

SCOMM

137:15

MEMORANDUM

State of Alaska
Department of Education
& Early Development

To: The Honorable Mark Neuman, Chair
House Special Committee on Education

Date: January 26, 2005

Phone: 465-2802

FAX: 465-4156

From: Roger Sampson
Commissioner

Subject: Request for Hearing
HB 65 & HB 73

House Bill 65, Appropriations: K-12 Public Education and House Bill 73, increasing the amount of the base student allocation, have been assigned to the House Special Committee on Education. The Department of Education & Early Development would like to request they be calendared and heard as soon as possible.

Dick Luther, the department's legislative liaison will be happy to work with you or your staff to schedule a committee hearing on HB 65 and HB 73. Please contact Dick at 465-2803 or Richard_Luther@eed.state.ak.us.

Thank you for your consideration.

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



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

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 12, 2005

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

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making special appropriations for the support of K-12 public education in the state.

I am asking the Legislature to not only make permanent the \$84 million increase to K-12 education approved for fiscal year 2005, but to increase education by another \$127 million over the next two fiscal years. I am asking that the Legislature give the education budget priority by passing appropriations for fiscal years 2006 and 2007 during the first regular session of this Legislature.

I want to avoid the unnecessary cycle of districts sending pink slips to teachers each school year as a means of anticipating possible budget cuts. It is my sincere hope that this early funding package will let schools focus on teaching over the next two fiscal years instead of worrying about how to make ends meet.

This bill would cover fixed retirement costs, higher-than-expected costs of fuel oil, and other inflationary costs as well as providing the money necessary to pay the core costs of classroom education. These appropriations would be conditioned on the enactment of an increase of \$304 in the base student allocation for fiscal year 2006 and another increase of \$310 for fiscal year 2007 and subsequent years. Meeting these costs and enacting the increases to the base student allocation would address the needs of school districts in the state by allowing them to stabilize their administrative planning and concentrate their efforts and resources on increasing student achievement and efficiently running the state's K-12 educational system.

I urge your favorable consideration of this bill.

Sincerely yours,

A handwritten signature of Frank H. Murkowski in dark ink.
Frank H. Murkowski
Governor

Enclosure

HOUSE BILL NO. 65

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/18/05

Referred: House Special Committee on Education, Health, Education and Social Services, Finance

Funding Information:	General Fund	\$919,276,100
	Other Funds	32,738,300
	Total	\$952,014,400

A BILL**FOR AN ACT ENTITLED**

1 "An Act making special appropriations for the support of K-12 public education in the
2 state; and providing for an effective date."

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

4 * **Section 1.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT - K-12
5 SUPPORT FOR FY 2006. (a) The sum of \$825,103,900 is appropriated to the Department
6 of Education and Early Development from the general fund and from other sources in the
7 amounts set out in (b) of this section, for the following purposes and allocated in the amounts
8 listed, for the fiscal year ending June 30, 2006:

9	PURPOSE	ALLOCATION
10	Foundation program	\$762,255,200
11	Boarding home grants	185,900
12	Youth in Detention	1,100,000
13	Special schools	7,469,600
14	Pupil transportation	54,093,200

1 (b) Following are the fund sources and amounts for the appropriation made by (a) of
2 this section:

3	FUND SOURCE	AMOUNT
4	General fund receipts	\$792,365,600
5	Federal impact aid for K-12 schools	20,791,000
6	Public school trust fund	11,947,300

7 (c) Subject to sec. 3(a)(1) of this Act, the sum of \$62,058,400 is appropriated from the
8 general fund to the Department of Education and Early Development for the foundation
9 program for the fiscal year ending June 30, 2006.

10 (d) Subject to sec. 3(a)(1) of this Act, the sum of \$425,100 is appropriated from the
11 general fund to the Department of Education and Early Development, special schools, for the
12 Alaska military youth academy for the fiscal year ending June 30, 2006.

13 * **Sec. 2. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT - K-12**
14 **SUPPORT FOR FY 2007.** (a) Subject to sec. 3(a)(2) of this Act, the sum of \$63,993,500 is
15 appropriated from the general fund to the Department of Education and Early Development
16 for the foundation program for the fiscal year ending June 30, 2007.

17 (b) Subject to sec. 3(a)(2) of this Act, the sum of \$433,500 is appropriated from the
18 general fund to the Department of Education and Early Development, special schools, for the
19 Alaska military youth academy for the fiscal year ending June 30, 2007.

20 * **Sec. 3. CONTINGENCY.** (a) The appropriations made by secs. 1(c), 1(d), 2(a), and 2(b)
21 of this Act are contingent upon the passage by the Twenty-Fourth Alaska State Legislature
22 and enactment into law before July 1, 2005, of a bill that increases the base student allocation
23 under AS 14.17.470 to at least

24 (1) \$4,880 for the fiscal year ending June 30, 2006; and

25 (2) \$5,190 for the fiscal year ending June 30, 2007.

26 (b) If the contingency set out in (a)(1) of this section is not satisfied, the
27 appropriations made by secs. 1(c) and 1(d) of this Act are void and of no effect. If the
28 contingency set out in (a)(2) of this section is not satisfied, the appropriations made by secs.
29 2(a) and 2(b) of this Act are void and of no effect.

30 * **Sec. 4.** Sections 1(a) and 1(b) of this Act take effect July 1, 2005.

31 * **Sec. 5.** Sections 1(c), 1(d), 2(a), 2(b), and 3 of this Act take effect June 30, 2005.

Governor Murkowski's K-12 Funding Package

- **Predictability in future funding.**
Approve two years of funding (Fiscal Year 2006 and 2007) instead of only one year so school districts will know on how much state funding they can rely.
- **State pays PERS and TRS increases.**
The state will cover the increased retirement system costs for school districts, estimated to increase \$38 million next year and another \$39 million the year after.
- **More state funds to cover other increased costs.**
Additional funding to cover increased costs of day-to-day delivery of education. Using a three year average for Anchorage CPI, this would provide an estimated \$24 million in increased funding next year and another \$25 million increase the following year.
- **Increase state's "student base allocation."**
Increase the per student education funding formula by \$304 (to \$4,880) next year and by another \$310 (to \$5,190) the following year.
- **The bottom line: \$208 million more for K-12 schools**
The state's support per student will have increased 29% during the first four years of this Administration. This translates into a \$208 million increase in state support for education.

Commitment. Accountability.

Alaska K-12 Funding

Per Student Amount

FY 1999 ~ FY 2007

