

HB

120

<TARGET><BILL>HB 120</BILL><SUBJECT>HB
120</SUBJECT><COMM>HEDC28</COMM></TARGET>



Alaska State Legislature

Representative Lynn Gattis

Representative.Lynn.Gattis@akleg.gov

Sponsor Statement House Bill 120

"An Act adjusting pupil transportation funding; and providing for an effective date."

Pupil transportation contracts are currently in place and include an annual increase based on the Anchorage CPI. When SB182 moved out of the Senate last year, the full Anchorage CPI adjustment was included in that legislation. SB182 was amended in the House and the annual CPI adjustment was replaced with a 1.5% inflationary adjustment for 2014 and 2015. For the past five years, between 2007 and 2011, the average increase in the Anchorage CPI has been 2.6%. In fact, the Anchorage CPI for the first half of 2012 is 2.5%.

The cap of 1.5% places the school districts right back in the position that SB182 was intended to correct. That legislation was intended to cover the full cost of pupil transportation, so school districts did not have to use instructional money to subsidize the cost of transporting students. With the 1.5% inflationary cap, school districts will once again be required to tap into instructional funds to pay for transportation services beginning in FY2014.

SB182 also contained the following language directing the Department of Education & Early Development, hereinafter DEED, to have more involvement and oversight of the school district RFP process in an effort to assure the state is receiving the most cost-efficient and safe pupil transportation services.

The new section of law reads, AS 14.09.010(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 three years, if feasible, standardized conditions and bid periods, and standards that ensure cost efficiencies and exclusions."

Until DEED has done its part in adopting regulations and recommends to the Alaska legislature an appropriate funding mechanism for pupil transportation services in Alaska, the CPI adjustment is necessary to hold school districts harmless. By returning to the original Anchorage CPI language, instructional dollars will be spent on instructional programs and the pupil transportation reimbursement program will pay, as intended, to safely transport students between home and school.

I urge you to support this bill.

Session Contact:

State Capitol Room 420
Juneau, AK 99801
Phone: 907-465-4833
Toll Free: 800-782-4833
Fax: 907-465-4586

Interim Contact

600 E. Railroad Avenue
Wasilla, AK 99654
Phone: 907-373-6285
Fax: 907-373-6286

District 9 – Greater Wasilla

February 21, 2013 – HB120
Staff Contact: Erick Cordero Giorgana 465-4924

28-LS0511\U

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSHB 120(EDC)
Fiscal Note Number: 2
(H) Publish Date: 3/20/13

Identifier: HB120-EED-PEF-3-11-13
Title: PUPIL TRANSPORTATION FUNDING
Sponsor: GATTIS
Requester: House Education Committee

Department: Fund Transfers
Appropriation: Designated Savings (UGF)
Allocation: Public Education Fund (Savings) (AS. 14.17.300)
OMB Component Number: 2929

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits	736.3		1,502.0	3,435.8	5,417.9	7,449.6	9,532.2	
Miscellaneous								
Total Operating	736.3	0.0	1,502.0	3,435.8	5,417.9	7,449.6	9,532.2	

Fund Source (Operating Only)

1004 Gen Fund	736.3		1,502.0	3,435.8	5,417.9	7,449.6	9,532.2
Total	736.3	0.0	1,502.0	3,435.8	5,417.9	7,449.6	9,532.2

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version.

Prepared By:	Elizabeth Nudelman, Director	Phone:	(907)465-8679
Division	School Finance and Facilities	Date:	03/11/2013 11:00 AM
Approved By:	Mike Hanley	Date:	03/11/13
	Commissioner		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSHB 120(EDC)

Analysis

This fiscal note capitalizes the Public Education Fund (PEF) as set out in HB120 in order to provide sufficient funding to address the Pupil Transportation Program. There is a separate fiscal note for the Pupil Transportation Program that shows the calculations for the funding increases.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSHB 120(EDC)
 Fiscal Note Number: 1
 (H) Publish Date: 3/20/13

Identifier: HB120-EED-K12-3-11-13
 Title: PUPIL TRANSPORTATION FUNDING
 Sponsor: GATTIS
 Requester: House Education Committee

Department: Department of Education and Early Development
 Appropriation: K-12 Support
 Allocation: Pupil Transportation
 OMB Component Number: 144

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
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 (Operating Only)

None							
Total	0.0	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 (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version.

Prepared By:	Elizabeth Nudelman, Director	Phone:	(907)465-8679
Division	School Finance & Facilities	Date:	03/11/2013 11:00 AM
Approved By:	Mike Hanley	Date:	03/11/13
	Commissioner		

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSHB 120(EDC)

Analysis

Section 2 of this legislation amends AS 14.09.010, "Transportation of Pupils", by adding a subsection that adjusts the per student amounts annually using the change in the Consumer Price Index (CPI) for all urban consumers for the Anchorage metropolitan area. The index for 1982 through 1984 is the reference base index to be used for this annual adjustment.

The CPI increase of 2.5%, which is reflected in the 10-year plan, was used in the calculations. Using this CPI increase, the estimated state costs of the pupil transportation program for FY2014 through FY2019 are shown below.

Section 4 of this legislation repeals the 1.5% increase that was to be applied to the per student amounts for FY2014 and FY2015 and was put into place during the 2012 Legislature with the passage of House CS for CSSB 182.

The projected amounts under the current law, the projected amounts under SB57 (using the 2.5% CPI increase), and the projected increase in state costs are summarized below:

	<u>Current Law</u>	<u>Total New Costs with 2.5% CPI</u>	<u>Annual Increase in State Costs</u>
FY2014	\$74.7 million	\$75.4 million	\$0.7 million
FY2015	\$75.9 million	\$77.4 million	\$1.5 million
FY2016	\$75.9 million	\$79.3 million	\$3.4 million
FY2017	\$75.9 million	\$81.3 million	\$5.4 million
FY2018	\$75.9 million	\$83.3 million	\$7.4 million
FY2019	\$75.9 million	\$85.4 million	\$9.5 million

This legislation would take effect July 1, 2013.

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2014 through FY2019, as reported above, is reported in a fiscal note for the PEF, as the funding is deposited to the PEF not into the Pupil Transportation Program component. The above analysis and attached calculation is presented here for explanation.

School District	Repealed FY2014	FY2014		Repealed FY2015	FY2015		FY2016	FY2017	FY2018	FY2019
	Projected Grant with 1.5% Increase based on House CS for CSSB182	Projected Grant with CPI of 2.5%*	HB120 Increases in the FY2014 Projected Grant	Projected Grant with 1.5% Increase based on House CS for CSSB182	Projected Grant with CPI of 2.5%*	HB120 Increases in the FY2015 Projected Grant	Projected Grant with CPI of 2.5%*	Projected Grant with CPI of 2.5%*	Projected Grant with CPI of 2.5%*	Projected Grant with CPI of 2.5%*
Alaska Gateway	\$ 675,759	\$ 682,417	\$ 6,658	\$ 685,895	\$ 699,477	\$ 13,582	\$ 716,964	\$ 734,888	\$ 753,260	\$ 772,092
Aleutian Region	-	-	-	-	-	-	-	-	-	-
Aleutians East Borough	75,263	76,005	742	76,392	77,905	1,513	79,853	81,849	83,895	85,992
Anchorage	21,741,417	21,955,618	214,201	22,067,538	22,504,508	436,970	23,067,121	23,643,799	24,234,894	24,840,766
Annette Island	55,500	56,047	547	56,333	57,448	1,115	58,884	60,356	61,865	63,412
Bering Strait	84,707	85,541	834	85,978	87,680	1,702	89,872	92,119	94,422	96,783
Bristol Bay Borough	390,932	394,784	3,852	396,796	404,654	7,858	414,770	425,139	435,767	446,661
Chatham	42,079	42,493	414	42,710	43,555	845	44,644	45,760	46,904	48,077
Chugach	-	-	-	-	-	-	-	-	-	-
Copper River	715,383	722,431	7,048	726,114	740,492	14,378	759,004	777,979	797,428	817,364
Cordova	110,899	111,991	1,092	112,562	114,791	2,229	117,661	120,603	123,618	126,708
Craig	139,853	141,231	1,378	141,951	144,762	2,811	148,381	152,091	155,893	159,790
Delta/Greely	1,321,271	1,334,289	13,018	1,341,090	1,367,646	26,556	1,401,837	1,436,883	1,472,805	1,509,625
Denali Borough	437,720	442,033	4,313	444,286	453,084	8,798	464,411	476,021	487,922	500,120
Dillingham	614,069	620,119	6,050	623,280	635,622	12,342	651,513	667,801	684,496	701,608
Fairbanks N. Star Borough	11,988,074	12,106,183	118,109	12,167,895	12,408,838	240,943	12,719,059	13,037,035	13,362,961	13,697,035
Galena	83,233	84,053	820	84,481	86,154	1,673	88,308	90,516	92,779	95,098
Haines Borough	180,872	182,654	1,782	183,585	187,220	3,635	191,901	196,699	201,616	206,656
Hoonah	35,561	35,911	350	36,094	36,809	715	37,729	38,672	39,639	40,630
Hydaburg	-	-	-	-	-	-	-	-	-	-
Iditarod Area	40,229	40,625	396	40,832	41,641	809	42,682	43,749	44,843	45,964
Juneau Borough	3,087,994	3,118,417	30,423	3,134,314	3,196,377	62,063	3,276,286	3,358,193	3,442,148	3,528,202
Kake	29,932	30,227	295	30,381	30,983	602	31,758	32,552	33,366	34,200
Kashunamiut	1,539	1,554	15	1,562	1,593	31	1,633	1,674	1,716	1,759
Kenai Peninsula Borough	7,720,202	7,796,263	76,061	7,836,005	7,991,170	155,165	8,190,949	8,395,723	8,605,616	8,820,756
Ketchikan Gateway Borough	1,603,573	1,619,372	15,799	1,627,627	1,659,856	32,229	1,701,352	1,743,886	1,787,483	1,832,170
Klawock	79,872	80,659	787	81,070	82,675	1,605	84,742	86,861	89,033	91,259
Kodiak Island Borough	2,010,161	2,029,965	19,804	2,040,313	2,080,714	40,401	2,132,732	2,186,050	2,240,701	2,296,719
Kuspuk	230,476	232,747	2,271	233,933	238,566	4,633	244,530	250,643	256,909	263,332
Lake & Peninsula Borough	127,917	129,178	1,261	129,836	132,407	2,571	135,717	139,110	142,588	146,153
Lower Kuskokwim	1,165,128	1,176,607	11,479	1,182,605	1,206,022	23,417	1,236,173	1,267,077	1,298,754	1,331,223
Lower Yukon	1,999	2,019	20	2,029	2,069	40	2,121	2,174	2,228	2,284
Mat-Su Borough	14,746,017	14,891,298	145,281	14,967,207	15,263,580	296,373	15,645,170	16,036,299	16,437,206	16,848,136
Nenana	126,063	127,305	1,242	127,954	130,488	2,534	133,750	137,094	140,521	144,034
Nome	443,524	447,894	4,370	450,177	459,091	8,914	470,568	482,332	494,390	506,750
North Slope Borough	1,932,960	1,952,004	19,044	1,961,954	2,000,804	38,850	2,050,824	2,102,095	2,154,647	2,208,513
Northwest Arctic Borough	48,628	49,107	479	49,357	50,335	978	51,593	52,883	54,205	55,560
Pelican	1,108	1,119	11	1,125	1,147	22	1,176	1,205	1,235	1,266
Petersburg	176,783	178,525	1,742	179,435	182,988	3,553	187,563	192,252	197,058	201,984
Pribilof	-	-	-	-	-	-	-	-	-	-
Saint Mary's	36,862	37,225	363	37,415	38,156	741	39,110	40,088	41,090	42,117
Sitka Borough	572,582	578,223	5,641	581,171	592,679	11,508	607,496	622,683	638,250	654,206
Skagway	2,405	2,429	24	2,441	2,490	49	2,552	2,616	2,681	2,748
Southeast Island	229,853	232,118	2,265	233,301	237,921	4,620	243,869	249,966	256,215	262,620
Southwest Region	367,424	371,044	3,620	372,935	380,320	7,385	389,828	399,574	409,563	419,802
Tanana	24,269	24,508	239	24,633	25,121	488	25,749	26,393	27,053	27,729
Unalaska	281,494	284,267	2,773	285,716	291,374	5,658	298,658	306,124	313,777	321,621
Valdez	490,466	495,298	4,832	497,823	507,680	9,857	520,372	533,381	546,716	560,384
Wrangell	222,649	224,842	2,193	225,989	230,463	4,474	236,225	242,131	248,184	254,389
Yakutat	68,793	69,470	677	69,825	71,207	1,382	72,987	74,812	76,682	78,599
Yukon Flats	72,154	72,864	710	73,236	74,686	1,450	76,553	78,467	80,429	82,440
Yukon/Koyukuk	93,165	94,083	918	94,562	96,435	1,873	98,846	101,317	103,850	106,446
Yupitit	883	892	9	896	914	18	937	960	984	1,009
Totals	\$ 74,729,696	\$ 75,465,948	\$ 736,252	\$ 75,850,639	\$ 77,352,597	\$ 1,501,958	\$ 79,286,413	\$ 81,268,574	\$ 83,300,285	\$ 85,382,791
Annual Increase in State Costs:			\$ 736,252			\$ 1,501,958	\$ 3,435,774	\$ 5,417,935	\$ 7,449,646	\$ 9,532,152

* based on CPI increase of 2.2% each year



LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature
Division of Legal and Research Services
State Capitol, Juneau, AK 99801

(907) 465-3991 phone
(907) 465-3908 fax
research@legis.state.ak.us

Memorandum

TO: Representative Lynn Gattis
FROM: Roger Withington, Legislative Analyst
DATE: March 8, 2013
RE: Legislative History of AS 14.09.010, Transportation of Pupils
LRS Report 13.250

You asked for the legislative history of AS 14.09.010, Transportation of Pupils. Specifically you asked when this funding first became law, whether there have been changes in the formula, and why the funding is separated from the K-12 foundation formula.

Since 1949, the statute pertaining to pupil transportation appears to have been amended eight times.¹ Based on our review, pupil transportation has been, from its inception, a separate statute and not part of the foundation formula. A 2003 amendment to the pupil transportation statute, however, changed the state pupil transportation program from a reimbursable program—more or less—to a formula-driven program. We summarize each amendment to the law below. In addition, we attach a copy of the annotated version of each of the applicable statutes.

Section 37-2-8 (7) of the Annotated Compiled Laws of Alaska 1949 simply states that the Territorial Board of Education is charged with the administration of the public school system and given full power and authority to “Provide for the transportation of pupils who reside a distance from established Schools.”

Chapter 51 SLA 1957 amended the law to more fully delineate the pupil transportation funding mechanism. This law appears to establish a policy whereby the Territory reimburses school districts for accrued pupil transportation costs, requires recipients of Territorial transportation funds to submit annual fiscal reports to the Board of Education, and permits school districts to establish supplementary transportation systems for student who need specialized transportation services. The law charged the Territorial Board of Education with the administration of the public school system and gave the Board full power and authority to

(7) Provide for the transportation of pupils who reside a distance from established schools, and in order to accomplish that purpose, to:

a. Require school districts to enter into contracts with the Board of Education of the Territory of Alaska for the administration, supervision, operation or sub-contracting of the operation of transportation systems for students to and from the schools within their respective service area; provided, however, that said district shall receive reimbursement from the territory of Alaska for the operation of such transportation system on a unit cost basis which will be determined by the Territorial Board.

¹ We also found references to the transportation of pupils in the Territorial Session Laws as well as the General Laws of the Territory of Alaska. As one example, Section 83, Chapter 97, SLA 1929 states that

The Commissioner of Education, with the approval of the Governor as President of the Territorial Board of Education, may authorize school boards to enter into contract for the transportation of pupils, both within and outside the boundaries of school districts, who reside a distance of more than two (2) miles from the school they are required to attend, or where such transportation is necessary to afford children an opportunity to attend school. The cost of such transportation shall be paid by the Territory of Alaska from appropriations made therefor, but no obligations shall be incurred in any school year in excess of 50% of the appropriation for the biennium.

As another example, Section 1289(h) of the Compiled Laws of Alaska, 1933, states, in part, that

The Board of Education shall:

h. Provide for the transportation of pupils who reside a distance from established schools.

Although we believe it to be quite likely, we are unable to ascertain unequivocally that the transportation of pupils has been allowed for in statute continuously from 1929 through 1948.

b. Require all school districts, transportation contractors and other recipients of territorial transportation funds to submit an annual report to the Board of Education, which report shall include a financial statement and such other operational data as is directed by the Board of Education.

c. Permit school districts to establish supplementary systems of student transportation for those students who are ineligible to utilize transportation facilities paid for by the Territory of Alaska; to permit said districts to charge fares or fees for such supplementary transportation systems and also to utilize local tax funds to pay, in part or in whole, the cost of such supplementary systems.

During the transition from Territorial law to State law, minor syntax changes and a shift from Territorial references to State or Department of Education references were made. We note, however, that the description of the duties of the Department of Education appears to have been modified during the transition from “The Territorial Board of Education is hereby charged with the administration of the public school system in this Territory and in order to reorganize the entire system on a more economical basis, the Board is given full power and authority to...” to “(a) The department may provide for the transportation of pupils who reside a distance from established schools, and in order to accomplish that purpose may...” We could not ascertain if this constituted a major shift in pupil transportation policy.

In 1966, Title 14 of the Alaska Statutes, Education, was revised and renumbered.² In addition, the Transportation of Pupils statute was amended by adding a new section, (c), that gives school districts, or the Department, the authority to designate certain routes as hazardous such that they cannot be safely traveled by children not served by school bus. This amendment also establishes the plan by which the districts and the Department share the additional costs of providing pupil transportation on these hazardous routes. AS 14.09.010(c) from the 1966 Alaska Statutes is as follows.

(c) The school board of a district, or the department for areas not within school districts, shall designate as hazardous those routes which cannot be safely traveled by children not served by school bus. The designation may recognize hazards that exist only part of the time and in these instances the designation shall be applicable only during the time the hazards are found to exist. The board or the department shall provide for the transportation of pupils on routes designated as hazardous. The additional cost of the transportation in a district shall be shared equally by the district and the department. Eligibility to receive school bus service on routes designated as hazardous shall not be subject to restrictions based on the minimum distance between established schools and the residences of pupils.

The pupil transportation statute remained unchanged for 30 years. Although the record is not altogether clear, it appears from our review of the committee minutes that the change was an attempt to reimburse the Anchorage School District (ASD) for 100 percent of the actual cost of pupil transportation. Apparently, since some of Anchorage's buses were owned and driven by ASD employees, the district was not being fully reimbursed for the actual cost of pupil transportation operations.³ Chapter 2 FSSLA 1996 (SB 244) amended AS 14.09.010(b) to read as follows.

(b) Each school district mentioned in (a)(1) of this section is entitled to receive reimbursement from the state for the operation of the transportation system on a unit cost basis determined by the department. In determining an appropriate amount of eligible transportation reimbursement to a school district under this subsection, the department shall review the level of reimbursement for transportation provided on a motor vehicle owned by the school district and for transportation provided on a motor vehicle operated under a contract with the school district.

AS 14.09.010 was amended again in 1998 by Chapter 83 SLA 1998 (SB 36). Even though we found the record less clear for this amendment than that of the prior amendment, it appears that the 1996 amendment did not work as intended. What few references we did find in our review of the minutes from SB 36 indicated that there was still disparity between the districts that provided, to some degree, their own transportation services—most notably Anchorage—and those districts that relied

² Chapter 39 SLA 1966 and Chapter 98 SLA 1966.

³ Minutes for SB 244 can be found at http://www.legis.state.ak.us/basis/get_minutes.asp?chamb=B&date1=010195&date2=020112&session=19&Root=SB244.

solely on contracts.⁴ Chapter 83 SLA 1998 amended AS 14.06.010(b) to rectify these inequalities and added a subsection (d) to clarify the responsibilities of the Department with regard to determining reimbursement eligibility. AS 14.09.010(b) and (d) from the 1998 Alaska Statutes read as follows.

- (b) A school district that enters into a contract described under (a)(1) of this section shall be reimbursed for
- (1) at least 90 percent of the cost of operating the student transportation system if the transportation is provided by the school district; and
 - (2) 100 percent of the cost of operating the student transportation system when the transportation is provided under a contract with the school district.
- (d) The department shall apply the same criteria in determining eligibility for reimbursement under (b)(1) or (2) of this section.

Chapter 54 SLA 2003 (SB 202) amended the pupil transportation statute and changed the state pupil transportation program from a reimbursable program—more or less—to a formula driven program. Based on the minutes for SB 202, this change to the pupil transportation statute was an effort to rein in rapidly increasing pupil transportation costs by establishing a transportation grant program that would provide school districts an allocation based on their actual per student transportation cost in FY2003.⁵ For FY2004 and beyond, the pupil transportation grant would be calculated by multiplying the district's FY2003 per-student transportation allocation by the district's current year student enrollment. It was argued that this funding scheme would encourage school districts to find the most efficient transportation methods possible whether it be providing the services themselves or negotiating more favorable contracts with student transportation providers. The record also indicates that the school districts that lowered their transportation costs below the amount of the transportation grant could re-allocate the difference to other areas within the district's budget, such as classrooms. Chapter 54 SLA 2003 also contained a temporary section that provided additional funding to school districts in FY2005 and FY2006 based on "50 percent of any percentage increase during the second preceding calendar year in the [Anchorage] Consumer Price Index." AS 14.09.010 from the 2003 Alaska Statutes reads as follows.

Sec. 14.09.010. Transportation of pupils.

- (a) A school district that provides student transportation services is eligible to receive funding for operating the student transportation system. Subject to appropriation, the amount of funding provided by the state under this section is the lesser of the amount determined by multiplying the amount of the school district's ADM less the ADM for the district's correspondence programs during the current fiscal year
- (1) by a per student allocation computed by dividing the amount received by the school district under this section during fiscal year 2003 by the school district's ADM less the ADM for the district's correspondence programs during fiscal year 2003; or
 - (2) by \$1,200 per student.
- (b) In this section,
- (1) "ADM" has the meaning given in AS 14.17.990;
 - (2) "district's ADM" means the sum of the ADMs in the district.

As you may know, the Twenty-fifth Alaska Legislature created the Joint Legislative Education Funding Task Force with a mission to

- evaluate proposals that are based on available facts and conclusions pertaining to school district cost factors and the foundation formula;

⁴ The minutes for SB 36 can be found at http://www.legis.state.ak.us/basis/get_minutes.asp?chamb=B&date1=010197&date2=020112&session=20&Root=SB36. Please note that SB 36 was a comprehensive rewrite of the K-12 public education funding policy in Alaska. As such, there were numerous committee hearings; we found the most pertinent information in the minutes of the March 21, 1998, House Health, Education and Social Services committee hearing.

⁵ The minutes for SB 202 can be found at http://www.legis.state.ak.us/basis/get_minutes.asp?chamb=B&date1=010103&date2=020112&session=23&Root=SB202.

- recommend improvements or additions to the laws providing for education funding; and
- take public comments on education funding and school district cost factors.⁶

The Task Force issued its final report of recommendations on September 1, 2007; these recommendations were introduced on January 4, 2008, as HB 273.⁷ This bill was enacted as Chapter 9 SLA 2008 and, among other things, recalibrated pupil transportation funding based on Department of Education and Early Development audits to reflect actual transportation costs.⁸ The law also provided that the pupil transportation amounts be adjusted according to the Consumer Price Index (CPI) for Anchorage for each fiscal year FY2009 through FY2011. AS 14.09.010(a) and (c) from the 2008 Alaska Statutes reads as follows.

Sec. 14.09.010. Transportation of pupils.

(a) A school district that provides student transportation services is eligible to receive funding for operating the student transportation system. Subject to appropriation, the amount of funding provided by the state under this section is the amount of the 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

Alaska Gateway	1,566	Iditarod	178	Northwest Arctic	21
Aleutians East	265	Juneau	525	Pelican	68
Anchorage	384	Kake	193	Petersburg	261
Annette Island	61	Kashunamiut	5	Saint Mary's	71
Bering Strait	45	Kenai Peninsula	638	Sitka	404
Bristol Bay	2,187	Ketchikan	686	Skagway	34
Chatham	73	Klawock	210	Southeast Island	1,040
Copper River	1,387	Kodiak Island	560	Southwest Region	565
Cordova	278	Kuspuk	618	Tanana	451
Craig	266	Lake and Peninsula	359	Unalaska	612
Delta Greely	1,413	Lower Kuskokwim	198	Valdez	629
Denali	1,708	Lower Yukon	1	Wrangell	563
Dillingham	1,020	Matanuska-Susitna	726	Yakutat	683
Fairbanks	665	Nenana	530	Yukon Flats	237
Galena	241	Nome	368	Yukon/Koyukuk	282
Haines	592	North Slope	896	Yupiit	2
Hoonah	281				

(c) Beginning July 1, 2009, funding provided to a school district under (a) of this section shall be adjusted annually on October 1 according to changes in the Consumer Price Index for all urban consumers for the Anchorage metropolitan area compiled by the United States Department of Labor, Bureau of Labor Statistics. The index for 1982 to 1984 is the reference base index for an adjustment made under this subsection.

In 2012, the Legislature once again considered pupil transportation with SB 182. This bill was enacted as Chapter 19 SLA 2012 and, among other things, recalibrated pupil transportation funding based on Department of Education and Early Development audits to reflect actual transportation costs for FY2012 and FY2013.⁹ The session law also provided that the pupil transportation amounts be adjusted according to the CPI for Anchorage for each fiscal year FY2014 through FY2015.

⁶ Joint Legislative Education Funding Task Force materials can be found at http://www.housemajority.org/coms/hlef/hlef_background.php.

⁷ The minutes for HB 273 can be found at http://www.legis.state.ak.us/basis/get_minutes.asp?chamb=B&dote1=010107&date2=020112&session=25&Root=HB273.

⁸ Chapter 9 SLA 2008 also addressed declining enrollment, intensive needs student, district cost factor, and base student allocation issues.

⁹ Chapter 19 SLA 2012 also addressed issues related to local contributions for public education, the vocational and technical instruction funding factor for public school funding, and the Department of Education and Early Development's voluntary parent and early childhood education program for pre-elementary aged children.

During testimony on SB 182, Senator Kevin Meyer, Co-Chair of the Senate Education Committee, noted that school districts in the state are facing shortfalls in overall funding, due in part to the rising cost of pupil transportation programs, and that it is costing more each year to transport students safely to and from school.¹⁰ Senator Meyer also noted that most districts have had to subsidize their pupil transportation programs with foundation formula dollars which should be directed towards the classroom.

AS 14.09.010(a) and (b) from the 2012 Alaska Statutes read as follows.

Sec. 14.09.010. Transportation of students.

(a) A school district that provides student transportation services for the transportation of students who reside a distance from established schools is eligible to receive funding for operating or subcontracting the operation of the transportation system for students to and from the schools within the student's transportation service 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		District	Per Student Amount	
	(1) For School Year Beginning July 1, 2011	(2) For School Year Beginning July 1, 2012		(1) For School Year Beginning July 1, 2011	(2) For School Year Beginning July 1, 2012
Alaska Gateway	\$2,081	\$2,148	Kuspuk	\$654	\$675
Aleutians East	\$311	\$321	Lake and Peninsula	\$384	\$396
Anchorage	\$435	\$449	Lower Kuskokwim	\$277	\$286
Annette Island	\$182	\$188	Lower Yukon	\$1	\$1
Bering Strait	\$48	\$50	Matanuska-Susitna	\$910	\$939
Bristol Bay	\$2,672	\$2,758	Nenana	\$587	\$606
Chatham	\$280	\$289	Nome	\$621	\$641
Copper River	\$1,586	\$1,637	North Slope	\$1,120	\$1,156
Cordova	\$335	\$346	Northwest Arctic	\$25	\$26
Craig	\$423	\$437	Pelican	\$72	\$74
Delta Greely	\$1,656	\$1,709	Petersburg	\$374	\$386
Denali	\$1,808	\$1,866	Saint Mary's	\$193	\$199
Dillingham	\$1,218	\$1,257	Sitka	\$428	\$442
Fairbanks	\$817	\$843	Skagway	\$36	\$37
Galena	\$255	\$263	Southeast Island	\$1,155	\$1,192
Haines	\$626	\$646	Southwest Region	\$598	\$617
Hoonah	\$298	\$308	Tanana	\$478	\$493
Iditarod	\$211	\$218	Unalaska	\$648	\$669
Juneau	\$604	\$623	Valdez	\$735	\$759
Kake	\$271	\$280	Wrangell	\$701	\$723
Kashunamiut	\$5	\$5	Yakutat	\$744	\$768
Kenai Peninsula	\$766	\$944	Yukon Flats	\$264	\$272
Ketchikan	\$727	\$750	Yukon/Koyukuk	\$299	\$309
Klawock	\$584	\$603	Yupit	\$2	\$2
Kodiak Island	\$799	\$825			

¹⁰ The minutes for SB 182 can be found at http://www.legis.state.ak.us/basis/get_minutes.asp?chamb=B&date1=010111&date2=030613&session=27&Root=SB182.

(b) 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 three years, if feasible, standardized conditions and bid periods, and standards that ensure cost efficiencies and exclusions.

Section 9 of Chapter 19 SLA 2012 amended the uncodified law of the State of Alaska by adding a new section to read:

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

Unfortunately, we have located nothing in the historical records to explain why pupil transportation funding has not been funded within the foundation formula. We include copies of each of the relevant statutes noted above as well as a copy of Chapter 19 SLA 2012.

We hope this is helpful. If you have questions or need additional information, please let us know.

COMPILED LAWS OF ALASKA

1949

*Containing the General Laws of the
Territory of Alaska*

Annotated with Decisions of the District Courts of Alaska,
the Circuit Court of Appeals, and the Supreme
Court of the United States

Published under Authority of Ch 28, SLA, 1947



MR. RALPH J. RIVERS
ATTORNEY GENERAL OF ALASKA
Chairman of Commission

MR. FRANK A. BOYLE
AUDITOR OF ALASKA
Secretary of Commission

MR. NORMAN C. BANFIELD
ATTORNEY AT LAW—JUNEAU
Member of Commission

Alaska Law Compilation Commission

J. OLIVER TUCKER
Editor in Chief

Volume II

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§ 37-2-8. — **Additional powers.** The Territorial Board of Education is hereby charged with the administration of the public school system in this Territory and in order to reorganize the entire system on a more economical basis, the Board is given full power and authority to:

(1) Manage, control and prescribe rules and regulations for the conduct of all public schools for the education of white children and children of mixed blood who lead a civilized life, in this Territory;

(2) Establish, discontinue or combine schools;

(3) Provide for citizenship night schools when and where deemed expedient;

(4) Establish, increase, decrease or abolish school districts and provide for the election or appointment of rural school boards and prescribe their powers and duties;

(5) Construct, build or rent the necessary school-houses or school rooms and maintain and equip the same;

(6) Provide for the sale or other disposition of abandoned or obsolete school buildings and other school property;

(7) Provide for the transportation of pupils who reside a distance from established Schools;

(8) Determine the amount to be paid by the Territory for tuition of non-resident pupils in city and other schools and provide for the payment thereof.

(9) Classify teachers and officers and items of expense of schools in incorporated cities and incorporated school districts and fix the maximum salaries and maximum items of expense that will be allowed in calculating such refunds;

(10) Prescribe the qualifications and classification of all teachers; appoint, discharge and prescribe the duties of teachers and other persons employed in the rural schools and fix their compensation;

(11) Do and perform every other thing necessary to secure the efficient and economic administration of the rural public schools, including the establishment of special schools and correspondence schools. [L 1933, ch 114, § 1, p 231, effective May 4, 1933; CLA 1933, § 1289.]

am
55-62

add'l
51-72

The authority of the Board of Education under subd (6) of the statute, to dispose of abandoned school property, was not impliedly repealed by L 1941, ch 50, providing for disposal of obsolete or surplus property of the Territory by the Board of Administration, especially in view of the amendment by L 1947, ch 42, which expressly excepted school property.

NOTES OF DECISIONS

Upon departure of one of the three members of a rural school board with no known intention to return to the Territory, the remaining two members

could not exercise the authority of the board to dismiss a teacher. *Cairns v Otter School Dist.* (1922) 6 A 633.

TERRITORY OF ALASKA

SESSION LAWS

**RESOLUTIONS AND
MEMORIALS**



1957

**PASSED BY THE TWENTY-THIRD REGULAR
SESSION OF THE TERRITORIAL
LEGISLATURE**

**CONVENED AT JUNEAU, THE CAPITAL, ON THE
TWENTY-EIGHTH DAY OF JANUARY, 1957,
AND ADJOURNED SINE DIE THE TWENTY-EIGHTH
DAY OF MARCH, 1957**

CHAPTER 50

AN ACT

Relating to the lapsing of continuing appropriations; amending Article VI, Ch. 82, SLA 1955, by adding a new Section; and declaring an emergency.

(C. S. for H. B. 12)

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. Article VI, Ch. 82, SLA 1955, is hereby amended by adding a new Sec. 4 to read as follows:

Sec. 4. Lapsing of Continuing Appropriations. Unobligated balances of the following appropriations are hereby declared to be lapsed:

Title	Appropriation Act
Reward for arrest of persons breaking and entering cabins, etc.	(Ch. 4—SLA 1937)
Game stocking	(Ch. 63—SLA 1947)

Territorial building construction (Ch. 105—SLA 1949)

Financial assistance to certain hospitals and cities (Ch. 96—SLA 1949)

Assistance to non-profit hospitals (Ch. 81—SLA 1949)

Establishment and expenses of Department of Territorial Police (Ch. 144—SLA 1953)

Expense of Bus Transportation Commission (Ch. 93—SLA 1949)

Sec. 2. An emergency is hereby declared to exist and this Act shall be in full force and effect from and after the date of its passage and approval.

Approved March 16, 1957

CHAPTER 51

AN ACT

To provide for the transportation of school children, amending Section 37-2-8, Subsection (7), ACLA 1949, and further amending Section 37-2-8, Subsection (7), ACLA 1949 by adding subsections a, b, and c thereto.

(C. S. for H. B. 65)

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. Section 37-2-8, Subsec-

tion (7), ACLA 1949 is amended to read as follows:

(7) Provide for the transportation

of pupils who reside a distance from established schools, and in order to accomplish that purpose, to:

a. Require school districts to enter into contracts with the Board of Education of the Territory of Alaska for the administration, supervision, operation or sub-contracting of the operation of transportation systems for students to and from the schools within their respective service area; provided, however, that said district shall receive reimbursement from the Territory of Alaska for the operation of such transportation system on a unit cost basis which will be determined by the Territorial Board.

b. Require all school districts, transportation contractors and

other recipients of Territorial transportation funds to submit an annual report to the Board of Education, which report shall include a financial statement and such other operational data as is directed by the Board of Education.

c. Permit school districts to establish supplementary systems of student transportation for those students who are ineligible to utilize transportation facilities paid for by the Territory of Alaska; to permit said districts to charge fares or fees for such supplementary transportation systems and also to utilize local tax funds to pay, in part or in whole, the cost of such supplementary systems;

Approved March 16, 1957

CHAPTER 52

AN ACT

To regulate the vocations of hairdressing and beauty culture; creating a Board of Hairdressing and Beauty Culture Examiners; prescribing the powers and duties of the Board; requiring licenses for persons and schools; prescribing the requirements for licenses; providing for the revocation and suspension of licenses; prescribing penalties; providing for hearings; excluding certain persons from Act; saving existing licenses; repealing Sections 35-2-111 through 35-2-120, ACLA 1949; and declaring an emergency.

(C. S. for H. B. 69)

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. **Definitions.** For the purposes of this Act, unless the context clearly indicates otherwise, words and phrases shall have the following meanings ascribed to them:

(1) Practice of hairdressing and beauty culture. Any person who engages, for compensation or other reward, in any one of the following or combination of the following practices, shall be deemed to be practicing hairdressing and beauty culture: arranging, dressing, curl-

ALASKA LEGISLATIVE COUNCIL
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Juneau, Alaska

ALASKA STATUTES

Title 14
Education

DECEMBER 1982

Sec. 14.10.040. Certification of teachers. The department shall prescribe rules and regulations for the certification of teachers and may establish minimum standards for certificates, which may not be less than the minimum prescribed by law. The standards established by the department do not affect the validity of certificates issued before the standards become effective. The board, however, may require that the renewal of these certificates be made in accordance with the standards established by it. (§ 37-2-7(e) ACLA 1949)

C.J.S. reference.—78 C.J.S. Schools and School Districts §§ 159 to 163.

Sec. 14.10.050. Supervision of expenditures. The department shall supervise the expenditures of the funds appropriated for the use of the schools of the state, except those appropriated for the University of Alaska. Its decision in this matter is final. (§ 37-2-7(f) ACLA 1949)

Sec. 14.10.060. Study of school conditions and recommendations. The department shall study the educational conditions and needs of the public schools of the state and adopt or recommend plans for the improvement of the administration and efficiency of the public schools. It shall include recommendations for the enactment of legislation it considers necessary for the improvement of the school system. (§ 37-2-7(g) ACLA 1949)

Sec. 14.10.070. Transportation of pupils. (a) The department may provide for the transportation of pupils who reside a distance from established schools, and in order to accomplish that purpose may

(1) require school districts to enter into contracts with the department for the administration, supervision, operation or subcontracting of the operation of transportation systems for students to and from the schools within their service area;

(2) require all school districts, transportation contractors and other recipients of state transportation funds to submit to the department an annual report, which includes a financial statement and other operational data required by the department;

(3) permit school districts to (A) establish supplementary systems of student transportation for students ineligible to utilize transportation facilities paid for by the state, (B) charge fares or fees for the supplementary transportation systems, and (C) use local tax funds to pay, in whole or in part, the cost of the supplementary systems.

(b) Each school district mentioned in (a) (1) of this section is entitled to receive reimbursement from the state for the operation of the transportation system on a unit cost basis determined by the department. (§ 37-2-8(7) ACLA 1949; am § 1 ch 51 SLA 1957)

Distance from school was motivating force for prior law.—Neither the inclement weather nor highway traffic hazards were used as a justification

tion for the first law (SLA 1929, ch. 97, § 83) passed in Alaska to provide transportation for school children. Distance from school seems to have been the motivating force for legislation at that time. *Matthews v. Quinton*, Sup. Ct. Op. No. 31 (File No. 48), 362 P. (2d) 932.

Immunity not affected by absence of mandatory duty.—The absence of a mandatory “duty” under this section has been held not to take the act of transportation out of a govern-

mental function for which there is immunity from tort liability. *Tapscott v. Page*, 17 Alaska 507.

Nor by carrying of liability insurance. — The carrying of liability insurance on its school buses by a school district does not impose any liability or constitute any waiver of immunity. *Tapscott v. Page*, 17 Alaska 507.

C.J.S. reference.—78 C.J.S. Schools and School Districts § 146.

Sec. 14.10.080. Payment of boarding costs of high school students. The department may pay boarding costs of high school students in cases where the establishment of local high schools is unsound for economic or educational reasons. The commissioner may enter into contractual agreements with the Bureau of Indian Affairs to share the boarding costs. (§ 37-2-8(14) ACLA 1949; added by § 1 ch 113 SLA 1961)

Sec. 14.10.095. Supplies and equipment for rural schools. (a) The department may (1) order, in advance of the fiscal or school year for which required, necessary supplies and equipment for the rural schools of Alaska under its administration;

(2) obligate the funds required for these purchases in advance of the fiscal year for which appropriated or authorized.

(b) Nothing in this section may be construed to permit the department to obligate over 50 per cent of the amount requested to be appropriated or authorized by the legislature for this purpose, before appropriation or authorization. (§§ 1—3 ch 112 SLA 1962)

Sec. 14.10.100. Selection, adoption and use of textbooks. The department shall select and adopt uniform sets of textbooks for use in all the branches of study presented in the elementary schools, and shall select and adopt an approved list of textbooks for use in each of the subjects presented in the high schools. None of the books selected and adopted shall contain anything of a partisan or sectarian character. It is unlawful for a school to use textbooks other than those adopted by the department except for purposes of supplementary study. However, where it is impossible for a school to secure approved textbooks, other textbooks may be substituted with the approval of the department. (§ 37-2-42 ACLA 1949; am § 2 ch 25 SLA 1955)

Am. Jur., ALR and C.J.S. references.—47 Am. Jur., Schools, §§ 202 to 205.

Free textbooks and other school

supplies for individual use of pupils, 17 ALR 299; 67 ALR 1196.

79 C.J.S. Schools and School Districts §§ 487 to 492.

Sec. 14.10.110. Adoption and changes in textbooks. Textbook adoptions shall be made for a period of four years. No more than

ALASKA STATUTES

Title 14
Education

SEPTEMBER 1966

Chapter 09. Transportation of Pupils.

Section

10. Transportation of pupils

Sec. 14.09.010. Transportation of pupils. (a) The department may provide for the transportation of pupils who reside a distance from established schools, and in order to accomplish that purpose may

(1) require school districts to enter into contracts with the department for the administration, supervision, operation or subcontracting of the operation of transportation systems for students to and from the schools within their service area;

(2) require all school districts, transportation contractors and other recipients of state transportation funds to submit to the department an annual report, which includes a financial statement and other operational data required by the department;

(3) permit school districts to (A) establish supplementary systems of student transportation for students ineligible to utilize transportation facilities paid for by the state, (B) charge fares or fees for the supplementary transportation systems, and (C) use local tax funds to pay, in whole or in part, the cost of the supplementary system.

(b) Each school district mentioned in (a) (1) of this section is entitled to receive reimbursement from the state for the operation of the transportation system on a unit cost basis determined by the department.

(c) The school board of a district, or the department for areas not within school districts, shall designate as hazardous those routes which cannot be safely traveled by children not served by school bus. The designation may recognize hazards that exist only part of the time and in these instances the designation shall be applicable only during the time the hazards are found to exist. The board or the department shall provide for the transportation of pupils on routes designated as hazardous. The additional cost of the transportation in a district shall be shared equally by the district and the department. Eligibility to receive school bus service on routes designated as hazardous shall not be subject to restrictions based on the minimum distance between established schools and the residences of pupils. (§ 1 ch 39 SLA 1966: § 1 ch 98 SLA 1966)

Revisor's note. — Chapter 39, SLA 1966, amended AS 14.10.070 by adding a (c). Chapter 98, SLA 1966, revised Title 14 and the wording of AS 14.10.070 became AS 14.09.010. Therefore (c) as added by ch. 39, SLA 1966, is included above as AS 14.09.010(c).

Effective date of chapter.—Section

61, ch. 98, SLA 1966, provides: "This Act takes effect July 1, 1966."

Editor's note. — Provisions similar to those contained in this section were formerly codified as AS 14.10.070 and derived from § 37-2-8(7), ACLA 1949; ch. 51, § 1, SLA 1957.

Prior law. — For cases construing former similar provisions, see Tap-

scott v. Page, 17 Alaska 507; Matthews v. Quinton, Sup. Ct. Op. No. 31 (File No. 48), 362 P.2d 932 (1961).

C.J.S. reference.—78 C.J.S. Schools and School Districts § 146.

Chapter 10. Administration of the School System.

Article

1. Functions of the Department of Education (Repealed)
2. Board of Education (Repealed)
3. Commissioner of Education (Repealed)
4. School Boards (Repealed)
5. Advisory School Boards (Repealed)

Article 1. Functions of the Department of Education.

Section

10—150. [Repealed]

Secs. 14.10.010—14.10.150.

Repealed by § 59 ch 98 SLA 1966, effective July 1, 1966.

Editor's note.—The repealed article derived from § 37-2-1 et seq., ACLA 1949; § 2, ch. 97, SLA 1951; § 2, ch. 25, 1955; § 1, ch. 62, SLA 1955; § 1, ch. 16, SLA 1957; § 1, ch. 51, SLA 1957; § 1, ch. 113, SLA 1961; §§ 1—3, ch. 112, SLA 1962; § 1, ch. 57, SLA 1964.

Article 2. Board of Education.

Section

160—200. [Repealed]

Secs. 14.10.160—14.10.200.

Repealed by § 59 ch 98 SLA 1966, effective July 1, 1966.

Editor's note.—The repealed article derived from § 11, ch. 64, SLA 1959; § 4, ch. 79, SLA 1960.

Article 3. Commissioner of Education.

Section

210—260. [Repealed]

Secs. 14.10.210—14.10.260.

Repealed by § 59 ch 98 SLA 1966, effective July 1, 1966.

Editor's note.—The repealed article derived from § 11, ch. 64, SLA 1959; § 5, ch. 79, SLA 1960.

Article 4. School Boards.

Section

270—350. [Repealed]

Secs. 14.10.270—14.10.350.

Repealed by § 59 ch 98 SLA 1966, effective July 1, 1966.

Editor's note.—The repealed article derived from § 37-2-1 et seq., ACLA 1949; § 1, ch. 56, SLA 1955; §§ 1-3, ch. 39, SLA 1957.

Chapter 14.09. TRANSPORTATION OF PUPILS

Collateral Refs -

68 Am. Jur. 2d Schools, sec. 234-241.

79 C.J.S. Schools and School Districts, sec. 475-482.

Relief against school board's "busing plan" to promote desegregation. 50 ALR3d 1089.

Personal liability of executive or administrative officer unit for personal injury or death of student. 35 ALR4th 272.

Liability of school employee, other than teacher or administrator, for personal injury or death of student. 35 ALR4th 328.

Tort liability of public schools and institutions of higher learning for accidents associated with transportation of students. 23 ALR5th 1.

Sec. 14.09.010. Transportation of pupils.

(a) The department may provide for the transportation of pupils who reside a distance from established schools, and in order to accomplish that purpose may

(1) require school districts to enter into contracts with the department for the administration, supervision, operation, or subcontracting of the operation of transportation systems for students to and from the schools within their service area;

(2) require all school districts, transportation contractors, and other recipients of state transportation funds to submit to the department an annual report, which includes a financial statement and other operational data required by the department;

(3) permit school districts to

(A) establish supplementary systems of student transportation for students ineligible to utilize transportation facilities paid for by the state;

(B) charge fares or fees for the supplementary transportation systems; and

(C) use local tax funds to pay, in whole or in part, the cost of the supplementary system.

(b) Each school district mentioned in (a)(1) of this section is entitled to receive reimbursement from the state for the operation of the transportation system on a unit cost basis determined by the department. In determining an appropriate amount of eligible transportation reimbursement to a school district under this subsection, the department shall review the level of reimbursement for transportation provided on a motor vehicle owned by the school district and for transportation provided on a motor vehicle operated under a contract with the school district.

(c) The school board of a district, or the department for areas not within school districts, shall designate as hazardous those routes that cannot be safely traveled by children not served by school bus. The designation may recognize hazards that exist only part of the time and in these instances the designation shall be applicable only during the time the hazards are found to exist. The board or the department shall provide for the transportation of pupils on routes designated as hazardous. The additional cost of the transportation in a district shall be shared equally by the district and the department. Eligibility to receive school bus service on routes designated as hazardous shall not be subject to restrictions based on the minimum distance between established

schools and the residences of pupils.

History -

(sec. 1 ch 39 SLA 1966; sec. 1 ch 98 SLA 1966; am sec. 1 ch 2 FSSLA 1996)

Revisors Notes -

Subsection (c) was enacted as AS 14.10.070(c). Renumbered in 1966.

Amendment Notes -

The 1996 amendment, effective June 28, 1996, added the last sentence in subsection (b).

AG Opinions -

The Department of Education may reimburse a school district for the provision of pupil transportation services at a rate lower than the district's costs. The department should, however, adopt standards of general applicability for determining the reasonable cost basis for reimbursement. Feb. 21, 1986 Op. Att'y Gen.

Decisions -

Cases construing former similar provision. - See *Tapscott v. Page*, 17 Alaska 507 (1958); *Matthews v. Quinton*, 362 P.2d 932 (Alaska 1961), cert. denied, 368 U.S. 517, 82 S. Ct. 530, 7 L. Ed. 2d 522 (1962).

Borough was not acting as an agent of the state in furnishing transportation of pupils. - *Kenai Peninsula Borough v. State*, 532 P.2d 1019 (Alaska 1975).

While the state did supervise the school transportation service insofar as it related to the funding provided by it and also had certain regulations in effect pertaining to the over-all safety of the transportation system, the actual control of the transportation services was undertaken by the borough which, on its own behalf, entered into the contract with a school bus owner to furnish transportation service for specified routes. *Kenai Peninsula Borough v. State*, 532 P.2d 1019 (Alaska 1975).

Department of Education discretion in awarding school busing contracts. - Although neither the Department of Education nor regional school boards were explicitly given the discretion to decide when a busing contract was to be awarded by bid or by negotiation under former AS 37.05.230(4), the authority granted to the Department of Education under this section compelled the conclusion that the department additionally had been granted the discretion to choose between bid and negotiation in awarding busing contracts. *State v. Northern Bus Co.*, 693 P.2d 319 (Alaska 1984).

Applied in *Girves v. Kenai Peninsula Borough*, 536 P.2d 1221 (Alaska 1975).

Cited in *Jennings v. State*, 566 P.2d 1304 (Alaska 1977).

Collateral Refs -

Nature and extent of transportation that must be furnished under statute requiring free transportation of school pupils. 52 ALR3d 1036.

Sec. 14.09.020. Transportation for nonpublic school students.

In those places in the state where the department or a school district provides transportation for children attending public schools, the department also shall provide transportation for children who, in compliance with the provisions of AS 14.30, attend nonpublic schools that are administered in compliance with state law where the children, in order to reach the nonpublic schools, must travel distances comparable to, and over routes the same as, the distances and routes over which the children attending public schools are transported. The commissioner shall

administer this nonpublic school student transportation program, integrating it into existing systems as much as feasible, and the cost of the program shall be paid from funds appropriated for that purpose by the legislature.

History -

(sec. 1 ch 157 SLA 1972)

AG Opinions -

The state financing of private school bus transportation does not violate Alaska Const., art. VII, sec. 1, which prohibits the payment of money from public funds "for the direct benefit of any religious or private educational institution." December 17, 1979, Op. Att'y Gen.

(superseding June 12, 1978, Op. Att'y Gen.).

Decisions -

Public busing of distant private school students. - In light of the reasoning in the case at hand, a substantial question can be raised as to the continuing vitality of *Matthews v. Quinton*, 362 P.2d 932 (Alaska 1961), in which the court held violative of the state constitution a statute enabling private school children living far from their schools to ride public school buses at public expense. *Sheldon Jackson College v. State*, 599 P.2d 127 (Alaska 1979).

Collateral Refs -

Constitutionality, under state constitutional provision forbidding financial aid to religious sects, of public provision of school bus service for private school pupils. 41 ALR3d 344.

Sec. 14.09.025. Drug testing for school bus drivers.

(a) A school district or regional educational attendance area that provides for the transportation of pupils shall require that the drivers of motor vehicles used to transport pupils submit to testing for the use of drugs and alcohol. The testing program must include random testing. A driver who tests positive for the improper use of drugs or alcohol may be disciplined, including termination from employment.

(b) For a driver who is not required to have a commercial driver's license, an employer

(1) shall keep and maintain records of the testing for improper use of drugs or alcohol on a confidential basis and may only release the results with the written consent of the employee; and

(2) may not retain false positive test results in the employee's employment records and may not release information about a false positive test without the written consent of the employee.

(c) The department shall adopt regulations to implement this section. The regulations must include a provision for a hearing before discipline is imposed.

(d) In this section, "improper use of drugs or alcohol" means use that constitutes a criminal offense and use that violates regulations adopted by the department under this section.

History -

(sec. 2 ch 105 SLA 1994)

Cross References -

For legislative findings and purpose in enacting this section, see sec. 1, ch. 105, SLA 1994 in the Temporary and Special Acts.

Chapter 14.09. TRANSPORTATION OF PUPILS

Collateral Refs -

68 Am. Jur. 2d Schools, Sec. 234-241.

79 C.J.S. Schools and School Districts, Sec. 475-482.

Relief against school board's "busing plan" to promote desegregation. 50 ALR3d 1089.

Personal liability of executive or administrative officer unit for personal injury or death of student. 35 ALR4th 272.

Liability of school employee, other than teacher or administrator, for personal injury or death of student. 35 ALR4th 328.

Tort liability of public schools and institutions of higher learning for accidents associated with transportation of students. 23 ALR5th 1.

Sec. 14.09.010. Transportation of pupils.

(a) The department may provide for the transportation of pupils who reside a distance from established schools, and in order to accomplish that purpose may

(1) require school districts to enter into contracts with the department for the administration, supervision, operation, or subcontracting of the operation of transportation systems for students to and from the schools within their service area;

(2) require all school districts, transportation contractors, and other recipients of state transportation funds to submit to the department an annual report, which includes a financial statement and other operational data required by the department;

(3) permit school districts to

(A) establish supplementary systems of student transportation for students ineligible to utilize transportation facilities paid for by the state;

(B) charge fares or fees for the supplementary transportation systems; and

(C) use local tax funds to pay, in whole or in part, the cost of the supplementary system.

(b) A school district that enters into a contract described under (a)(1) of this section shall be reimbursed for

(1) at least 90 percent of the cost of operating the student transportation system if the transportation is provided by the school district; and

(2) 100 percent of the cost of operating the student transportation system when the transportation is provided under a contract with the school district.

(c) The school board of a district, or the department for areas not within school districts, shall designate as hazardous those routes that cannot be safely traveled by children not served by school bus. The designation may recognize hazards that exist only part of the time and in these instances the designation shall be applicable only during the time the hazards are found to exist. The board or the department shall provide for the transportation of pupils on routes designated as hazardous. The additional cost of the transportation in a district shall be shared equally by the district and the department. Eligibility to receive school bus service on routes designated as hazardous shall not be subject to restrictions based on the minimum distance between established

schools and the residences of pupils.

(d) The department shall apply the same criteria in determining eligibility for reimbursement under (b)(1) or (2) of this section.

History -

(Sec. 1 ch 39 SLA 1966; Sec. 1 ch 98 SLA 1966; am Sec. 1 ch 2 FSSLA 1996; am Sec. 15, 16 ch 83 SLA 1998)

Revisors Notes -

Subsection (c) was enacted as AS 14.10.070(c). Renumbered in 1966.

Cross References -

For legislative purpose provisions relating to the 1998 amendment of subsection (b) and the 1998 enactment of subsection (d), see Sec. 1, ch. 83, SLA 1998 in the 1998 Temporary and Special Acts. For transitional provisions relating to regulations implementing ch. 83, see Sec. 40, ch. 83, SLA 1998 in the 1998 Temporary and Special Acts.

Amendment Notes -

The 1996 amendment, effective June 28, 1996, added the last sentence in subsection (b).

The 1998 amendment, effective July 1, 1998, rewrote subsection (b) and added subsection (d).

AG Opinions -

The Department of Education may reimburse a school district for the provision of pupil transportation services at a rate lower than the district's costs. The department should, however, adopt standards of general applicability for determining the reasonable cost basis for reimbursement. Feb. 21, 1986 Op. Att'y Gen.

Decisions -

Cases construing former similar provision. - See *Tapscott v. Page*, 17 Alaska 507 (1958); *Matthews v. Quinton*, 362 P.2d 932 (Alaska 1961), cert. denied, 368 U.S. 517, 82 S. Ct. 530, 7 L. Ed. 2d 522 (1962).

Borough was not acting as an agent of the state in furnishing transportation of pupils. - *Kenai Peninsula Borough v. State*, 532 P.2d 1019 (Alaska 1975).

While the state did supervise the school transportation service insofar as it related to the funding provided by it and also had certain regulations in effect pertaining to the over-all safety of the transportation system, the actual control of the transportation services was undertaken by the borough which, on its own behalf, entered into the contract with a school bus owner to furnish transportation service for specified routes. *Kenai Peninsula Borough v. State*, 532 P.2d 1019 (Alaska 1975).

Department of Education discretion in awarding school busing contracts. - Although neither the Department of Education nor regional school boards were explicitly given the discretion to decide when a busing contract was to be awarded by bid or by negotiation under former AS 37.05.230(4), the authority granted to the Department of Education under this section compelled the conclusion that the department additionally had been granted the discretion to choose between bid and negotiation in awarding busing contracts. *State v. Northern Bus Co.*, 693 P.2d 319 (Alaska 1984).

Applied in *Girves v. Kenai Peninsula Borough*, 536 P.2d 1221 (Alaska 1975).

Cited in *Jennings v. State*, 566 P.2d 1304 (Alaska 1977).

Collateral Refs -

Nature and extent of transportation that must be furnished under statute requiring free transportation of school pupils. 52 ALR3d 1036.

Sec. 14.09.020. Transportation for nonpublic school students.

In those places in the state where the department or a school district provides transportation for children attending public schools, the department also shall provide transportation for children who, in compliance with the provisions of AS 14.30, attend nonpublic schools that are administered in compliance with state law where the children, in order to reach the nonpublic schools, must travel distances comparable to, and over routes the same as, the distances and routes over which the children attending public schools are transported. The commissioner shall administer this nonpublic school student transportation program, integrating it into existing systems as much as feasible, and the cost of the program shall be paid from funds appropriated for that purpose by the legislature.

History -

(Sec. 1 ch 157 SLA 1972)

AG Opinions -

The state financing of private school bus transportation does not violate Alaska Const., art. VII, Sec. 1, which prohibits the payment of money from public funds "for the direct benefit of any religious or private educational institution." December 17, 1979, Op. Att'y Gen. (superseding June 12, 1978, Op. Att'y Gen.).

Decisions -

Public busing of distant private school students. - In light of the reasoning in the case at hand, a substantial question can be raised as to the continuing vitality of *Matthews v. Quinton*, 362 P.2d 932 (Alaska 1961), in which the court held violative of the state constitution a statute enabling private school children living far from their schools to ride public school buses at public expense. *Sheldon Jackson College v. State*, 599 P.2d 127 (Alaska 1979).

Collateral Refs -

Constitutionality, under state constitutional provision forbidding financial aid to religious sects, of public provision of school bus service for private school pupils. 41 ALR3d 344.

Sec. 14.09.025. Drug testing for school bus drivers.

(a) A school district or regional educational attendance area that provides for the transportation of pupils shall require that the drivers of motor vehicles used to transport pupils submit to testing for the use of drugs and alcohol. The testing program must include random testing. A driver who tests positive for the improper use of drugs or alcohol may be disciplined, including termination from employment.

(b) For a driver who is not required to have a commercial driver's license, an employer

(1) shall keep and maintain records of the testing for improper use of drugs or alcohol on a confidential basis and may only release the results with the written consent of the employee; and

(2) may not retain false positive test results in the employee's employment records and may not release information about a false positive test without the written consent of the employee.

(c) The department shall adopt regulations to implement this section. The regulations

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must include a provision for a hearing before discipline is imposed.

(d) In this section, "improper use of drugs or alcohol" means use that constitutes a criminal offense and use that violates regulations adopted by the department under this section.

History -

(Sec. 2 ch 105 SLA 1994)

Cross References -

For legislative findings and purpose in enacting this section, see Sec. 1, ch. 105, SLA 1994 in the Temporary and Special Acts.

Chapter 14.09. TRANSPORTATION OF PUPILS

Administrative Code -

For transportation of pupils, see 4 AAC 27.

Collateral Refs -

68 Am. Jur. 2d Schools, Sec. 234-241.

79 C.J.S. Schools and School Districts, Sec. 475-482.

Relief against school board's "busing plan" to promote desegregation. 50 ALR3d 1089.

Personal liability of executive or administrative officer unit for personal injury or death of student. 35 ALR4th 272.

Liability of school employee, other than teacher or administrator, for personal injury or death of student. 35 ALR4th 328.

Tort liability of public schools and institutions of higher learning for accidents associated with transportation of students. 23 ALR5th 1.

Sec. 14.09.010. Transportation of pupils.

(a) A school district that provides student transportation services is eligible to receive funding for operating the student transportation system. Subject to appropriation, the amount of funding provided by the state under this section is the lesser of the amount determined by multiplying the amount of the school district's ADM less the ADM for the district's correspondence programs during the current fiscal year

(1) by a per student allocation computed by dividing the amount received by the school district under this section during fiscal year 2003 by the school district's ADM less the ADM for the district's correspondence programs during fiscal year 2003; or

(2) by \$1,200 per student.

(b) In this section,

(1) "ADM" has the meaning given in AS 14.17.990;

(2) "district's ADM" means the sum of the ADMs in the district.

History -

(Sec. 1 ch 39 SLA 1966; Sec. 1 ch 98 SLA 1966; am Sec. 1 ch 2 FSSLA 1996; am Sec. 15, 16 ch 83 SLA 1998; am Sec. 1 ch 54 SLA 2003)

Revisors Notes -

Subsection (c) was enacted as AS 14.10.070(c). Renumbered in 1966.

Cross References -

For transitional provisions relating to regulations implementing ch. 83, see Sec. 40, ch. 83, SLA 1998 in the 1998 Temporary and Special Acts.

For two-year transitional provision providing additional transportation funding beginning July 1, 2004, see Sec. 3, ch. 54, SLA 2003, in the 2003 Temporary and Special Acts.

Amendment Notes -

The 1996 amendment, effective June 28, 1996, added the last sentence in subsection (b).

The 1998 amendment, effective July 1, 1998, rewrote subsection (b) and added

subsection (d).

The 2003 amendment, effective July 1, 2003, rewrote this section.

AG Opinions -

The Department of Education may reimburse a school district for the provision of pupil transportation services at a rate lower than the district's costs. The department should, however, adopt standards of general applicability for determining the reasonable cost basis for reimbursement. Feb. 21, 1986 Op. Att'y Gen.

Decisions -

Cases construing former similar provision. - See *Tapscott v. Page*, 17 Alaska 507 (1958); *Matthews v. Quinton*, 362 P.2d 932 (Alaska 1961), cert. denied, 368 U.S. 517, 82 S. Ct. 530, 7 L. Ed. 2d 522 (1962).

Borough was not acting as an agent of the state in furnishing transportation of pupils. *Kenai Peninsula Borough v. State*, 532 P.2d 1019 (Alaska 1975).

While the state did supervise the school transportation service insofar as it related to the funding provided by it and also had certain regulations in effect pertaining to the over-all safety of the transportation system, the actual control of the transportation services was undertaken by the borough which, on its own behalf, entered into the contract with a school bus owner to furnish transportation service for specified routes. *Kenai Peninsula Borough v. State*, 532 P.2d 1019 (Alaska 1975).

Department of Education discretion in awarding school busing contracts. - Although neither the Department of Education nor regional school boards were explicitly given the discretion to decide when a busing contract was to be awarded by bid or by negotiation under former AS 37.05.230(4), the authority granted to the Department of Education under this section compelled the conclusion that the department additionally had been granted the discretion to choose between bid and negotiation in awarding busing contracts. *State v. Northern Bus Co.*, 693 P.2d 319 (Alaska 1984).

Applied in *Girves v. Kenai Peninsula Borough*, 536 P.2d 1221 (Alaska 1975).

Cited in *Jennings v. State*, 566 P.2d 1304 (Alaska 1977).

Collateral Refs -

Nature and extent of transportation that must be furnished under statute requiring free transportation of school pupils. 52 ALR3d 1036.

Sec. 14.09.020. Transportation for nonpublic school students.

In those places in the state where the department or a school district provides transportation for children attending public schools, the department also shall provide transportation for children who, in compliance with the provisions of AS 14.30, attend nonpublic schools that are administered in compliance with state law where the children, in order to reach the nonpublic schools, must travel distances comparable to, and over routes the same as, the distances and routes over which the children attending public schools are transported. The commissioner shall administer this nonpublic school student transportation program, integrating it into existing systems as much as feasible, and the cost of the program shall be paid from funds appropriated for that purpose by the legislature.

History -

(Sec. 1 ch 157 SLA 1972)

AG Opinions -

The state financing of private school bus transportation does not violate Alaska Const., art. VII, Sec. 1, which prohibits the payment of money from public funds "for the direct benefit of any religious or private educational institution." December 17, 1979, Op. Att'y Gen. (superseding June 12, 1978, Op. Att'y Gen.).

Decisions -

Public busing of distant private school students. - In light of the reasoning in the case at hand, a substantial question can be raised as to the continuing vitality of *Matthews v. Quinton*, 362 P.2d 932 (Alaska 1961), in which the court held violative of the state constitution a statute enabling private school children living far from their schools to ride public school buses at public expense. *Sheldon Jackson College v. State*, 599 P.2d 127 (Alaska 1979).

Collateral Refs -

Constitutionality, under state constitutional provision forbidding financial aid to religious sects, of public provision of school bus service for private school pupils. 41 ALR3d 344.

Sec. 14.09.025. Drug testing for school bus drivers.

(a) A school district or regional educational attendance area that provides for the transportation of pupils shall require that the drivers of motor vehicles used to transport pupils submit to testing for the use of drugs and alcohol. The testing program must include random testing. A driver who tests positive for the improper use of drugs or alcohol may be disciplined, including termination from employment.

(b) For a driver who is not required to have a commercial driver's license, an employer

(1) shall keep and maintain records of the testing for improper use of drugs or alcohol on a confidential basis and may only release the results with the written consent of the employee; and

(2) may not retain false positive test results in the employee's employment records and may not release information about a false positive test without the written consent of the employee.

(c) The department shall adopt regulations to implement this section. The regulations must include a provision for a hearing before discipline is imposed.

(d) In this section, "improper use of drugs or alcohol" means use that constitutes a criminal offense and use that violates regulations adopted by the department under this section.

History -

(Sec. 2 ch 105 SLA 1994)

Cross References -

For legislative findings and purpose in enacting this section, see Sec. 1, ch. 105, SLA 1994 in the Temporary and Special Acts.

Sec. 14.09.030. School buses.

(a) A municipal school district or regional educational attendance area shall

(1) provide instruction on safe boarding, riding, exiting, and emergency procedures to school children transported to or from a public school by school bus;

(2) provide instruction to drivers and passengers on the proper use of seat belts if school children in the municipal school district or regional educational attendance area are

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transported in buses equipped with seat belts; and

(3) conduct at least three school bus drills each school year in safe boarding, exiting, and emergency procedures; one drill must be conducted during the first three weeks of the school term.

(b) The department shall

(1) establish equipment requirements for each type of school bus that is used to transport school children to or from a public school;

(2) at least twice each calendar year, inspect each school bus for compliance with requirements adopted under this subsection; and

(3) maintain a record of each accident involving a school bus or other vehicle transporting school children that is owned by, leased by, or provided under contract to a municipal school district or regional educational attendance area; the record must include the date of the accident, a list of persons injured, whether the person's injury occurred within the school bus, and each type of injury.

History -

(Sec. 1 ch 51 SLA 1999)

Effective Date Notes -

Section 1, ch. 51, SLA 1999, which enacted this section, took effect on September 1, 1999.

Chapter 14.09. TRANSPORTATION OF PUPILS

Administrative Code -

For transportation of pupils, see 4 AAC 27.

Collateral Refs -

68 Am. Jur. 2d Schools, Sec. 263-269.

78A C.J.S. Schools and School Districts, Sec. 474-477.

Relief against school board's "busing plan" to promote desegregation. 50 ALR3d 1089.

Personal liability of executive or administrative officer unit for personal injury or death of student. 35 ALR4th 272.

Liability of school employee, other than teacher or administrator, for personal injury or death of student. 35 ALR4th 328.

Tort liability of public schools and institutions of higher learning for accidents associated with transportation of students. 23 ALR5th 1.

Sec. 14.09.010. Transportation of pupils.

(a) A school district that provides student transportation services is eligible to receive funding for operating the student transportation system. Subject to appropriation, the amount of funding provided by the state under this section is the amount of the 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
Alaska Gateway	\$1,566
Aleutians East	265
Anchorage	384
Annette Island	61
Bering Strait	45
Bristol Bay	2,187
Chatham	73
Copper River	1,387
Cordova	278
Craig	266
Deltareely	1,413
Denali	1,708
Dillingham	1,020
Fairbanks	665
Galena	241
Haines	592
Hoonah	281
Iditarod	178

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Juneau	525
Kake	193
Kashunamiut	5
Kenai Peninsula	638
Ketchikan	686
Klawock	210
Kodiak Island	560
Kuspuk	618
Lake and Peninsula	359
Lower Kuskokwim	198
Lower Yukon	1
Matanuska-Susitna	726
Nenana	530
Nome	368
North Slope	896
Northwest Arctic	21
Pelican	68
Petersburg	261
Saint Mary's	71
Sitka	404
Skagway	34
Southeast Island	1,040
Southwest Region	565
Tanana	451
Unalaska	612
Valdez	629
Wrangell	563
Yakutat	683
Yukon Flats	237
Yukon/Koyukuk	282
Yupiit	2.

(b) In this section,

(1) "ADM" has the meaning given in AS 14.17.990;

(2) "district's ADM" means the sum of the ADMs in the district.

(c) Beginning July 1, 2009, funding provided to a school district under (a) of this section shall be adjusted annually on October 1 according to changes in the Consumer Price Index for all urban consumers for the Anchorage metropolitan area compiled by the United States Department of Labor, Bureau of Labor Statistics. The index for 1982 to 1984 is the reference base index for an adjustment made under this subsection.

History -

(Sec. 1 ch 39 SLA 1966; Sec. 1 ch 98 SLA 1966; am Sec. 1 ch 2 FSSLA 1996; am Sec. 15, 16 ch 83 SLA 1998; am Sec. 1 ch 54 SLA 2003; am Sec. 1, 2 ch 9 SLA 2008)

Postponed Repeal Effective Date -.

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Delayed repeal of subsection (c). - Under Sec. 11, ch. 9, SLA 2008, subsection (c) is repealed June 30, 2011.

Revisors Notes -

Former subsection (c) was enacted as AS 14.10.070(c). Renumbered in 1966.

Amendment Notes -

The 2003 amendment, effective July 1, 2003, rewrote this section.

The 2008 amendment, effective July 1, 2008, rewrote subsection (a); and effective June 25, 2008, added subsection (c).

AG Opinions -

The Department of Education may reimburse a school district for the provision of pupil transportation services at a rate lower than the district's costs. The department should, however, adopt standards of general applicability for determining the reasonable cost basis for reimbursement. Feb. 21, 1986 Op. Att'y Gen.

Decisions -

Cases construing former similar provision. - See *Tapscott v. Page*, 17 Alaska 507 (1958); *Matthews v. Quinton*, 362 P.2d 932 (Alaska 1961), cert. denied, 368 U.S. 517, 82 S. Ct. 530, 7 L. Ed. 2d 522 (1962).

Borough was not acting as an agent of the state in furnishing transportation of pupils. *Kenai Peninsula Borough v. State*, 532 P.2d 1019 (Alaska 1975).

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Applied in *Girves v. Kenai Peninsula Borough*, 536 P.2d 1221 (Alaska 1975).

Cited in *Jennings v. State*, 566 P.2d 1304 (Alaska 1977).

Collateral Refs -

Nature and extent of transportation that must be furnished under statute requiring free transportation of school pupils. 52 ALR3d 1036.

Sec. 14.09.020. Transportation for nonpublic school students.

In those places in the state where the department or a school district provides transportation for children attending public schools, the department also shall provide transportation for children who, in compliance with the provisions of AS 14.30, attend nonpublic schools that are administered in compliance with state law where the children, in order to reach the nonpublic schools, must travel distances comparable to, and over routes the same as, the distances and

routes over which the children attending public schools are transported. The commissioner shall administer this nonpublic school student transportation program, integrating it into existing systems as much as feasible, and the cost of the program shall be paid from funds appropriated for that purpose by the legislature.

History -

(Sec. 1 ch 157 SLA 1972)

AG Opinions -

The state financing of private school bus transportation does not violate Alaska Const., art. VII, Sec. 1, which prohibits the payment of money from public funds "for the direct benefit of any religious or private educational institution." December 17, 1979, Op. Att'y Gen. (superseding June 12, 1978, Op. Att'y Gen.).

Decisions -

Public busing of distant private school students. - In light of the reasoning in the case at hand, a substantial question can be raised as to the continuing vitality of *Matthews v. Quinton*, 362 P.2d 932 (Alaska 1961), in which the court held violative of the state constitution a statute enabling private school children living far from their schools to ride public school buses at public expense. *Sheldon Jackson College v. State*, 599 P.2d 127 (Alaska 1979).

Collateral Refs -

Constitutionality, under state constitutional provision forbidding financial aid to religious sects, of public provision of school bus service for private school pupils. 41 ALR3d 344.

Sec. 14.09.025. Drug testing for school bus drivers.

(a) A school district or regional educational attendance area that provides for the transportation of pupils shall require that the drivers of motor vehicles used to transport pupils submit to testing for the use of drugs and alcohol. The testing program must include random testing. A driver who tests positive for the improper use of drugs or alcohol may be disciplined, including termination from employment.

(b) For a driver who is not required to have a commercial driver's license, an employer

(1) shall keep and maintain records of the testing for improper use of drugs or alcohol on a confidential basis and may only release the results with the written consent of the employee; and

(2) may not retain false positive test results in the employee's employment records and may not release information about a false positive test without the written consent of the employee.

(c) The department shall adopt regulations to implement this section. The regulations must include a provision for a hearing before discipline is imposed.

(d) In this section, "improper use of drugs or alcohol" means use that constitutes a criminal offense and use that violates regulations adopted by the department under this section.

History -

(Sec. 2 ch 105 SLA 1994)

Sec. 14.09.030. School buses.

- (a) A municipal school district or regional educational attendance area shall
- (1) provide instruction on safe boarding, riding, exiting, and emergency procedures to school children transported to or from a public school by school bus;
 - (2) provide instruction to drivers and passengers on the proper use of seat belts if school children in the municipal school district or regional educational attendance area are transported in buses equipped with seat belts; and
 - (3) conduct at least three school bus drills each school year in safe boarding, exiting, and emergency procedures; one drill must be conducted during the first three weeks of the school term.
- (b) The department shall
- (1) establish equipment requirements for each type of school bus that is used to transport school children to or from a public school;
 - (2) at least twice each calendar year, inspect each school bus for compliance with requirements adopted under this subsection; and
 - (3) maintain a record of each accident involving a school bus or other vehicle transporting school children that is owned by, leased by, or provided under contract to a municipal school district or regional educational attendance area; the record must include the date of the accident, a list of persons injured, whether the person's injury occurred within the school bus, and each type of injury.

History -

(Sec. 1 ch 51 SLA 1999)



LAWS OF ALASKA

2012

Source

HCS CSSB 182(FIN)

Chapter No.

19

AN ACT

Amending the amount of state funding provided to school districts for pupil transportation; relating to the local contribution for public education; relating to the vocational and technical instruction funding factor for public school funding; establishing in the Department of Education and Early Development a voluntary parent and early childhood education program for pre-elementary aged children; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

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

6

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

8 (a) A school district that provides student transportation services for the
9 transportation of students who reside a distance from established schools is eligible to
10 receive funding for operating or subcontracting the operation of the transportation
11 system for students to and from the schools within the student's transportation service
12 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	Yupit	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.



OFFICE OF THE SUPERINTENDENT

Dr. Deena M. Paramo

Mission: Mat-Su Borough School District prepares students for success

February 19, 2013

The Honorable Lynn Gattis
Alaska House of Representatives

RE: Support for House Bill 120, An Act Adjusting Pupil Transportation

Dear Representative Gattis,

I am writing on behalf of the Matanuska-Susitna Borough School District's support for House Bill 120, an act adjusting pupil transportation funding. Last session, Senate Bill 182 addressed pupil transportation funding for fiscal years 2013-2015. However, the year-to-year increases established within this measure were based upon a standardized increase of 1.5% for both fiscal years 2014 and 2015. To our knowledge, there are no current transportation contracts within the State of Alaska that are limited to only a 1.5% increase in their cost escalation language.

In actuality, the vast majority of contracts around the State refer to the annual percent increase in the Anchorage Consumer Price Index for All Urban Consumers (Anchorage CPI-U) as determined by the United States Department of Labor, Bureau of Labor Statistics. As the table below outlines, the average Anchorage CPI-U increase from 2007-2011 is 2.6%, with an estimated increase of 2.5% for 2012. The percentage difference between the amount of money MSBSD is slated to receive through SB 182, and the annual cost escalation depicted below creates a funding shortfall with regard to transportation.

Table with 6 columns: Year (2007-2012), Annual Percent Change. Includes a bracketed average of 2.6% for years 2007-2011.

This funding shortfall reduces the amount of instructional dollars that can be spent in the classroom. Using current language from SB 182, MSBSD is preparing to subsidize transportation operations from its General Fund by approximately \$1.5 Million in Fiscal Year 2014. This, in turn, will impact MSBSD's ability to fund instructional programs and pay for teachers. In fact, a \$1.5 Million shortfall is the equivalent of 15 teaching positions that would need to be reduced from our general operating budget. While House Bill 120 will not erase the shortfall in its entirety, it will serve to reduce the deficit by approximately \$500,000.

On behalf of the Mat-Su Borough School District, I thank you for scheduling HB 120, and for your overall commitment to education. Please contact me if you have any questions or would like additional information.

Sincerely,
[Signature]
Dr. Deena M. Paramo

1 http://www.bls.gov/ro9/cpianch.htm



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 Fifth Avenue Fairbanks, Alaska 99701-4756 (907) 452-2000
www.k12northstar.org



February 22, 2013

Representative Gattis
State Capitol Room 420
Juneau, AK 99801

Representative Gattis:

The Fairbanks North Star Borough School District is supportive of House Bill 120, Adjusting Pupil Transportation Funding. Current language calls for a 1.5 percent increase annually in the funding amount for transportation. This bill changes the inflator to the Anchorage Consumer Price Index (CPI). This will match our Transportation Contract Agreement and will fully fund pupil transportation.

We appreciate your efforts to keep operating funds as close to the classroom as possible; House Bill 120 does just that. Thank you.

Respectfully,

Pete Lewis
Superintendent of Schools

cc: FNSB Board of Education

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nunamiut Wolves Amaġut

Nunamiut School
P.O. Box 21029
Anaktuvuk Pass, Alaska 99721
(907) 661-3226
FAX (907) 661-6215

Atqasuk Eagles Tinmiagooit/ġh

Meade River School
P.O. Box 91030
Atqasuk, Alaska 99791
(907) 633-6315
FAX (907) 633-6215

Barrow Whalers Aġviasiuaġit

Barrow High School
P.O. Box 960
Barrow, Alaska 99723
(907) 852-8950
FAX (907) 852-8969

HMS Wolves Amaġut

Eben Hopson, Sr., Memorial Middle School
P.O. Box 509
Barrow, Alaska 99723
(907) 852-3880
FAX (907) 852-7794

Arctic Foxes Tiġlaanniaġ

Fred Ipalook Elementary School
P.O. Box 450
Barrow, Alaska 99723
(907) 852-4711
FAX (907) 852-4713

Kiġta Snowy Owls Ukoit/ġh

Kiġta Learning Community
P.O. Box 169
Barrow, Alaska 99723
(907) 852-9877
FAX (907) 852-4334

Kaveolook Rams Imneit/ġh

Harold Kaveolook School
P.O. Box 20
Kaktovik, Alaska 99747
(907) 640-8826
FAX (907) 640-6718

Nuiasut Trappers Naniġlaaġuaġit

Trapper School
P.O. Box 89187
Nuiqsut, Alaska 99789
(907) 480-8712
FAX (907) 480-6621

Tiġġaġ Harpooners Kapuaġit

Tiġġaġ School
P.O. Box 148
Point Hope, Alaska 99766
(907) 368-2662/2663
FAX (907) 368-2770

Kaġl Qavvii/ġh

Kaġl School
P.O. Box 59077
Point Lay, Alaska 99759
(907) 833-2311
FAX (907) 833-2315

Alak Huskies Qimukġit

Alak School
P.O. Box 10
Wainwright, Alaska 99782
(907) 763-2541
FAX (907) 763-2565



February 18, 2013

The Honorable Lynn Gattis
Alaska House of Representatives
Alaska State Capitol
Room 420
Juneau, AK 99801

Dear Representative Gattis,

It was very nice to meet you when we were last in Juneau. We are writing to urge passage of HB120, which as you know was introduced in the House last week. The North Slope Borough School District strongly supports HB120 as introduced. The bill will fix the Anchorage CPI for the Pupil Transportation Reimbursement Program, and therefore will improve the finances necessary to support safe pupil transportation, a critical issue here in the arctic.

We especially want to thank you, Rep. Gattis, for keeping instructional funds in the classroom by fixing the Pupil Transportation Reimbursement Program. Also, this will assist our district while the department goes through the regulatory process to align school district bussing contracts.

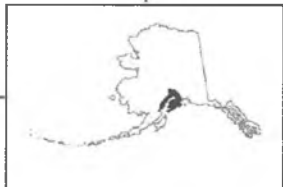
Please do not hesitate to contact us if we can provide further information.

Sincerely,

Peggy Cowan
Superintendent

Letter no. 13-135

Box 169 Barrow, Alaska 99723 (907) 852-5311 Fax (907) 852-9503



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Office of Superintendent

Dr. Steve Atwater, Superintendent of Schools
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8888 Fax (907) 262-9132

February 15, 2013

Representative Lynn Gattis
State Capitol Room 420
Juneau, AK 99801

Dear Representative Gattis:

The Kenai Peninsula Borough School District (KPBSD) supports House Bill 120; thank you for introducing it. The bill's proposed amendment to AS 14.09.010 to annually adjust the per student amount for student transportation by the amount of change to the Consumer Price Index is a welcome and necessary revision for KPBSD.

KPBSD appreciates your willingness to address this need and recognizes that this modification will allow more resources to be devoted to our classrooms.

Please let me know if I can provide more information on why this proposed amendment to AS 14.09.010 is a positive change for KPBSD and for all Alaska districts with student transportation contracts.

Sincerely,

Steve Atwater, Ph.D.
Superintendent of Schools

SALLY SADDLER

PO Box 21356

Juneau, Alaska

99802.1356

Email: teaf@gci.net

Phone: 907.723.2114

27 February 2013

The Honorable Lynn Gattis
Alaska House of Representatives
Alaska State Capitol, Room 420
Juneau, Alaska 99801.1182

Dear Representative Gattis:

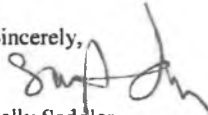
I write in support of HB 120 Pupil Transportation Funding.

I am a member of the Juneau School Board and am currently serving my fifth year in this capacity. The opinions in this letter are my own, as our board has not yet had an opportunity to meet and take a position on this legislation.

Thank you for introducing this bill, which will address an anticipated shortfall in our pupil transportation account given the current statutory inflation adjustment is fixed at 1.5%. Changing the adjustment to the Anchorage CPI is aligned with our pupil transportation contract.

Thank you for the opportunity to comment on this legislation.

Sincerely,



Sally Saddler

Cc: Members of the Juneau School Board



Anchorage School District

5530 E. Northern Lights Blvd.
Anchorage, Alaska 99504-3135
(907) 742-4000

SCHOOL BOARD

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SUPERINTENDENT

Carol Comeau

February 28, 2013

Rep. Lynn Gattis
Capitol
State Capitol Room 420
Juneau, AK 99801-1182

Dear Rep. Gattis,

The Anchorage School District supports the intent of House Bill 120 to increase support for pupil transportation funding for school districts in Alaska. This bill would increase the annual escalation in per pupil transportation program for school districts from roughly 60% of inflation under current law to 100% of the Anchorage consumer price index.

ASD remains concerned that operating expenses are increasing for transportation and other areas without additional funding, despite our strong efforts to curb unreasonable growth. ASD also recognizes that the governor and the legislature may have to restrain spending growth to enable the state to save for years when oil revenue is smaller and that downward adjustments in statutory formulas may be necessary as oil revenues decline. In addition, it is noted that when state oil revenues declined in the 1980s, the transportation program increased and support for direct instruction declined. Increasing the transportation reimbursement rate to 100% of CPI now, while holding the base student allocation at 0% of CPI, may not yield results that are much different.

ASD would like to encourage collective consideration of how the state and school districts can work together to exercise fiscal restraint across all support functions in order to sustain direct classroom instruction over the long term. Along those lines, supporters of education may wish to consider targeting additional transportation support toward initiatives that also expand school choice and improve access for all students to high quality instruction within our existing schools.

Sincerely,

Jim Browder, Ed.D.
Superintendent