

SCOMM

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2/18/04

CS FOR HOUSE BILL NO. 471(EDU)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON EDUCATION

Offered:
Referred:

Sponsor(s): HOUSE SPECIAL COMMITTEE ON EDUCATION

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to the funding of public education; and providing for an effective**
2 **date."**

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

4 *** Section 1. AS 14.17.470 is amended to read:**

5 **Sec. 14.17.470. Base student allocation. The base student allocation is**
6 **\$4,379. However, the department shall, on July 1 of each year, increase the base**
7 **student allocation by two percent [\$4,169].**

8 *** Sec. 2. This Act takes effect July 1, 2005.**

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number:

Bill Version:

HB 471

() Publish Date:

Revision Date/Time (Note if correction):

Dept. Affected: Education & Early Development

Title "An Act relating to the funding of public education;

RDU

K-12 Support

and providing for an effective date.

Component

Foundation Program

Sponsor HESS

Requester House Special Committee of Education...

Component No.

141

Expenditures/Revenues

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	42,307.7	17,716.7	17,994.2	18,402.3	18,826.3	19,467.6
Miscellaneous						
TOTAL OPERATING	42,307.7	17,716.7	17,994.2	18,402.3	18,826.3	19,467.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	42,307.7	17,716.7	17,994.2	18,402.3	18,826.3	19,467.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	42,307.7	17,716.7	17,994.2	18,402.3	18,826.3	19,467.6

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the base student allocation from \$4,169 to \$4,379. Then each following year increase the base allocation by 2%.

FY05 \$4,379

FY06 \$4,467

FY07 \$4,556

FY08 \$4,647

FY09 \$4,740

FY10 \$4,835

Prepared by: Eddy Jeans, School Finance Manager

Division: Education and Support Services

Approved by:

Agency: Education & Early Development

Phone 465-8679

Date/Time 2/18/04 4:33 PM

Date 2/18/2004

School District	Increase to Basic Need	Change to Floor	State Net Increase	Additional Local
Alaska Gateway	253,703	(101,481)	152,222	-
Aleutian Region	51,973	(20,790)	31,183	-
Aleutians East Borough	195,377	-	195,377	44,937
Anchorage	14,129,451	-	14,129,451	3,249,774
Annette Island	107,486	-	107,486	-
Bering Strait	1,084,969	-	1,084,969	-
Bristol Bay Borough	95,991	-	95,991	22,077
Chatham	111,598	-	111,598	-
Chugach	68,540	-	68,540	-
Copper River	283,479	-	283,479	-
Cordova	177,990	-	177,990	40,938
Craig	276,498	-	276,498	63,594
Delta/Greely	383,676	-	383,676	-
Denali Borough	232,983	-	232,983	53,586
Dillingham	224,425	-	224,425	51,618
Fairbanks N. Star Borough	4,486,463	-	4,486,463	1,031,887
Galena	740,340	(296,136)	444,204	170,278
Haines Borough	120,301	-	120,301	27,669
Hoonah	76,344	-	76,344	17,559
Hydaburg	37,418	(6,646)	30,772	8,607
Iditarod Area	217,413	(54,593)	162,820	-
Juneau Borough	1,618,340	-	1,618,340	372,218
Kake	62,477	(10,151)	52,326	14,370
Kashunamiut	183,806	-	183,806	-
Kenai Peninsula Borough	2,965,920	-	2,965,920	682,162
Ketchikan Gateway Borough	769,822	-	769,822	177,059
Klawock	64,617	-	64,617	14,862
Kodiak Island Borough	935,256	-	935,256	215,109
Kuspuk	271,261	(4,079)	267,182	-
Lake & Peninsula Borough	314,027	(62,846)	251,181	72,226
Lower Kuskokwim	2,189,122	(875,648)	1,313,474	-
Lower Yukon	1,138,198	-	1,138,198	-
Mat-Su Borough	4,331,593	-	4,331,593	996,266
Nenana	247,006	-	247,006	56,811
Nome	313,458	-	313,458	72,095
North Slope Borough	944,454	-	944,454	-
Northwest Arctic Borough	1,168,956	-	1,168,956	268,859
Pelican	13,923	(5,569)	8,354	3,202
Petersburg	221,534	-	221,534	50,953
Pribilof	83,118	(7,901)	75,217	-
Saint Mary's	91,974	-	91,974	21,154
Sitka Borough	447,645	-	447,645	102,958
Skagway	50,171	(20,069)	30,102	-
Southeast Island	134,015	(53,606)	80,409	-
Southwest Region	421,233	-	421,233	-
Tanana	47,832	(38)	47,794	11,001
Unalaska	177,046	(70,818)	106,228	40,721
Valdez	300,924	(107,936)	192,988	-
Wrangell	129,713	-	129,713	29,834
Yakutat	53,117	(2,688)	50,429	12,217
Yukon Flats	241,399	(96,559)	144,840	-
Yukon/Koyukuk	458,624	-	458,624	-
Yupit	262,370	(104,948)	157,422	-
Alyeska Central School	99,120	-	99,120	-
Mt. Edgecumbe High School	101,733	-	101,733	-
Total	44,210,222	(1,902,502)	42,307,720	7,996,601

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**THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES**



PALMER HIGH SCHOOL PARENT TEACHER ORGANIZATION

Dear Representative Hatto,

I just found out that Fairbanks needs a \$492 increase in the funding formula. That should be the amount your committee needs to include in your education bill. The larger schools are in great need. All of Alaska needs to be considered in this bill.

As part of a statewide group of parents, we are working to get them to contact their individual representatives. We are sending out a message to our Legislature to work together, putting aside politics for a moment + look at the need that is crying for a solution. You need to listen to your constituents and trust the best of the voters, who are also calling their legislators. In this way you can truly help Alaska. You know what the need is. I know you are listening, but you are afraid your bill won't pass if you ask for "too much". You aren't asking for "too much". The state's education is in a financial crisis. Trust democracy. The quiet majority believes in it. Please take the step forward + believe in it, too!

Sincerely,

Ron Mangelsdorf

746-3734



PALMER HIGH SCHOOL PARENT TEACHER ORGANIZATION

Working together to build a better community

Dear Rep. Ogg,

Thank you for all the work you are doing in support of better funding for education. I was most grateful to be able to speak to you this morning & hear what your recommendations are.

The one point I do want to emphasize is the importance of continued funding for education. The 2% for inflation is a very good start. However, is it possible to come up with some long term plan - say for 10 years?

You have all the support of Valley Voices For Children & concerned parents when we can see that there is more than a one-time-fix frame of mind. I know we have a long way to go in support of your bill & we will be working in support it, but we will also be talking about a futurist plan - more than the 2%, that begins to address the years of cuts we have had to make before this year.

Thank you

P.S. I just found out that the state is increasing the increase of \$442 for the funding formula. Parents around the state are working together.

Ron Mangelsdorf
776-3234

I hope the day
we all
can
happen

MEMORANDUM

DATE: February 19, 2004
TO: The House Finance Committee & House HSS Committee
FROM: The House Special Committee on Education
RE: HB 361 and HB 471 Education Funding

The House Special Committee on Education broke into a Subcommittee on Education Funding and spent three days of hearings and committee work on education funding. Testimony from all parts of the state was very persuasive and indicated that to allow further cuts to education will accelerate the deterioration of Alaska's primary and secondary education system.

In fact, testimony was received from many school districts, indicating that to be made whole, the funding to the formula will need to increase between \$380 and \$400 (including the PERS/TRS). The Committee utilized the Anchorage request in the amount of \$388 as Anchorage has a multiplier of 1 in the formula.

As a result of testimony and committee work, the sub-committee passed two bills to the full House Special Committee on Education:

HB unknown number: amount of increase over FY 2004 is \$35,789.260

This Bill separately funds the increase for K-12 Pers/TRS contribution for one year. Also, not withstanding the requirements of student formula funding it allows these monies to be counted for purposes of local contribution funding caps.

HB 471: amount of increase over FY 2004 is \$42,500,000

This Bill increases the student formula by \$210 and codifies a 2% annual increase to the formula beginning July 1, 2005.

The effect of both of these actions is an increase of funding to K-12 in the amount of \$78,289,260.

The House Special Committee on Education recommends the utilization of the following sources of funding for these increases:

- Constitutional Budget Reserve Excess from FY 2004 Appropriation
- Excess Earnings from the Earnings reserve Account of the Permanent Fund

* The Committee notes that the University of Alaska also has an unanticipated need for funding its PERS/TRS obligation and urges the House Finance Committee to fund that need as well.

Delete all language; insert the following:

* Section 1. AS 14.17.470 is amended to read:

05 ^{46.00} **Sec. 14.17.470. Base student allocation.** The base student allocation is
06 ~~\$4,169~~. **However, the department shall annually increase the base student**
07 **allocation to the extent of increases during the second preceding calendar year in**
08 **the Consumer Price Index for all urban consumers for the Anchorage**
09 **Metropolitan Area compiled by the Bureau of Labor Statistics, United States**
10 **Department of Labor. The index for January 2002 is the reference base index**
11 **[\$4,169].**

12 * **Sec. 2.** AS 14.17.470 is amended by adding a new subsection to read:

13 (b) After an increase, if any, to the base student allocation under (a) of this
14 section, the department shall annually increase the base student allocation by two
01 percent. The increase under this subsection shall be used for either
02 (1) class-size reduction; or
03 (2) compliance with 20 U.S.C. 6301 - 7941 (No Child Left Behind Act
04 of 2001).

05 * **Sec. 3.** AS 14.17.470(b) is repealed July 1, 2009.

06 * **Sec. 4.** This Act takes effect July 1, 2004.