	-	-	-	-		
Saint Mary's	75	175	13,125	34,825	1,114	35,939	22,814		
Sitka Borough	428	1,280	547,840	565,760	18,104	583,864	36,024		
Skagway	36	63	2,268	2,331	75	2,406	138		
Southeast Island	1,101	164	180,399	195,309	6,250	201,559	21,160		
Southwest Region	598	635	379,461	391,517	12,529	404,046	24,585		
Tanana	478	35	16,730	17,255	552	17,807	1,077		
Unalaska	648	420	272,160	280,980	8,991	289,971	17,811		
Valdez	666	665	442,890	504,735	16,152	520,887	77,997		
Wrangell	596	312	185,952	225,576	7,218	232,794	46,842		
Yakutat	723	94	67,962	72,192	2,310	74,502	6,540		
Yukon Flats	251	263	66,013	71,536	2,289	73,825	7,812		
Yukon Koyukuk	299	267	79,833	82,503	2,640	85,143	5,310		
Yupit	2	452	904	904	29	933	29		
<b>Totals</b>	<b>26,514</b>	<b>118,062</b>	<b>\$ 62,202,666</b>	<b>\$ 72,557,648</b>	<b>2,321,845</b>	<b>\$ 74,879,493</b>	<b>\$ 12,676,827</b>		

State of Alaska Department of Education & Early Development  
 CSSB182 Pupil Transportation - FY2015, 2016, 2017, 2018 Out-Year cost adjusts by CPI estimated at 3.2%  
 Prepared 2/29/2012

1.032

School District	Current Law Formula Dollars (Projected FY2013 Dollars)	Projected FY2015	Projected FY 2016 (** End of Railbelt five year contracts)	Projected FY2017	Projected FY2018
Alaska Gateway	\$ 568,694	784,671	809,781	\$ 835,694	\$ 862,436
Aleutian Region	-	-	-	-	-
Aleutians East Borough	63,840	77,947	80,441	83,015	85,672
Anchorage	19,406,574	22,801,331	23,530,974	24,283,965	25,061,052
Annette Island	16,406	50,536	52,154	53,823	55,545
Bering Strait	77,760	86,267	89,027	91,876	94,816
Bristol Bay Borough	335,675	425,914	439,543	453,608	468,124
Chatham	12,012	48,016	49,552	51,138	52,774
Chugach	-	-	-	-	-
Copper River	632,341	750,989	775,021	799,821	825,415
Cordova	94,962	119,025	122,834	126,764	130,821
Craig	91,606	151,725	156,581	161,591	166,762
Delta Greely	1,183,336	1,439,720	1,485,791	1,533,336	1,582,403
Denali Borough	406,800	447,150	461,459	476,226	491,465
Dillingham	486,000	602,431	621,709	641,603	662,135
Fairbanks N. Star Borough	9,920,064	12,651,114	13,055,950	13,473,740	13,904,900
Galena	77,520	85,151	87,876	90,688	93,590
Haines Borough	177,158	194,706	200,936	207,366	214,002
Hoonah	33,972	37,395	38,592	39,827	41,101
Hydaburg	-	-	-	-	-
Iditarod Area	38,164	47,132	48,640	50,196	51,803
Juneau Borough	2,728,848	3,256,507	3,360,715	3,468,258	3,579,242
Kake	19,706	28,807	29,729	30,680	31,662
Kashunamiut	1,578	1,681	1,734	1,790	1,847
Kenai Peninsula Borough	5,462,775	6,817,818	7,035,988	7,261,140	7,493,497
Ketchikan Gateway Borough	1,485,261	1,631,883	1,684,103	1,737,995	1,793,610
Klawock	28,098	80,918	83,508	86,180	88,938
Kodiak Island Borough	1,423,793	2,109,626	2,177,134	2,246,802	2,318,700
Kuspuk	221,706	243,704	251,503	259,551	267,856
Lake and Peninsula Borough	118,205	130,848	135,035	139,356	143,815
Lower Kuskokwim	830,148	1,209,859	1,248,574	1,288,529	1,329,762
Lower Yukon	2,022	2,153	2,222	2,294	2,367
Mat-Su Borough	11,952,384	15,563,895	16,061,940	16,575,922	17,106,352
Nenana	112,761	129,726	133,878	138,162	142,583
Nome	278,850	488,116	503,736	519,856	536,491
North Slope Borough	1,494,996	1,941,552	2,003,681	2,067,799	2,133,969
Northwest Arctic Borough	42,262	53,194	54,896	56,653	58,465
Pelican	792	867	895	923	953
Petersburg	120,060	178,828	184,551	190,456	196,551
Pribilof	-	-	-	-	-
Saint Mary's	13,125	37,089	38,276	39,501	40,765
Sitka Borough	547,840	602,548	621,830	641,728	662,263
Skagway	2,268	2,483	2,562	2,644	2,729
Southeast Island	180,399	208,009	214,665	221,534	228,623
Southwest Region	379,461	416,975	430,318	444,088	458,299
Tanana	16,730	18,377	18,965	19,572	20,198
Unalaska	272,160	299,250	308,826	318,709	328,908
Valdez	442,890	537,555	554,757	572,509	590,829
Wrangell	185,952	240,244	247,932	255,865	264,053
Yakutat	67,962	76,886	79,347	81,886	84,506
Yukon Flats	66,013	76,188	78,626	81,142	83,738
Yukon Koyukuk	79,833	87,868	90,679	93,581	96,576
Yup'it	904	963	994	1,025	1,058
<b>Totals</b>	<b>\$ 62,202,666</b>	<b>\$ 77,275,637</b>	<b>\$ 79,748,457</b>	<b>\$ 82,300,407</b>	<b>\$ 84,934,021</b>

Difference from current law, per year, fiscal note impact

\$	15,072,971	\$	17,545,791	\$	20,097,741	\$	22,731,355
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# 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](mailto: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](mailto: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).

# 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

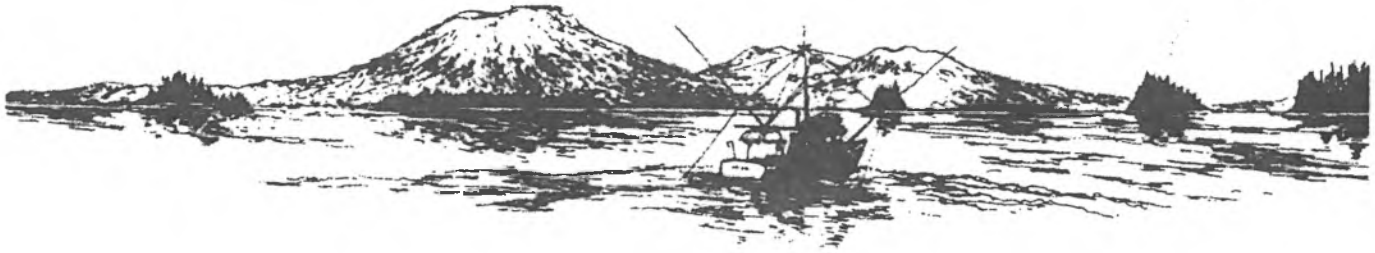
## Changes to CSSB 182: Pupil Transportation

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>

# SITKA SCHOOL DISTRICT

www.sitkaschools.org

300 Kostrometinoff  
Sitka, Alaska 99835  
Phone: (907) 747-8622  
Fax: (907) 966-1260



## RESOLUTION OF THE SITKA SCHOOL BOARD OF EDUCATION

Resolution No. 2012-03

### A RESOLUTION SUPPORTING INCREASED FUNDING OF STUDENT TRANSPORTATION

The Sitka School Board resolves to urge the 27th Legislature to pass Senate Bill 182 which provides additional funding for student transportation in Fiscal Year 2012 and changes the funding mechanism for future fiscal years to reflect actual per pupil district transportation expenditures. While this bill will not significantly impact the Sitka School District, for most districts across the state, general fund dollars are being allocated away from the classroom in order to sustain student transportation expenses.

**NOW, THEREFORE, BE IT RESOLVED** that the **Sitka School Board** strongly endorses the passage of **Senate Bill 182** before the Alaska State Legislature that fund further funds student transportation.

Passed and Approved on March 6, 2012.

  
\_\_\_\_\_  
Lon D. Garrison, President

"Educating Today's Children to Become Tomorrow's Leaders"

## Doniece Gott

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**From:** Bob Pawlowski  
**Sent:** Friday, February 24, 2012 12:24 PM  
**To:** Edra Morledge  
**Subject:** FW: SB 182

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**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.

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**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!

This message is intended for the sole use of the individual to whom it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you are not the addressee you are hereby notified that you may not use, copy, disclose, or distribute to anyone the message or any information contained in the message. If you have received this message in error, please immediately advise the sender by reply email and delete this message.

## Doniece Gott

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**From:** Debbie Cary <debbiecary@live.com>  
**Sent:** Thursday, February 23, 2012 5:56 PM  
**To:** debbiecary@live.com; Edra Morledge  
**Subject:** Public testimony on sb182

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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



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**

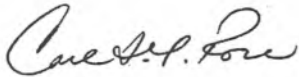
A related budgetary concern for the largest school districts is the cost of transporting students from home to school and back. In particular, Mat-Su and Anchorage are devoting increasingly larger shares of their general fund budgets to transportation costs. A fix to the transportation formula envisioned 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