

LEG. FINANCE - BILLS 1983 - 1984 1866

HB 243 cont. - CS HB 251 1866

# Alaska State Legislature

IN SESSION:  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4949



BOX 142  
EAGLE RIVER, ALASKA  
99577

## Representative Randy Phillips

HOUSE DISTRICT 15

### MEMORANDUM

TO: SENATOR DON BENNETT  
CO-CHAIRMAN, SENATE FINANCE COMMITTEE

FROM: REPRESENTATIVE RANDY PHILLIPS *R.P.P.*

DATE: MAY 25, 1983

RE: HOUSE BILL 243

House Bill 243 was moved out of the Senate HESS committee this afternoon. As its next referral is the Senate Finance Committee, I am transmitting to you the following as backup information on the referenced bill:

1. Position Paper, Department of Health & Social Services
2. Division of Family & Youth Services, Fiscal Note Comments
3. Position Paper, Department of Community and Regional Affairs
4. Memorandum dated May 13 from me to members of the Alaska House
5. House Research Agency Memorandum dated March 5, 1982, and entitled "Assistance for Parents of the Developmentally Disabled, Research Request 82-57"

I would like to request that the Senate Finance Committee consider this legislation as soon as possible. If you have any questions, please do not hesitate to contact me and I will be glad to testify before the Senate Finance Committee regarding this legislation.

RP:jss  
Enclosures

POSITION PAPER

HOUSE BILL NO. 243

"An Act relating to day care assistance for parents of developmentally disabled children."

The existing statutes (A.S. 44.47) specifies that eligible low income parents of children under 11 years of age may receive assistance in payment of costs of day care from licensed day care providers. HB 243 amends this specification by adding developmentally disabled minors (i.e., developmentally disabled persons under 18 years of age.)

Analysis:

Regular day care assistance is intended to provide low income parents with an incentive to pursue careers and income producing jobs that would otherwise be unavailable because of the care and attention parents must give to their children. The assistance, in the form of payments for day care, applies in cases wherein children are under 11 years of age.

This age limit specification assumes that, having reached 11 years of age, a child will have developed enough to be able to take care of himself for brief periods of time without direct care or supervision.

However, in circumstances wherein a child's mental or physical development is impaired to the degree that the child, even though over 11 years of age, is not able to thrive or care for themselves for a brief period of time, the intent of the law is not met.

HB 243 intends to obviate these circumstances by allowing day care assistance to be provided to otherwise eligible families who have developmentally disabled children over the regular age limit of 11 years.

One liability of the Bill is that it may allow the possible situation in which children of very different ages and sexes are cared for in close proximity. In an extreme case one can envision, say, a 17 year old being cared for with four small children of the opposite sex. Non-normal situations such as these would be taken care of by means of changes in licensing regulations to ensure an age-specific normalized environment for both the developmentally disabled child and the non-disabled child.

Population and estimated overall cost:

It is difficult to estimate the number of parents that would be eligible much less those who would partake of the assistance even though eligible. However, some gross estimates can be made. Based on information communicated by a special pilot program for day care for developmentally disabled people in the Anchorage area, it is estimated that 25 families in Alaska would be added to the existing number of eligible families if HB-243 were to become law. If instead of basing our judgments on this "guesstimate" we were to extrapolate from statistics supplied by the Department of Labor, it is estimated that there are about 90 developmentally disabled persons who are 10 to 18 years of age whose parents would be eligible for substantial day care assistance. If about half of these families chose to enroll their children in day care centers or homes that, in turn, would be willing to take the older children, the result is that about 45 new children would be enrolled

as a result of HB-243. (It should be noted that these estimates do not include low income parents who have developmentally disabled children under 11 years of age. These parents are already eligible for day care assistance under the present statute.)

Even though there is a good deal of disparity between the two estimates, the estimate does indicate, at least, that we do not have hundreds of parents being unserved. The figure is likely to be less than 50 parents who would be enrolled as a result of HB-243.

Presently, a customary cost to the State for day care assistance is approximately \$400 per month for a severely developmentally disabled child of an eligible family. If 25 to 45 children would be added as a result of HB-243, then \$120,000 to \$216,000 would be required to provide assistance to the additional families enrolled.

In addition to these expenditures administered by the Department of Community and Regional Affairs, the Department of Health and Social Services would require a temporary six month position to write and promulgate new and amended licensing regulation to ensure age specific normalized environments. The cost for this is estimated at \$26,061 and is explained in the attached fiscal note. It is also anticipated that, as a result of changes in licensing regulations, training existing day care providers will be necessary. It is anticipated that the nature and cost of this training will be included in the position paper being submitted by the Department of Community and Regional Affairs with whom we have coordinated regarding this Bill.

Summary:

HB-243 does not, by itself, mandate adequate day care for developmentally children over 11 years of age. It will, however, (1) provide for a monetary incentive for day care centers and homes to provide such care and (2) provide for an incentive for low income parents who have developmentally disabled children who are over 11 and who cannot be left alone to engage in remunerative work while maintaining the child in the natural home environment.

Department Position:

The Department of Health and Social Services supports HB-243 in concept, but implementation would require substantial increase to the Governor's Budget and such a change has not been approved by the Governor's Office.

Recommended by:

Philip R. Shapiro

Philip Shapiro, M.D.  
Director, Division of  
Mental Health and  
Developmental Disabilities

Date:

3-22-83

Approved by:

Robert London Smith

Robert London Smith, Ph.D.  
Commissioner  
Department of Health and  
Social Services

Date:

3/22/83

**DRAFT**

DIVISION OF FAMILY AND YOUTH SERVICES  
HB 243 - Fiscal Note Comments

One position would be required for six months to prepare licensing regulations and implementation materials, which will be immediately necessary. The Bill does not mandate adequate day care for developmentally disabled children over eleven years of age, but does provide for a monetary incentive for day care centers and homes to provide such care, if they choose. The time-limited position will:

1. Develop revised regulations for day care facilities/conduct hearings.
2. Develop a guidebook and sample forms and policy material to implement the regulations. (The preparation of a guidebook is essential for providers of service, to assist them in coming into compliance with new or revised regulations. Providers received both a guidebook and technical assistance from the Division of Family and Youth Services in the implementation of the regulations affecting child residential care.
3. Prepare implementation plan which would include an orientation of licensing staff, local day care assistance agents, and licensees. (The implementation plan involves orientation, but also the actual

re-licensing procedure for facilities which elect to take developmentally disabled children over age eleven.)

4. Draft, in coordination with the Department of Education, a document entitled "How to Start a Day Care Center, Family Day Care Home, or Pre-school in Alaska." (This informational pamphlet outlines the application procedure for potential providers, and is particularly important where programs are coordinated by more than one Department.
  
5. Reverse the 1976 publication entitled "How to Choose Day Care for your Child." This publication is available to parents, and revisions are necessary in order to include information on the special assistance available for developmentally disabled children.

The time-limited position is being requested so that the above items can be completed within the designated six month period.

Yvonne Elder Walker 3170

Elizabeth Muktarian 2105

# STATE OF ALASKA

Bill Sheffield, Governor

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

March 23, 1983

### POSITION PAPER

RE: HB 243  
SPONSOR: Representative Phillips

#### Program Effects:

The bill would provide day care assistance to an estimated 25-45 developmentally disabled children above 11 years of age, whose parents are in working or training. The Department currently provides for the placement of some handicapped children under 11, usually on a case basis. In those special cases, the Department authorizes up to double the average monthly subsidy for the care of these children. The Department would see this bill as expanding that policy to developmentally disabled children who are minors.

#### Comments:

The Department supports raising the age limit above 11 years of age for minor children who have a developmental disability, with two major caveats.

- 1) The Department can support the bill only if there is a rewrite of the licensing codes which protects, through regulation, age specific normalized environments of all children. The mixing of older developmentally disabled children with much younger children could, if not regulated, be potentially damaging to both groups.
- 2) Specialized training must be available to day care providers who accept these children to help them adequately deal with their needs.

A survey conducted in the fall of 1982 in Fairbanks concluded that licensed child care centers were willing to take handicapped children if specialized assistance training were available. The Department has had no training dollars to allow this to occur. The Department would require funds to hire a half-time specialist to work with providers to assure that the provider meets the intent of the legislation, the regulations and most importantly, the needs of the child.

It is estimated there are between 25-45 children, whose parents are working or training, that might be eligible for this program if the age limit were raised. However, because parents of many developmentally disabled children may not have had the option of being in the job or training market, the Department cannot know what the real population is. The number of families served under this program could very well be much higher. This year, the Department has been contacted by parents of handicapped children in both Kenai and Fairbanks requesting assistance. Last year before funds were available to Catholic Social Services, we also had requests from parents in the Anchorage area.

Finally, while the Department recognizes the need exists it is important to note that the Division does not have expertise in the complex problems of developmentally disabled children. Studies indicate that handicapped students benefit from special pre-school programs, no matter how severe their disability. The Day Care Assistance program was not designed to accomodate these special needs. It is our concern that the real needs of developmentally disabled children not be addressed solely through this program.

A handwritten signature in cursive script, appearing to read "M. Hansen", is located in the lower right quadrant of the page.

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

Bill Analysis-Fiscal Note

H.B. 243

The Department currently provides funds through the Day Care Assistance Program for children of low income families at an average rate of \$180 per child per month. Policy Memorandum #3 allows for increased subsidy rates of up to double the cost of care for handicapped children with written documentation by a physician, thus an average monthly rate for handicapped children is \$360.

The Division of Mental Health estimates 45 eligible children who would be affected by this bill. The Department suspects there are likely to be more needs for this service than currently can be quantified. Thus the note is based on 45 children of \$360 average monthly costs for twelve months.

The Department currently provides training and technical assistance to child care center and home staff with three full-time professionals. This bill would necessitate an additional half-time professional of range 17 in the classified service. That cost for FY 84 would be \$21.5 thousand. An additional \$5 thousand would be necessary for travel to provide this training.

STATE OF ALASKA  
FISCAL NOTE

Revision Date \_\_\_\_\_, 1983

I. REQUEST

Bill/Resolution No.: H.B. 243  
 Title: Day Care Assistance/Dev. Disabled  
 Sponsor: Phillips  
 Requestor: House HESS Committee

II. FISCAL DETAIL

Agency Affected: C & RA  
 Program Category Affected: Social & Econ A  
 BRU, Program of Subprogram(s) Affected: Child Care Assistance-Child Care

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	0	21.5	22.7	24.0	25.4	26.9
200 TRAVEL	0	5.0	5.3	5.6	5.9	6.2
300 CONTRACTUAL	0	0				
400 COMMODITIES	0	0				
500 EQUIPMENT	0	0				
600 LAND & STRUCTURES	0	0				
700 GRANTS, CLAIMS, ETC	0	194.4	206.0	218.3	231.3	245.1
TOTAL OPERATING	0	220.9	234.0	247.9	262.6	278.2

CAPITAL	0	0				
---------	---	---	--	--	--	--

REVENUE	0	0				
---------	---	---	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	220.9	234.0	247.9	262.6	278.2
FEDERAL FUNDS	0	0				
OTHER (Specify Source)	0	0				

POSITIONS:

FULL-TIME	0	0				
PART-TIME	0	1	1	1	1	1
TEMPORARY	0	0				

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified by Sponsor/Committee

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Karen Perdue

Division: Employment Opportunity Division

Phone: 465-4890

Date: 3/23/83

Approved by Commissioner: [Signature]

Department: \_\_\_\_\_

Date: 2/23/87

Distribution:

Original to Legislative Finance

Copy to Office of Management and Budget (for Legislature introduced bills)

Copy to Department (for Governor introduced bills)

Copy to Sponsor

Copy to Requestor (if different from Sponsor)



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouet V. State Capitol  
Juneau, Alaska 99811  
(907) 455-3991

March 5, 1982

MEMORANDUM

TO: Representative Phillips

FROM: Felicity Watt, Research Staff *FW*

RE: Assistance for Parents of the Developmentally Disabled  
Research Request 82-57

You have asked that we look into supplemental funding for day care to be provided to the parent of a 10 year old developmentally disabled child. We have identified an advocacy group and a school that are available to respond to your constituent's request for information.

The daytime school program at Catholic Social Services for the developmentally disabled is managed by Judy Ebbert. Ms. Ebbert said that the school is for children from the ages of six weeks to sixteen years. Though the school charges a monthly rate of \$400, that cost will be modified on a case-by-case basis in accordance with the parent's need. According to Dr. Gregovich, Program Administrator for the developmental disabilities program in the Department of Health and Social Services, \$625,000 in grant money for handicapped day care and respite care was awarded by the department to Municipality of Anchorage this year. These funds were then subcontracted to Catholic Social Services to assist them in serving developmentally disabled children.

The school is located at 811 West Sixth Avenue and Ms. Ebbert asked that your constituent contact her to discuss the cost adjustment which could be made for her and transportation arrangements that may be made to accommodate her Eagle River location. Judy Ebbert's telephone number is 274-1546.

Representative Phillips  
March 5, 1982  
Page 2

In the course of our research, we also learned of an organization called Protection Advocacy for the Developmentally Disabled, Inc. (P.A.D.D) which is available to assist your constituent in locating possible programs and sources of funding. P.A.D.D. will pursue federal funding avenues and conduct research on behalf of the parent of a developmentally disabled child. We spoke with case workers for P.A.D.D. in both Juneau and Anchorage who indicated they would be happy to research the case and investigate possible solutions at both the State and national level. Annelly Girard of Anchorage expressed great enthusiasm about acting as an advocate on your constituent's behalf.

Ms. Girard can be contacted at 274-3650. P.A.D.D's Anchorage office opens Friday (March 5) at which time the telephone is expected to be connected. If there is no answer at the above number, Ms. Girard asks that the parent contact her at her home telephone which is : 278-3966.

There seem to be no funds available to replace the Alaska Department of Community and Regional Affairs' day care assistance Program (DCAP) once a child surpasses the eligible age for that program. We talked at length with Ms. Lare, the director of DCAP and discussed the possibility of reinterpreting the ceiling age for eligibility for DCAP on the basis of mental rather than chronological years in the particular cases of developmentally disabled children. As the cut off age is prescribed by statute [AS 44.47.310(3)] which defines child as "any person below eleven years of age," Ms. Lare does not believe she has the authority to change that requirement.

Ms. Lare had contacted members of the Governor's Council on the Handicapped and Gifted in Fairbanks and relayed to us their interest in the situation; however, they have no access to funds which would ameliorate the current dilemma.

We also talked to the Whaley school and the Anchorage Community Mental Health Center who were unable to offer other alternatives for your constituent to pursue.

FW/bf

Encls.

Introduced: 3/9/83  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY PHILLIPS, MALONE AND KOPONEN

2

HOUSE BILL NO. 243

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to day care assistance for parents  
7 of developmentally disabled children."

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

9 \* Section 1. AS 44.47.310(3) is amended to read:

10 (3) "child" means a [ANY] person below 11 years of age, or  
11 a minor who has a developmental disability;

12 \* Sec. 2. AS 44.47.310 is amended by adding a new paragraph to read:

13 (7) "developmental disability" means a disability that

14 (A) is attributable to

15 (i) mental retardation, cerebral palsy, epilepsy,  
16 or autism;

17 (ii) any other condition found to be closely  
18 related to mental retardation because the condition results  
19 in impairment of general intellectual functioning or adap-  
20 tive behavior similar to impairment resulting from mental  
21 retardation; or

22 (iii) dyslexia resulting from a disability de-  
23 scribed in (i) or (ii) of this subparagraph; and

24 (B) constitutes a substantial handicap to the person's  
25 ability to function normally in society.

## POSITION PAPER

HOUSE BILL NO. 243

"An Act relating to day care assistance for parents of developmentally disabled children."

The existing statutes (A.S. 44.47) specifies that eligible low income parents of children under 11 years of age may receive assistance in payment of costs of day care from licensed day care providers. HB 243 amends this specification by adding developmentally disabled minors (i.e., developmentally disabled persons under 18 years of age.)

Analysis:

Regular day care assistance is intended to provide low income parents with an incentive to pursue careers and income producing jobs that would otherwise be unavailable because of the care and attention parents must give to their children. The assistance, in the form of payments for day care, applies in cases wherein children are under 11 years of age.

This age limit specification assumes that, having reached 11 years of age, a child will have developed enough to be able to take care of himself for brief periods of time without direct care or supervision.

However, in circumstances wherein a child's mental or physical development is impaired to the degree that the child, even though over 11 years of age, is not able to thrive or care for themselves for a brief period of time, the intent of the law is not met.

HB 243 intends to obviate this circumstance by allowing day care assistance to be provided to otherwise eligible families who have developmentally disabled children over the regular age limit of 11 years.

One liability of the Bill is that it may allow the possible situation in which children of very different ages and sexes are cared for in close proximity. In an extreme case one can envision, say, a 17 year old being cared for with four small children of the opposite sex. Non-normal situations such as these would be taken care of by means of changes in licensing regulations to ensure an age-specific normalized environment for both the developmentally disabled child and the non-disabled child.

Population and estimated overall cost:

It is difficult to estimate the number of parents that would be eligible much less those who would partake of the assistance even though eligible. However, some gross estimates can be made. Based on information communicated by a special pilot program for day care for developmentally disabled people in the Anchorage area, it is estimated that 25 families in Alaska would be added to the existing number of eligible families if HB-243 were to become law. If instead of basing our judgments on this "guesstimate" we were to extrapolate from statistics supplied by the Department of Labor, it is estimated that there are about 90 developmentally persons who are 10 to 18 years of age whose parents would be eligible for substantial day care assistance. If about half of these families chose to enroll their children in day care centers or homes that, in turn, would be willing to take the older children, the result is that about 45 new children would be enrolled

as a result of HB-243. (It should be noted that these estimates do not include low income parents who have developmentally disabled children under 11 years of age. These parents are already eligible for day care assistance under the present statute.)

Even though there is a good deal of disparity between the two estimates, the estimate does indicate, at least, that we do not have hundreds of parents being unserved. The figure is likely to be less than 50 parents who would be enrolled as a result of HB-243.

Presently, a customary cost to the State for day care assistance is approximately \$400 per month for a severely developmentally disabled child of an eligible family. If 25 to 45 children would be added as a result of HB-243, then \$120,000 to \$216,000 would be required to provide assistance to the additional families enrolled.

In addition to these expenditures administered by the Department of Community and Regional Affairs, the Department of Health and Social Services would require a temporary six month position to write and promulgate new and amended licensing regulation to ensure age specific normalized environments. The cost for this is estimated at \$26,061 and is explained in the attached fiscal note. It is also anticipated that, as a result of changes in licensing regulations, training existing day care providers will be necessary. It is anticipated that the nature and cost of this training will be included in the position paper being submitted by the Department of Community and Regional Affairs with whom we have coordinated regarding this Bill.

Summary:

HB-243 does not, by itself, mandate adequate day care for developmentally children over 11 years of age. It will, however, (1) provide for a monetary incentive for day care centers and homes to provide such care and (2) provide for an incentive for low income parents who have developmentally disabled children who are over 11 and who cannot be left alone to engage in remunerative work while maintaining the child in the natural home environment.

Department Position:

The Department of Health and Social Services supports HB-243 in concept, but implementation would require substantial increase to the Governor's Budget and such a change has not been approved by the Governor's Office.

Recommended by: Philip Shapiro  
Philip Shapiro, M.D.  
Director, Division of  
Mental Health and  
Developmental Disabilities

Date: 3-22-83

Approved by: Robert London Smith  
Robert London Smith, Ph.D.  
Commissioner  
Department of Health and  
Social Services

Date: 3/22/83

# STATE OF ALASKA

Bill Sheffield, Governor

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

March 23, 1983

### POSITION PAPER

RE: HB 243  
SPONSOR: Representative Phillips

#### Program Effects:

The bill would provide day care assistance to an estimated 25-45 developmentally disabled children above 11 years of age, whose parents are in working or training. The Department currently provides for the placement of some handicapped children under 11, usually on a case basis. In those special cases, the Department authorizes up to double the average monthly subsidy for the care of these children. The Department would see this bill as expanding that policy to developmentally disabled children who are minors.

#### Comments:

The Department supports raising the age limit above 11 years of age for minor children who have a developmental disability, with two major caveats.

- 1) The Department can support the bill only if there is a rewrite of the licensing codes which protects, through regulation, age specific normalized environments of all children. The mixing of older developmentally disabled children with much younger children could, if not regulated, be potentially damaging to both groups.
- 2) Specialized training must be available to day care providers who accept these children to help them adequately deal with their needs.

A survey conducted in the fall of 1982 in Fairbanks concluded that licensed child care centers were willing to take handicapped children if specialized assistance training were available. The Department has had no training dollars to allow this to occur. The Department would require funds to hire a half-time specialist to work with providers to assure that the provider meets the intent of the legislation, the regulations and most importantly, the needs of the child.

It is estimated there are between 25-45 children, whose parents are working or training, that might be eligible for this program if the age limit were raised. However, because parents of many developmentally disabled children may not have had the option of being in the job or training market, the Department cannot know what the real population is. The number of families served under this program could very well be much higher. This year, the Department has been contacted by parents of handicapped children in both Kenai and Fairbanks requesting assistance. Last year before funds were available to Catholic Social Services, we also had requests from parents in the Anchorage area.

Finally, while the Department recognizes the need exists it is important to note that the Division does not have expertise in the complex problems of developmentally disabled children. Studies indicate that handicapped students benefit from special pre-school programs, no matter how severe their disability. The Day Care Assistance program was not designed to accomodate these special needs. It is our concern that the real needs of developmentally disabled children not be addressed solely through this program.

A handwritten signature in cursive script, appearing to read "M. H. ...", is located at the bottom center of the page.

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

3/18/83

Date: 3/22/83

Mr. Speaker:

The Committee on FINANCE has had HB 251

An Act relating to state support for education; and providing for an effective date.

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 251 (HESS)  same title  
 new title
- and recommends individual recommendations
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached  
79.5
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Robert H. Billmeyer

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature] (No reasonable amendments accepted)

[Signature] No Rec.

[Signature] No Rec.

[Signature] (No Rec.)

\_\_\_\_\_

\_\_\_\_\_

Robert H. Billmeyer  
CHAIRMAN

Offered: 3/18/83  
Referred: Finance

Original sponsors: Tischer, Adams,  
Fuller and Lindauer

1 IN THE HOUSE BY THE HEALTH, EDUCATION  
AND SOCIAL SERVICES COMMITTEE  
2 CS FOR HOUSE BILL NO. 251 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to state support for education; and  
7 providing for an effective date."

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

9 \* Section 1. FINDINGS. The legislature finds that the present system  
10 of providing assistance to school systems should be studied for modifica-  
11 tion and improvement. The legislature further finds that during the period  
12 of study an alternative mechanism to the existing foundation support system  
13 is desirable.

14 \* Sec. 2. There is created the Foundation Funding Policy Council to  
15 study alternatives to the existing foundation support system. The Founda-  
16 tion Funding Policy Council consists of seven persons: the chairperson of  
17 the Senate Health, Education, and Social Services Committee, the chairper-  
18 son of the House Health, Education, and Social Services Committee, and the  
19 following persons to be appointed jointly by the Speaker of the House and  
20 the President of the Senate: the executive director of the Alaska School  
21 Board Association, an education analyst from the Office of Management and  
22 Budget, a fiscal analyst from the Department of Education, the president of  
23 the state board of education, and the executive director of the Alaska  
24 Council of School Administrators.

25 \* Sec. 3. The Foundation Funding Policy Council shall report its find-  
26 ings and recommendations to the governor and to the legislature no later  
27 than February 1, 1984.

28 \* Sec. 4. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,  
29 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,

1 14.17.082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of  
2 14.17.170 that requires the withholding of one-half of the June payment of  
3 state aid pending a final determination of each school district's state aid  
4 is suspended from July 1, 1983, through June 30, 1984. During the period  
5 of suspension, the provisions of AS 14.17.031(d) remain in effect except  
6 that the number of students in average daily membership in each school  
7 district shall be used instead of instructional units to calculate  
8 reductions in state aid. During the period of suspension, funding for the  
9 basic state aid and supplemental equalization aid that otherwise would have  
10 been provided under the provisions of AS 14.17.021(a), 14.17.022, and  
11 14.17.023 shall be provided to school districts and for centralized corre-  
12 spondence study in accordance with the provisions of sec. 5 of this Act.

13 \* Sec. 5. For fiscal year 1984 the amount of state aid for each school  
14 district and for centralized correspondence study is the following amount,  
15 subject to adjustment under AS 14.17.021(b), for each pupil in average  
16 daily membership less any aid overpaid as determined by the commissioner of  
17 education:

18	Anchorage School District	\$ 3,310
19	Bristol Bay Borough School District	9,732
20	Cordova City School District	5,029
21	Craig City School District	6,734
22	Dillingham City School District	8,673
23	Fairbanks North Star Borough School District	3,688
24	Galena City School District	9,995
25	Haines Borough School District	6,345
26	Hoonah City School District	6,224
27	Hydaburg City School District	9,163
28	City and Borough of Juneau School District	3,622
29	Kake City School District	7,109

1	Kenai Peninsula Borough School District	3,900
2	Ketchikan Gateway Borough School District	3,399
3	King Cove City School District	9,376
4	Klawock City School District	7,417
5	Kodiak Island School District	5,488
6	Matanuska-Susitna Borough School District	3,504
7	Nenana City School District	10,507
8	Nome City School District	7,165
9	North Slope Borough School District	9,202
10	Pelican City School District	12,438
11	Petersburg City School District	4,049
12	Sand Point City School District	8,283
13	Sitka Borough School District	3,711
14	Skagway City School District	5,379
15	St. Mary's City School District	14,946
16	Tanana School District	13,361
17	Unalaska City School District	8,210
18	Valdez City School District	4,786
19	Wrangell City School District	4,726
20	Yakutat City School District	7,749
21	Adak Regional School District	6,643
22	Alaska Gateway School District	8,639
23	Aleutian Chain School District	16,674
24	Annette Island School District	6,572
25	Bering Straits School District	12,197
26	Chatham School District	8,682
27	Chugach School District	11,758
28	Copper River School District	7,178
29	Delta School District	5,915

1	Iditarod Area School District	14,972
2	Kuspuk School District	16,376
3	Lake and Peninsula School District	15,476
4	Lower Kuskokwim School District	11,033
5	Lower Yukon School District	9,864
6	Northwest Arctic School District	10,387
7	Pribilof Islands School District	11,473
8	Upper Railbelt Regional School District	9,557
9	Southeast Island School District	9,665
10	Southwest Regional School District	13,305
11	Yukon Flats School District	15,498
12	Yukon Koyukuk School District	13,191
13	Central Correspondence	2,508

14 \* Sec. 6. The Commissioner shall determine the state aid for each  
15 school district on the basis of the reports submitted under AS 14.17.170  
16 for fiscal year 1983. Beginning July 15 of the fiscal year, and on the  
17 15th of each month, for seven successive months, 1/12th of each district's  
18 state aid shall be distributed.

19 \* Sec. 7. Appropriations made for fiscal year 1984 for supplemental  
20 programs under AS 14.17.061(a) may be used only for average daily member-  
21 ship increases beyond the average daily membership reported by school  
22 districts under AS 14.17.170 for fiscal year 1983. If the amount appro-  
23 priated for fiscal year 1984 is insufficient to meet the average daily  
24 membership allocations authorized under sec. 5 of this Act with respect to  
25 the increased average daily membership, the available funds shall be dis-  
26 tributed on a pro rata basis among the school districts with increases in  
27 average daily membership.

28 \* Sec. 8. During the period of suspension under sec. 4 of this Act, a  
29 school district shall continue to provide services to students in programs

1 of bilingual, special, and vocational education commensurate with the needs  
2 of the students and in strict accordance with applicable state and federal  
3 laws and regulations.

4 \* Sec. 9. This Act takes effect July 1, 1983.

W

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST HOUSE BILL NO. 251  
Bill/Resolution No. \_\_\_\_\_  
Title relating to state support for education \_\_\_\_\_  
Requested by House Finance \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
Agency Affected Legislative Affairs Agency  
Program Category Affected \_\_\_\_\_  
ERU, Program, Or Subprogram(s) Affected \_\_\_\_\_  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES		47,500				
200 TRAVEL		30,000				
300 CONTRACTUAL		2,000				
400 COMMODITIES						
500 EQUIPMENT		- 0 -				
600 LAND & STRUCTURES		- 0 -				
700 GRANTS, CLAIMS, ETC.		- 0 -				
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		79,500				
FEDERAL FUNDS		-72,500				
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See attachment.

IV. DATE February 23, 1983 PREPARED BY House HESS  
AGENCY Legislative Affairs Agency  
Original: Legislative Finance PHONE 455-3777  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)  
33-001 (Rev. 12/82)

FISCAL ANALYSIS: FOUNDATION FUNDING STUDY - INTERIM '83

100 Personal Services

Prof. Asst. @ 21C = \$3714 + 28% benefits x 6 months = \$28,523

Prof. Sec. @ 15C = \$2463 + 28% benefits x 6 months =  
\$18,915

---

\$47,438

\* There are no provisions presently regarding interim staffing policies for standing committees.

200 Travel & Peridium

Seven meetings beginning August 17; 3 days each at 3 week intervals ending December 16.

Assumption of Anchorage meetings with transportation for 7 council and 3 staff members (including Legal Services Staff).

\$320.00/round trip (Juneau/Anchorage/Juneau) x 7 meetins =  
\$22,400 Total Travel

Peridium:

7 meetins @ 3 days each = 21 days x \$80 (Anch) peridium = \$1,680

2 legislators + 2 staff = 4 x \$1,680 = \$6,720

300 Contractual

\$1,200 phone (\$200 x 6 months)  
\$ 800 postage and misc.

---

\$2,000

400 Commodities

- 0 -

500 Equipment

- 0 -

600 Land/Structures

- 0 -

700 Grants/Claims

- 0 -

Total Funding Request = \$72,500



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

### Health, Education & Social Services

Pouch V  
State Capitol  
Juneau, Alaska 99811


March 14, 1983

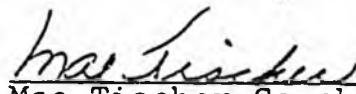
#### LETTER OF INTENT

RE: HB 251 An act relating to state support for education;  
and providing for an effective date.

It is the intent of the Legislature to insure funding for any additional increases in enrollments on a per district basis for the 1983-84 school year.

It is the further intent to appropriate funds to AS 14.17.061(a), the Supplemental Programs account, in order that any additional ADM's be funded according to the ADM amounts based on the FY 83 funding level (ADM amounts listed in the proposed education legislation).

  
Milo H. Fritz, Co-chairman

  
Mae Tischer, Co-chairman

The following individuals are expected to testify on CS HB 251 (HESS):

Representative Mae Tischer, prime sponsor

Steve Hole, Legislative Liaison, Department of Education

-----

Keith Levy, Division of Legal Services, will be available for questions on the language of the bill. Mr. Levy drafted the legislation.

STATE OF ALASKA  
DEPARTMENT OF EDUCATION  
PROJECTION SUMMARY

PROJ. CONTROL #  
016.00007

REVISED

PLEASE DISREGARD ALL COLUMNS  
EXCEPT THIS ONE:

DISTRICT NAME	PROJ. ADM	INSTR. UNITS	INSTR. UNIT ALLOTMENT	BASIC NEED	AS 14.17.180	SUPPLEMENTAL EQUALIZATION AID	PRELIMINARY COMPUTATION OF ENTITLEMENT	PL 874
ANCHORAGE	34,797	2,627	42,450	111,516,150	0	6,922,194	118,438,344	0
BRISTOL BAY	211	28	65,797	1,842,316	0	269,436	2,111,752	0
CORDOVA	438	46	48,817	2,245,582	0	19,592	2,265,174	0
CRAIG	153	19	45,846	871,074	0	188,553	1,059,627	0
DILLINGHAM	378	43	65,797	2,829,271	0	542,188	3,371,459	0
FAIRBANKS (N. STAR)	9,441	753	47,544	35,800,632	0	0	35,800,632	0
GALENA	142	19	65,797	1,250,143	0	209,543	1,459,686	0
HAINES	389	52	48,817	2,338,484	0	0	2,538,484	0
HOONAH	239	27	47,544	1,283,688	0	246,083	1,529,771	0
HYDABURG	93	17	45,846	779,382	0	97,033	876,415	0
JUNEAU	4,258	372	42,450	15,791,400	0	67,245	15,858,645	0
KAKE	208	29	45,846	1,329,534	0	191,097	1,520,631	0
KENAI	6,756	591	45,846	27,024,986	0	0	27,024,986	0
KETCHIKAN GATEWAY	2,368	195	42,450	8,277,750	0	0	8,277,750	0
KING COVE	121	16	63,675	1,018,800	0	147,916	1,166,716	0
KLAWOCK	152	23	45,846	1,054,458	0	104,967	1,159,425	0
KODIAK	2,143	216	49,242	10,636,272	0	1,458,909	12,095,181	0
MATANUSKA-SUSITNA	5,562	454	44,148	20,043,192	0	0	20,043,192	0
NEENANA	128	23	50,940	1,171,620	0	211,484	1,383,104	0
NOME	758	73	65,797	4,803,181	0	781,933	5,585,114	0
NORTH SLOPE	1,022	147	65,797	9,672,159	0	0	9,672,159	0
PELICAN	52	13	47,544	618,072	0	47,089	665,161	0
PETERSBURG	574	50	44,148	2,207,400	0	182,683	2,390,083	0
SAND POINT	123	14	63,675	891,450	0	156,334	1,047,784	0
SITKA	1,608	132	44,148	6,136,572	0	0	6,136,572	0
SKAGWAY	177	18	45,846	825,228	0	153,820	979,048	0
ST. MARY'S	112	24	65,797	1,579,128	0	142,425	1,721,553	0
TANANA	92	17	65,797	1,118,549	0	145,590	1,264,139	0
UNALASKA	181	24	63,675	1,528,200	0	0	1,528,200	0
VALDEZ	863	87	48,817	4,247,079	0	0	4,247,079	0
WRANGELL	485	48	44,148	2,119,104	0	237,835	2,356,939	0
YAKUTAT	160	22	50,940	1,120,680	0	154,305	1,274,985	0
ODAK	594	54	59,430	3,209,220	0	849,039	3,349,628	708,631
ALASKA GATEWAY	473	71	50,940	3,616,740	0	585,628	3,923,614	278,754
ALEUTIAN	129	32	63,675	2,037,600	0	174,586	2,070,392	141,794
ANNETTE	336	43	44,148	1,898,364	0	372,695	1,697,993	573,066
BERING STRAIT	918	161	65,797	10,593,317	0	922,599	10,805,000	710,916
CHATHAM	272	48	45,846	2,200,608	0	228,248	2,221,851	207,005
CHUGACH	75	16	50,940	815,040	0	91,887	875,766	31,161
COPPER RIVER	532	71	50,940	3,616,740	0	679,966	4,099,142	197,564
DELTA/GREELY	949	92	50,940	4,686,480	0	1,086,720	5,321,687	451,513
IDIITAROD	327	69	65,797	4,539,993	0	495,324	4,672,564	362,753
KUSPUK	324	75	65,797	4,934,775	0	522,226	5,018,045	438,956
LAKE & PENINSULA	363	80	65,797	5,263,760	0	514,314	5,278,911	499,163
LOWER KUSKOKWIM	2,416	372	65,797	24,476,484	0	2,937,126	25,271,075	2,142,535
LOWER YUKON	1,392	186	65,797	12,238,242	0	1,883,179	12,330,868	1,790,533
NORTHWEST ARCTIC	1,500	208	65,797	13,685,776	0	2,338,940	14,384,965	1,639,750
PRIIBILOF	168	27	63,675	1,719,225	0	263,410	1,719,738	262,897
RAILBELT	327	55	50,940	2,801,700	0	410,430	3,146,681	65,449
SOUTHEAST	434	84	45,846	3,851,064	0	463,112	3,892,020	422,156

STATE OF ALASKA  
DEPARTMENT OF EDUCATION  
PROJECTION SUMMARY

DJ CONTROL #  
009907

REVISED

DISTRICT NAME	PROJ. ADM	INSTR. UNITS	INSTR. UNIT ALLOTMENT	BASIC NEED	AS 14.17.180	SUPPLEMENTAL EQUALIZATION AID	PL 874	PRELIMINARY COMPUTATION OF ENTITLEMENT	PER A.D.M.
SWTHWEST	532	99	65,797	6,513,903	0	765,932	739,531	6,540,304	12,29
UN FLATS	316	69	65,797	4,539,993	0	496,906	364,798	4,672,101	14,79
ON KOYUKUK	556	101	65,797	6,645,497	0	897,279	757,128	6,785,648	12,20
TRAL CORRESPOND	790	48	42,450	2,037,600	0	0	0	2,037,600	2,57
Y/BOR. TOTAL:	74,184	6,226		284,241,536	0	12,678,254	0	296,919,790	4,00
E.A.A. TOTAL:	12,983	2,013		123,884,521	0	16,979,546	12,786,053	128,078,014	9,86
TRAL CORRES.:	790	48		2,037,600	0	0	0	2,037,600	2,57
GRAND TOTALS:	87,957	8,287		410,163,657	0	29,657,800	12,786,053	427,035,404	4,85

TOTAL  
amt. of  
PL 874 \$

RURAL EDUCATION ATTENDANCE AREAS  
OPERATING FUND BALANCES  
FISCAL YEAR 1982 AUDITED

REAA	Fiscal Year 81					Fiscal Year 82				
	Reserved for Encumbrncs	Reserved Other	Designated for School Year Expend	NonDesignatd	Total FY 81 Operatg Fund Balance	Reserved for Encumbrncs	Reserved Other	Designated for School Year Expend	UnDesignatd	Total FY 82 Operatg Fund Balance
Adak	45,826	-0-	82,470	588,566	716,862	31,900	-0-	779,195	101,143	912,238
Alaska Gateway	-0-	-0-	110,613	297,331	407,944	-0-	-0-	110,613	426,525	537,138
Aleutian Pegin	-0-	148,891	-0-	(2,436)	146,455	-0-	154,704	-0-	99,852	254,556
Annette Island	-0-	-0-	-0-	221,092	221,092	-0-	-0-	-0-	197,252	197,252
Bering Strait	-0-	-0-	-0-	384,175	384,175	-0-	-0-	-0-	628,563	628,563
Chatham	-0-	40,761	-0-	532,559	573,320	-0-	150,426	-0-	727,004	877,430
Chugach	-0-	200,000	-0-	85,534	285,534	-0-	-0-	200,000	52,598	252,598
Copper River	68,123	-0-	101,144	17,549	186,816	27,432	38,520	101,144	328,209	495,305
Delta/Greely	-0-	-0-	40,000	199,193	239,193	-0-	-0-	40,000	14,490	54,490
Iditarod	16,092	260,837	-0-	376,413	653,342	162,354	-0-	260,000	405,633	827,987
Kuspuk	-0-	110,203	-0-	(34,662)	75,541	58,049	362,834	-0-	371,269	792,152
Lake & Peninsula	-0-	369,162	325,000	(111,300)	582,862	-0-	419,646	125,000	8,610	553,256
Lower Kuskokwim	-0-	1,432,517	1,945,504	492,727	3,870,748	-0-	1,099,824	-0-	1,978,770	3,078,594
Lower Yukon	-0-	-0-	456,975	850,572	1,307,547	25,013	1,332,683	-0-	1,625,049	2,982,745
Northwest Arctic	-0-	-0-	2,223,306	40,044	2,263,350	209,677	108,242	1,755,529	-0-	2,073,448
Pribilof	-0-	-0-	-0-	599,009	599,009	-0-	275,000	-0-	176,430	451,430
Railbelt	2,408	219,757	197,685	8,584	428,434	89,052	208,154	101,060	-0-	398,266
Southeast Island	113,947	101,441	200,000	50,975	466,363	112,735	30,668	500,000	34,958	678,361
Southwest Region	636,874	605,800	-0-	1,016,229	2,258,903	750,846	482,587	-0-	1,778,817	3,012,250
Yukon Flats	29,658	-0-	-0-	106,276	135,932	154,046	-0-	-0-	73,856	227,902
Yukon/Koyukuk	213,023	269,948	203,935	88,943	775,849	322,097	-0-	150,000	125,786	597,883
<b>TOTALS</b>	<b>1,125,949</b>	<b>3,759,317</b>	<b>5,886,632</b>	<b>5,807,373</b>	<b>16,579,271</b>	<b>1,943,201</b>	<b>4,663,288</b>	<b>4,122,541</b>	<b>9,154,814</b>	<b>19,883,844</b>

CITY AND BOROUGH SCHOOL DISTRICTS  
SCHOOL OPERATING FUND BALANCES  
FISCAL YEAR 1982 AUDITED

School District	Fiscal Year 1981				Fiscal Year 1982					
	Reserved for Encumbrs	Reserved Other	Designated for School Year Expend	Undesignated	Total FY 81 Op Fund Balance	Reserved for Encumbrs	Reserved Other	Designated for School Year Expend	Undesignated	Total FY 82 Op Fund Balance
Anchorage	1,336,031	-0-	2,884,161	3,313,988	7,534,180	2,219,053	-0-	5,583,988	383,256	8,186,297
Bristol Bay	21,502	-0-	73,477	122,760	217,739	-0-	821	250,000	79,268	330,089
Cordova	-0-	2,706	-0-	128,570	131,276	7,851	-0-	129,232	78,470	215,553
Craig	-0-	-0-	-0-	(9,237)	(9,237)	-0-	-0-	-0-	(168,036)	(168,036)
Dillingham	24,926	24,083	120,678	285,194	454,881	24,926	23,029	-0-	412,996	460,951
Fairbanks	284,723	-0-	-0-	-0-	284,723	425,776	-0-	-0-	-0-	425,776
Galena	-0-	178,448	-0-	471,375	649,823	-0-	478,305	-0-	148,399	626,704
Haines	-0-	200,000	274,994	350,832	825,826	37,240	-0-	270,307	327,070	634,617
Hoonah	-0-	-0-	-0-	75,963	75,963	-0-	-0-	-0-	(19,290)	(19,290)
Hydaburg	-0-	-0-	-0-	36,423	36,423	-0-	-0-	-0-	121,624	121,624
Juneau	-0-	-0-	-0-	(170,661)	(170,661)	-0-	-0-	-0-	(502,222)	(502,222)
Kake	-0-	-0-	-0-	74,068	74,068	-0-	-0-	-0-	24,727	24,727
Kenai	-0-	-0-	1,394,770	-0-	1,394,770	-0-	-0-	302,208	-0-	302,208
Ketchikan	128,971	255,989	-0-	109,631	494,591	63,423	109,631	24,563	-0-	197,617
King Cove	-0-	-0-	188,526	519,793	708,319	-0-	-0-	488,526	370,802	859,328
Klawock	-0-	-0-	-0-	196,993	196,993	-0-	-0-	-0-	297,003	297,003
Kodiak	39,063	-0-	-0-	-0-	39,063	84,822	-0-	-0-	-0-	84,822
Mat-Su	-0-	700	-0-	-0-	700	-0-	700	-0-	-0-	700
Nenana	7,928	40,000	66,206	209,306	323,440	10,233	-0-	148,336	-0-	158,569
Nome	25,686	-0-	295,502	(3,706)	317,482	115,108	22,288	295,502	7,361	440,259
North Slope	-0-	66,500	-0-	(175,545)	(109,045)	-0-	446,398	-0-	-0-	446,398
Pelican	-0-	-0-	-0-	30,566	30,566	-0-	-0-	-0-	40,898	40,898
Petersburg	-0-	-0-	-0-	(103,910)	(103,910)	-0-	-0-	-0-	(170,387)	(170,387)
Sand Point	-0-	2,861	-0-	(13,227)	(10,366)	-0-	-0-	-0-	54,168	54,168
Sitka	-0-	11,933	-0-	286,163	298,096	-0-	6,042	-0-	445,381	451,423
Skagway	12,671	-0-	107,085	-0-	119,756	-0-	-0-	133,000	13,618	146,618
St. Mary's	-0-	163,541	-0-	110,792	274,333	-0-	153,400	500,000	61,243	714,643
Unalaska	8,517	16,181	100,000	201,013	325,711	670	6,533	132,054	185,457	324,714
Valdez	-0-	757,072	590,530	460,619	1,808,221	-0-	828,388	1,051,149	430,233	2,309,770
Wrangell	13,985	18,269	68,000	22,952	123,206	-0-	12,280	68,000	59,938	140,218
Yakutat	-0-	2,876	-0-	1,216	4,092	-0-	1,727	-0-	(56,416)	(54,689)
<b>TOTALS</b>	<b>1,904,003</b>	<b>1,741,159</b>	<b>6,163,929</b>	<b>6,531,931</b>	<b>16,341,022</b>	<b>2,989,102</b>	<b>2,089,542</b>	<b>9,376,865</b>	<b>2,625,561</b>	<b>17,081,070</b>

RURAL EDUCATION ATTENDANCE AREAS  
OPERATING FUND BALANCES  
FISCAL YEAR 1982 AUDITED

Fiscal Year 81

Fiscal Year 82

WEAA	Fiscal Year 81				Fiscal Year 82					
	Reserved for Encumbrncs	Reserved Other	Designated for School Year Expend	NonDesignatd	Total FY 81 Operatg Fund Balance	Reserved for Encumbrncs	Reserved Other	Designated for School Year Expend	UnDesignatd	Total FY 82 Operatg Fund Balance
Adak	45,826	-0-	82,470	588,566	716,862	31,900	-0-	779,195	101,143	912,238
Alaska Gateway	-0-	-0-	110,613	297,331	407,944	-0-	-0-	110,613	426,525	537,138
Aleutian Region	-0-	148,891	-0-	(2,436)	146,455	-0-	154,704	-0-	99,852	254,556
Annette Island	-0-	-0-	-0-	221,092	221,092	-0-	-0-	-0-	197,252	197,252
Bering Strait	-0-	-0-	-0-	384,175	384,175	-0-	-0-	-0-	628,563	628,563
Chatham	-0-	40,761	-0-	532,559	573,320	-0-	150,426	-0-	727,004	877,430
Chugach	-0-	200,000	-0-	85,534	285,534	-0-	-0-	200,000	52,598	252,598
Copper River	68,123	-0-	101,144	17,549	186,816	27,432	38,520	101,144	328,209	495,305
Delta/Greely	-0-	-0-	40,000	199,193	239,193	-0-	-0-	40,000	14,490	54,490
Iditarod	16,092	260,837	-0-	376,413	653,342	162,354	-0-	260,000	405,633	827,987
Kuspuk	-0-	110,203	-0-	(34,662)	75,541	58,049	362,834	-0-	371,269	792,152
Lake & Peninsula	-0-	369,162	325,000	(111,300)	582,862	-0-	419,646	125,000	8,610	553,256
Lower Kuskokwim	-0-	1,432,517	1,945,504	492,727	3,870,748	-0-	1,099,824	-0-	1,978,770	3,078,594
Lower Yukon	-0-	-0-	456,975	850,572	1,307,547	25,013	1,332,683	-0-	1,625,049	2,982,745
Northwest Arctic	-0-	-0-	2,223,306	40,044	2,263,350	209,677	108,242	1,755,529	-0-	2,073,448
Prihilot	-0-	-0-	-0-	599,009	599,009	-0-	275,000	-0-	176,430	451,430
Railbelt	2,408	219,757	197,685	8,584	428,434	89,052	208,154	101,060	-0-	398,266
Southeast Island	113,947	101,441	200,000	50,975	466,363	112,735	30,668	500,000	34,958	678,361
Southwest Region	636,874	605,800	-0-	1,016,229	2,258,903	750,846	482,587	-0-	1,778,817	3,012,250
Yukon Flats	29,656	-0-	-0-	106,276	135,932	154,046	-0-	-0-	73,856	227,902
Yukon/Koyukuk	213,023	269,948	203,935	88,943	775,849	322,097	-0-	150,000	125,786	597,883
<b>TOTALS</b>	<b>1,125,949</b>	<b>3,759,317</b>	<b>5,886,632</b>	<b>5,807,373</b>	<b>16,579,271</b>	<b>1,943,201</b>	<b>4,663,288</b>	<b>4,122,541</b>	<b>9,154,814</b>	<b>19,883,844</b>

CITY AND BOROUGH SCHOOL DISTRICTS  
SCHOOL OPERATING FUND BALANCES  
FISCAL YEAR 1982 AUDITED

School District	Fiscal Year 1981					Fiscal Year 1982				
	Reserved for Encumbrs	Reserved Other	Designated for School Year Expend	Undesignated	(Total) FY 81 Op Fund Balance	Reserved for Encumbrs	Reserved Other	Designated for School Year Expend	Undesignated	Total FY 82 Op Fund Balance
Anchorage	1,336,031	-0-	2,884,161	3,313,988	7,534,180	2,219,053	-0-	5,583,988	383,256	8,186,297
Bristol Bay	21,502	-0-	73,477	122,760	217,739	-0-	821	250,000	79,208	330,089
Cordova	-0-	2,706	-0-	128,570	131,276	7,851	-0-	129,232	78,470	215,553
Craig	-0-	-0-	-0-	(9,237)	(9,237)	-0-	-0-	-0-	(168,036)	(168,036)
Dillingham	24,926	24,083	120,678	285,194	454,881	24,926	23,029	-0-	412,996	460,951
Fairbanks	284,723	-0-	-0-	-0-	284,723	425,776	-0-	-0-	-0-	425,776
Galena	-0-	178,448	-0-	471,375	649,823	-0-	478,305	-0-	148,399	626,704
Haines	-0-	200,000	274,994	350,832	825,826	37,240	-0-	270,307	327,070	634,617
Hoonah	-0-	-0-	-0-	75,963	75,963	-0-	-0-	-0-	(19,290)	(19,290)
Hydaburg	-0-	-0-	-0-	36,423	36,423	-0-	-0-	-0-	121,624	121,624
Juneau	-0-	-0-	-0-	(170,661)	(170,661)	-0-	-0-	-0-	(502,222)	(502,222)
Kake	-0-	-0-	-0-	74,068	74,068	-0-	-0-	-0-	24,727	24,727
Kenai	-0-	-0-	1,394,770	-0-	1,394,770	-0-	-0-	302,208	-0-	302,208
Ketchikan	128,971	255,989	-0-	109,631	494,591	63,423	109,631	24,563	-0-	197,617
King Cove	-0-	-0-	188,526	519,793	708,319	-0-	-0-	488,526	370,802	859,328
Klawock	-0-	-0-	-0-	196,993	196,993	-0-	-0-	-0-	297,003	297,003
Kodiak	39,063	-0-	-0-	-0-	39,063	84,822	-0-	-0-	-0-	84,822
Mat-Su	-0-	700	-0-	-0-	700	-0-	700	-0-	-0-	700
Nenana	7,928	40,000	66,206	209,306	323,440	10,233	-0-	148,336	-0-	158,569
Nome	25,686	-0-	295,502	(3,706)	317,482	115,108	22,288	295,502	7,361	440,259
North Slope	-0-	66,500	-0-	(175,545)	(109,045)	-0-	446,398	-0-	-0-	446,398
Pelican	-0-	-0-	-0-	30,566	30,566	-0-	-0-	-0-	40,898	40,898
Petersburg	-0-	-0-	-0-	(103,910)	(103,910)	-0-	-0-	-0-	(170,387)	(170,387)
Sand Point	-0-	2,861	-0-	(13,227)	(10,366)	-0-	-0-	-0-	54,168	54,168
Sitka	-0-	11,933	-0-	286,163	298,096	-0-	6,042	-0-	445,381	451,423
Skagway	12,671	-0-	107,085	-0-	119,756	-0-	-0-	133,000	13,618	146,618
St. Mary's	-0-	163,541	-0-	110,792	274,333	-0-	153,400	500,000	61,243	714,643
Unalaska	8,517	16,181	100,000	201,013	325,711	670	6,533	132,054	185,457	324,714
Valdez	-0-	757,072	590,530	460,619	1,808,221	-0-	828,388	1,051,149	430,233	2,309,770
Wrangell	13,985	18,269	68,000	22,952	123,206	-0-	12,280	68,000	59,938	140,218
Yakutat	-0-	2,876	-0-	1,216	4,092	-0-	1,727	-0-	(56,416)	(56,416)
<b>TOTALS</b>	<b>1,904,003</b>	<b>1,741,159</b>	<b>6,163,923</b>	<b>6,531,931</b>	<b>16,341,022</b>	<b>2,989,102</b>	<b>2,089,542</b>	<b>9,376,865</b>	<b>2,625,561</b>	<b>17,081,070</b>

PROJECTED COST OF ENROLLMENT INCREASE FOR ASST. 17,000(a)

Compare FY83 ADM - FY84 ADM Calculate ADM/Per From FY83 Supp. (415,210.9)

Prepared By  
Approved By

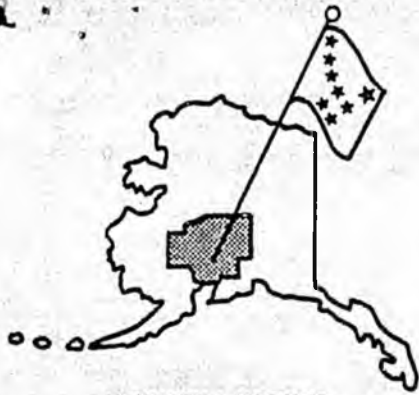
District Name	83 ADM	83 Pro Rata	83 PER ADM	84 ADM	DIFF. IN ADM	84 SUP ENT
Anchorage	34797	25158815	3309.40	34663	1866	6175433.20
Bristol Bay	211	2053278	9231118	217	6	5838708
Cordova	438	2202452	502847	438	-	-
Craig	153	1032286	673290	148	(5)	(3366910)
Dillingham	328	3228104	867224	406	28	24282272
Fairbanks (N. STAR)	9441	11807321	368204	9709	268	28812622
Galena	142	1417268	999485	136	(6)	(5796910)
Haines	389	2468194	634498	395	6	3806788
Hoonah	239	1487412	622349	239	-	-
Hydaburg	93	852142	916282	96	3	2728861
Juneau	4258	15417523	362131	4372	114	43293189
Kake	208	1478525	710830	131	(17)	(9240790)
Kenai	6756	28344733	389946	7373	517	201601565
Ketchikan Gateway	2368	8048341	339888	2325	7	2379216
King Cove	121	1134412	937529	132	11	10312319
Klawock	152	1127321	741659	127	(29)	(2150811)
Kodiak	2143	11760268	548226	2222	29	43353235
Mutanaska - Susitna	5562	19488201	350382	6157	595	208477290
Nemona	128	1344826	1240630	130	2	3101860
Nome	758	5430464	716420	762	4	2866680
North Star	1022	9404329	920190	1080	58	53371020
Pelican	52	646243	1343237	52	0	4974948
Petersburg	574	2323902	404861	574	-	-
Sand Point	123	1018771	828270	131	8	6626160
Sitka	1608	5966650	321061	1681	73	27087453
Skagway	177	951938	537818	177	-	-
St. Mary's	118	1673884	1494540	139	27	40357580
Tununa	92	1227133	1336017	87	(5)	(6680085)
Unalaska	181	1485885	820531	186	5	4104653
Valdez	863	4129478	428503	919	56	26796168

Compare FY 83 ADM - FY 84 ADM  
 Calculate ADM/PER from FY 83 Supp. (45,210.9)

Initials  
 Prepared By  
 Approved By

10  
 9  
 8  
 7  
 6  
 5  
 4  
 3  
 2  
 1

Distric Name	Wagon-11	Yakutat	Sub-Total	Adak	Alaska Gateway	Alutian	Annette	Izving Strait	Chatham	Chugach	Copper River	Delta/Gwaly	Iditarod	KuspuK	Lak- Peninsula	Laxuv-Kukakwim	Lower Yukon	Northwest Arctic	Publos	Rail/ht	Southeast	Southwest	Yukon Flats	Yukon-Koyukuk	Central Government	Sub-Total	Total
83 ADM	485	140	74154	594	473	129	331	918	272	75	582	949	272	324	363	3416	1392	1500	168	327	434	532	316	556	290	13773	87957
83 ProRata	2291676	1239661	82698153	325683	3814450	2013063	1650976	4505812	2160328	851516	3985638	5174321	4543182	4879097	5132729	2527225	11989449	3986650	1622119	3059550	3284251	6359305	542232	6597255	1981179	45210898	45210898
83 PER ADM	472511	724801	77812	542256	806548	1560514	491362	1144424	794229	1135355	684818	543241	1389313	1505895	1413928	1072025	861311	932444	995309	925643	871948	1195340	1422224	1186647	250783	14022	91831
84 ADM	423	166	77812	600	471	135	338	952	270	100	572	1029	332	331	334	2431	1373	1573	187	322	438	531	324	534	820	14022	91831
DIFF IN ADM	(63)	6	3625	600	(471)	135	338	952	270	25	(572)	80	10	2	(29)	15	1	23	19	(55)	4	(1)	8	(22)	30	249	3872
84 SUP ENT	292916.52	4648806	41762141	3289726	(1613096)	9363084	982724	38710416	(1588176)	28353825	(6848180)	43619280	13893536	10541865	(47205368)	15252325	861311	6806842	18910821	(5428215)	3482292	(1195340)	11502522	26106234	25232490	257465716	695147857



**KENNETH J. KRAMER**  
SUPERINTENDENT OF SCHOOLS

## MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

BOX AB • PALMER, ALASKA 99645-1546 • PHONE 745-4822

March 10, 1983

Governor William Sheffield  
State Capitol Building  
Pouch V  
Juneau, AK 99811

Dear Governor Sheffield:

It has recently come to my attention that the state legislature, pursuant to your instruction, is planning to review the Foundation Support Program.

I applaud your efforts to establish a more equitable means of funding public school education. I support the concept of a foundation program, however, the specific mechanics of the present system do not take into account the unique problems of our District which has no taxable industry and relies on the single family dwelling as its tax base. To compound the problem, our enrollment has increased by over 890 students this year (18% increase) and we are projecting a comparable increase for 1983-84. The present funding program addresses neither of these concerns and the "area differential" creates an even greater disparity between our District and others statewide.

Simply stated, our budget is very conservative and we find it more and more difficult each year to maintain essential programs and services enjoyed by other students statewide. Over 75% of our budget is dedicated to personnel. The salaries of our teachers are competitive with other districts, however, our administrative salaries are significantly lower than the statewide average.

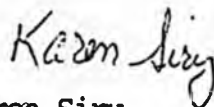
I would unequivocally endorse continuation of the study being conducted by the Department of Education regarding the existing Foundation Support Program. I look forward with great anticipation to the results of this study because individual teams visited each school district in order to ascertain problems with the present mechanics. They also met with members of the Association of Alaska School Boards.

City and Borough School Districts enjoy excellent rapport with representatives from the REAA's, as we share many common problems. However, the existing Foundation Program creates significant inequities among districts and stands to facilitate deterioration of this relationship.

Education is mandated in our State Constitution as a State function. Equality in educational opportunities for students statewide is implied in this mandate.

Your consideration of the aforementioned concerns will insure that equality in educational opportunity is available to all children statewide.

Sincerely,

A handwritten signature in cursive script that reads "Karen Siry".

Karen Siry  
School Board President

KS:GCT:pr

BILL ANALYSIS

RE: Foundation Funding Formula Moratorium and Policy Council  
CSHB 251 (HESS)

- Section 1: Findings and intent to provide alternative mechanism for public education funding of schools.
- Section 2: Lists five members of the Policy Council to be appointed jointly by Senate President and House Speaker. The respective chairmen of the HESS Committees are additional members.
- Section 3: Report to legislature, February 1, 1984.
- Section 4: Suspends operation of statutes citing the various facets of the current foundation funding formula from July 1, 1983 through June 30, 1984. Retains Hold-Harmless Clause of 14.17.031(d) - if ADM decreases by 10% during the period of suspension, the previous year's ADM figures are used for calculating instructional units (to provide for drastic declines in school enrollments due to economic reasons).

- 14.17.021(a) Basic State Aid = Instructional Unit X  
Unit Allotment
- 14.17.022 Funds for Centralized Correspondence Study
- 14.17.023 Supplemental Equalization Aid - adjusts allotments with respect to local tax contributions (Department of Community & Regional Affairs determines value 29.53.060)
- 14.17.031(a) Instructional Units (IU's) - Total number  
(b) of IU's within each school district in  
(c) regards to various types of schools and  
(e) program components
- 14.17.041 Tables of allowable instructional units
- 14.17.051 Instructional Unit Allotment - dollar amount provided for each Instructional Unit
- 14.17.056 Defines Base Instructional Unit Value at \$42,450
- 14.17.082 Fund balance changes in school operating fund; audited by Legislative Budget and Audit by April 15 of each year

14.17.160 Allocation of funds on preliminary computation

14.17.180 Payment under final computation

14.17.225(b) Proration of 14.17.010 - public school foundation account

Section 5: Dollar amount per ADM for each school district and correspondence study - based on 97.23 % of full entitlement as exists presently for funds provided in FY 83 plus the supplemental appropriation of HB 73. Subject to adjustment under 14.17.021(b), REAA's do not reflect deduction for PL 874 funds. Those deductions will be made pursuant to Section 5.

Section 6: Determination of state aid based on reports submitted under 14.17.170 (payment under adjusted computations). Payment distribution to replace 14.17.160.

Section 7: Funds necessary for increased enrollments based on 1st quarter count (Nov. 83) will be placed into the supplemental program account 14.17.061(a) and distributed per ADM's in Section 5. Available funds will be distributed on a prorata basis among school districts with increases in average daily membership (see attached letter of intent).

Section 8: Continuation level of categorical programs: bilingual, special education and vocational education needs.

Section 9: Effective date - July 1, 1983.

3/18/83



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Health, Education & Social Services

Pouch V  
State Capitol  
Juneau, Alaska 99511

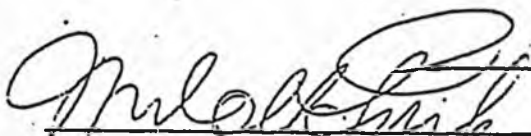
March 14, 1983

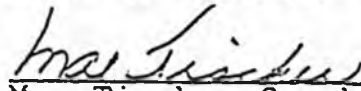
### LETTER OF INTENT

RE: HB 251 An act relating to state support for education;  
and providing for an effective date.

It is the intent of the Legislature to insure funding for any additional increases in enrollments on a per district basis for the 1983-84 school year.

It is the further intent to appropriate funds to AS 14.17.061(a), the Supplemental Programs account, in order that any additional ADM's be funded according to the ADM amounts based on the FY 83 funding level (ADM amounts listed in the proposed education legislation).

  
Milo H. Fritz, Co-chairman

  
Mae Tischer, Co-chairman

Introduced: 3/11/83  
Referred: Health, Education &  
Social Services and Finance

BY TISCHER, ADAMS, FULLER  
AND LINDAUER

1 IN THE HOUSE

2

HOUSE BILL NO. 251

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to state support for education; and  
7 providing for an effective date."

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

9 \* Section 1. FINDINGS. The legislature finds that the present system  
10 of providing assistance to school systems should be studied for  
11 modification and improvement. The legislature further finds that during  
12 the period of study an alternative mechanism to the existing foundation  
13 support system is desirable.

14 \* Sec. 2. There is created the Foundation Funding Policy Council to  
15 study alternatives to the existing foundation support system. The Founda-  
16 tion Funding Policy Council consists of seven persons: the chairperson of  
17 the Senate Health, Education, and Social Services Committee, the chairper-  
18 son of the House Health, Education, and Social Services Committee, and the  
19 following persons to be appointed jointly by the Speaker of the House and  
20 the President of the Senate: the executive director of the Alaska School  
21 Board Association, an education analyst from the Office of Management and  
22 Budget, a fiscal analyst from the Department of Education, the president of  
23 the state board of education, and the executive director of the Alaska  
24 Council of School Administrators.

25 \* Sec. 3. The Foundation Funding Policy Council shall report its find-  
26 ings and recommendations to the governor and to the legislature no later  
27 than February 1, 1984.

28 \* Sec. 4. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,  
29 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,

1 and 14.17.082 is suspended from July 1, 1983, through June 30, 1984.  
2 During the period of suspension, the provisions of AS 14.17.031(d) remain  
3 in effect except that the number of students in average daily membership in  
4 each school district shall be used instead of instructional units to  
5 calculate reductions in state aid. During the period of suspension,  
6 funding for the basic state aid and supplemental equalization aid that  
7 otherwise would have been provided under the provisions of AS 14.17.021(a),  
8 14.17.022, and 14.17.023 shall be provided to school districts and for  
9 centralized correspondence study in accordance with the provisions of  
10 sec. 5 of this Act.

11 \* Sec. 5. For fiscal year 1984 the amount of state aid for each school  
12 district and for centralized correspondence study is the following amount  
13 for each pupil in average daily membership less any aid overpaid as  
14 determined by the commissioner of education under AS 14.17.180:

15	Anchorage School District	\$ 3,310
16	Bristol Bay Borough School District	9,732
17	Cordova City School District	5,029
18	Craig City School District	6,734
19	Dillingham City School District	8,673
20	Fairbanks North Star Borough School District	3,688
21	Galena City School District	9,995
22	Haines Borough School District	6,345
23	Hoonah City School District	6,224
24	Hydaburg City School District	9,163
25	City and Borough of Juneau School District	3,622
26	Kake City School District	7,109
27	Kenai Peninsula Borough School District	3,900
28	Ketchikan Gateway Borough School District	3,399
29	King Cove City School District	9,376

1	Klawock City School District	7,417
2	Kodiak Island School District	5,488
3	Matanuska-Susitna Borough School District	3,504
4	Nenana City School District	10,507
5	Nome City School District	7,165
6	North Slope Borough School District	9,202
7	Pelican City School District	12,438
8	Petersburg City School District	4,049
9	Sand Point City School District	8,283
10	Sitka Borough School District	3,711
11	Skagway City School District	5,379
12	St. Mary's City School District	14,946
13	Tanana School District	13,361
14	Unalaska City School District	8,210
15	Valdez City School District	4,786
16	Wrangell City School District	4,726
17	Yakutat City School District	7,749
18	Adak Regional School District	5,483
19	Alaska Gateway School District	8,066
20	Aleutian Chain School District	15,606
21	Annette Island School District	4,914
22	Bering Straits School District	11,445
23	Chatham School District	7,943
24	Chugach School District	11,354
25	Copper River School District	6,849
26	Delta School District	5,453
27	Iditarod Area School District	13,894
28	Kuspuk School District	15,059
29	Lake and Peninsula School District	14,140

1	Lower Kuskokwim School District	10,171
2	Lower Yukon School District	8,614
3	Northwest Arctic School District	9,325
4	Pribilof Islands School District	9,954
5	Upper Railbelt Regional School District	9,357
6	Southeast Island School District	8,720
7	Southwest Regional School District	11,954
8	Yukon Flats School District	14,376
9	Yukon Koyukuk School District	11,867
10	Central Correspondence	2,508

11 \* Sec. 6. During the period of suspension under sec. 4 of this Act, a  
12 school district shall continue to provide services to students in programs  
13 of bilingual and vocational education commensurate with the needs of the  
14 students and in strict accordance with applicable state and federal laws  
15 and regulations.

16 \* Sec. 7. This Act takes effect July 1, 1983.

Offered: 3/18/83  
Referred: Finance

Original sponsors: Tischer, Adams,  
Fuller and Lindauer

1 IN THE HOUSE

BY THE HEALTH, EDUCATION  
AND SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 251 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to state support for education; and  
7 providing for an effective date."

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

9 \* Section 1. FINDINGS. The legislature finds that the present system  
10 of providing assistance to school systems should be studied for modifica-  
11 tion and improvement. The legislature further finds that during the period  
12 of study an alternative mechanism to the existing foundation support system  
13 is desirable.

14 \* Sec. 2. There is created the Foundation Funding Policy Council to  
15 study alternatives to the existing foundation support system. The Founda-  
16 tion Funding Policy Council consists of seven persons: the chairperson of  
17 the Senate Health, Education, and Social Services Committee, the chairper-  
18 son of the House Health, Education, and Social Services Committee, and the  
19 following persons to be appointed jointly by the Speaker of the House and  
20 the President of the Senate: the executive director of the Alaska School  
21 Board Association, an education analyst from the Office of Management and  
22 Budget, a fiscal analyst from the Department of Education, the president of  
23 the state board of education, and the executive director of the Alaska  
24 Council of School Administrators.

25 \* Sec. 3. The Foundation Funding Policy Council shall report its find-  
26 ings and recommendations to the governor and to the legislature no later  
27 than February 1, 1984.

28 \* Sec. 4. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,  
29 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,

1 14.17.082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of  
2 14.17.170 that requires the withholding of one-half of the June payment of  
3 state aid pending a final determination of each school district's state aid  
4 is suspended from July 1, 1983, through June 30, 1984. During the period  
5 of suspension, the provisions of AS 14.17.031(d) remain in effect except  
6 that the number of students in average daily membership in each school  
7 district shall be used instead of instructional units to calculate  
8 reductions in state aid. During the period of suspension, funding for the  
9 basic state aid and supplemental equalization aid that otherwise would have  
10 been provided under the provisions of AS 14.17.021(a), 14.17.022, and  
11 14.17.023 shall be provided to school districts and for centralized corre-  
12 spondence study in accordance with the provisions of sec. 5 of this Act.

13 \* Sec. 5. For fiscal year 1984 the amount of state aid for each school  
14 district and for centralized correspondence study is the following amount,  
15 subject to adjustment under AS 14.17.021(b), for each pupil in average  
16 daily membership less any aid overpaid as determined by the commissioner of  
17 education:

18	Anchorage School District	\$ 3,310
19	Bristol Bay Borough School District	9,732
20	Cordova City School District	5,029
21	Craig City School District	6,734
22	Dillingham City School District	8,673
23	Fairbanks North Star Borough School District	3,688
24	Galena City School District	9,995
25	Haines Borough School District	6,345
26	Hoonah City School District	6,224
27	Hydaburg City School District	9,163
28	City and Borough of Juneau School District	3,622
29	Kake City School District	7,109

1	Kenai Peninsula Borough School District	3,900
2	Ketchikan Gateway Borough School District	3,399
3	King Cove City School District	9,376
4	Klawock City School District	7,417
5	Kodiak Island School District	5,488
6	Matanuska-Susitna Borough School District	3,504
7	Nenana City School District	10,507
8	Nome City School District	7,165
9	North Slope Borough School District	9,202
10	Pelican City School District	12,438
11	Petersburg City School District	4,049
12	Sand Point City School District	8,283
13	Sitka Borough School District	3,711
14	Skagway City School District	5,379
15	St. Mary's City School District	14,946
16	Tanana School District	13,361
17	Unalaska City School District	8,210
18	Valdez City School District	4,786
19	Wrangell City School District	4,726
20	Yakutat City School District	7,749
21	Adak Regional School District	6,643
22	Alaska Gateway School District	8,639
23	Aleutian Chain School District	16,674
24	Annette Island School District	6,572
25	Bering Straits School District	12,197
26	Chatham School District	8,682
27	Chugach School District	11,758
28	Copper River School District	7,178
29	Delta School District	5,915

1	Iditarod Area School District	14,972
2	Kuspuk School District	16,376
3	Lake and Peninsula School District	15,476
4	Lower Kuskokwim School District	11,033
5	Lower Yukon School District	9,864
6	Northwest Arctic School District	10,387
7	Pribilof Islands School District	11,475
8	Upper Railbelt Regional School District	9,551
9	Southeast Island School District	9,665
10	Southwest Regional School District	13,305
11	Yukon Flats School District	15,498
12	Yukon Koyukuk School District	13,191
13	Central Correspondence	2,508

14 \* Sec. 6. The Commissioner shall determine the state aid for each  
15 school district on the basis of the reports submitted under AS 14.17.170  
16 for fiscal year 1983. Beginning July 15 of the fiscal year, and on the  
17 15th of each month, for seven successive months, 1/12th of each district's  
18 state aid shall be distributed.

19 \* Sec. 7. Appropriations made for fiscal year 1984 for supplemental  
20 programs under AS 14.17.061(a) may be used only for average daily member-  
21 ship increases beyond the average daily membership reported by school  
22 districts under AS 14.17.170 for fiscal year 1983. If the amount appro-  
23 priated for fiscal year 1984 is insufficient to meet the average daily  
24 membership allocations authorized under sec. 5 of this Act with respect to  
25 the increased average daily membership, the available funds shall be dis-  
26 tributed on a pro rata basis among the school districts with increases in  
27 average daily membership.

28 \* Sec. 8. During the period of suspension under sec. 4 of this Act, a  
29 school district shall continue to provide services to students in programs

1 of bilingual, special, and vocational education commensurate with the needs  
2 of the students and in strict accordance with applicable state and federal  
3 laws and regulations.

4 \* Sec. 9. This Act takes effect July 1, 1983.

COMMITTEE REPORT  
SENATE

FURTHER:

4/14/83

Date: 5/19/83

Mr. President:

The Committee on FINANCE has had CSHB 251 (HESS)

Relating to state support for education; eff. date

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for CSHB 251 (Fin)  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

Bob Mulcahy

Jan Baker

Jim Cronin

W. Frisch

Jim Pachot

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]

CHAIRMAN

Original sponsors: Tischer, Adams,  
Fuller and Lindauer

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 251 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act Entitled: "An Act relating to state support for education; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43.18.100(a)(4) is amended to read:

10 (4) subject to (h) and (i) of this section up to 90 percent  
11 of

12 (A) payments made by the municipality during the  
13 current fiscal year for the retirement of principal and interest  
14 on outstanding bonds, notes or other indebtedness incurred after  
15 December 31, 1981, and before July 1, 1983, to pay costs of  
16 school construction, additions to schools, and major  
17 rehabilitation projects that exceed \$25,000 and are approved  
18 under AS 14.07.020(11); and

19 (B) cash payments made after June 30, 1982, and  
20 before July 1, 1983, by the municipality during the fiscal year  
21 two years earlier to pay costs of school construction, additions  
22 to schools, and major rehabilitation projects that exceed \$25,000  
23 and are approved under AS 14.07.020(11).

24 \* Sec. 2. AS 43.18.100(a) is amended by adding a new paragraph to read:

25 (5) subject to (h) and (i) of this section, 50 percent of

26 (A) payments made by the municipality during the  
27 fiscal year for the retirement of principal and interest on  
28 outstanding bonds, notes or other indebtedness incurred after  
29 June 30, 1983 to pay costs of school construction, additions to

1 schools, and major rehabilitation projects that exceed \$25,000  
2 and are approved under AS 14.07.020(11); and

3 (B) cash payments made after June 30, 1983 by the  
4 municipality during the fiscal year two years earlier to pay  
5 costs of school construction, additions to schools, and major  
6 rehabilitation projects that exceed \$25,000 and are approved  
7 under AS 14.07.020(11).

8 \* Sec.3. AS 43.18.100 is amended by adding a new subsection to read:

9 (j) The state may not allocate money to a municipality for a  
10 school construction project under (a)(5) of this section unless the  
11 project is approved by the commissioner before the local vote on the  
12 bond issue for the project. In approving a project under this  
13 subsection, the commissioner shall require

14 (1) the municipality to include on the ballot for the bond  
15 issue the total cost of each project and the amounts that will be paid  
16 by the state and by the municipality;

17 (2) that the bonds may not be redeemed before expiration  
18 and must be repaid in equal payments over a period of at least 15  
19 years;

20 (3) the municipality to demonstrate need for the project by  
21 factors such as increased enrollment in the school district, the  
22 health and safety of the students, and the factors listed in AS  
23 14.11.010(c).

24 \* Sec. 4. The provisions of AS 14.17 notwithstanding, the number of  
25 instructional units and amount of supplemental equalization aid within each  
26 school district and correspondence study for the purpose of calculating the  
27 amount of basic state aid for the public school foundation program for  
28 fiscal year 1984 is equal to the revised number of instructional units and  
29 amount of supplemental equalization aid within each school district and  
X

1 correspondence study for fiscal year 1983 subject to the exception provided  
2 in secs. 5 and 7 of this Act.

3 \* Sec. 5. The provision of AS 14.17.250(9) notwithstanding, a junior,  
4 high school program in a school district with a total average daily  
5 membership of 250 or more may not be used separately to calculate the  
6 number of instructional units within a school district for fiscal year 1984  
7 unless the junior high school program is housed in its own separate  
8 facility and has an average daily membership of 50 or more or has a  
9 separate administration which was in place before 1983 school year. The  
10 reductions required by this section are subject to the reduction schedule  
11 contained in AS 14.17.031(d).

12 \* Sec. 6. The commissioner of education shall recommend to the  
13 legislature a method of revising and improving the public school foundation  
14 program no later than January 9, 1984. If the commissioner of education  
15 has not made recommendations to the legislature by January 9, 1984, the  
16 provisions of AS 14.17 notwithstanding, the amount of basic state aid to  
17 each school district and regional educational attendance area under the  
18 public school foundation program as calculated by fiscal year 1984 revised  
19 instructional unit calculations, beginning in fiscal year 1985, shall be  
20 adjusted and identified in January 1984 to reflect the changes in the  
21 Consumer Price Index for all Urban Consumers for the Anchorage Metropolitan  
22 Area compiled by the Bureau of Labor Statistics, United States Department  
23 of Labor in January 1984, for the preceding twelve-month period. The index  
24 for January 1983 is the reference base index.

25 \* Sec. 7. The provisions of AS 14.17 notwithstanding, the number of  
26 instructional units and amount of supplemental equalization aid for which a  
27 school district or correspondence study program is eligible under the  
28 public school foundation program for fiscal year 1984 may be increased over  
29 the amount of aid for fiscal year 1983 only for increases in enrollment or  
X

1 the opening of new school sites as reflected in the FY 84 Revised  
2 Foundation Report. If the amount appropriated for the public school  
3 foundation program for fiscal year 1984 is insufficient to meet the amount  
4 permitted by this Act, the available funds shall be distributed on a pro  
5 rata basis among all school districts.

6 \* Sec. 8. This Act takes effect immediately in accordance with AS  
7 01.10.070(c).

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
X

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Proposed Senate Finance CS for HB 251  
 Title School Foundation Formula  
 Requested by Senator Ferguson Date 5/19/83

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill has a 0 fiscal note. The Governor's revised budget presently contains \$43 million for the foundation formula, which is \$16 million above last year. The only additional costs allowed school districts for FY 84 under this bill would be for new school sites and new students. This would be covered by the \$16 million.

The junior high school provision of this proposed CS would free up about \$850,000 for FY 84 and \$850,000 for FY 85 which is presently distributed to some districts under existing definitions of instructional units available for junior high programs, and redistribute the funds to all the State's districts. It is assumed there would be no FY 86 or FY 87 impact, since by that time the school foundation study would have recommended a revision of the whole program. The fiscal impact of the debt retirement language would be 0 until FY 86 after which its impact would be indeterminate.

IV. DATE \_\_\_\_\_ PREPARED BY John P. Jackson  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

SCSCSHB 251 - "AN ACT RELATING TO STATE SUPPORT FOR EDUCATION:  
AND PROVIDING FOR AN EFFECTIVE DATE."

WITNESSES

DATE	NAME	AFFILIATION
5-18	Steve Hole	Dept. of Education
5-18	Wayne E. Taylor	Nenana Public Schools.
5-18	Tom FREEMAN	Anchorage School Dist
5/18	Ginny Chitwood	AK Municipal League
5-18	BOB GREENE	AK SCH. BOARDS
5-18	Bill Zyzanski	FOR MAYOR VALLEY FBKS NORTH STAR BOROUGH
5-18	<del>Phil Wright</del> Dr Ken BURNLEY	FAIRBANKS SCHOOL DISTRICT
5-18	Sandra STRINGER	Fbx N STAR BOROUGH ASSEMBLY
5-18	PAUL CHIZMAR	FBKS N. STAR BORO. Assembly
5-18	H.O. Williams	FNSBSD
	Sen Gilman	
	Rep Ron Larson	

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Proposed Senate Finance CS for HB 251  
 Title School Foundation Formula  
 Requested by Senator Ferguson Date 5/19/83

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill has a 0 fiscal note. The Governor's revised budget presently contains \$43 million for the foundation formula, which is \$16 million above last year. The only additional costs allowed school districts for FY 84 under this bill would be for new school sites and new students. This would be covered by the \$16 million.

The junior high school provision of this proposed CS would free up about \$850,000 for FY 84 and \$850,000 for FY 85 which is presently distributed to some districts under existing definitions of instructional units available for junior high programs, and redistribute the funds to all the State's districts. It is assumed there would be no FY 86 or FY 87 impact, since by that time the school foundation study would have recommended a revision of the whole program. The fiscal impact of the debt retirement language would be 0 until FY 86 after which its impact would be indeterminate.

IV. DATE \_\_\_\_\_ PREPARED BY Jan P. Siskind  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

5/19/83

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Proposed Senate Finance CS for HB 251  
 Title School Foundation Formula  
 Requested by Senator Ferguson Date 5/19/83

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill has a 0 fiscal note. The Governor's revised budget presently contains \$43 million for the foundation formula, which is \$16 million above last year. The only additional costs allowed school districts for FY 84 under this bill would be for new school sites and new students. This would be covered by the \$16 million.

The junior high school provision of this proposed CS would free up about \$850,000 for FY 84 and \$850,000 for FY 85 which is presently distributed to some districts under existing definitions of instructional units available for junior high programs, and redistribute the funds to all the State's districts. It is assumed there would be no FY 86 or FY 87 impact, since by that time the school foundation study would have recommended a revision of the whole program. The fiscal impact of the debt retirement language would be 0 until FY 86 after which its impact would be indeterminate.

IV. DATE \_\_\_\_\_ PREPARED BY John P. Patrick  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

5/18/83 pm  
Gilman  
Amendment

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: GILMAN

TO: Senate CS for CS HOUSE BILL No. 251

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 24 through pg.2, 1.22.

Delete all material.

Page 1, line 24

Insert: "Section 2. The operation of AS 43.18.100 (a)(4)(A) is suspended with respect to payments made by a municipality for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred after July 1, 1983 and before June 30, 1984 to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000."

Renumber remaining sections accordingly.

Page 3, line 2

Delete "5 and 7"

Insert "4 and 6"

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

5/18/83 pm  
Gilman  
Amendment

# AMENDMENT

OFFERED IN THE HOUSE:

By: GILMAN

To: Senate CS for CS HOUSE BILL No. 251

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 24 through pg.2, 1.22.

Delete all material.

Page 1, line 24

Insert: "Section 2. The operation of AS 43.18.100 (a) (4) (A) is suspended with respect to payments made by a municipality for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred after July 1, 1983 and before June 30, 1984 to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000."

Renumber remaining sections accordingly.

Page 3, line 2

Delete "5 and 7"

Insert "4 and 6"

# AMENDMENT

OFFERED IN THE HOUSE:

BY: GILMAN

TO: Senate CS for CS HOUSE BILL No. 251

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 24 through pg.2, 1.22.

Delete all material.

Page 1, line 24

Insert: "Section 2. The operation of AS 43.18.100 (a) (4) (A) is suspended with respect to payments made by a municipality for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred after July 1, 1983 and before June 30, 1984 to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000."

Renumber remaining sections accordingly.

Page 3, line 2

Delete "5 and 7"

Insert "4 and 6"

AMENDMENT

OFFERED IN THE HOUSE:

BY: GILMAN

TO: Senate CS for CS HOUSE BILL No. 251

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 24 through pg.2, 1.22.

Delete all material.

Page 1, line 24

Insert: "Section 2. The operation of AS 43.18.100 (a)(4)(A) is suspended with respect to payments made by a municipality for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred after July 1, 1983 and before June 30, 1984 to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000."

Renumber remaining sections accordingly.

Page 3, line 2

Delete "5 and 7"

Insert "4 and 6"

SCHOOL DEBT RETIREMENT

Impact of \$59,887,800 Appropriation for FY 84

	Total FY 84 Entitlement	Projected Shortfall 63% Proration	Mill Levy Equivalent of Shortfall
Anchorage	\$18,740,404	\$6,933,949	0.666 mills
Bristol Bay Bor.	369,613	136,757	1.563 mills
Cordova	99,681	36,882	0.738 mills
Fbks N. Star Bor.	11,024,267	4,078,979	2.39 mills
Galena	45,998	17,019	2.73 mills
Haines Borough	93,688	34,665	0.55 mills
C. & B. Juneau	7,250,550	2,682,704	2.709 mills
Kenai Pen. Bor.	14,994,886	5,548,108	2,219 mills
Ketchikan Gate. B.	980,388	362,744	0.632 mills
Kodiak I. Bor.	3,196,185	1,182,588	2.7 mills
Mat-Su Borough	10,198,686	3,773,514	3.25 mills
Nenana	9,956	3,684	0.461 mills
North Slope Bor.	18,156,312	6,717,835	0.812 mills
Petersburg	976,373	361,258	3.612 mills
C. & B. Sitka	1,019,581	377,245	0.967 mills
Skagway	21,530	7,966	0.177 mills
Unalaska	144,183	53,348	0.726 mills
Valdez	3,179,975	1,176,591	0.719 mills
Wrangell	111,516	41,261	0.648 mills
Yakutat	49,423	18,286	1.439 mills

( On a \$100,000 house, a one mill levy would result in \$100 in taxes.)

estimates prepared 5/2/83  
estimates revised 5/13/83

School Debt Retirement, page 2

	<u>FY 84 Entitlement</u>		
	Entitlement on Debt Issued before 12/31/81	Entitlement on Debt Issued after 12/31/81 (estimates)	Total FY 84 Entitlement
Anchorage	\$10,532,909	\$ 8,207,495	\$18,740,404
Bristol Bay Bor.	369,613		369,613
Cordova	99,681		99,681
Fbks N. Star Bor.	4,970,192	6,054,075	11,024,267
Galena	45,998		45,998
Haines Borough	97,688		93,688
C. & B. Juneau	1,377,557	5,872,993	7,250,550
Kenai Pen. Bor.	6,087,170	8,907,716	14,994,886
Ketchikan Gate. B.	980,388		980,388
Kodiak I. Bor.	1,683,185	1,512,900	3,196,085
Mat-Su Borough	5,191,266	5,007,420	10,198,686
Nenana	9,956		9,956
North Slope Bor.	14,203,693	3,952,619	18,156,312
Petersburg	481,373	495,000	976,373
C. & B. Sitka	1,019,581		1,019,581
Skagway	21,530		21,530
Unalaska	144,183		144,183
Valdez	3,117,975		3,117,975
Wrangell	111,516		111,516
Yakutat	49,423		49,423
	<hr/>	<hr/>	<hr/>
totals	\$50,590,877	\$40,010,218	\$90,601,095

Breakdown of Entitlement on post 12/31/81 Debt

	90% of Payment on Debt Issued After 12/31/81	Estimated 90% of Payment on Debt To Be Issued In May & June	Estimated Entitlement For FY 84 on Debt Issued After 12/31/81
Anchorage	\$ 8,207,495		\$ 8,207,495
Fbks N. Star Bor.	3,894,075	\$ 2,160,000	6,054,075
C. & B. Juneau	2,717,528	3,155,465	5,872,993
Kenai Pen. Bor.	8,907,716		8,907,716
Kodiak I. Bor.		1,512,900	1,512,900
Mat-Su Borough	2,077,920	2,929,500	5,007,420
North Slope Bor.	3,952,619		3,952,619
Petersburg		495,000	495,000
<hr/>			
totals	\$29,757,353	\$10,252,865	\$40,010,218

\* \* \* \* \*

Estimated Entitlement on Debt Issued after 12/31/81	\$40,010,218
Entitlement on Debt Issued before 12/31/81 (2 year lag)	50,590,877
Total FY 84 Entitlement for School Debt Retirement	\$90,601,095

STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 43.18.100)

More than 10 years ago, the Legislature established this program of reimbursing municipalities for a portion of their school construction debt. The program started as a 50% reimbursement with a two year lag in payments, and over the years was changed to provide for a larger percentage of reimbursement (100% for payments on debt issued before 7/1/77 and 80% for the rest) and some oversight by the Department of Education. Last session, other changes were made to the program: the percentage of reimbursement was raised from 80% to 90% for payments on debt issued after 7/1/77 and current year reimbursements were authorized for payments on debt issued after 12/31/81, in order to phase out the two year lag.

In summary, the current program provides:

1. 100% of payments made two years earlier on school debt issued before July 1, 1977. (Payments made by the municipality in FY 82 are reimbursed by the State in FY 84.)
2. 90% of payments made two years earlier on school debt issued between July 1, 1977 and December 31, 1981. (Payments made by the municipality in FY 82 are partially reimbursed by the State in FY 84.)
3. 90% of cash payments made two years earlier for school construction costs. (Payments made by the municipality in FY 82 are partially reimbursed by the State in FY 84.)
4. 90% of payments made in the current year on school debt issued after December 31, 1981. (Payments to be made by the municipality in FY 84 are partially reimbursed in FY 84.)
5. Each municipality's entitlement is determined by adding the four categories listed above and then subtracting the amount of tobacco tax the district received two years earlier. (The amount of tobacco tax received in FY 82 is deducted from the FY 84 payment.)

The other factors of the program relate to the oversight and approval authority granted to the Department of Education and limits to the types of facilities that are eligible for reimbursement.

Prepared by the Alaska Municipal League  
May 2, 1983

OFC 5/18/83 p.m.

TESTIMONY OF WAYNE E. TAYLOR,  
SUPERINTENDENT

NENANA CITY PUBLIC SCHOOLS

TO: SENATE FINANCE COMMITTEE

ON: MAY 18th 1983

CONCERNING

HB-251

An Act Relating To  
State Support for Education  
and Providing for an Effective Date

The support for public schools in Alaska has been a much studied system dating back to territorial days at least from 1909. Then support for public schools was based upon 30% of the Alaska fund, which consisted of "all monies derived from and collected for liquor licenses, occupation, or trade licenses issued for areas outside incorporated towns in the District of Alaska", plus 50% of these licenses monies collected within the incorporated limits.<sup>1</sup> This type of funding was changed in 1917 due to the onset of Prohibition.<sup>2</sup>

The system of support has changed many times since 1917 and has evolved to our current system which was adopted by the Legislature in 1970 based upon a study called Final Report and Recommendations of the Advisory Council on State Financial Support to Public Schools, Juneau, Alaska, January 1970.

The system was basically aimed at cities and boroughs as the uporganized areas were run by the State Operated School System, which worked on a grant basis. The Rural Education Attendance Areas did not exist as we know them today, as well as the very small high schools (Hotch Schools - Tobluk Descent Decree) were not in existence at that time.

There have been a number of other studies done of school finance in Alaska, some of these being:

1. School Finance in Alaska, An Overview of Current Issues, Sources and Distribution of Funds for Public Center for Northern Educational Research, UAF, Fairbanks, AK 1976.
2. Alaska Interregional Cost Differentials Center for Northern Educational Research, The Northern Institute, UAF, Fairbanks, AK 1977.
3. Strengthening the Alaska Public School Foundation Support Program, The Northern Institute, Anchorage, AK 1979.
4. Area Differential Study, Homan-McDowell Association, Juneau, AK 1981.

Usually each time a study is done a legislative law change is made to account for the different recommendations. Unfortunately, only parts of the recommendations are taken and made into law leaving a sometimes haphazard system of finance. This has happened in the past, which has had the effect of a band-aid approach to keeping the current law valid.

In the study done by the task force in 1979, they made eight (8) recommendations.<sup>3</sup> They were followed, not followed or altered by the legislature in the following ways:

1. Equalization - Altered by the legislative process, but adopted.
2. Area Differential - Recommended a study - Did fund - Homan-McDowell Study - 1981, but then ignored and shelved.
3. Method of determining elementary schools count - adopted.
4. Secondary Schools Foundation Units - Altered by legislature and adopted.
5. Vocational Education Foundation Units - Ignored.
6. Special Education Foundation Units - Ignored.
7. Bilingual Education Foundation Units - Ignored
8. Junior High Definition - altered by Legislature and adopted.

We have an excellent funding program based on the current system and Nenana City Public Schools would hate to see changes made which are not based on a full study of our current system. The most rational approach would be to fund the study of our system and then utilize that study for making recommended changes in the next legislative system.

To give you an example of what may happen to a district when funding sources have changed, let us go back to 1977 when the area differentials were changed and the REAA's were created.

The Legislature restructured the area differentials based upon a study done by the Center for Northern Educational Research, which changed most school districts area differential (cost of doing business using Anchorage as a base). Nenana was reduced in area differential by 13 3/4%. This froze the districts amount of money for three years until the cost of living raises reached that amount. By using our savings account and cutting back on maintenance, teaching supplies, textbooks and salaries, we were able to survive until FY-80. By the end of that year, we were broke and could not meet our required payments in May, June, and July due to a severe cash flow problem. I testified before both the House and Senate Committees and we received two supplementals, until the problem was solved by different means. We were called a legislative oversight district. One supplemental was for \$101,000, and the other was for \$70,000. The problem has never really been cured because our area differential is too low. It should be between 127% and 130% and not 120%. We received relief in a number of ways.:

1. The two supplementals.
2. Equalization went into affect, which was a big factor.
3. We applied for and received approval of our Junior High Program by the Department of Education.

Nenana City Public Schools, it's school board and the community residents urge defeat for HB-251 as written and change it to fund only the study and delete the sections on funding by average daily membership, and eliminate the Junior High funding, for Junior High s under 50.

We have been the victims of a legislative action one in recent history and we would hate to see something similar happen again to one or more districts in the state.

1. Report of the Commissioner for Education for the year ending June 30, 1918.
2. Ibid, page 27.
3. Strengthening the Alaska Public School Foundation Support Program, Northern Institute, 1979.
4. Alaska Interregional Cost Differentials, An Examination of Costs of Living, Public School Foundation Program, Instructional Unit Allotments and School Operational Costs in Alaska. Center for Northern Educational Research, UAF, Fairbanks, AK, March 1977.

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

4/4/83

Date:

4/13/83

Mr. President:

The Committee on HESS' has had CSHB 251 (HESS)

Relating to state support for education; eff. date

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

do pass [ ] do not pass

[ ] do pass with attached amendments(s)

replace with SCS for CS HB 251 (HESS) [] same title [] new title

and recommends 2 do pass, 1 more

[ ] AND attaches a "Letter of Intent"

New Fiscal Note  
Senate Suppl No. 18

[ ] reports it back without recommendation

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature] NO Rec.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN

Offered: 3/18/83  
Referred: Finance

Original sponsors: Tischer, Adams,  
Fuller and Lindauer

1 IN THE HOUSE

BY THE HEALTH, EDUCATION  
AND SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 251 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to state support for education; and  
7 providing for an effective date."

7

8

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

9

\* Section 1. FINDINGS. The legislature finds that the present system  
10 of providing assistance to school systems should be studied for modifica-  
11 tion and improvement. The legislature further finds that during the period  
12 of study an alternative mechanism to the existing foundation support system  
13 is desirable.

14 \* Sec. 2. There is created the Foundation Funding Policy Council to  
15 study alternatives to the existing foundation support system. The Founda-  
16 tion Funding Policy Council consists of seven persons: the chairperson of  
17 the Senate Health, Education, and Social Services Committee, the chairper-  
18 son of the House Health, Education, and Social Services Committee, and the  
19 following persons to be appointed jointly by the Speaker of the House and  
20 the President of the Senate: the executive director of the Alaska School  
21 Board Association, an education analyst from the Office of Management and  
22 Budget, a fiscal analyst from the Department of Education, the president of  
23 the state board of education, and the executive director of the Alaska  
24 Council of School Administrators.

25 \* Sec. 3. The Foundation Funding Policy Council shall report its find-  
26 ings and recommendations to the governor and to the legislature no later  
27 than February 1, 1984.

28 \* Sec. 4. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,  
29 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,

1 14.17.082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of  
 2 14.17.170 that requires the withholding of one-half of the June payment of  
 3 state aid pending a final determination of each school district's state aid  
 4 is suspended from July 1, 1983, through June 30, 1984. During the period  
 5 of suspension, the provisions of AS 14.17.031(d) remain in effect except  
 6 that the number of students in average daily membership in each school  
 7 district shall be used instead of instructional units to calculate  
 8 reductions in state aid. During the period of suspension, funding for the  
 9 basic state aid and supplemental equalization aid that otherwise would have  
 10 been provided under the provisions of AS 14.17.021(a), 14.17.022, and  
 11 14.17.023 shall be provided to school districts and for centralized corre-  
 12 spondence study in accordance with the provisions of sec. 5 of this Act.

13 \* Sec. 5. For fiscal year 1984 the amount of state aid for each school  
 14 district and for centralized correspondence study is the following amount,  
 15 subject to adjustment under AS 14.17.021(b), for each pupil in average  
 16 daily membership less any aid overpaid as determined by the commissioner of  
 17 education:

18	Anchorage School District	\$ 3,310
19	Bristol Bay Borough School District	9,732
20	Cordova City School District	5,029
21	Craig City School District	6,734
22	Dillingham City School District	8,673
23	Fairbanks North Star Borough School District	3,683
24	Galena City School District	9,995
25	Haines Borough School District	6,345
26	Hoonah City School District	6,224
27	Hydaburg City School District	9,163
28	City and Borough of Juneau School District	3,622
29	Kake City School District	7,109

1	Kenai Peninsula Borough School District	3,900
2	Ketchikan Gateway Borough School District	3,399
3	King Cove City School District	9,376
4	Klawock City School District	7,417
5	Kodiak Island School District	5,488
6	Matanuska-Susitna Borough School District	3,504
7	Nenana City School District	10,507
8	Nome City School District	7,165
9	North Slope Borough School District	9,202
10	Pelican City School District	12,438
11	Petersburg City School District	4,049
12	Sand Point City School District	8,283
13	Sitka Borough School District	3,711
14	Skagway City School District	5,379
15	St. Mary's City School District	14,946
16	Tanana School District	13,361
17	Unalaska City School District	8,210
18	Valdez City School District	4,786
19	Wrangell City School District	4,726
20	Yakutat City School District	7,749
21	Adak Regional School District	6,643
22	Alaska Gateway School District	8,639
23	Aleutian Chain School District	16,674
24	Annette Island School District	6,572
25	Bering Straits School District	12,197
26	Chatham School District	8,682
27	Chugach School District	11,758
28	Copper River School District	7,178
29	Delta School District	5,915

1	Iditarod Area School District	14,972
2	Kuspuk School District	16,376
3	Lake and Peninsula School District	15,476
4	Lower Kuskokwim School District	11,033
5	Lower Yukon School District	9,864
6	Northwest Arctic School District	10,387
7	Pribilof Islands School District	11,475
8	Upper Railbelt Regional School District	9,551
9	Southeast Island School District	9,665
10	Southwest Regional School District	13,305
11	Yukon Flats School District	15,498
12	Yukon Koyukuk School District	13,191
13	Central Correspondence	2,508

14 \* Sec. 6. The Commissioner shall determine the state aid for each  
15 school district on the basis of the reports submitted under AS 14.17.170  
16 for fiscal year 1983. Beginning July 15 of the fiscal year, and on the  
17 15th of each month, for seven successive months, 1/12th of each district's  
18 state aid shall be distributed.

19 \* Sec. 7. Appropriations made for fiscal year 1984 for supplemental  
20 programs under AS 14.17.061(a) may be used only for average daily member-  
21 ship increases beyond the average daily membership reported by school  
22 districts under AS 14.17.170 for fiscal year 1983. If the amount appro-  
23 priated for fiscal year 1984 is insufficient to meet the average daily  
24 membership allocations authorized under sec. 5 of this Act with respect to  
25 the increased average daily membership, the available funds shall be dis-  
26 tributed on a pro rata basis among the school districts with increases in  
27 average daily membership.

28 \* Sec. 8. During the period of suspension under sec. 4 of this Act, a  
29 school district shall continue to provide services to students in programs

1 of bilingual, special, and vocational education commensurate with the needs  
2 of the students and in strict accordance with applicable state and federal  
3 laws and regulations.

4 \* Sec. 9. This Act takes effect July 1, 1983.

Offered: 4/14/83  
Referred: Finance

Original sponsors: Tischer, Adams,  
Fuller and Lindauer

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 251 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state support for education; and  
7 providing for an effective date."

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

9 \* Section 1. The provisions of AS 14.17 notwithstanding, the number of  
10 instructional units within each school district for the purpose of cal-  
11 culating the amount of basic state aid for the public school foundation  
12 program for fiscal year 1984 is equal to the revised number of instruc-  
13 tional units within each school district for fiscal year 1983 subject to  
14 the exception provided in sec. 2 of this Act.

15 \* Sec. 2. The provisions of AS 14.17.250(9) notwithstanding, a junior  
16 high school program may not be used separately to calculate the number of  
17 instructional units within a school district for fiscal year 1984 unless  
18 the junior high school program is housed in its own separate facility, or  
19 unless it has an average daily membership of 50 or more.

20 \* Sec. 3. The commissioner of education shall recommend to the legisla-  
21 ture a method of revising and improving the public school foundation pro-  
22 gram no later than January 9, 1984. If the commissioner of education has  
23 not made recommendations to the legislature by January 9, 1984, the pro-  
24 visions of AS 14.17 notwithstanding, the amount of basic state aid to each  
25 school district and regional educational attendance area under the public  
26 school foundation program, beginning in fiscal year 1985, shall be adjusted  
27 in January 1984 to reflect the changes in the Consumer Price Index for all  
28 Urban Consumers for the Anchorage Metropolitan Area compiled by the Bureau  
29 of Labor Statistics, United States Department of Labor in January 1984, for