

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2969 SCOMM 130: HOUSE SPECIAL COMMITTEE ON EDUCATION, 2003-04



Some educators believe Alaska history should be a mandatory class, but other people say it should remain optional.

Putting Alaska history into the school books

Iris Keogh

Anchorage, Alaska, Sept. 26 - Should high school students be given one more requirement, or is there another way to incorporate Alaska history into the school curriculum? That's one of the issues facing the state Board of Education and Early Development.

Who was Alaska's first governor?

When did Alaska become a state?

How and when did the Alaska Permanent Fund start?

These are all questions on Alaska history — questions, some say, that many Alaskan students can't answer.

Ira Perman is a member of a task force for the teaching of Alaska history and cultural studies. He and others think the Board of Education should require that all 52 school districts statewide teach a semester course in Alaska history.

because they don't have the background of information, and just the issue of the permanent fund, how to solve the state's fiscal problems, how we got to where we are."

Even though Comeau believes Alaska history should be required, she says how the subject is taught should be a local decision. What works in Anchorage may not work in the Bush.

"I think it's critical," says state Commissioner of Education Shirley Holloway. "I think the state board is very supportive of that. They just want to be sensitive to the differences that we have in this state, in terms of the number of youngsters in schools and the number of teachers that are available to teach those youngsters."

Megan Coffland, a senior at Sitka High School and the student advisor to the board, thinks the concept of students learning about their state is a great idea, but making the subject a requirement is not.

"They won't take it seriously," she says. "It's just one more requirement to get out of the way. It's one more frustration, and you don't want something that important to be a frustration to students."

"People don't know, for example, why the Egan Center is named... after who?" Perman says.

Just one of the questions many educators hope students can answer.

For the record, the Egan Civic and Convention Center was named for Bill Egan, who served as Alaska's first governor from 1959 to 1966, and again from 1970 to 1974. Alaska became a state in 1959. The Alaska Permanent Fund was first suggested by Gov. Jay Hammond, and created by Alaska voters in 1976 with an amendment to the state constitution. The first checks were sent out in 1982.

adn.com

Anchorage Daily News

Civic literacy

Another basic subject for Alaska students to learn

(Published February 17, 2001)

Alaska's exit exam has stimulated an important debate about what graduating high school students should know. So far the discussion has focused on math, reading and writing. But there's another basic subject students should master: civic literacy.

Civic literacy means that students have the knowledge and skills needed to participate effectively in our democracy. They become informed citizens who know about and exercise their rights and responsibilities as members of the community. Civic literacy is right up there with the fabled "three R's" on the list of reasons to maintain a public education system at all.

To ensure civic literacy, students need a basic command of how the American and Alaska political systems work. They need an overview of the important historical milestones and themes that have shaped our country. They need to know what kind of decisions each branch and each level of government makes and why our political system is structured the way it is.

Civic literacy also involves a basic knowledge of the history, peoples and cultures of Alaska -- a human history that goes back more than 10,000 years, and a set of political and economic institutions that is unique to Alaska. This, too, is core knowledge for students we hope to turn into productive citizens of our state.

Discussion of establishing a statewide Alaska history and cultures graduation requirement has been gathering steam in recent months. Commonwealth North, the Alaska Federation of Natives and the National Education Association-Alaska -- disparate groups reaching broadly across the spectrum in Alaska public life -- each has endorsed the concept in recent months. Interested civic leaders are studying options for how best to achieve that goal. Those discussions are on the right track.

Beyond a knowledge of Alaska history and cultures, students should know what rights we have as citizens and how we came to have them. On a more practical level, students should leave Alaska schools knowing how to register to vote, when elections are held and how to identify and contact elected officials.

Alaska's educational system has already set goals covering some aspects of civic literacy. They are included in two of the state's current content standards for government and citizenship. But the list of standards is long and civic literacy easily gets lost. The list has 59 goals in 13 major subject areas -- all told, 351 different elements describing what students should know and be able to do.

Three hundred fifty-one elements is more than any educational system anywhere can guarantee its students, so we need priorities. Along with the three R's, civic literacy belongs at the top of the list. Preparing the next generation of citizens to uphold our democracy is too important a job to leave to happenstance.

Close Window

Alaska Association of School Administrators
LEADERSHIP FOR LEARNING

326 Fourth St., Suite 404 • Juneau, AK 99801-1101

Phone: (907) 586-9702 (800) 478-9702 • Fax: (907) 586-5879



March 19, 2003

The Honorable Mary Kapsner
House of Representatives
Alaska State Capitol
Juneau, AK 99801-1182

Dear Representative Kapsner:

Thank you for your letter requesting the support of AASA for HB 84 (Alaska History). I discussed the matter with the AASA Board of Directors and there is definite agreement in principle with the need to teach Alaska's school children about their state and its history.

AASA can provide support for the concept, but there is a long-standing concern about unfunded mandated curriculum. Every year our association endorses a resolution opposing unfunded mandates.

Additionally, curriculum decisions are best made at the local level by locally elected school boards who best understand the needs of their communities. In other words, AASA supports preservation of local control on educational matters.

In short, if the legislature would provide additional funds for a quality Alaska History requirement, including the costs of teacher training, teacher time, materials development and materials acquisition, there is support for the bill.

Please let me know if you would like additional information or if I can be of further assistance.

Sincerely,

Mary A. Francis, Ph.D.
Executive Director

MF:klc



NEA-ALASKA

Affiliated with the National Education Association

Representative Mary Kapsner
State Capitol
Juneau, AK 99801-1182

March 12, 2003

Dear Representative Kapsner:

Thank you for inviting NEA-Alaska to reaffirm its support for legislation that would require Alaska's high school graduates to have knowledge of our state's history. We are pleased to reaffirm that support.

At our 2001 Delegate Assembly, NEA-Alaska members from all across the state voted to approve New Business Item 01-57. This New Business Item states in part, "NEA-Alaska shall encourage the Department of Education and Early Development to develop regulations providing (a) mandatory Alaskan History curriculum...throughout the State..." The delegates to our 2002 and 2003 Delegate Assembly continued their support for this concept.

NEA-Alaska supports the passage of HB 84. This legislation falls within the spirit of our New Business Item. Speaking as an individual who attended school in another state, I can say that I was taught the history of that state. I have spoken with colleagues who came to Alaska from many other states and they all had similar experiences of being required to learn about the history of the states where they attended school.

Most Alaskans came to this state from other states and from many foreign countries. It is shared experiences that make us all Alaskans. The shared experiences of our ancestors are our collective history. It is important for our children to be familiar with that shared experience, in other words, with our history. If we believe that a united Alaska is better than a fractured one, then we need to engage in activities that bring us together. Learning about our shared history is one such activity. For that reason, NEA-Alaska is pleased to be in support of HB 84.

Sincerely,

Rich Kronberg
President

Alaska Historical Society



P.O. Box 100299
Anchorage, Alaska 99510-0299
Phone (907) 276-1596/E-Mail: ahs@alaska.net
www.alaska.net/~ahs

March 25, 2003

The Honorable Mary Kapsner
House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Kapsner:

On behalf of the Alaska Historical Society, the 500 members and 25 organizations strongly support HB 84 (Alaska History) to require high school students to take a course in Alaska history.

In 2002, the Board of Directors of the Alaska Historical Society passed a resolution in favor of a standards-based Alaska history high school course. The Alaska history course is also on the list of Action Points for 2003 adopted by the Society and sent to legislators last month. Alaska faces many challenges, and if we are to have a future as a cohesive state, as a cohesive people, all high school students need to be taught the state's history, geography, government, economics, resource development, Native history, art, and other cultural relationships. Our democratic form of society requires a population that is educated about its government, people, and civic responsibilities. The specific use of the term "Alaska History," in HB 84 strengthens this course of study by indicating that historical perspective will be given to these topics.

We are pleased to see language in HB 84 that the Alaska Department of Education & Early Development (EED) will be developing a standards-based Alaska history high school course. This approach should provide the resources that small school districts will need to develop an Alaska history curriculum. HB 84 also provides both rural and urban school districts with flexibility by omitting any specific references to what should be taught in this course. We are also pleased that Congress in February 2003 provided federal funds to develop Alaska history texts and provide training for teachers.

The Alaska Historical Society appreciates your efforts to encourage the study of Alaska history and the exchange of ideas and information concerning our heritage. Please keep the Society informed of the bill's progress and let us know if we can be of assistance. Our legislative contact in Anchorage is Bruce Parham (907-271-2443 or Email: bruce.parham@nara.gov).

Sincerely,

Candy Waugaman
President

First Alaskans Institute

March 17, 2003

TO: Rep. Mary Kapsner and All Members of the 23rd Alaska Legislature

Dear Friends:

On behalf of the Board of Trustees and staff of the First Alaskans Institute, I strongly urge action by the Alaska House and Senate to approve HB 84, relating to development of a high school curriculum for Alaska history.

A top priority for our Institute is the improvement of public education for Alaska Native students, but we care passionately about the education of all of Alaska's children and youth. We feel that being an Alaskan requires knowledge about the historical development of this state and of the people who compose it. We were therefore delighted when the Anchorage School District's Board approved a one-semester requirement in Alaska history last year; and we have supported the Alaska Humanities Forum's television series on this subject because the final product will be so useful in high school and college classrooms across the state.

I note for the record that in the 22nd Legislature, a similar bill was introduced as HB 171 and failed to pass. The chief objection of its opponents was that such a requirement constituted an "unfunded mandate." That rationale can no longer be sustained, courtesy of Senator Ted Stevens, who has earmarked ample funds in the FY 2003 Omnibus Bill "...to develop Alaska State history texts and curriculum, including oral history, for use in Alaska schools." He realizes how much Alaska will benefit from knowledge of itself, and we applaud his efforts.

Above all, we support HB 84 as a unifying factor in the public life of our state. In an era of profound division (among peoples, geographic regions and social classes), this is a public investment that will pay great social dividends to the future. It helps us, in all our diversity, to know who we are as Alaskans and how we may reach out to our common future.

Sincerely,



Carrie Brown,
Senior Vice President and CAO
for
Byron I. Mallott
President and CEO, First Alaskans Foundation

CALCO, INC.

**Employee Benefit Plan Specialists
P.O. Box 101422
Anchorage, AK 99510**

April 29th, 2003

***Alaska State Representative Mary Kapsner
State Capitol
Room 424
Juneau, AK 99801-1182***

RE: House Bill 84

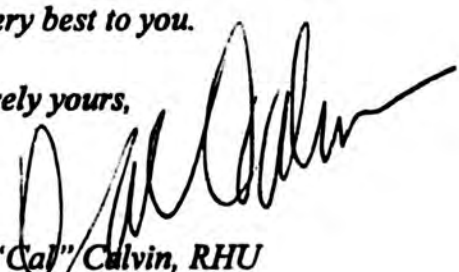
Dear Representative Kapsner:

I was not aware that you were supporting Legislation requiring Alaska history in Alaska schools until I received my copy of the Resurrection Bay Historical Society Newsletter which announced your position. I'm very happy you feel strongly that Alaska history is important to all young people who are students in our schools and will do everything I can as an individual to support your actions. I have felt equally strong that we are missing tremendously by not informing our children of the wonderful history we have ~ to continue to build and expand the pride that each of us should feel being a part of this beautiful state.

I'm communicating with you not only because I agree with your position but because I do have a strong interest in the Calista Region, I believe you're aware of that by now. I have clients scattered all over western Alaska in pension plans both individual school teachers and employees of a number of corporations . . . that being the case I get both the Bethel Newspapers and stay very, very close to things happening there. Senator Lyman Hoffman and I have communicated regularly for many years ~ in his capacity as a senator, as a client of mine, as well as my real estate investment partner. So, my interest extends far beyond general, specifically to you in the work you're doing which is exemplary.

The very best to you.

Sincerely yours,


D.B. "Cal" Calvin, RHU

(907) 276-8177 E-mail cal@calcoinctpa.com Fax: (907) 278-7438

April 12, 2003

The Honorable Kevin Meyer, Chair
Education Sub-Committee of Finance
Alaska House of Representatives
State Capitol, Mail Stop 3100
Juneau, Alaska 99801-1182

APR 18 2003

Dear Chairman Meyer,

As the governor who signed into law the Alaska Historic Preservation Act (AS 41.35) in 1970, I can't emphasize enough the vital need to preserve and enhance the knowledge and appreciation of Alaska's history. I particularly urge the passage of HB 84, introduced by Rep. Mary Kapsner and 25 co-sponsors, which would require students to complete a high school course in Alaska History for graduation.

I recently had occasion to ask my step-daughter, who was born in Alaska and completed her schooling there, a question about Soapy Smith. Her response was, "Soapy who?". She had never heard of him. It brought home to me that young Alaskans should have more understanding of our historical heritage.

I also urge restoring some of the cuts to the budget of the Alaska Office of History and Archaeology and the Alaska Historical Commission. The functions of these agencies are vital to maintaining archaeological and historic sites, as well as reviewing geographic names.

Please take the time to consider these issues.

Sincerely,

Keith H. Miller
Former Alaska Governor
P. O. Box 2952
Florence, Oregon 97439

Rep. Berkowitz -
This is a copy of a letter I have sent
to Kevin Meyer.

Best Regards
Keith Miller

FEB. 14. 2001 12:14PM

ALASKA MUNI LEAGUE

NO. 2601 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325, Fax (907)-463-5480

February 14, 2001

Jon Kumin
Kumin and Associates
808 E St, Suite 200
Anchorage, AK 99501

Re: Alaska History in the schools

Dear Jon,

AML/ACoM is a coalition of 142 cities and boroughs representing over 97% of Alaska's citizens.

The AML/ACoM strongly supports teaching Alaska History in the schools with a civic component. Alaska's history, including our economy and how Alaska's government forms developed, are crucial to understanding how to deal with today's issues including urban-rural cooperation and the state's fiscal problems.

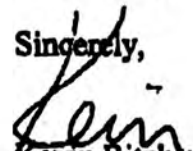
This is the statement adopted by the AML/ACoM membership in November, 2000:

Civic Education:

* The League urges the Department of Education and Early Development to prepare a school program on civic education including state and municipal forms and processes. As parents and government partners, the members of the League and the Alaska Conference of Mayors offer to provide assistance in assuring that this level of civic education is implemented in each secondary school. Teaching children how to understand and influence their government is critical to the well being of Alaska.

As offered in the policy statement the AML/ACoM will partner in a broad effort to plan and develop and implement an excellent Alaska history curriculum.

Sincerely,


Kevin Ritchie
Executive Director

Cc: AML Board of Directors

**ALASKA
HISTORY &
CULTURAL
STUDIES
CURRICULUM
PROJECT**

Ira Perman
President
Alaska
Humanities Forum

Marjorie Menzi
Project Director

**Project Advisory
Committee**

Jo Antonson
Judy Bittner
Brenda Campen
Carol Comeau
Linda Evans
Steve Ex
Jay Hammond
Steve Haycox
Rhonda Hickok
Frank Hill
Shirley Holloway
Bryant Hopkins
Esther Ilutsik
Pat Jackson
Mary Kapsner
Krystal Kompkoff
Edna Lamebull
Loren Leman
Matt Moon
Paul Ongtooguk
Roger Pearson
Malcolm Roberts
Sarah Scanlan
Teri Schneider
Gary Stevens
Tom Stewart
Jeremy Waite
Louie Yannotti



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**ALASKA HISTORY & CULTURAL STUDIES
CURRICULUM PROJECT
STATUS REPORT**

"The Alaska Humanities Forum is developing a statewide curriculum in Alaskan history. It is my hope that this curriculum will enable future generations to grasp and preserve what it means to be 'Alaskan.'"

- Address by The Honorable Ted Steven before a Joint Session of the Second Session of the Twenty-Third Alaska State Legislature, February 16, 2004.

Project Goal: To develop an Alaska history and cultural studies curriculum for use in Alaska's high schools. The curriculum will be based on the Alaska history and cultural standards. It will provide Alaska's young adults with an understanding of Alaska's history, geography, cultures, government and their civic responsibilities as Alaskans.

The Alaska Humanities Forum is developing an Alaska History and Cultural Studies curriculum. The support of Commonwealth North, scores of public institutions and the general public provided the impetus for this new curriculum. The effort is led by a statewide advisory committee of historians, educators, and cultural experts.

Senator Ted Stevens has made funding for the curriculum available through the U.S. Department of Education. The web-based course will be pilot tested in Fall 2004 by teachers who have been trained at a one-week institute to be held at UAA in August 2004. The final CD version of the course will be ready for distribution and use statewide in Fall 2005.

The curriculum and the companion effort to have its study required of high school students grow out of a long-standing and broadly supported belief that Alaska's high school students need, and currently do not receive, a thorough, in-depth education in their state's history, geography, cultures, economics and government.

Young people are eligible to vote when they turn 18 years of age. They need this high school level course to prepare them to exercise, in an informed manner, the civic responsibilities of adulthood.

Specifically, the Alaska Humanities Forum requests that the House Special Committee on Education pass HB84 out of committee with a "do pass" recommendation.

COURSE PARAMETERS

Teaching Objectives

- To develop student proficiency in Alaska history, culture, geography and government/citizenship.
- To help students become active citizens of Alaska and wise voters about the issues that will face them as adults.
- To help students understand that their neighbors and home include all Alaskans and all of Alaska, not merely their group or region.
- To guide students toward an adulthood characterized by civic contributions to help solve Alaska's challenges based on solid knowledge and insightful judgments.

Basic Assumptions

These assumptions, adopted by the Advisory Committee, are shaping the development of the course.

1. Students must understand that they have a personal stake in the study of Alaska.
2. Students learn through personal exploration.
3. People learn about places and people from particular perspectives; students should learn to recognize the perspective inherent in any resource.
4. There is value in learning local and regional history from the perspective of those from those locales.
5. Students learn through human interactions with each other, teachers, and other community members.
6. Students learn through an examination, questioning and analysis of a combination of primary and secondary sources.
7. It is important to accommodate different learning styles.
8. "Why?" is as important a question as "What?" "Who?" "When?" and "Where."
9. Oral and written literature can add an important perspective to the study of Alaska and its people; the course should be interdisciplinary to the extent possible.
10. Chronology is a tool to understanding history; analysis and evaluation must accompany the study of history. Students also need an understanding of the broad context of time within which the chronology of Alaska's recorded history is a part
11. Students learn best when information is relevant, engaging and fun.

PROJECT ORGANIZATIONAL STRUCTURE AND TASKS

■ The People

- Advisory Committee- A 28-member advisory committee established to provide policy direction and guidance in the development of the curriculum. The group includes historians, educators, Native leaders, cultural experts and civic leaders from throughout the state. (See letterhead.) The initial meeting of the group was on September 11, 2003; audio conferenced meetings have been held bimonthly since then. The group established the long-term goals, instructional strategies, and assessment approaches for the course. They also identified important primary documents and resources.
- Electronic Outreach Network –approximately 100 organizations and individuals statewide who have expressed interest in this curriculum have been networked electronically and receive periodic updates on the progress of the project.
- Classroom Teacher Content Subcommittee –This group of four classroom teachers of Alaska history and culture met in January and identified the content categories for a semester course. Their experience continues to provide guidance in content development. They will review the work of the unit authors.
- Unit Authors-Primary narrative information will be developed by historians Jo Antonson, Steve Haycox, Paul Ongtooguk, and geographer, Roger Pearson.
- Historians' Review Committee- The historians identified above will also serve as reviewers for additional information linked to the main narratives.

■ Resource Surveys Distributed

Surveys were developed for the 54 school districts, 14 state departments and 40 Native Corporations/Foundations to assist in identifying existing resource materials for use in conjunction with the curriculum. Cover letters from the Governor and from Commissioner Roger Sampson accompanied the surveys.

■ Collaboration with Companion Projects

Project personnel have established working relationships with staff of the following companion projects in order to maximize the educational value of each as it might relate to the Alaska history & cultural studies curriculum.

- Anchorage School District/*Alaska Studies Curriculum Committee*
- Anchorage Museum/Humanities Forum/ *Art & Culture K-12 Curriculum*
- State Library & UAF/ *Virtual Library/Digital Archive Project (VILDA)*
- University of Alaska Fairbanks/*Juke Box Project*
- Anchorage Museum/ *History Charrette*
- National Archives Regional Office

■ Curriculum Research Conducted

Initial research has been conducted into the design and content of existing Alaska history and cultural studies materials. Relevant web sites and computer-based courses have been reviewed along with web-based state history curriculum.

COURSE DESIGN

Design Elements

This standards-based course will be web-based with CDs pressed for students and teachers. The site model is www.nebraskastudies.org. Web site/CD will be designed to access information with multiple access points based on the following.

- Contemporary Questions/Issues with links to historical background
- Chronology
- Cultural/Geographic Regions
- Unit Themes: Geography, Cultures, Russian Period, American Period, Statehood, Current Events

Special Features

▪ Essential Questions

The development of historic inquiry will be encouraged with the use of essential questions to frame each unit.

▪ Primary Documents

Primary documents will be foundational in the course. Primary sources will be taken from government documents, artifacts, journals, diaries, newspapers, magazines, literature, photographs, paintings, etc. The state library's VILDA site and the digitized museums' collections will be referenced. Primary sources will be linked to each chronological period.

▪ Biography

Special features will be biographic inserts of the men, women, and groups that have made significant contributions to the history of Alaska. Oral history from the collections of the University of Alaska (Jukebox) and the Alaska Native Federation (Convention collection) will be included. These will be among the biographic information presented as *His Story*, *Her Story*, and *Their Story*. Students will be encouraged to develop their own story line, (*My Story*), and to consider their own place in history, as well as to reflect on their own interpretation of what they have learned.

▪ Virtual Field Trips

Working with the Alaska Historical Society, Alaska Historical Commission, Museums Alaska, National Park Service, and other organizations, the curriculum will include virtual visits to the state's museums, historical and archeological landmarks and monuments, the Capitol, National Parks, and other places of historic interest. These "visits" will be linked to a digitized map so that students have a sense of place associated with the historical site.

▪ "Doing" History

The curriculum units will invite students to "do history," to become actively engaged in historical inquiry, researching and telling history. By learning how to analyze evidence, establish a valid interpretation and construct a coherent narrative, students will become historians. As a culminating assessment, students will do a history project to demonstrate their understanding of what it means to practice the historian's craft.

SCOMM

130:5

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 154
(H) Publish Date: 3/5/03

Revision Date/Time (Note if correction):
Title

Dept. Affected: Education & Early Development
BRU K-12 Support
Component Foundation Program

Sponsor
Requester

Component No. 141

Expenditures/Revenues

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(3,916.2)					
Miscellaneous						
TOTAL OPERATING	(3,916.2)	0.0	0.0	0.0	0.0	0.0

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	(3,916.2)					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
TOTAL	(3,916.2)	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed amendment eliminates a district's ability to offer two year kindergarten programs by amending AS 14.03.080(c).

Proposed Saving is already taken in the Governor's proposed FY 04 budget.

Prepared by: Eddy Jeans, School Finance Manager
Division: Education and Early Development
Approved by: Karen Rehfeld
Agency: Education and Early Development

Phone _____
Date/Time 3/5/03 8:50 AM
Date 3/5/2003

School District	Total w/o Pre-K	OASIS w/Pre-K	State Cost Generated by Pre-K
Alaska Gateway	4,551,894	4,551,894	-
Aleutian Region	939,370	939,370	-
Aleutians East Borough	2,777,340	2,787,565	10,225
Anchorage	197,487,394	197,558,078	68,684
Annette Island	1,223,136	1,223,136	-
Bering Strait	13,452,828	14,324,457	871,629
Bristol Bay Borough	1,203,628	1,203,628	-
Chatham	1,714,908	1,722,960	8,052
Chugach	1,687,368	1,715,308	27,940
Copper River	5,210,733	5,210,733	-
Cordova	2,675,630	2,679,069	3,439
Craig	3,792,134	3,792,134	-
Delta/Greely	5,483,670	5,483,670	-
Denali Borough	2,640,120	2,640,120	-
Dillingham	3,484,355	3,484,355	-
Fairbanks N. Star Borough	64,768,592	64,768,279	19,667
Galena	14,658,628	14,822,406	163,778
Haines Borough	1,584,374	1,584,374	-
Hoonah	1,392,912	1,399,748	6,836
Hydaburg	815,333	830,050	14,717
Iditarod Area	4,292,376	4,302,651	10,275
Juneau Borough	20,657,653	20,666,591	8,938
Kake	1,131,684	1,131,684	-
Kashunamiut	2,254,883	2,262,130	7,247
Kenai Peninsula Borough	41,523,910	41,528,620	4,710
Ketchikan Gateway Borough	9,531,715	9,536,908	5,193
Klawock	1,148,850	1,148,850	-
Kodiak Island Borough	13,655,051	13,655,051	-
Kuspuk	4,168,872	4,201,402	32,530
Lake & Peninsula Borough	5,797,707	5,797,707	-
Lower Kuskokwim	34,776,160	34,798,175	22,015
Lower Yukon	15,840,489	16,081,647	241,158
Mat-Su Borough	67,312,754	67,348,424	35,670
Nenana	5,327,671	5,327,671	-
Nome	5,006,969	5,006,969	-
North Slope Borough	7,568,755	8,472,874	904,119
Northwest Arctic Borough	18,348,673	19,614,005	1,265,332
Pelican	379,561	386,400	6,839
Petersburg	3,231,989	3,231,989	-
Pribilof	1,098,348	1,108,572	10,224
Sitka Borough	6,567,113	6,579,916	12,803
Skagway	707,917	707,917	-
Southeast Island	2,658,024	2,676,659	18,636
Southwest Region	5,808,090	5,808,090	-
St. Mary's	1,678,316	1,761,908	83,592
Tanana	821,526	840,975	19,449
Unalakleet	2,134,007	2,134,007	-
Valdez	3,653,062	3,653,062	-
Wrangell	2,415,335	2,425,803	10,468
Yakutat	1,179,924	1,179,924	-
Yukon Flats	4,137,262	4,137,262	-
Yukon/Koyukuk	5,808,098	5,821,060	12,962
Yupik	4,036,252	4,045,310	9,058
Alyeska Central School	3,500,495	3,500,495	-
Mt. Edgecumbe High School	1,396,430	1,396,430	-
TOTALS:	641,078,268	644,984,492	3,916,226

G:\DistSup\04Foundation\Fiscal Notes\PRE-K Cost_AS14-03-080c.xls)Pre-Kindergarten Cost to State

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 154
P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3800
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

March 5, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which clarifies local school district programs for under school age children.

Pursuant to existing statutes, a district may enroll a four year old child, referred to as an "under school age student." The intent of this bill is to prohibit districts from constructing curriculums that offer two years of kindergarten as a standard program. Early entry of four year olds into the school system should be a rare event and reserved for the truly exceptional child.

This bill would remove a school district's ability to offer early entry as standard practice to access the foundation formula and provide state funded pre-school programs. Currently, districts can enroll four year olds and then enroll them again as a kindergarten student in the next school year. This action effectively provides a child with two years of kindergarten with very little in the way of extra expense to the district. The result to the state is an additional year of per pupil funding equating to approximately \$3.9 million.

Enrolling four year olds as the current statute provides should be retained. However, early enrolled children should be expected to advance through to the next grade level or grade level equivalent.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

**KIMBERLY J. CORRETTE
AND ROBERT B. BRIGGS**

P.O. Box 35434
Juneau, AK 99803
(907) 790-4845 (home phone & fax)
(907) 586-2611 (Kim's work)
(907) 586-1627 (Bob's work)

March 13, 2003

By hand delivery

Representative Carl Gatto
State Capitol Room 411
Juneau, Alaska

RE: Retain funding for Alyeska Central Correspondence School

Dear Representative Gatto:

We are writing to urge you to retain funding for the Alyeska Central Correspondence School.

Little money will be saved by closing ACS, whose students will move to other public schools that require transportation. Their attendance at other schools will be funded by the same foundation formula that funds their education through ACS, whether they are enrolled in another correspondence school, or a regular school.

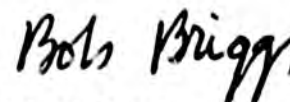
The proposal to eliminate the Alyeska Centralized Correspondence School is unwise. ACS has provided quality education to Alaskan children since 1939. Students at Alyeska have personal relationships with certified teachers. Over the last ten years, ACS students have been statewide National History Day essay winners three times and have been represented at state Math Decathalons several times. It makes no sense to close such a quality school. Due to the quality of ACS' education, this correspondence school has attracted both rural and non-rural students. When high school exit exams are such an issue, keeping quality schools operating should be a priority.

Please use your vote, in the House HESS Committee, the House Special Committee on Education, and on the floor, to continue funding for ACS.

Sincerely,



Kimberly Corrette



Robert Briggs

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: HB 154

1 Page 1, following line 3:

2 Insert a new bill section to read:

3 **"* Section 1.** The uncodified law of the State of Alaska is amended by adding a new
4 section to read:

5 **LEGISLATIVE INTENT.** It is the intent of the legislature that public school funding
6 that will be saved due to the amendment made by sec. 2 of this Act shall be redirected to head
7 start preschool programs in areas of the state where the programs are needed. The current
8 program of state aid to public schools is used to provide early education for children who are
9 four years old in a manner that is unequal among school districts. This inequality, and the
10 possibility that school districts might qualify for an additional \$50,000,000 or more in public
11 school funding by taking advantage of the current statutory language, necessitates the
12 amendment made by sec. 2 of this Act. However, the legislature supports the goal of
13 providing learning opportunities for preschool and pre-kindergarten children. This goal can
14 better be accomplished through increased funding to the state's head start programs. Thus,
15 any money saved by the amendment made by sec. 2 of this Act shall be redirected to state
16 head start programs."

17

18 Page 1, line 4:

19 Delete "Section 1"

20 Insert "Sec. 2"

21

22 Renumber the following bill section accordingly.

SCOMM

130:6

COMMUNITY SCHOOLS

Where would Alaska be without it?

History

Alaskans passed legislation in 1975 to implement Community Education programs in local neighborhoods. This Act was subsequently revised in 1980.

Funding is appropriated by the Legislature and the Department of Education distributes the funds to the school districts based on the School Foundation Formula. School districts must apply for Community Education Funding through annual grant application process.

Funding History

2002	500,000	53 districts received funds
2001	500,000	
2000	500,000	
1999	400,000	
1998	500,000	
1997	500,000	
1996	500,000	
1995	600,000	
1994	600,000	
1993	600,000	
1992	600,000	
1991	600,000	
1990	600,000	
1989	800,000	
1988	800,000	
1987	2,206,300	
1986	4,075,400	
1985	4,045,000	
1984	4,025,400	
1983	3,616,286	
1982	3,424,672	
1981	2,485,900	
1980	1,222,507	
1979	1,087,979	
1978	901,301	37 districts received funds

Fiscal Year Report

Since the inception of community school programs, a report and evaluation of the programs in the preceding year was presented to the Alaska Legislature as required in the Community Schools Act. Sec. 14.36.010(B)4. In recent years, the interpretation of this requirement by the Department of Education determined that it wasn't necessary annually.

However, those in the field of Community Education felt it was important to be accountable to the State Legislature on how our money was spent. So the Alaska Association for Community Education (AACE) volunteers continue to distribute this information.

Because legislators provide state funding for Community Schools at \$500,000.00 in FY 03....

The following occurred in Alaska:

- ☑ existing buildings in 53 out of 53 school districts are being used at nights and weekends. As opposed to closing the doors at the end of school day or year.
- ☑ over 20,000 programs/activities were offered
- ☑ over 342,566 activity hours logged
- ☑ over 464,300 youth served (duplicates)
- ☑ over 390,564 adults served (duplicates)
- ☑ 20,142 different volunteers logging in almost 212,000 hours of recorded volunteer time

AACE challenges you to find a program that serves more Alaskan with this amount of funding!

Help keep our schools open and activities happening after school, evenings and weekends. Support funding at \$500,000.00

Plan of Service

Community Education is both a program and a process which recognizes that learning begins at birth and continues throughout life, offering a variety of academic, recreational, social, cultural and health promotion activities and programs. Community Education stresses cooperation and coordination with schools, agencies, businesses and individuals, using professional and experienced community members to help provide effective programs at the lowest possible cost.

Community Schools staff members and volunteers across Alaska are taking a hard look at today's needs and are responding in a timely fashion. The early 90's trend was to increase prevention programs. As Alaskans were affected in many ways by alcohol and drug abuse, the decline in fisheries and more than ever due to new Welfare Reform laws, daycare needs generated by working parents and single-parent families. Community Schools programs stepped up to the plate to offer this programs and today continues to meet these needs.

The new millennium brought additional challenges to our communities such as terrorism, economic hardships and educational changes in the form of the No Child Left Behind Act. Not only are school districts, states and communities facing challenges in how to improve our education system but are being asked to do it with less money. Community Schools programs hope to share their afterschool programs, parent involvement programs, community/business partnerships and volunteers to make this happen.

Community Schools programs across the state continue to make a difference in the lives of all Alaskans.

PRINCIPLES OF COMMUNITY EDUCATION

Community Education provides local residents and community agencies and institutions the opportunity to become active partners in addressing community concerns. It is based on these principles:

- ▣ **Self-Determination.** Local people are in the best position to identify community needs and wants. Parents, as children's first and most important teachers, have both a right and a responsibility to be involved in their children's education.
- ▣ **Self-Help.** People are best served when their capacity to help themselves is encouraged and enhanced. When people assume ever-increasing responsibility for their own well-being, they acquire independence rather than dependence.
- ▣ **Leadership Development.** The identification, development and use of the leadership capacities of local citizens are prerequisites for ongoing self-help and community improvement efforts.
- ▣ **Localization.** Services, programs, events and other community involvement opportunities that are brought closest to where people live have the greatest potential for a high level of public participation. Whenever possible, these activities should be decentralized to places of easy public access.
- ▣ **Integrated Delivery of Services.** Organizations and agencies that operate for the public good can use their limited resources, meet their own goals and better serve the public by establishing close working relationships with other organizations and agencies with related purposes.
- ▣ **Maximum Use of Resources.** The physical, financial, and human resources of every community should be interconnected and used to their fullest if the diverse needs and interest of the community are to be met.
- ▣ **Inclusiveness.** The segregation or isolation of people by age, income, sex, race, ethnicity, religion or other factors inhibits the full development of the community. Community programs, activities and services should involve the broadest possible cross section of community residents.
- ▣ **Responsiveness.** Public institutions have a responsibility to develop programs and services that respond to the continually changing needs and interest of their constituents.
- ▣ **Lifelong Learning.** Learning begins at birth and continues until death. Formal and informal learning opportunities should be available to residents of all ages in a wide variety of community settings.

*From Community Education: Building Learning Communities
by Larry E. Decker & Associates.
National Community Education Association, 1990

This information is supplied by the
Alaska Association for Community Education.
For more information please contact:

Joyce Kitka
Juneau, AK
907-463-1717

Julie Wild-Curry
Fairbanks, AK
907-453-2000 ext. 429

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 165
 (H) Publish Date: 3/5/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title An act relating to community schools; and BRU K-12 Support
providing for an effective date. Component Foundation Program
 Sponsor Rules Committee
 Requester Governor Component No. 165

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(500.0)					
Miscellaneous						
TOTAL OPERATING	(500.0)	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(500.0)					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	(500.0)	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal: ☒

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would eliminate the Community Schools Grant Program.

This fiscal note is reflected in the Governor's FY2004 budget.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
 Division Education and Early Development Date/Time 3/8/03 5:38 PM
 Approved by: Karen Rehfeld Date 3/8/2003
 Agency Education and Early Development

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT
FY2004 PROJECTED COMMUNITY SCHOOLS GRANTS
PREPARED 12/10/2002

FN #1
HB 165

3/8/2003 FILE: HB 165.xls

SCHOOL DISTRICT	A Projected FY2003 STATE AID	B STATE AID AT .005	C COLUMN B OR \$10,000 THE GREATER OF	C COLUMN C PRO RATA AT 15.20424%
ALASKA GATEWAY	4,848,088	24,230	24,230	\$3,684
ALEUTIAN REGION	1,027,869	5,139	10,000	1,520
ALEUTIANS EAST	3,019,708	15,099	15,099	2,298
ANCHORAGE	200,173,438	1,000,867	1,000,867	152,184
ANNETTE ISLANDS	683,460	3,417	10,000	1,520
BERING STRAIT	14,432,774	72,164	72,164	10,972
BRISTOL BAY	1,267,851	6,340	10,000	1,520
CHATHAM	1,988,080	9,940	10,000	1,520
CHUGACH	1,678,315	8,392	10,000	1,520
COPPER RIVER	5,569,263	27,848	27,848	4,234
CORDOVA	2,640,154	13,201	13,201	2,007
CRAIG	3,609,712	18,049	18,049	2,744
DELTA/GREELY	5,350,328	26,752	26,752	4,087
DENALI	2,412,614	12,063	12,063	1,834
DILLINGHAM	3,735,575	18,678	18,678	2,840
FAIRBANKS	64,045,671	320,229	320,229	48,688
GALENA	15,332,705	76,664	76,664	11,858
HAINES	1,926,970	9,635	10,000	1,520
HOONAH	1,569,147	7,846	10,000	1,520
HYDABURG	806,320	4,032	10,000	1,520
IDITAROD	5,374,898	26,874	26,874	4,086
JUNEAU	20,169,944	100,850	100,850	15,333
KAKE	1,164,397	5,822	10,000	1,520
KASHUNAMUT	2,188,638	10,943	10,943	1,684
KENAI	41,916,018	209,580	209,580	31,685
KETCHIKAN	9,531,372	47,657	47,657	7,246
KLAWOCK	1,343,922	6,720	10,000	1,520
KODIAK	14,202,764	71,014	71,014	10,797
KUSPUK	4,328,199	21,641	21,641	3,290
LAKE AND PENINSULA	5,830,905	29,155	29,155	4,433
LOWER KUSKOKWIM	35,968,366	179,842	179,842	27,344
LOWER YUKON	13,718,382	68,592	68,592	10,429
MAT-SU	65,632,745	328,164	328,164	49,895
NENANA	6,600,457	33,002	33,002	5,018
NOME	4,853,164	24,268	24,268	3,689
NORTH SLOPE	9,501,142	47,508	47,508	7,223
NORTHWEST ARCTIC	20,305,455	101,527	101,527	15,436
PELICAN	389,820	1,949	10,000	1,520
PETERSBURG	3,225,809	16,129	16,129	2,452
PRIBILOF	1,098,652	5,494	10,000	1,520
SITKA	6,657,131	33,286	33,286	5,061
SKAGWAY	820,071	4,100	10,000	1,520
SOUTHEAST	2,547,272	12,736	12,736	1,936
SOUTHWEST	6,418,539	32,093	32,093	4,879
ST. MARY'S	1,783,868	8,919	10,000	1,520
TANANA	800,870	4,004	10,000	1,520
UNALASKA	2,052,155	10,261	10,261	1,560
VALDEZ	3,818,916	19,085	19,085	2,902
WRANGELL	2,452,578	12,263	12,263	1,864
YAKUTAT	1,055,226	5,278	10,000	1,520
YUKON FLATS	3,923,274	19,616	19,616	2,982
YUKON/KOYUKUK	5,179,970	25,900	25,900	3,938
YUPIIT	4,148,523	20,733	20,733	3,152
TOTALS	\$645,115,977	\$3,225,582	\$3,288,557	\$500,000

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 165
P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX: (907) 465-3532
WWW.GOV.STATE.AK.US

March 5, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would repeal AS 14.36.010 through AS 14.36.070, the Community Schools Grant Program.

While the value of providing access to school facilities beyond the school day continues to be important in Alaskan communities, the level of funding for the program does very little on a statewide basis to support the effort.

The community schools statute was adopted in 1975. The purpose and intent section of the law is very clear. The grant program was enacted to provide financial support to encourage and assist local school districts in establishing community school programs. The funds provided assistance to local communities in the initial development, implementation and operations of community school programs.

This program has fulfilled its intended purpose, as all school districts currently offer a community schools program.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

SCOMM

130:7

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 171
(H) Publish Date: 3/5/03

Revision Date/Time (Note if correction):

Title An Act repealing the charter school grant
program; and providing for an effective date.

Sponsor

Requester

Dept. Affected: Education & Early Development

BRU Teaching & learning Support

Component Quality Schhols

Component No. 2147

Expenditures/Revenues

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	(158.4)				
Miscellaneous						
TOTAL OPERATING	0.0	(158.4)	0.0	0.0	0.0	0.0

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		(158.4)				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	(158.4)	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed amendment eliminates The state charter school start up grants of \$500 per student beginning July 1, 2004. EED is able to increase the start up allocation under the federal grant program for new charter schools.

Prepared by: Eddy Jeans, School Finance Manager

Division: Education and Early Development

Approved by: Karen Rehfeld

Agency: Education and Early Development

Phone

Date/Time 3/5/03 8:54 AM

Date 3/5/2003

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
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JUNEAU

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March 5, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would discontinue the state start-up grants for charter schools. The state grant program, implemented in FY2002, allocates \$500 per ADM for each new charter school. This funding was intended to supplement the federal start up grants for charter schools.

The Alaska Department of Education and Early Development is working closely with U.S. Department of Education to increase the level of start-up grants provided by the federal government therefore eliminating the need for the state supplemental grant program beginning in FY 2005. The state will allocate to a new charter school \$150,000 a year for the first three years and \$45,000 in the forth year for a total of \$495,000 in start up funds over the four year period.

This bill is effective July 1, 2004. The delayed implementation will allow the state to fulfill its commitment of start-up grants to the existing charter schools. Any new charter schools approved to operate in FY 2004 will be eligible for the federal grant funds.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

SCOMM

130:8

Alyeska Central School Providing Choice for Students, Parents, Schools, and Districts throughout Alaska

Alyeska Central School provides a valued school choice

This past year, over 4500 students used our services through full-time, part-time, tuition, and summer school enrollment. Although originally designed for rural students with no local school, Alyeska has become a choice for many urban students. Over 750 of our regular students reside in the state's five largest school districts, which all have district correspondence or home support programs. Over 400 students are enrolled in tuition courses to supplement their education at their local school. While at least a dozen urban and rural school districts offer correspondence programs, students and parents are still choosing to enroll with Alyeska. *Closing Alyeska Central School will only limit school choice.*

A unique year-round service is provided by Alyeska Central School

Teaching, counseling, and library services are provided on a year-round basis, meeting unique Alaskan families' needs. Alyeska students work at an individual pace that allows easier accommodations for students with special learning needs. Alyeska has a faculty of teachers in the core content areas who are already "highly qualified" under No Child Left Behind. This quality program appeals to parents who want accountability and an educator's assessment of their students' learning. Alyeska develops the core curriculum to be used for Alaskan students to meet and reach the Alaskan standards. *No other correspondence program offers the Alaskan developed curriculum and teacher guidance like Alyeska.*

Closure is not a cost savings and could cause potential additional cost

Any student who returns to a "brick and mortar" school will cost the state a 25% increase of funding. Our experience shows that over half of our students will return to their local school and not to another correspondence school. Students who return to local schools in some remote cities will generate supplementary state funding due to the cost differential, such as in Barrow where students receive an additional 50% funding. Students who return to schools in urban areas may require an accompanying local tax contribution. *The state foundation funds received by Alyeska will just follow the student; there will be no cost savings for the state, but additional state and local funding may be required.*

Tuition courses provide flexibility for meeting a variety of needs

Alyeska is the only state correspondence program to offer a year-round tuition program. This program serves districts by extending limited school offerings for both advanced and remedial students. School counselors often use these courses as tools to help students who have unique circumstances or who need more flexibility in their schedules. Through Alyeska, parents can purchase a full range of courses to extend student learning. Adults including paraprofessionals who need to qualify under "No Child Left Behind" have the chance to complete their high school diplomas at a nominal fee. *Closure of Alyeska Central School will eliminate this vital option for students, parents, schools, and districts.*

Summer Program provides a lifeline for Alaskan students

Last summer, over 3,400 students took courses in the summer program offered by Alyeska Central School. The program's focus is to help students prepare for the High School Graduation Qualifying Exam, which must be passed to receive a diploma in 2004. The summer program is useful for full-time students from all districts who need to catch up on credits in order to graduate before the next school year. Alyeska's flexible format supplements well-established summer school programs in larger urban districts that can't accommodate students' summer activities. Smaller school districts, unable to have summer schools of their own also depend upon and benefit from this program. *The \$1.2 million funding that has maintained by past Legislatures can only be saved at the cost of leaving kids behind.*

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 174
(H) Publish Date: 3/5/03

Revision Date/Time (Note if correction):
Title An Act relating to the state centralized
correspondence study program and the duties of schools...
Sponsor _____
Requester _____

Dept. Affected: Education & Early Development
BRU Alyeska Central School
Component Alyeska Central School
Component No. 2106

Expenditures/Revenues

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	(2,928.8)					
Travel	(55.0)					
Contractual	(1,089.1)					
Supplies	(1,418.4)					
Equipment	(18.0)					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	(5,509.3)	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1007 Inter Agency/Program Receipts	(5,009.3)					
1156 Receipt services	(500.0)					
Other (Specify Type--Do not abbreviate)						
TOTAL	(5,509.3)	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal: ☐

POSITIONS

Full-time	-21					
Part-time	-26					
Temporary	-1					

ANALYSIS: (Attach a separate page if necessary)

This bill will eliminate Alyeska Cenral School the statewide correspondence program operated by the state.

Students will be able to access correspondence programs from other school districts around the state. This reduction is already reflected in the Governor's proposed FY 04 budget.

Prepared by: Eddy Jeans, School Finance Manager
Division Education and Early Development
Approved by: _____
Agency Education and Early Development

Phone _____
Date/Time 3/5/03 8:56 AM
Date 3/5/2003

H.6 117

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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March 5, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill eliminating the Alyeska Central School program (ACS), the state's correspondence program.

Alyeska was once the state's only correspondence program offering education services to students statewide. The school began operations in 1939 offering programs to students living in remote areas with no local schools. However, there are 12 school districts currently offering statewide correspondence services to Alaska's school age residents.

The district-operated statewide correspondence programs offer a variety of education delivery methods. Educational delivery models include US postal, Internet and family developed programs supported by district staff.

Eliminating the ACS program will eliminate the duplicative services currently being provided by school districts enrolling and serving correspondence students statewide. The Department of Education and Early Development will help ACS students and families identify the appropriate educational services and assist them in moving to other programs to ensure no child is left behind.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

SCOMM

130:9

Alaska State Legislature

SESSION ADDRESS:

Alaska State Capitol
Juneau, Alaska 99801
Phone: (907) 465-3743
1-800-565-3743
Fax: (907) 465-2381

**INTERIM ADDRESS:**

600 L Railroad Avenue
Wasilla, AK 99654
Phone : 907-376-2679
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House Special Committee on Education

Representative Carl Gatto, Chair

SPONSOR STATEMENT

HOUSE BILL 259

AN ACT RELATING TO APPROPRIATIONS FOR PUPIL TRANSPORTATION

This bill improves the existing method of funding pupil transportation allowing each district to spend any savings in the classrooms while limiting the "runaway costs" which have been associated with pupil transportation costs.

Appropriations under this bill will be determined by dividing the FY03 pupil transportation allocation by the FY03 enrollment; this creates a per pupil transportation amount for each district. This per pupil cost of transportation will then be set in statute and used as a multiplier to the ADM, less correspondence, in future years to determine transportation entitlement. This formula will guarantee an amount of money specifically connected to the ADM count already required for Foundation Formula Funding.

This method of reimbursing school districts does two things: it allows for more realistic, appropriate and predictable annual appropriations for each district. Additionally it eliminates the "cost plus" reimbursements which have resulted in the 136% increase in this program's expense to our state since 1990. By connecting transportation costs to enrollment, and fixing the State's appropriation to the FY03 level, we create incentive for school districts to become more efficient, allowing them to place any savings associated with transportation contracts back into the classroom where it belongs. I urge your support in seeking the passage of this bill.

Representative_Carl_Gatto@legis.state.ak.us

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 259
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title "An Act relating to public school transportation"

Dept. Affected: Education & Early Development
 BRU Pupil Transportation
 Component Pupil Transportation

Sponsor Representative Gatto
 Requester House Special Committee on Education

Component No. 144

Expenditures/Revenues

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	10,745.6					
Miscellaneous						
TOTAL OPERATING	10,745.6	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	10,745.6					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	10,745.6	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal: ☒ X

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Governor's FY04 budget request for pupil transportation is \$43,188,200
 HB 259 cost \$53,933,800
 Fiscal Note \$10,745,600

HB 259 will provide each school district with a per student allocation based on the per student amount reimbursed in FY03 for pupil transportation services. Beginning in FY04 school districts that offer a transportation program will be allocated a grant based on their per student amount times the number of students in the current year.

Prepared by: Eddy Jeans, School Finance Manager
 Division Education Support Services
 Approved by: _____
 Agency Education and Early Development

Phone 465-8679
 Date/Time 4/16/03 1:20 PM
 Date 4/16/2003

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT
REIMBURSABLE TRANSPORTATION COSTS PER STUDENT
April 15, 2003

DISTRICT	FY03 UPDATED PROJECTIONS	ADM-LESS Corresp.	Estimated FY03 COST PER STUDENT	FY04 Projected ADM	Estimated Transportation Grant Proposal
ALASKA GATEWAY	828,955	429.80	1,200	445.00	534,000
ALEUTIAN REGION	0	49.25	0	48.00	0
ALEUTIANS EAST	61,000	272.75	224	272.00	60,928
ANCHORAGE	16,574,909	48,907.49	339	49,274.00	16,703,886
ANNETTE ISLAND	22,770	290.65	78	290.65	22,671
BERING STRAIT	78,500	1,733.85	44	1,814.00	79,816
BRISTOL BAY	308,918	233.60	1,200	236.00	283,200
CHATHAM	15,201	218.90	68	224.00	15,456
CHUGACH	0	83.50	0	95.00	0
COPPER RIVER	702,500	540.22	1,200	535.25	642,300
CORDOVA	74,519	484.10	181	470.00	75,670
CRAIG	96,700	389.75	248	390.50	96,844
DELTA/GREELY	858,541	635.38	1,200	845.00	1,014,000
DENALI	349,903	296.75	1,179	311.00	366,669
DILLINGHAM	420,079	520.66	807	525.06	423,723
FAIRBANKS	8,988,949	14,874.93	604	14,841.00	8,983,984
GALENA	51,275	234.00	219	243.00	53,217
HAINES	172,000	311.95	551	292.00	180,892
HOONAH	36,193	188.40	192	188.85	36,259
HYDABURG	0	92.20	0	88.00	0
IDITAROD	53,488	309.85	173	317.00	54,841
JUNEAU	2,062,033	5,462.63	377	5,221.00	1,968,317
KAKE	30,388	151.85	200	157.00	31,400
KASHUNAMIUT	4,800	350.40	14	380.00	5,040
KENAI PENINSULA	4,701,483	9,267.26	507	9,064.00	4,595,448
KETCHIKAN	1,285,530	2,381.85	540	2,384.00	1,276,580
KLAWOCK	25,448	158.90	160	158.00	25,280
KODIAK	1,206,004	2,730.35	442	2,714.00	1,199,588
KUSPUK	228,663	426.70	538	476.00	255,136
LAKE & PENINSULA	103,546	412.55	251	402.00	100,902
LOWER KUSKOKWIM	542,000	3,704.69	146	3,768.00	550,128
LOWER YUKON	3,500	2,053.15	2	2,073.25	4,147
MAT-SU	9,995,545	13,034.52	767	13,085.00	10,020,855
NENANA	117,280	203.50	576	202.00	116,352
NOME	270,093	736.15	367	764.00	280,388
NORTH SLOPE	762,187	1,970.25	387	1,934.00	748,458
NORTHWEST ARCTIC	50,784	2,141.80	24	2,163.00	51,912
PELICAN	1,440	18.00	80	18.00	1,440
PETERSBURG	143,503	625.85	229	601.00	137,829
PRIBILOF	0	135.50	0	136.00	0
SITKA	605,800	1,508.80	402	1,475.00	592,950
SKAGWAY	3,800	109.67	35	104.00	3,640
SOUTHEAST ISLAND	251,140	203.50	1,200	207.00	248,400
SOUTHWEST REGION	245,103	721.25	340	723.35	245,939
ST. MARY'S	850	167.16	5	185.00	925
TANANA	44,685	61.80	723	60.00	43,380
UNALASKA	208,721	392.95	531	415.52	220,841
VALDEZ	413,613	866.70	477	888.00	423,576
WRANGELL	195,606	435.45	449	415.00	186,335
YAKUTAT	66,661	144.25	462	122.00	56,364
YUKON FLATS	62,098	301.25	206	286.00	58,916
YUKON/KOYUKUK	120,000	444.85	270	450.00	121,500
YUPIIT	3,000	424.00	7	416.00	2,912
CONTRACTS-Appro	206,000				206,000
**See Notes Below	480,098				566,000
TOTALS:	\$53,933,800	122,826.42		123,130.43	\$53,933,794

caps per student
amount at \$1,200

Minimum per student
amount is \$20

**For unanticipated cost increases, e.g., added res, contract negotiations, etc.

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

FY04 Projections -- Pupil Transportation Program

Prepared 4/15/2003

Actual proration is 73.93%

DISTRICT	Reimbursement Program		FY04 Transportation Grant Proposal
	FY04 PROJECTION	FY04 Prorated Gov.s Budget	
ALASKA GATEWAY	642,534	474,997	534,000
ALEUTIANS EAST	57,000	42,138	0
ALEUTIANS REGION	0	0	60,928
ANCHORAGE	18,793,314	13,893,070	16,703,886
ANNETTE ISLAND	23,000	17,003	22,671
BERING STRAIT	78,795	58,250	79,818
BRISTOL BAY	321,021	237,317	283,200
* CHATHAM	17,001	12,568	15,456
CHUGACH	0	0	0
COPPER RIVER	720,000	532,264	642,300
CORDOVA	76,286	56,395	75,670
CRAIG	98,700	71,486	98,844
DELTA/GREELY	882,572	652,447	1,014,000
DENALI	360,186	266,270	366,669
DILLINGHAM	438,958	324,502	423,723
FAIRBANKS	9,406,638	6,953,914	8,963,964
GALENA	52,650	38,922	53,217
HAINES	172,000	127,152	160,892
HOONAH	29,235	21,612	36,259
HYDABURG	0	0	0
IDITAROD	53,488	39,541	54,841
JUNEAU	2,121,821	1,568,589	1,968,317
KAKE	36,700	27,131	31,400
* KASHUNAMIUT	4,800	3,548	5,040
KENAI PENINSULA	5,018,523	3,709,974	4,595,448
KETCHIKAN	1,339,886	990,519	1,276,560
KLAWOCK	26,924	19,904	25,280
KODIAK	1,238,570	915,620	1,199,588
KUSPUK	248,669	183,830	255,136
LAKE & PENINSULA	104,917	77,581	100,902
LOWER KUSKOKWIM	642,000	474,602	550,128
* LOWER YUKON	3,500	2,587	4,147
MAT-SU	10,663,664	7,883,177	10,020,855
NENANA	119,626	88,434	116,352
NOME	298,196	220,443	280,388
NORTH SLOPE	737,611	545,283	748,458
NORTHWEST ARCTIC	51,340	37,953	51,912
* PELICAN	1,440	1,065	1,440
PETERSBURG	163,000	120,499	137,629
PRIBILOF	0	0	0
SITKA	616,500	455,751	592,950
* SKAGWAY	3,800	2,809	3,640
SOUTHEAST ISLAND	269,700	199,377	248,400
SOUTHWEST REGION	248,983	184,062	245,939
* ST. MARY'S	850	628	925
TANANA	30,250	22,362	43,380
UNALASKA	214,983	158,927	220,641
VALDEZ	425,195	314,328	423,576
WRANGELL	234,727	173,523	186,335
YAKUTAT	79,993	59,135	58,364
YUKON FLATS	67,098	49,603	58,916
YUKON/KOYUKUK	126,000	93,146	121,500
* YUPIIT	3,000	2,218	2,912
ACS	0	0	0
MT. EDGECEMBE	0	0	0
CONTRACTS--Approx	206,000	206,000	206,000
**See Notes Below	575,757	575,784	565,000
TOTALS	58,145,400	43,186,200	53,933,794

Projections based on information provided by districts

* No bussing--Districts' only reimbursable costs are for payments to parents in lieu of bus transportation

**For unanticipated cost increases, e.g., added fees, contract negotiations.

Anchorage School District Student Transportation

Anchorage School District and our contractor First Student, Inc. currently operate 246 buses on a daily basis. ASD operates approximately one-third of the routes and First Student, Inc. the other two-thirds.

Whom do we transport?

The Anchorage School District provides transportation for approximately 18,000 students. 82 % of the students transported live more than 1.5 miles from school.

11 % of the students live in areas deemed hazardous.

5 % are provided transportation in order to receive special education services.

2 % of the students transported attend other programs such as the King Career Center.

How many buses do we operate?

One hundred fifty-four buses (63% of the buses in operation) are used to transport students who live more than 1.5 miles from school or those who live in areas determined to be hazardous. Ninety-five percent of all students transported ride these buses. Ninety-two buses (37% of the fleet) are used to transport students who receive special education services, such as the Alaska State School for the Deaf and Hard of Hearing, pre-school special education, and students with intensive needs. These 92 buses transport five percent of the students who ride the bus to and from school. Thirty-seven percent of the buses in the fleet transport five percent of the students who ride the bus on a daily basis. Federal law requires transportation for students with disabilities.

What does a reduction Pupil Transportation in funding mean to the ASD?

We have two options. We can continue to provide transportation at the same level and cut almost 4 million dollars in services that will most likely impact the classroom. Or, we can reduce the level of school bus service currently provided which means the elimination of bus routes. We are required to provide school bus service for special education students so reductions will have to be made to the 63% of the routes that serve 93% of the students who ride the school bus. Hazardous transportation will be eliminated and walking distances will have to be increased. The impact:

- More students walking to and from school
- Increased risk to students who will be forced to use other modes of transportation
- More parents transporting students and from school creating more congestion on and around school sites
- Increased air quality issues

What has caused increases in the cost of transportation?

During the last decade the cost of student transportation has increased. Many factors have contributed to the increased cost. The following is a list of some of the requirements that have contributed to the increase in our costs:

- Drug & alcohol testing
- Background checks
- Driver turnover
- Added staff positions for recruiting and training due to increased turnover
- 40-Hour School Bus Driver Training Program
- Certified school bus instructors
- First aid & CPR training
- Special education driver and attendant training
- Specialized training to meet individual student needs (medical issues)
- Transportation for pre-school & gifted students
- Increases in the cost of equipment and supplies (buses, fuel, tires etc)
- Minimum wage for school bus drivers
- The cost of Contracted Transportation has more than doubled since the 1990-91 school year.
- Commercial Drivers License (CDL)
- Individuals interested in driving a school bus must now pay approximately \$250 in fees in order to be issued a CDL. The following is a list of the required fees.

Commercial Drivers License permit fee	\$5.00
Background check	\$20.00
School Bus Drivers Physical	\$35.00
Fingerprinting	\$25.00
Commercial Drivers License	\$100.00
DMV Fingerprint processing	\$59.00
Fee for Class "S" endorsement	\$5.00
	\$249.00

The standards for school buses are revised on a national level every five years. Some of the safety equipment that has been added to increase the safety of our students is listed below:

Child safety restraints (Safety vests for all pre-school students under 50 lbs.)	
Automatic chains	Auxiliary heaters
Added emergency exits	Reflective material
Strobe lights	LED stop signs
Automatic transmissions	Video cameras

The cost of a school bus has increased substantially in the last decade. The school bus is still a bargain when compared to the cost of other equipment.

School Bus (81 passenger)	\$ 81,000	
Transit Bus (47 passenger)	\$300,000	
Suburban (9 passengers)	\$ 38,000	
Ambulance	\$162,000	(1-ton a small unit)
Fire Truck	\$770,000	

What have we done to control costs?

- **Reduced wages**

ASD reduced wages for school bus drivers in the mid 80's and implemented a two-tier wage scale. School bus drivers at the top of the pay scale now are paid less than 25 cents an hour more than they were in 1985!

- **Consolidation of Routes**

ASD operated 291 buses during the 1985-86 school year today we operate 246. This is a reduction of over 15%.

- **Routing and Scheduling**

Contractors provided routing and scheduling as part of their service at one time. ASD purchased computerized routing software and brought this routing function in-house. This change resulted in a reduction of over 50 routes.

- **School Start Times**

For many years the Transportation Department has recommended starting times for our school. Starting times are staggered in order to get best utilization of the bus fleet.

- **Larger more fuel efficient school buses**

Beginning in 1989 ASD has increased the capacity of school buses from 66 passenger buses to 72 passenger buses. During the past 10 years the standard bus size was increased to 81-84 passenger units. The increased capacity has allowed ASD to transport more students on fewer buses. Buses are now diesel powered. New buses are twice as fuel-efficient as the gasoline powered buses that they replaced.

- **Life Cycle Costing**

A few years ago life expectancy of a school bus was only 10 years. The district carefully evaluates available options to insure that school buses will be cost effective to operate and maintain. Buses are specified with the most appropriate engine, transmission and other heavy-duty components to insure at least 15 years of low maintenance service.

- **CNG Buses & Air Quality**

The District purchased two Compressed Natural Gas powered buses and fueling capability with grant funds last year. This pilot program will determine if alternative fueled vehicles will be a cost effective alternative to diesel in the long run. We are pursuing grants to purchase additional CNG buses through AMATS and emission control devices through the EPA.

- **Hazardous Transportation Guidelines**

ASD established and has recently revised the criteria used to evaluate areas where parents request transportation for students who live within 1.5 miles from school.

- **Elimination of Hazardous Transportation**

ASD eliminated transportation in several areas of our community over the years as bike paths and sidewalks were constructed.

- **Crossing Guards**

Adult crossing guards are used to assist students in crossing roadways that carry a high volume of traffic. Crossing guards are used rather than providing more costly school bus service.

How safe are school buses?

Yellow school buses are a great American success story with a safety record that is unequalled in the transportation industry. Consider these comparisons per 100,000 passenger miles:

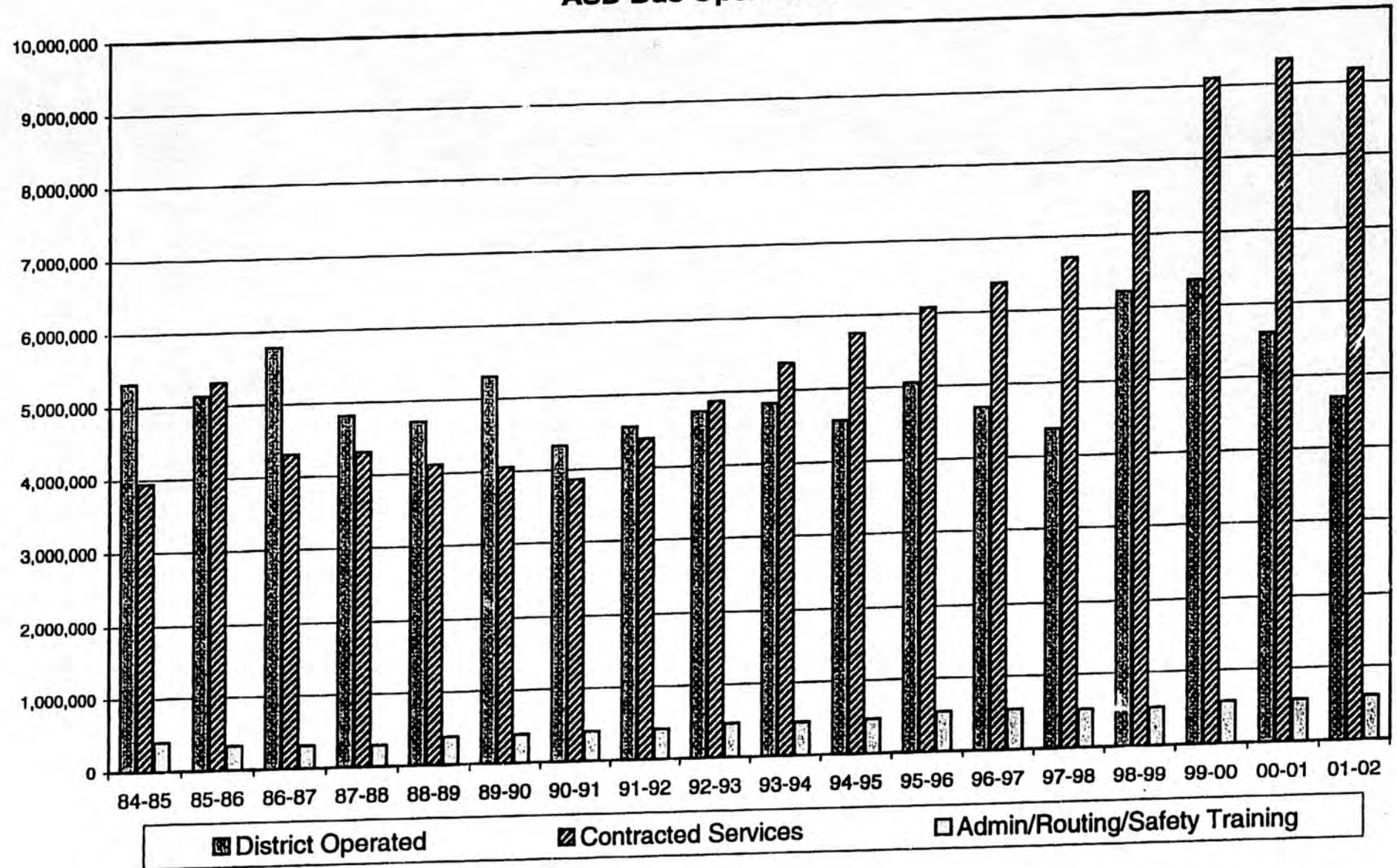
Passenger cars	0.94deaths
Scheduled airlines	0.06deaths
Passenger trains	0.04deaths
School buses	0.01 deaths

Transportation Research Board recently released Special Report 269 "The Relative Risks of School Travel". The report shows that every year, about 800 school-age children are killed in motor vehicle crashes during normal school travel hours (weekday mornings and afternoons during school months) accounting for about 14 percent of the 5,600 child deaths that occur on the nation's roadways. Of these 800 deaths, only about two percent are school-bus related, while 74 percent occur in private passenger vehicles and 22 percent are the result of pedestrian or bicycle accidents. More than half of all deaths of children between age 5 and 18 occur during normal school travel hours when a teenager is driving.

The following table outlines the average annual student injuries and fatalities by mode during normal school travel hours.

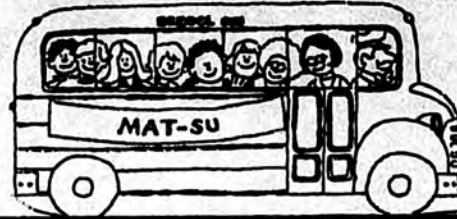
<u>Mode</u>	<u>Injuries %</u>	<u>Fatalities%</u>
Passenger vehicle, teen driver	51	55
Passenger vehicle, adult driver	33	20
Walking	6	16
Bicycle	5	6
School Bus	4	2
Other	<1	<1

ASD Bus Operations



**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
PUPIL TRANSPORTATION DEPARTMENT**

3901 E. Bogard Rd.
PO Box 873088
Wasilla, AK 99687



MAR 11 2003

Phone: (907) 373-2287
Fax: (907) 376-2408

March 5, 2003

Dear Representative Gatto:

In the current times of budget shortfalls and reduced funding requires all of us to search long and hard for means to become more efficient in the way we conduct business. We have given thought to how we in the pupil transportation department can improve how we do business. I would like to pass to you some of the ideas that have come to light that could be adopted on a state-wide basis that could reduce the cost of pupil transportation for the entire state.

Thank you for your support and hard work and I look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Schwald'.

Scott Schwald
Transportation Supervisor

cc: Joe Precourt, Administrator, Pupil Transportation Program

**Methods to Increase Efficiency
In
Pupil Transportation**

- Wherever possible combine middle school and high school students on the same buses.
- School bus routing can be made more efficient by spacing stops no closer than 2400 feet and by not sending buses into areas that have less than 8 students over a mile from the current route or areas less than a mile with less than 20 students. This will reduce time and mileage resulting in lower contract costs.
- Standardize RFP statewide for Pupil Transportation. This will reduce the time for each district writing a complete RFP. It will also reduce the cost for contractors by having one standard for the entire state.
- Establish a formula for gas/diesel fuel costs in the RFP so the contractors do not have to estimate what the price of fuel will be over the life of the contract.
- Establish a formula in the RFP for variations in insurance costs. This would help a great deal with the small contractors that are not self-insured.
- State, Borough or School district own the property and terminal where all buses are operated. The contractor can then lease the property and terminal for a nominal fee.
- All school districts do all routing internal to the school district and not allow contractors to route buses.
- Establish a consulting team from the larger school districts that can be used to assist small districts with operations and administration of the transportation department.
- Increase the size of equipment required in the RFP to at least 84 passenger buses.

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OPINIONS

COMPASS: Points of view from the community

A new option for pupil transportation

By JIM CLARK

(Published: April 20, 2003)

For many years, the state of Alaska fully funded pupil transportation costs by reimbursing school districts for 100 percent of the costs. But the reimbursement program has many flaws. The program lacks incentives for local school officials to keep costs to a minimum because, under its current structure, the state reimburses all transportation costs. It is a "cost-plus" program.

Pupil transportation costs have skyrocketed from \$25 million to \$58 million, a total increase of 136 percent from 1990 to 2004. This growth far exceeds the combination of increased enrollment and inflation. Under the current program, school districts typically solicit five-year contracts with automatic annual inflation adjustments. The costs associated with the contract and future inflation costs are passed on to the state.

Further, the program authorizes funding of additional bus routes or emergency bus routes for students who live one-and-a-half miles from school. Emergency routes take into consideration traffic patterns, harsh weather and winter darkness. These conditions vary widely around the state and each carries a different price tag.

Two other examples of uncontrollable costs are dual systems in which the school district operates its own buses and contracts for others, and the practice of transferring nonreimbursable costs to the reimbursable side of the ledger.



Jim Clark (Photo by Marc
Lester / Anchorage Daily
News)

Click on photo to enlarge

their friends.

Crossword

Play our interactive puzzle online.

ALASKA.com

Get information on travel, relocation and entertainment. The business directory allows you to locate stores and services statewide.

School News

Find your child's classroom in SchoolNews. Also, learn about Newspapers in Education.

Community News

Check our free Web sites for non-profit groups.



HB 259 offers a more responsible alternative to the current system. This legislation will realign the current structure and control the operating costs of busing students. The proposed structure will provide funding for each district at a flat rate and empower the district to make a policy call at the local level by tying the dollars directly to the decisions made by the local school board. Finally, HB 259 serves as the catalyst for maximizing efficiencies for local school bus programs and to provide parents with measures by which local school officials can be held accountable.

The proposed changes under HB 259 repeal the reimbursement program and create a new grant program. Each district receives funding run through a formula based upon the total enrollment of each school district. The pupil transportation allocation of each district is determined by dividing the total cost of state-provided school transportation during the 2002-2003 school year, by the district's total student enrollment. For example, the state will reimburse Juneau about \$2 million for transportation costs incurred in FY2003. Currently, 5,463 students are enrolled in Juneau schools. Therefore, \$2 million would be divided by 5,463 students. This equals \$366 per student as the district's pupil transportation allocation.

HB 259 offers a school district potentially more funding for pupil transportation. As the total student population increases, the district's allocation increases. The new formula even accounts for students who do not utilize the bus service, which would offset inflation.

The proposed system enables each district to redirect the savings gained by achieving efficiencies in its school transportation service to classroom instruction.

HB 259 removes the state's power to mandate rules and regulations with which districts must comply to qualify for reimbursement. School district officials working cooperatively with their school boards and community members are in a better position to make decisions on how best to serve the transportation needs of the district.

The structure proposed by HB 259 will reduce government involvement, shift the authority from the state to local districts, provide a system of accountability for parents, maximize efficiencies in transportation services and foster a cooperative community relationship, while in the end attaining the most important goal -- transporting students to the classroom. I look forward to the debate in the Legislature.

Jim Clark is chief of staff for Gov. Frank Murkowski.

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APR 21 2003

Alaska State Legislature

Please enter into the record my testimony to the

House Special Committee on Education,
Labour & Commerce, Finance
committee name

Committee on

HB 259 Public School Transportation
bill # / subject

dated

4-16-03

Legislators, State House & School in terms of Parkers.

We all try to minimize the cost in dollars to our school districts and the state from our education program.

This seems to be a reduction that will cost us more in the long

term and short term basis.

In districts that cover land masses equal to eastern states, as well as off road schools, fluctuating student census, weather conditions etc., we are jeopardizing education by both the constant presence of pupils, as well as the need to remove & remove funding to provide mandatory transportation.

If here, transportation must be fully funded if Education in this state is to improve.

Again, I support funding from State Income Tax as the most equitable and rational source at this time.

Signed:

Sharon M. Brower

Testifier

Community Site Counsel Rep.

Representing (optional)

48520 11 Earl Ave. Kenai Passa 99611

Address

907-776-8775

Phone number

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT
REIMBURSABLE TRANSPORTATION COSTS PER STUDENT
April 15, 2003

FY03

Post-It Fax Note	7671	Date	From	To	Phone #	Fax #

DISTRICT	FY03 UPDATED PROJECTIONS	ADM-LESS Corresp.	AVG. COST PER STUDENT	
ALASKA GATEWAY	628,955	429.80	1,484	X
ALEUTIAN REGION	0	49.25	0	
ALEUTIANS EAST	61,000	272.75	224	
ANCHORAGE	16,574,909	48,907.48	338	
ANNETTE ISLAND	22,770	290.85	78	
BERING STRAIT	78,500	1,733.85	44	
BRISTOL BAY	308,918	233.80	1,322	X
CHATHAM	15,201	219.90	89	
CHUGACH	0	83.50	0	
COPPER RIVER	702,500	540.22	1,300	X
CORDOVA	74,519	484.10	181	
CRAIG	98,700	389.75	248	
DELTA/GRBELY	858,541	635.38	1,351	X
DENALI	349,903	298.75	1,179	
DILLINGHAM	420,079	520.88	807	
FAR BANKS	8,988,948	14,674.83	804	
GALENA	51,275	234.00	219	
HAINES	172,000	311.95	551	
HOONAH	38,193	188.40	192	
HYDABURG	0	92.20	0	
IDITAROD	53,488	309.85	173	
JUNEAU	2,062,033	5,462.63	377	
KAKE	30,388	151.85	200	
KASHUNAMIUT	4,800	350.40	14	
KENAI PENINSULA	4,701,483	9,267.28	507	
KETCHIKAN	1,285,530	2,381.88	540	
KLAWOCK	25,448	158.90	180	
KODIAK	1,208,004	2,730.35	442	
KUSPUK	228,663	428.70	538	
LAKE & PENINSULA	103,548	412.55	251	
LOWER KUSKOKWIM	542,000	3,704.69	148	
LOWER YUKON	3,500	2,053.15	2	
MAT-6U	9,995,545	13,034.52	767	
NENANA	117,280	203.50	578	
NOME	270,093	736.15	387	
NORTH SLOPE	762,187	1,970.25	387	
NORTHWEST ARCTIC	50,784	2,141.90	24	
PELICAN	1,440	18.00	80	
PETERSBURG	143,503	625.85	229	
PRIBILOF	0	135.50	0	
SITKA	605,800	1,508.80	402	
SKAGWAY	3,800	109.67	35	
SOUTHEAST ISLAND	251,140	203.50	1,234	
SOUTHWEST REGION	245,103	721.25	340	
ST. MARY'S	850	167.16	5	
TANANA	44,685	61.80	723	
UNALASKA	208,721	392.95	531	
VALDEZ	413,613	866.70	477	
WRANGELL	195,808	435.45	449	
YAKUTAT	98,881	144.25	482	
YUKON FLATS	62,098	301.25	208	
YUKON-KOYUKUK	120,000	444.88	270	
YUPIIT	3,000	424.00	7	
CONTRACTS-Approved	206,000			
**See Notes Below	480,088			
TOTALS:	853,833,800	122,828.42		

Fairbanks Daily News-Miner

School bus funds need debate

Tuesday, April 22, 2003 - In the debate over the various aspects of funding for Alaska's K-12 school system, no one argues that the cost of busing students has risen at the exorbitant rate of 65 percent statewide since 1997.

What they do argue over, and have been arguing over for some years now, is what to do about that rising cost.

For next year, Gov. Frank Murkowski has proposed a 20 percent reduction in how much the state reimburses the districts, which negotiate the contracts, pay the cost themselves and then submit a bill to Juneau. The aim is to have districts look for savings in how they schedule bus runs and negotiate contracts, which they typically do every five years.

In Fairbanks, school officials say there isn't much more they can do, that they are not running too many buses and that the system is as lean as can be while providing such essentials as a bus barn and bus heaters to keep buses warm in the winter and dealing with high fuel prices and a law that requires drivers be paid at least twice the minimum wage. The district spent \$8.4 million to bus students in the previous school year; the state paid for all but about \$400,000.

The governor's proposed cut, which drew opposition for its scope and suddenness, may be giving way to a House bill that seeks to recast the method by which the state pays districts to get students to class each day.

Legislators for years have been unconvinced by school districts' claims that costs are as low as possible, and they are driven by a belief that school officials do not have the incentive to look hard for ways to find even more savings. There may be some merit to that thinking: How hard will a school district bargain with a bus company when both parties know the state pays the cost?

House Bill 259, which has the support of the governor, would eliminate the reimbursement program and provide money up front to school districts as a grant based on total enrollment. The program, if it becomes law, would provide more money to districts as enrollment increases, even if the number of students riding local buses remains unchanged or declines. School districts would continue to receive that stable allocation even if they found ways to reduce their busing costs. And here, say the bill's proponents, is the incentive that has long been needed: Any money saved can be spent in the classroom.

Yet the bill raises a few concerns. Schools wonder what will happen if enrollment falls, as has been occurring in Fairbanks. They wonder about how many new special education students they will have each year who will need special, and more costly, busing.

The state suggests that the Fairbanks district, for example, might want to exercise a contract option that allows for renegotiation on such issues. That could be an unattractive answer since the busing company, which is absorbing additional fuel price increases and the cost of its decision to boost wages to attract drivers, certainly would want to renegotiate. The district is better off leaving the contract alone.

HB 259 also raises a serious issue for private schools. In Fairbanks, the public school system, to comply with a long-ago lawsuit, buses about 150 students to and from Monroe Catholic school and three smaller faith-based schools. Under the reimbursement program, the state pays the cost. But HB 259 does not count private school students when calculating a district's transportation funding. Fairbanks schools superintendent Ann Shortt said she would have no choice but to pass this cost, a significant amount in the tens of thousands, to the privately funded Monroe and other schools.

The cost of busing Alaska's students has increased unacceptably, and the governor and Legislature are correct in wanting to curb the growth. But HB 259, which both now support, requires a bit more study. The Fairbanks and Anchorage schools superintendents and the head of Monroe Catholic School have suggested a panel to study the idea, perhaps even one meeting to do so.

It's a sound approach.

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

FY04 Projections -- Pupil Transportation Reimbursement

Prepared 4/4/2003

Actual proration is 73.93%
of projected entitlement

Proposal #1

Grant Proposal #1

FY04 Grant
Proposal
at \$43.6 million

DISTRICT	FY04 PROJECTION	FY04 Prorated Gov.s Budget	
ALASKA GATEWAY	642,534	474,997	472,590
ALEUTIANS EAST	57,000	42,138	49,404
ALEUTIANS REGION	0	0	0
ANCHORAGE	18,793,314	13,893,070	13,402,528
ANNETTE ISLAND	23,000	17,003	18,892
BERING STRAIT	78,795	58,250	52,606
BRISTOL BAY	321,021	237,317	267,860
* CHATHAM	17,001	12,568	8,736
CHUGACH	0	0	0
COPPER RIVER	720,000	532,264	577,000
CORDOVA	76,286	56,395	64,390
CRAIG	96,700	71,486	88,253
DELTA/GREELY	882,572	652,447	1,091,740
DENALI	360,186	266,270	321,885
DILLINGHAM	438,958	324,502	359,141
FAIRBANKS	9,406,638	6,953,914	7,168,203
GALENA	52,650	38,922	43,011
HAINES	172,000	127,152	117,676
HOONAH	29,235	21,612	23,795
HYDABURG	0	0	0
IDITAROD	53,488	39,541	46,599
JUNEAU	2,121,821	1,568,569	1,623,731
KAKE	36,700	27,131	20,881
* KASHUNAMIUT	4,800	3,548	3,960
KENAI PENINSULA	5,018,523	3,709,974	3,861,264
KETCHIKAN	1,339,886	990,519	1,073,256
KLAWOCK	26,924	19,904	25,912
KODIAK	1,238,570	915,620	960,756
KUSPUK	248,669	183,830	176,596
LAKE & PENINSULA	104,917	77,561	82,410
LOWER KUSKOKWIM	642,000	474,602	463,464
* LOWER YUKON	3,500	2,587	2,073
MAT-SU	10,663,664	7,883,177	8,165,625
NENANA	119,626	88,434	109,282
NOME	298,196	220,443	236,840
NORTH SLOPE	737,611	545,283	634,352
NORTHWEST ARCTIC	51,340	37,953	38,934
* PELICAN	1,440	1,065	0
PETERSBURG	163,000	120,499	111,185
PRIBILOF	0	0	0
SITKA	616,500	455,751	470,525
* SKAGWAY	3,800	2,809	2,600
SOUTHEAST ISLAND	269,700	199,377	175,536
SOUTHWEST REGION	248,983	184,062	166,371
* ST. MARY'S	850	628	740
TANANA	30,250	22,362	25,560
UNALASKA	214,983	158,927	201,112
VALDEZ	425,195	314,328	289,488
WRANGELL	234,727	173,523	141,930
YAKUTAT	79,993	59,135	37,698
YUKON FLATS	67,098	49,603	73,788
YUKON/KOYUKUK	126,000	93,146	111,600
* YUPIIT	3,000	2,218	0
ACS	0	0	0
MT. EDGE CUMBE	0	0	0
CONTRACTS--Approx	206,000	206,000	206,000
**S - Notes Below	575,757	575,784	0
TOTALS	58,145,400	43,188,200	43,667,778

Projections based on information provided by districts

* No bussing--Districts' only reimbursable costs are for payments to parents in lieu of bus transportation

**For unanticipated cost increases, e.g., added rates, contract negotiations.

G:\DistSup\SPTRANS\Budget Projections\FY04\FY04@80%.xls

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT
REIMBURSABLE TRANSPORTATION COSTS PER STUDENT
 April 1, 2003

DISTRICT	FINAL '02 REIMBURSEMENT	ADM-LESS CORRESPONDENCE	FY02 AVG. COST PER STUDENT	Revised Student Amount based on \$43.2 million	FY04 Projected ADM	Grant Proposal #1 at \$43 Million
ALASKA GATEWAY	542,190	448.01	1,210	1,062	445.00	472,590
ALEUTIANS EAST	67,040	54.75	1,224	1,074	46.00	49,404
ALEUTIANS REGION	0	290.75	0	0	272.00	-
ANCHORAGE	15,082,370	48,697.83	310	272	49,274.00	13,402,528
ANNETTE ISLAND	22,979	311.05	74	65	290.65	18,892
BERING STRAIT	56,362	1,728.30	33	29	1,814.00	52,606
BRISTOL BAY	306,704	237.20	1,293	1,135	236.00	267,860
CHATHAM	10,111	227.35	44	39	224.00	8,736
CHUGACH	0	74.50	0	0	95.00	-
COPPER RIVER	672,044	547.33	1,228	1,078	535.25	577,000
CORDOVA	72,139	461.45	156	137	470.00	64,390
CRAIG	103,271	400.25	258	226	390.50	88,253
DELTA/GREELY	802,543	545.38	1,472	1,292	845.00	1,091,740
DENALI	338,838	287.50	1,179	1,035	311.00	321,885
DILLINGHAM	421,016	540.70	779	684	525.06	359,141
FAIRBANKS	8,286,859	15,051.58	551	483	14,841.00	7,168,203
GALENA	49,872	247.45	202	177	243.00	43,011
HAINES	169,614	369.20	459	403	292.00	117,676
HOONAH	30,346	211.30	144	126	188.85	23,795
HYDABURG	0	100.10	0	0	88.00	-
IDITAROD	56,311	336.69	167	147	317.00	46,599
JUNEAU	1,939,927	5,456.90	355	311	5,221.00	1,623,731
KAKE	26,105	171.62	152	133	157.00	20,881
KASHUNAMIUT	4,287	321.80	13	11	360.00	3,960
KENAI PENINSULA	4,582,167	9,428.90	486	426	9,064.00	3,861,264
KETCHIKAN	1,226,802	2,373.03	517	454	2,364.00	1,073,256
KLAWOCK	32,466	174.00	187	164	158.00	25,912
KODIAK	1,122,677	2,784.84	403	354	2,714.00	960,756
KUSPUK	183,267	433.00	423	371	476.00	176,596
LAKE & PENINSULA	99,973	427.80	234	205	402.00	82,410
LOWER KUSKOKWIM	509,062	3,646.73	140	123	3,768.00	463,464
LOWER YUKON	1,453	1,937.85	1	1	2,073.25	2,073
MAT-SU	9,068,739	12,733.59	712	625	13,065.00	8,165,625
NENANA	114,982	186.50	617	541	202.00	109,282
NOME	260,637	737.65	353	310	764.00	236,840
NORTH SLOPE	755,005	2,020.78	374	328	1,934.00	634,352
NORTHWEST ARCTIC	43,601	2,150.40	20	18	2,163.00	38,934
PELICAN	0	18.65	0	0	18.00	-
PETERSBURG	137,891	652.83	211	185	601.00	111,185
PRIBILOF	0	136.65	0	0	136.00	-
SITKA	554,618	1,528.36	363	319	1,475.00	470,525
SKAGWAY	3,480	120.20	29	25	104.00	2,600
SOUTHEAST ISLAND	217,018	224.60	966	848	207.00	175,536
SOUTHWEST REGION	198,455	758.60	262	230	723.35	166,371
ST. MARY'S	765	152.85	5	4	185.00	740
TANANA	26,430	54.48	485	426	60.00	25,560
UNALASKA	203,486	368.90	552	484	415.52	201,112
VALDEZ	328,881	883.60	372	326	888.00	289,488
WRANGELL	181,821	465.95	390	342	415.00	141,930
YAKUTAT	60,622	172.00	352	309	122.00	37,698
YUKON FLATS	86,365	293.95	294	258	286.00	73,788
YUKON/KOYUKUK	140,762	496.75	283	248	450.00	111,600
YUPIIT	0	445.60	0	0	416.00	-
CONTRACTS--Approx						
**See Notes Below						
TOTALS:	\$49,202,356	122,928.03			123,130.43	\$43,461,778

**For unanticipated cost increases, e.g., added rates, contract negotiations, etc.

G:\DistSup\SPTRANS\Cost-Student-Mileage Histories\Cost Per Total Students--02.xls\Sheet 1



Alaska Pupil Transportation Funding
Reimbursements vs. Grant Program
Prepared by Eddy Jeans, School Finance Manager
April 2003



The current Alaska pupil transportation reimbursement system does not reward districts when they achieve efficiencies. The department regulates reimbursable cost uniformly for all districts. Each district enters into contracts, adds or extends routes, places aids on busses and allocates district cost based on state regulation. When the budget prorates the reimbursable entitlements and a district identifies a cost saving, every school district is rewarded with less proration. The benefit is not a \$1 to \$1 savings or reward to the district that saved the money.

Here is an example of the current system:

The statewide projected FY04 entitlement is \$58 million, which the proposed budget will fund at \$43 million or 74% of entitlement. Anchorage School District's total projected entitlement is estimated at \$19 million and, prorated at 74%, would require \$4.9 million in local contributions.

If Anchorage reduced \$1 million dollars in services, the statewide proration becomes approximately 75.3%. The revised entitlement for Anchorage would be \$18 million and, prorated at 75.3%, would require \$4.4 million in local contributions.

The bottom line in this example of the current system is that Anchorage deducted \$1 million in services and only saved one-half-million in local funds. Following through on this example; all other school districts would benefit by 1.3% increase in state support because of Anchorage's ability to reduce their services.

Proposed Grant Program – Requires Statutory Change

The proposal for a grant program is to place in statute a dollar amount per student for each district that operates a pupil transportation program based on the FY02 actual expenditures per district. School districts grant would increase or decrease base on changes in student populations. The legislature could periodically adjust the per student amount for inflation.

With a grant program the department can eliminate regulations that define reimbursable expenses and districts would be allowed to determine what services will be provided at the local level. The statute that set the minimum salary for school bus drivers could also be repealed. If a district can achieve a savings by reducing the numbers of, or configurations of their routes, they will retain the savings dollar for dollar. A grant system would 'reward' districts for achieving efficiencies.



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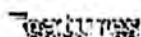
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Free school bus rides coming to an end for some students

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By KEN MAGUIRE, Associated Press

BOSTON (April 22, 11:59 a.m. ADT) - Lawmakers and school officials have a stark message for parents who think their taxes already pay for school bus transportation: No more free rides.

Cash-strapped public schools trying to hang on to their teachers are increasingly turning to busing fees to raise money. The move has angered parents and raised concerns that children may be forced to use more dangerous means - like walking - to get to school.

"It seems like this country can afford a lot of other things, but we can't send our students to school on buses?" asked Jane Million, spokeswoman for the National Association of Elementary School Principals. "To be able to get to school in a safe manner, we need to be able to provide that."

About a third of all school districts in Massachusetts already charge middle- and high-school students for busing. On Cape Cod, for example, the town of Barnstable raises \$350,000 per year by charging \$200 per child in grades 7 and higher.

Kids in kindergarten through sixth grade are entitled to free rides if they live at least two miles from school. But that may change soon as Massachusetts lawmakers warn communities and schools they will lose millions in state aid because of a \$3 billion budget deficit.

Sally Forbes, a parent in Hingham, supported her school board's recent rejection of bus fees. But she is reconsidering because the school board is threatening to furlough teachers to save money.

"The bottom line is trying to fill in these holes so you don't lose teachers," said Forbes, mother of a second-grader and a high school freshman.

Communities in other states, including California, Texas, New Jersey,

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Montana, Hawaii, Kansas, North Dakota and Utah, also make parents pay for pupil transportation to and from school, with exemptions for the poor.

"It's certainly something that's become more acceptable," said Robin Leeds, a lobbyist for the National School Transportation Association, which represents private bus companies. "Rather than getting rid of transportation, they'll charge fees."

The fees are most prevalent in Massachusetts and California, said Mike Martin, executive director of the National Association for Pupil Transportation, an industry group. He said bus fees are not common - yet.

"It's something that everyone is looking at," Martin said.

California districts, required to provide free transportation only to special needs students, are scrambling to raise money with the state facing a \$34 billion deficit, the nation's largest.

"We've got districts reducing bus service by increasing 'walking areas,' we've got districts charging fees for the first time and districts that have been charging fees raising the fees," said Bob Austin, coordinator of California's school transportation office. "Our phones have been going crazy."

About a third of California's 900 districts charge bus fees.

Districts in Orange County may increase bus fees - currently about \$225 annually - and stop transporting students who live near schools. South of San Francisco, the Pajaro Valley school board may impose a \$270 bus fee to raise \$750,000 next year.

The Capistrano Unified School District has proposed eliminating busing altogether - a move Leeds, of the bus industry group, says would be "counter to safety."

"Transportation is not a mandated service. It is a local district option," Austin said. "They're making decisions to either take teachers out of the classroom or take buses off the road."

School buses are the safest form of school transportation, according to a National Research Council report last year. Buses are the way one-fourth of all students get to school but account for only 2 percent of child deaths in school-related traffic accidents.

School districts in Massachusetts can get state reimbursement of some transportation costs. But Gov. Mitt Romney has proposed eliminating the reimbursement altogether to help balance the books. He also favors the use of fees to raise money.

While unpopular, busing fees have withstood legal challenges in California, North Dakota and Massachusetts.

Some parents said states shouldn't pass the buck.

"The state needs to look at its own responsibility for funding public education," said Judy Wilson of Hingham. "That's what our country is supposed to do - is provide a public education without a cost to students."



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Gare

Amusement

p 1 line 14

Delete "\$1200"

Insert

~~"\$1200"~~

~~"\$1200"~~

"1500"

AMENDMENT . 1

line 15

new section 2. Adjustment to the amount of
money set per pupil in this act shall be
done on an individual district basis, based on

line 16

change sect 3 to sect 4.

Gava

Amendment.

At

P.2, line 16, insert a
new Sec. 3 :

In the case where ^{a District's} ADM ~~is~~
decreases from a prior year, the prior
year's ADM shall be utilized in determining
the amount under AS AS 14.09.010
unless the Department makes the
following finding: That pupil transportation
costs have decreased by an ~~a~~ amount
proportionate to the decrease in ADM.

The Funding of Pupil Transportation In North Carolina – March, 2001

*North Carolina Department of Public Instruction
Division of School Support, Transportation Services*



Three main components of pupil transportation in North Carolina have improved the efficiency of operations statewide and have generated savings of nearly 900 school buses and millions of miles traveled.

- **The State Vehicle Fleet Management System (SVFMS)** is a statewide computer system that assists school districts with the inspection and preventive maintenance of their school buses.
- **The Transportation Information Management System (TIMS)** is a computer-assisted system of routing and scheduling school buses that provides districts the tools to generate efficient transportation plans.
- **The Transportation Funding Formula** provides incentives for districts to be efficient in the use of buses and dollars.

This document focuses on the funding of pupil transportation in North Carolina and explains the status of each of the main components.

1. Funding Overview

The operation of school buses in North Carolina, to provide safe transportation for students to and from school, is funded primarily through state appropriations. The Department of Public Instruction (DPI), Transportation Services Section administers two distinct appropriations from the General Assembly:

- **Transportation Operations** - bus drivers, mechanics, fuel, tires, repair parts, etc.
- **Capital** - for the replacement of school buses

Additional state resources are provided for other components of state assistance to Local Education Agencies (LEAs):

- **School Bus Driver Training** - conducted by DMV School Bus and Traffic Safety driver education specialists
- **Transportation Director Salaries** - part of Central Office Administration allotment
- **"Insurance"** - appropriation to DPI for payment of Tort Claim settlements, through the office of the Attorney General.

In addition to receiving replacement school buses from the state and an allotment for operations (through PRC56), LEAs have additional (limited) sources of funding:

- Exceptional Children (EC) allotment – used only for safety assistants and equipment for transporting students with special needs
- Pre-K EC funding – for transporting or contracting for the transportation of pre-schoolers with special needs
- At-risk Funding – can be used for transportation of students to at-risk programs (e.g. summer school, after-school, etc.)
- Local funds for operations – can be used to supplement state funding
- Local capital funding – needed to purchase additional new school buses (not replacements)

2. Allocation of State Appropriation for Transportation Operations

Funding Formula

In 1980, the General Assembly authorized a study of pupil transportation in North Carolina and approved a new method of funding transportation operations. This new funding formula introduced the concepts of local control and accountability to LEA transportation operations. A block grant allotment replaced a system where line item funding was controlled from DPI. This flexibility is balanced by the budget rating process. It provides proper incentives to minimize expenses and to minimize the number of buses operated.

DPI Transportation Services allots funds from the state appropriation for transportation operations to each LEA using a formula based, in part, on a measure of efficiency of the operation. Each LEA is evaluated with respect to the number of buses operated, number of students transported and total expenditures. These parameters for each LEA are measured along with every other LEA in the state. Additional data are gathered in order to "level the playing field" which allows for an equitable county-by-county comparison. Site characteristics include: the average distance of students to school, the number of students transported per mile of road, elevation, and the magnitude of transportation of students with special needs, among others.

A budget rating is generated for each county by adding 10 points to the efficiency rating. An efficiency rating of 86%, for instance, yields a budget rating of 96%, which indicates that 96% of the LEA's expenses will be covered by state funds. *The decision the LEA then faces is whether to contribute the additional 4% locally (which they may already be doing) or to make changes to generate savings.*

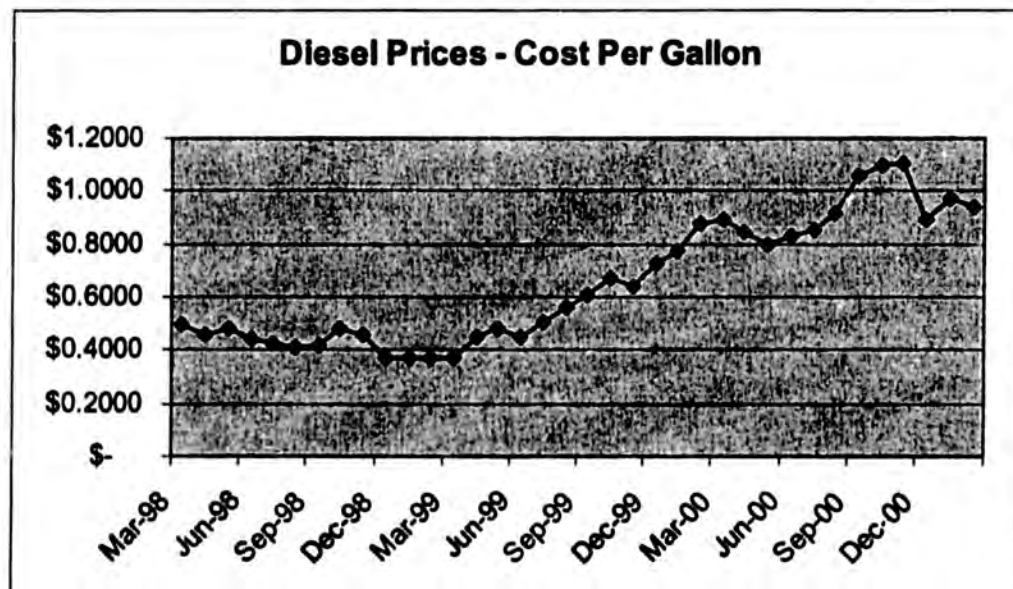
A block grant allotment for transportation is then generated based on the budget rating and the prior year's expenditures for pupil transportation. This block grant is then increased for the current year based on any increases in average daily membership (ADM)

and any salary increases authorized by the General Assembly. An initial allotment is distributed to LEAs in July, followed by a final allotment in November of each year. DPI provides a budget rating simulator that LEAs may use to project their budget rating and, therefore, state funding each year.

Rising Diesel Fuel Prices

The funding formula described above bases current year allotments on previous year expenditures. Appropriation requests to the General Assembly are also based on these data. This works very well assuming the same operating environment from year to year. Unfortunately, the years 1999-2001 have seen sharply increased prices for diesel fuel.

During the 1998-99 school year, the average cost of diesel fuel statewide was \$0.42 per gallon. The following year, 1999-2000, the average cost rose over 70% to \$0.72 per gallon. This resulted in a situation where LEAs had an insufficient allotment to handle all of their expenses. Statewide the shortfall was \$5.8 million. Late in the 1999-2000 fiscal year, the Office of State Budget and Management approved \$5.8 million to be added to the transportation appropriation and additional allotments were made to LEAs as a result. Further, these additional funds remained in the continuation budget for the 2000-2001 school year.



As seen in the chart above, the cost of diesel fuel has *continued* to rise. The average cost per gallon as of the end of February, 2001, was \$0.95 per gallon – an increase of nearly a third over the previous year. Despite the additional funding allotted last year, the shortage of funds for FY2001 is projected to be \$3.5 million statewide.

DPI's continuation budget request for the 2001-2003 considers the fuel price increases that have been experienced the past two years.

Contingency Fund

After issuing the allotments explained above, Transportation Services retains a small amount (about 0.1% of the appropriation) to be distributed to LEAs based on need resulting from unique situations that cannot be budgeted. This contingency fund is available to all LEAs upon application prior to April 15 of each year. At that time, requests are analyzed and prioritized, with preference going to major equipment needs for small LEAs. For instance, one "blown engine" can have a significant impact on a small county's transportation budget. The contingency fund has also be used to compensate for unexpected expenses due to flood, tornado, and other needs that can't be predicted or budgeted.

3. Replacement of School Buses

State Appropriation.

Through the capital appropriation, DPI Transportation Services purchases replacement school buses and issues them to counties each year. The buying power associated with the purchase of 500-1000 school buses at once has resulted in exceptionally good prices for the state over the years.

Since 1985, all replacement school buses have included two major improvements over prior year buses:

- Longer lasting diesel engines
- Eight light warning system (red and yellow lights, rather than just red lights)

Since 1993, heavy duty axles and other long lasting components have been added to the school buses purchased.

With the continued support of the General Assembly, the 1999-2000 appropriation resulted in the final replacement of all school buses older than and including model year 1985. The result is that all school buses operated on regular routes in North Carolina have an eight light warning system (which helps protect students by sending a consistent signal to motorists) and none are powered by less rugged, less fuel efficient gasoline engines.

Preventive Maintenance

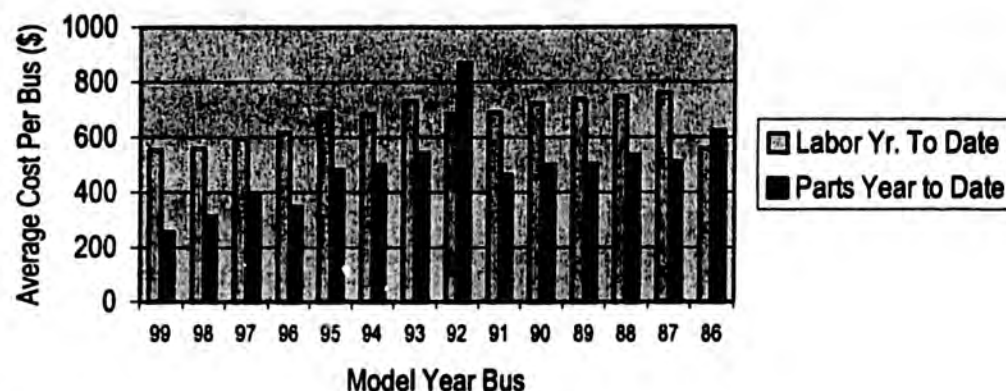
A rigorous preventive maintenance program for school buses has been in place since the mid 1980's. A preventive maintenance manual is distributed to all LEAs and is available on the web as part of the State Board of Education policy.

In addition to a required mechanical inspection by LEA technicians every 30 days, preventive maintenance tasks are performed every 6,000 miles. The result has been

continually improved condition of the state's school bus fleet. The majority of maintenance activities being performed at the school bus garages are preventive maintenance activities. *As a result, the amount of money spent to maintain the oldest of our buses is not significantly more than the amount required to maintain our new buses* (with the exception that school bus components are warrantied during the first 3-5 years)

Consider the chart below, which shows labor costs and parts costs for the state's school bus fleet from July 1, 2001 through March 13, 2001. Clearly, for all buses beyond the warranty period (95 model year and older) there is no significant difference in the labor or parts cost per bus among model years. (The only exception is the parts cost on 1992 models. There are only about 60 of this model year in the fleet, so the averages are more skewed by repairs made to individual buses.)

School Bus Labor and Parts Expense Yr. to Date



Replacement Schedule

For a long time, school buses were replaced every 12-13 years. Because of the strength of today's school buses and the maintenance activities that keep them safe for students, the school buses on the road today can easily run 160,000-200,000 miles before they must be replaced. A maximum allowable mileage is specified by DPI Transportation Services for each model year school bus. Any buses not reaching the mileage threshold in less than twenty years will be replaced regardless.

Impact on Appropriation Request

The replacement schedule described above ensures that LEAs will get the maximum usage from each new school bus and has allowed DPI to *decrease* its budget request. As a result, rather than a biennial request averaging \$45 million per year, the current (2001-03) request is \$29.8 million per year. Very simply, there are better buses on the road now than ever and they are going to last longer than ever. By changing the specifications and working toward a superior school bus, DPI has reached the point where it can request less capital money than in previous years.

4. Inventories

School bus garages stock four major categories of inventory:

- Fuel - diesel (some gasoline, for service trucks, etc)
- Oil
- Tires
- Repair Parts (alternators, seat covers, windshield wipers, stop signs, crossing arms, filters, etc.)

On June 30, 2000, the percentages of statewide inventory were reported as follows:

Total Inventory	Fuel	Oil	Tires	Repair Parts
\$ 12,829,167	\$1,763,453	\$277,758	\$3,089,127	\$7,698,829
On-Hand Inventory as a % of Annual Usage 1999-00:	9.0%	36.6%	49.4%	71.8%

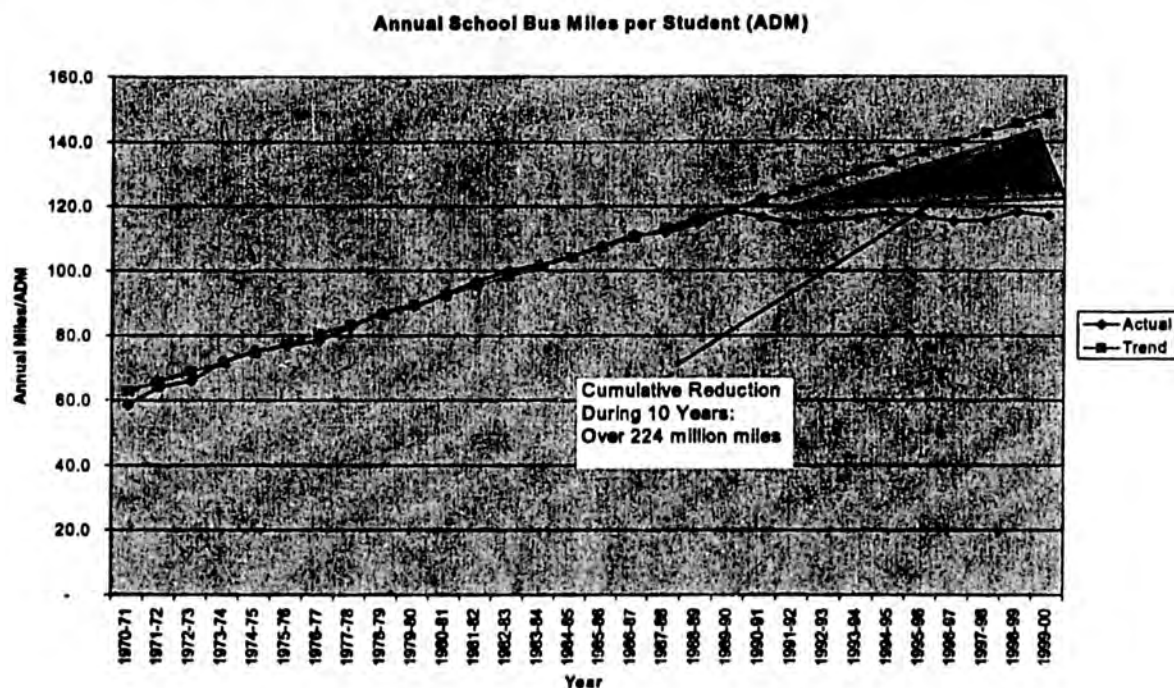
Obviously, the bulk of the inventory is in repair parts. And while, to an certain extent a county could choose to work out of its inventory rather than ordering new parts, most bus garages cannot stock all parts that they are going to need. There are school bus chassis manufactured by Ford, Freightliner, International and Chevrolet. Each has different engines and component parts.

Given the current \$3.5 million shortfall due to the price of diesel fuel, most bus garages have already cut back on stocking any excess inventory in order to make ends meet.

5. Economies and Efficiencies

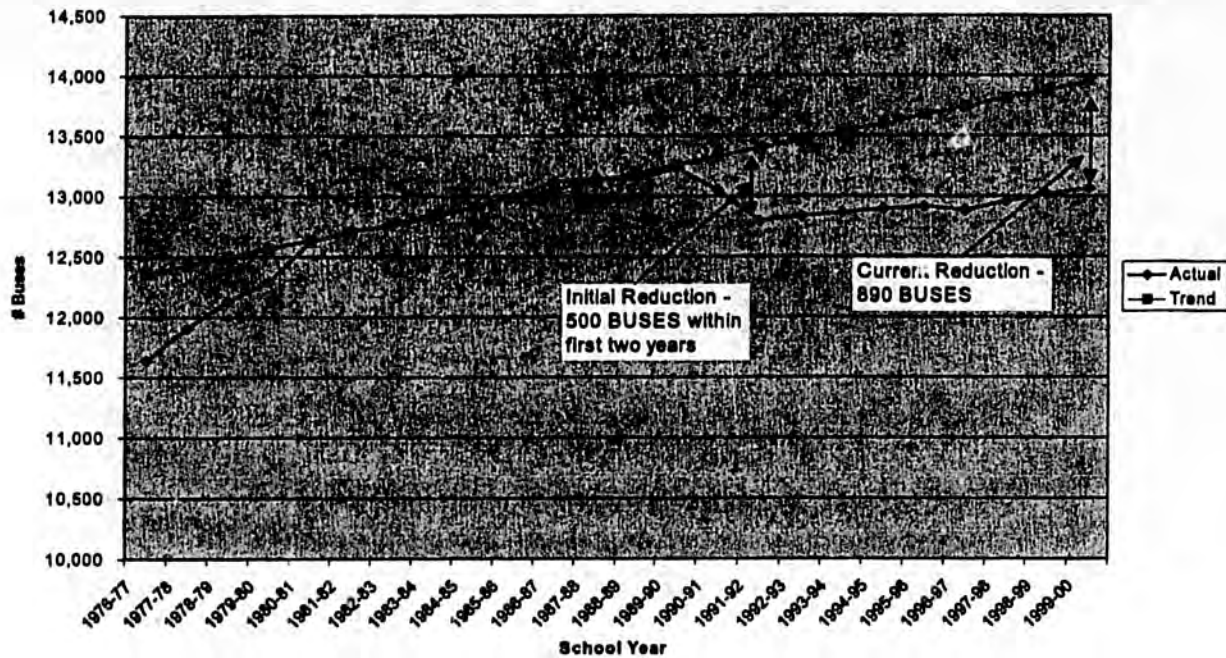
During the past ten years since the current funding formula has been used, significant strides have been made when contrasted to the spending course that pupil transportation was on prior to this formula. Within two years of the implementation of the new formula, the statewide bus fleet was reduced by over 500 buses and the current fleet is nearly 900 buses less than the course the state was on prior to 1990. (See Chart.) Even with the onset of additional magnet schools, year round schools and other special programs, the number of miles traveled per ADM has held steady and the savings are obvious when contrasted to the projected course prior to the current method of funding. (See Chart) The funding formula authorized by the General Assembly has, indeed, achieved its goal of introducing accountability for efficiency of operation into pupil transportation in North Carolina.

The chart below shows the ratio of the Annual School Bus Miles Traveled to the Average Daily Membership (ADM). Looking at MILES alone can be misleading, because miles will necessarily increase when ADM increases because there are more students to transport. From 1970 until 1989 the Miles/ADM increased at a very steady rate as shown. Beginning in 1990 the funding formula provided an incentive to be more efficient. Thereafter, miles/ADM has remained relatively constant. During the past ten years, accumulated reductions have amounted to over 224 million miles. During 1999-2000, total expenses per mile operated – not including depreciation or bus replacement – was \$1.47 per mile. This mileage savings, then amounts to a savings in today's dollars of \$329 million over the past 10 years.



The following chart shows the number of school buses being used statewide since 1976. There was clearly an upward trend in the number of buses until the funding formula was implemented in 1990. Within two years there were 500 fewer buses being used than the prior trend. Currently there are nearly 900 fewer buses being used (and thus 900 fewer buses that must be replaced) than the prior trend.

NC School Buses - Trend vs. Actual



As evidenced by these data, the savings resulting from the initiatives described herein have been significant and produced an efficient funding structure for student transportation.

6. Summary

Pupil transportation in North Carolina is a critical part of the state's education system. And, providing safe transportation for students is a costly venture. The following statistics from the 1999-2000 school year:

13,062	School Buses Operated Daily
148,315,938	Miles Traveled To and From School
696,802	Students Transported Daily
(that's over 500 million times per year a student boards or exits the bus!)	
\$204,385,495	State Funds Expended for Transportation Operations
\$ 14,794,834	Local Funds Expended for Transportation Operations

The savings in buses and dollars over the past ten years have come as a result of an efficiency-based funding formula, supported by information systems that allow LEAs to be efficient in the maintenance and routing of buses. The state of North Carolina is realizing *today* the following benefits from ten years of hard work by school district transportation staff. Nearly 900 fewer buses are being operated statewide, that do not have to be replaced and buses are running 30+ million fewer miles, compared with the course being followed prior to 1990.

LEA staff take the responsibility to provide safe and efficient transportation very seriously. The improvements in routing and maintenance and the incentives to save buses and dollars have helped them fulfill this responsibility.

Student Parking Fees					
School	# Parking	\$50.00/Student	\$100.00/Student		
SVHS	24	\$1,200.00	\$2,400.00		
PHS	192	\$9,600.00	\$19,200.00		
CHS	268	\$13,400.00	\$26,800.00		
WHS	439	\$21,950.00	\$43,900.00		
HHS	132	\$6,600.00	\$13,200.00		
Total		\$52,750.00	\$105,500.00		
Transportation Fees					
Students Transported per Day	\$.25/day	\$.50/day	\$.75/day	\$ 1.00/day	\$ 2.00/day
6400	\$1,600.00	\$3,200.00	\$4,800.00	\$6,400.00	\$12,800.00
Total for 170 days	\$272,000.00	\$544,000.00	\$816,000.00	\$1,088,000.00	\$2,176,000.00
Free Lunch Program					
Free Lunches per day	\$.25/day	\$.50/day	\$.75/day	\$ 1.00/day	\$ 2.00/day
145	\$36.25	\$72.50	\$108.75	\$145.00	\$290.00
Reduced Fee Lunches per day					
64	\$16.00	\$32.00	\$48.00	\$64.00	\$128.00
Total	\$52.25	\$104.50	\$156.75	\$209.00	\$418.00
Total for 170 days	\$8,882.50	\$17,765.00	\$26,647.50	\$35,530.00	\$71,060.00
Transportation Fees Minus Free/Reduced Students					
Students Transported per Day	\$.25/day	\$.50/day	\$.75/day	\$ 1.00/day	\$ 2.00/day
6191	\$1,547.75	\$3,095.50	\$4,643.25	\$6,191.00	\$12,382.00
Total for 170 days	\$263,117.50	\$526,235.00	\$789,352.50	\$1,052,470.00	\$2,104,940.00

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Committee Assignments:

Member:

House Special Committee on Fisheries
House Special Committee on Education
House Transportation Committee
House Judiciary Committee



Dan Ogg
Representative

SPONSOR STATEMENT

House Bill 333

2/03/04

Session:
Room 409
Capitol Building
Juneau, Alaska 99801
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Toll Free: 800-865-2487
Fax: 907-465-4956
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Fax: 907-486-5264

"An Act relating to an endowment for public education; and providing for an effective date."

This bill would establish a separate education fund of the state. The principal of the fund would be created by sums transferred to the account by the commissioner of revenue each year. This sum would equal the total receipts derived from the management of state and University of Alaska lands as established in AS14.40.507. In addition, the principal of the fund would be augmented by the allowance of gifts, bequests, and contributions of cash or other assets from individuals. The principal of the fund shall be retained perpetually in the fund for investment. The net income of the fund may be appropriated annually by the legislature.

In essence, the state and the University would be "tenants in common," meaning that, for the intent and purposes of this bill, one percent of the land conveyance to the state under sections 6 (a) and (b) of the Alaska Statehood Act shall be conveyed to the "tenants" upon the effective date of this bill. The tenants would then accumulate one percent of all new amounts paid to the state as proceeds of sale or annual rent of surface rights, mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue-sharing payments or bonuses from the effective date of this bill.

The rights of management and development of land conveyed under this concept would be retained by the Department of Natural Resources (DNR). However, the heightened fiduciary duty to the University that is usually owed by a managing tenant in common to other tenants in common will not apply. This bill does not require additional consultation or review by the University of DNR's land management decisions.

A new board within the Department of Education and Early Development (EED), entitled the Education Fund Board is established by this bill and would be responsible for administering the funds. The board would be comprised of the President of the University, two current members of the Board of Regents, and two members of the State Board of Education, the commissioner of EED, and three public members.

With the exception of four states, all of the university land grants were settled before the end of the 19th century. Alaska is one of those states. The time has come for Alaska to endow its public education system with a grant of its land. Of all the states, Alaska's Land Grant University is 49th in acreage granted by the state or federal government. The only state university that has less of a land grant is Delaware. This is not a situation of unwillingness on the part of the state or federal government, but a situation of circumstances.

District 36 - Kodiak Island Borough/Lake & Peninsula Borough
Akhiok • Chiniak • Karluk • Kodiak • Larsen Bay • Old Harbor • Ouzinkie • Port Lions
Iguigig • Iliamna • Kokhanok • Levelock • Newhalen • Nondalton • Pedro Bay • Port Alsworth

In 1634, four years after the establishment of the Massachusetts Colony, the colony's founding fathers gave an island as a land grant to Dorchester, one of the colony's towns. Dorchester dedicated the income from the island to fund the first free school in America. Granting lands for funding education has been the case ever since. The Morrill Act of 1862 entitled each state a grant of federal lands the income from which would provide the financial base of operation for at least one college or university. The University of Alaska at Fairbanks is Alaska's Land Grant University.

During the territorial days, land transferred to the University was minimal since a prerequisite to any transfer was that the land had to be surveyed. Since most of Alaska was not surveyed, only about 112,000 acres were transferred before statehood. When Alaska became a state, the federal government granted Alaska 104 million acres. Many assumed the University's land grant would come out of the state lands. Since statehood four attempts have been made by the legislature to grant lands to the University. Legislation to grant lands was vetoed once by Governor Bill Egan and three times by Governor Tony Knowles. The last land grant was Senate Bill 7 of the 21st Legislature, which granted the University 250,000 acres. The veto by Knowles was subsequently overridden by the legislature with a two-third's vote.

The governor then challenged the validity of the veto asserting that the bill was an "appropriation" and required a three-quarter veto override. The legislature challenged the Knowles decision in court. The Alaska Supreme Court's recent decision ruled in favor of the legislature indicating that they had legally overridden Knowles' veto. Unfortunately, the court remanded the case to the state Superior Court to determine if giving state land to the University created an unconstitutionally dedicated fund.

Should the grant be found by the court to be a constitutional dedication, actual revenues going to the University will be a long time coming. In response to a legislator's question on January 22, 2004 inquiring how long before land is developed under Senate Bill 7, the University responded that under the best of circumstances, the University does not expect to make anything off that land for 10 years and it could well be 20 years.

Passage of this bill will accomplish the recession of Senate Bill 7, thus ending the remaining court battle over unconstitutional dedication. It will give the University and public education a land asset without the headache of land management. It will eliminate the lengthy need for selection and separate development and the costs attached thereto. It will develop an income stream from the endowment as soon as new revenues from new developments and new land sales occur. With HB333, the education endowment could begin now, instead of 10 to 20 years from now.

Consider the size of an endowment if 1% had been set aside since statehood. In fiscal year 2003 the cumulative total petroleum revenue from just oil over these intervening years is over \$53 billion. One percent of that figure is \$530 million. That number doesn't take into account that the revenue would have been compounded yearly adding to the principal of that endowment and the subsequent income stream to the University and K-12 education.

If enacted, this bill will affect only 1% of new income from new developed resources or the new sale of state lands. This will not impact existing income streams from resources or land sales. The endowment will build over time, so present and future generations will benefit educationally from our grant land asset.

Conceptual
AMENDMENT

OFFERED IN THE HOUSE SPECIAL COMMITTEE ON EDUCATION

BY REPRESENTATIVE OGG

TO: HB 333() 23-LS0991\X

Page 7, line 30:

Insert new applicability section to read:

“* Sec. 7. Receipts as declared in AS 14.40.505 should be considered new receipts that begin with or after the effective date of this act.”

Renumber accordingly.

final note

23-LS0991\X

Bullock

3/8/04

CS FOR HOUSE BILL NO. 333()**IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTY-THIRD LEGISLATURE - SECOND SESSION****BY****Offered:****Referred:****Sponsor(s): REPRESENTATIVES OGG, COGHILL AND HOLM, Wilson****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to an endowment for public education and the University of Alaska;
2 relating to university land; establishing a trust fund for public education; and providing
3 for an effective date."

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

5 * Section 1. AS 14.40.170(a) is amended to read:

6 (a) The Board of Regents shall

7 (1) appoint the president of the university by a majority vote of the
8 whole board, and the president may attend meetings of the board;

9 (2) fix the compensation of the president of the university, all heads of
10 departments, professors, teachers, instructors, and other officers;

11 (3) confer such appropriate degrees as it may determine and prescribe;

12 (4) except as provided under AS 14.40.507, have the care, control,
13 and management of

14 (A) all the real and personal property of the university; and

1 (B) land

2 [(i)] conveyed to the Board of Regents by the
3 commissioner of natural resources in the settlement of the claim of the
4 University of Alaska to land granted to the state in accordance with the
5 Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance
6 with the Act of January 21, 1929 (45 Stat. 1091), as amended; [AND

7 (ii) SELECTED BY THE UNIVERSITY OF ALASKA
8 AND CONVEYED TO IT BY THE COMMISSIONER OF
9 NATURAL RESOURCES UNDER AS 14.40.365;]

10 (5) keep a correct and easily understood record of the minutes of every
11 meeting and all acts done by it in pursuance of its duties;

12 (6) under procedures to be established by the commissioner of
13 administration, and in accordance with existing procedures for other state agencies,
14 have the care, control, and management of all money of the university and keep a
15 complete record of all money received and disbursed;

16 (7) adopt reasonable rules for the prudent trust management and the
17 long-term financial benefit to the university of the land of the university;

18 (8) provide public notice of sales, leases, exchanges, and transfers of
19 the land of the university or of interests in land of the university;

20 (9) administer, manage, market, and promote a postsecondary
21 education savings program, including the Alaska Higher Education Savings Trust
22 under AS 14.40.802 and the Alaska advance college tuition savings fund under
23 AS 14.40.803 - 14.40.817.

24 * Sec. 2. AS 14.40.291(a) is amended to read:

25 (a) Notwithstanding any other provision of law, university-grant land, state
26 replacement land that becomes university-grant land on conveyance to the university,
27 [LAND SELECTED BY AND CONVEYED TO THE UNIVERSITY OF ALASKA
28 UNDER AS 14.40.365,] and any other land owned by the University of Alaska,
29 except for land transferred under AS 14.40.507, is not and may not be treated as
30 state public domain land. [LAND CONVEYED TO THE UNIVERSITY OF
31 ALASKA UNDER AS 14.40.365 SHALL BE MANAGED UNDER AS 14.40.365 -