

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

3017 SCOMM 137: HOUSE SPECIAL COMMITTEE ON EDUCATION 2005-2006 783



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LIST OF FILES

SCOMM 137: HOUSE SPECIAL COMMITTEE ON EDUCATION, 2005-2006

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1/27/05 - 4/18/06.

LIST OF FILES (PAGE 1)

MICROFICHE #

1. ALASKA PUBLIC SCHOOL FUNDING FORMULA
OVERVIEW
2. CONSORTIUM FOR DIGITAL LEARNING, 3/21/06
3. GOVERNOR'S APPOINTMENT, 2005
4. GOVERNOR'S APPOINTMENT, 2006
5. NCSL PRESENTATION, 3/7/06
6. READY TO READ, READY TO LEARN PRESENTATION,
3/2/06
7. WHOLE VILLAGE PROJECT (FILE 1)
8. WHOLE VILLAGE PROJECT (FILE 2)
9. HB 1
10. HB 13
11. HB 16
12. HB 18
13. HB 20
14. HB 30

SCOMM 137: HOUSE SPECIAL COMMITTEE ON EDUCATION, 2005-2006

LIST OF FILES (PAGE 2)

MICROFICHE #

15. HB 65
16. HB 73
17. HB 92
18. HB 128
19. HB 140
20. HB 154
21. HB 161
22. HB 173
23. HB 200
24. HB 228
25. HB 233
26. HB 247
27. HB 267
28. HB 332
29. HB 333
30. HB 340
31. HB 342
32. HB 345
33. HB 364
34. HB 387
35. HB 411
36. HB 412
37. HB 482
38. HCR 25

SCOMM 137: HOUSE SPECIAL COMMITTEE ON EDUCATION, 2005-2006
LIST OF FILES (PAGE 3) MICROFICHE #

39. HJR 14

40. SB 235

41. SB 251

SCOMM

137:1

Public School Funding Program Overview

Updated January 2005



Table of Contents

Student Based Formula	3-5
Adjusted ADM	3
School Size Adjustment	3
ADM Reporting Requirements	3
School Size Table	4
District Cost Factors	4
Special Needs Funding	4
Intensive Services Funding	4
Basic Need	5
Correspondence Programs	5
Public School Funding Elements	5-6
Funding 'Floor'	6
Quality Schools	6
Example: Nome School District	7
 FY2006 Projected Entitlement	 8-9

District Adjusted Average Daily Membership (ADM)

- Step 1. Adjust: ADM for School Size
 - Step 2. Apply: District Cost Factor
 - Step 3. Apply: Special Needs Factor
 - Step 4. Add: Intensive Services Count
 - Step 5. Add: Correspondence Student Counts
- = **District Adjusted (ADM)**

ADM Reporting Requirements

ADM – is the average number of enrolled students during the 20-school day count period. The 20-school day count ends the fourth Friday of October. Reports are due within two weeks after the end of the 20-school day count period.

School Size Adjustment [Step 1]

For each school in the district subtract from the ADM **all** correspondence counts. Adjust the remaining ADM of each school using the school size factor table.

1. A community with an ADM under 10:
 - Added to the smallest school with an ADM greater than 10.
2. A community with an ADM from 10 - 100:
 - Grades K-12 ADM combined and adjusted once, adjusted as one school.
3. A community with an ADM from 101 – 425:
 - ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.
4. A community with an ADM greater than 425:
 - Each facility administered as one school, counted as one school, ADM is adjusted as one school.
 - Alternative schools with an ADM of less than 200 combined are adjusted with the school with the greatest ADM in the district.
 - If an alternative school ADM is greater than 200, the ADM will be adjusted once.
 - A Charter school with an ADM of 150 or greater will be adjusted once.

Using the proper formula from the school size factor table, calculate the adjusted ADM for each school.

School Size Table

Reference:	School Size:	Formula:
1.	10-19.99	39.60
2.	20-29.99	$39.60 + (1.62 * (ADM - 20))$
3.	30-74.99	$55.80 + (1.49 * (ADM - 30))$
4.	75-149.99	$122.85 + (1.27 * (ADM - 75))$
5.	150-249.99	$218.10 + (1.08 * (ADM - 150))$
6.	250-399.99	$326.10 + (.97 * (ADM - 250))$
7.	400-749.99	$471.60 + (.92 * (ADM - 400))$
8.	Over 750	$793.60 + (.84 * (ADM - 750))$

Intensive services and correspondence student counts are not adjusted for size.

District Cost Factors [Step 2]

- Cost factors are specific to each school district.
- District cost factors range from 1.000 to 1.736.
- The department monitors the district cost factors and submits a report to the legislature on January 15 every other fiscal year, beginning in FY01.

The districts school size adjusted ADM is multiplied by the district cost factor.

Special Needs Funding [Step 3]

Vocational education, special education (except intensive special education), gifted/talented education, and bilingual/bicultural education are block funded. A district must file a plan with the department indicating the special needs services that will be provided, Section 14.17.420(2)(b), to qualify for special needs funding.

The districts' previously adjusted ADM is now multiplied by the Special Needs factor of 1.20.

Intensive Services Funding [Step 4]

A school district receives funding for intensive special education students that:

- Are receiving intensive services, and;
- Are enrolled on the last day of the 20 school day count period, and;
- Have an established Individual Education Plan (IEP).

The districts intensive student count is multiplied by five.

Correspondence Programs [Step 5]

Funding for correspondence programs is calculated by multiplying the correspondence ADM by 80%.

Basic Need

Multiply the district adjusted ADM by the base student allocation to determine Basic Need. The base student allocation is \$4,576.

PUBLIC SCHOOL FUNDING ELEMENTS

The components of Public School Funding are *State Aid*, *Required Local Contribution*, and *Title VIII Impact Aid*.

State Aid

Basic Need minus a required local contribution minus 90% eligible Federal Impact Aid plus the amount of funding 'Floor' plus Quality School Grants equal State Aid.

Required Local Contribution

The equivalent of a 4-mill tax levy on the Full and True Value of the taxable real and personal property in the district not to exceed 45% of the district's Basic Need for the preceding fiscal year. *However*, beginning in FY02, only 50% of the *increase* in real and personal property over the 1999 Full and True Value is used for the 4 mill equivalent calculation. If the latest Full and True Value doesn't exceed the 1999 Full and True Value, then the latest value is utilized.

Maximum Local Contribution

Maximum local contribution is the required local contribution plus 23% of Basic Need or a 2-mill equivalent of the Full and True Value of the taxable and real property within the district, whichever is greater.

Title VIII Impact Aid

Federal Impact Aid provides funds to school districts for children of parents living and/or working on federal property "in-lieu of local tax revenues." 90% of the eligible funds are used in the calculation of state aid.

Adjustments to the Funding 'Floor'

The funding 'Floor' was established in FY 99 to provide funds for districts generating less state aid using the New Funding Formula and bridges the transition between the programs. All adjustments to the 'Floor' are reductions. There are two ways that the 'Floor' can be adjusted:

- 1) If the Basic Need in the current fiscal year is greater than the Basic Need in the prior fiscal year, then take the difference, and multiply it by 40%. Subtract this number from the funding 'Floor' to arrive at the new 'Floor' amount for the current fiscal year.
- 2) If the ADM decreases by 5% or more over FY99, then reduce the funding 'Floor' by that same percentage.

Please Note: No action is taken to the funding 'Floor' if:

- 1) The current fiscal year Basic Need is less than the prior year Basic Need or,
- 2) The ADM has not decreased by 5% or more since FY99.

Quality School Grants

The districts adjusted ADM multiplied by \$16 generates the amount the school district is eligible to receive.

Example: Nome School District

I. Basic Need		Column
Projected ADM	809.00	L
<i>(Nome's Schools had 3 School Size Adjustments)</i>		
Adjusted ADM-School Size	979.88	O
Apply District Cost Factor	<u>x 1.319</u>	
	1,292.46	Q
Apply Special Needs Factor	<u>x 1.20</u>	
	1,550.95	R
Add Intensive Service Counts	<u>15.00</u>	T
(3 x 5) = 15.00	1,565.95	U
Add Correspondence Counts	<u>0.00</u>	V
(0 * .80) = 0		
District Adjusted ADM	1,565.95	W
Multiply by \$4,576 base allocation	<u>x \$4,576.00</u>	
Basic Need:	\$7,165,787	B
II. Nome's State Aid		
Basic Need	\$7,165,787	B
Required Local Contribution	(796,431)	C
Impact Aid	<u>(34,570)</u>	F
State Aid	\$6,334,786	G
III. Quality Schools Grant		
District adjusted ADM x \$16	1,565.95	
	<u>x \$16.00</u>	
	\$25,055	I
State Aid	\$6,334,786	G
FY2005 Adjusted 'Floor'	0	H
Quality Schools Grant	<u>25,055</u>	I
Total State Aid	\$6,359,841	J

Alaska Department of Education & Early Development

January 2005 Updated
FY2006 Projections

Department of Education & Early Development
Foundation

Foundation		L+M				OxP		Qx1.20		Sx5		R+T		Mx.80		U+V	
	K	L	M	N	O	P	Q	R	S	T	U	V	W				

Alaska Department of Education & Early Development

January 2005 Updated
FY2006 Projections

Department of Education & Early Development
Foundation

	A	B	C	D	E	F	G	H	I	J
1	School District	\$4,576 Basic Need	Required Local Effort	Federal Impact AID	Impact AID Percent	Deductible Impact AID 90.0%	State AID	FY2006 Adjusted Floor	Quality Schools	FY06 Total Enrollment
2	Alaska Gateway	5,017,309	0	242,490	100.00%	218,241	4,799,068	99,056	17,543	4,915,667
3	Aleutian Region	1,132,514	0	215,017	100.00%	193,515	938,999	116,768	3,960	1,059,727
4	Aleutians East	4,146,085	384,290	761,941	40.03%	274,504	3,487,291	0	14,497	3,501,788
5	Anchorage	304,346,694	76,624,175	11,112,830	56.31%	5,631,871	222,090,648	0	1,064,149	223,154,797
6	Annette Island	2,609,510	0	1,356,114	100.00%	1,220,503	1,389,007	0	9,124	1,398,131
7	Bering Strait	23,945,567	0	7,582,155	100.00%	6,823,940	17,121,627	0	83,726	17,205,353
8	Bristol Bay	1,968,458	525,900	416,297	56.13%	210,301	1,232,257	0	6,883	1,239,140
9	Chatham	1,847,606	0	133,859	100.00%	120,473	1,727,133	0	6,460	1,733,593
10	Chugach	1,610,798	0	113,627	100.00%	102,264	1,508,534	391,471	5,632	1,905,637
11	Copper River	6,211,051	0	222,589	100.00%	200,330	6,010,721	0	21,717	6,032,438
12	Cordova	3,792,863	709,368	19,128	51.77%	8,912	3,074,583	0	13,262	3,087,845
13	Craig	4,146,954	408,118	167,609	36.65%	55,286	3,683,550	0	14,500	3,698,050
14	Delta/Greely	8,915,787	0	4,512	100.00%	4,061	8,911,726	0	31,174	8,942,900
15	Denali	5,150,059	564,194	15,779	44.18%	6,274	4,579,591	0	18,007	4,597,598
16	Dillingham	5,079,314	600,885	467,601	55.29%	232,683	4,245,746	0	17,760	4,263,506
17	Fairbanks	99,542,186	21,243,578	11,259,652	57.46%	5,822,816	72,475,792	0	348,050	72,823,842
18	Galena	15,240,597	73,143	0	4.76%	0	15,167,454	838,249	53,289	16,058,992
19	Haines	2,392,836	837,418	0	60.47%	0	1,555,418	0	8,367	1,563,785
20	Hoonah	1,774,024	122,834	503,622	26.82%	121,564	1,529,626	0	6,203	1,535,829
21	Hydaburg	792,655	32,726	286,077	34.81%	89,625	670,304	94,290	2,772	767,366
22	Iditarod Area	4,415,932	0	522,079	100.00%	469,871	3,946,061	465,588	15,440	4,427,089
23	Juneau	34,713,829	11,186,749	0	58.97%	0	23,527,080	0	121,377	23,648,457
24	Kake	1,369,871	74,734	470,913	25.81%	109,388	1,185,749	0	4,790	1,190,539
25	Kashunamiut	3,844,160	0	1,456,635	100.00%	1,310,972	2,533,188	0	13,441	2,546,629
26	Kenai Peninsula	65,088,932	19,125,610	0	56.45%	0	45,963,322	0	227,584	46,190,906
27	Ketchikan Gateway	16,057,504	4,406,742	6,011	56.75%	3,070	11,647,692	0	56,145	11,703,837
28	Klawock	1,518,774	123,135	444,474	38.36%	153,450	1,242,189	83,895	5,310	1,331,394
29	Kodiak Island	20,194,071	3,937,475	1,775,805	46.71%	746,531	15,510,065	0	70,609	15,580,674
30	Kuspuk	5,853,665	0	1,403,836	100.00%	1,263,452	4,590,213	0	20,467	4,610,680
31	Lake & Peninsula	6,445,845	247,911	1,422,877	18.71%	239,598	5,958,336	0	22,538	5,980,874
32	Lower Kuskokwim	48,306,544	0	10,130,448	100.00%	9,117,403	39,189,141	617,100	168,904	39,975,145
33	Lower Yukon	24,640,433	0	7,340,406	100.00%	6,606,365	18,034,068	0	86,155	18,120,223
34	Mat-Su	98,371,736	15,650,994	0	45.80%	0	82,720,742	0	343,957	83,064,699
35	Nenana	3,981,120	72,661	0	52.21%	0	3,908,459	0	13,920	3,922,379
36	Nome	7,165,787	796,431	78,599	48.87%	34,570	6,334,786	0	25,055	6,359,841
37	North Slope	19,347,236	9,014,539	5,533,843	39.12%	1,948,355	8,384,342	0	67,648	8,451,990
38	Northwest Arctic	25,544,468	1,526,651	5,576,562	37.45%	1,879,580	22,138,237	0	89,316	22,227,553
39	Pelican	303,389	52,820	0	100.00%	0	250,569	152,554	1,061	404,184
40	Petersburg	4,711,129	1,036,074	0	61.60%	0	3,675,055	0	16,472	3,691,527
41	Pribilof	1,798,551	0	607,304	100.00%	546,574	1,251,977	0	6,289	1,258,266
42	Saint Mary's	2,004,151	18,789	0	34.87%	0	1,985,362	0	7,008	1,992,370
43	Sitka	10,047,981	2,812,376	10,879	58.26%	5,704	7,229,901	0	35,133	7,265,034
44	Skagway	1,102,587	520,360	0	61.82%	0	582,227	124,465	3,855	710,547
45	Southeast Island	2,858,764	0	32,351	100.00%	29,116	2,829,648	230,188	9,996	3,069,832
46	Southwest Region	9,245,122	0	2,733,377	100.00%	2,460,039	6,785,083	0	32,326	6,817,409
47	Tanana	1,078,884	22,692	48,748	73.70%	32,335	1,023,857	0	3,772	1,027,629
48	Unalaska	3,880,906	1,509,113	10,551	65.71%	6,240	2,365,553	26,470	13,570	2,405,593
49	Valdez	6,365,353	2,920,419	0	58.42%	0	3,444,934	217,318	22,256	3,684,508
50	Wrangell	2,862,929	592,666	5,909	65.02%	3,458	2,266,805	0	10,010	2,276,815
51	Yakutat	1,166,011	196,938	127,422	45.28%	51,927	917,126	70,228	4,077	991,431
52	Yukon Flats	5,331,635	0	1,333,425	100.00%	1,200,083	4,131,552	467,042	18,642	4,617,236
53	Yukon/Koyukuk	12,281,526	0	1,405,133	100.00%	1,264,620	11,016,906	0	42,942	11,059,848
54	Yupit	5,817,606	0	1,791,327	100.00%	1,612,194	4,205,412	0	20,341	4,225,753
55	Mt. Edgecumbe	2,589,650	0	840,506	100.00%	756,455	1,833,195	0	9,055	1,842,250
56								Other Military		26,096,100
57	TOTALS:	959,968,948	177,972,528	79,990,319		53,188,513	728,807,907	3,994,682	3,356,536	762,255,225



Alaska Public School Funding Formula Overview

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Senate Bill 36

The current state public school funding formula was adopted under SB 36 in 1998. And was implemented in 1999.

The public school funding formula is defined in Alaska Statute 14.17

**This presentation provides an
overview of:**

1. Calculation of Adjusted Average Daily Membership (ADM)
2. Calculations of Basic Need ~ (*Entitlement*)
3. Components of Basic Need ~ (*Who Pays*)
4. Additional Funds above Basic Need
5. Components of State Aid

Average Daily Membership

ADM Reporting Requirements

- Average Daily Membership - is the number of **enrolled** students during the 20-school-day count period ending on the fourth Friday of October.
- Reports are due within two weeks after the end of the 20-school-day count period.
- Projected student count reports are due November 5.

Who Qualifies as a Student?

Eligibility for State Foundation Funding:

- A child who is 6 years of age before August 15th, and under the age of 20, and has not completed the 12th grade. (AS 14.03.070)
- A child who is 5 years of age before August 15th, following the beginning of the school year, may enter kindergarten. (AS 14.03.080 (d))
- A child with a disability and an active Individualized Education Program (IEP) may enter school at the age of 3 and under the age of 22. (AS 14.30.180 (1))

5 Steps to District Adjusted ADM

USED TO CALCULATE ENTITLEMENT

Step 1. *Adjust:* ADM for School Size

Step 2. *Apply:* District Cost Factor

Step 3. *Apply:* Special Needs Factor

Step 4. *Add:* Intensive Services Counts

Step 5. *Add:* Correspondence Student
Counts

= District Adjusted ADM

Step 1. Adjust the ADM for School Size

ADM under 10:

Added to the smallest school with an ADM greater than 10

A Community with an ADM of 10 through 100:

Grades K-12 ADM is combined and adjusted once; adjusted as one school.

A Community with an ADM of 101 through 425:

ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.

A Community with an ADM greater than 425:

The ADM of each facility administered separately as one school is adjusted.

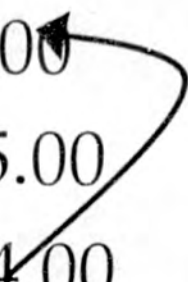
* *Alternative* schools with an ADM of less than 200 shall be counted as a part of the school in the district with the *highest* ADM.

* If the ADM is greater than 200 and administered as a separate facility the ADM will be adjusted separately.

* *Charter* school with an ADM of 150 or greater is adjusted as a separate facility

Step 1. *Example:* Nome City Schools Projected FY05 ADM by School

➤ Nome Elementary School.....	385.00
➤ Nome-Beltz Jr/Sr High School.....	325.00
➤ Anvil City Science Academy.....	44.00
➤ Nome Youth Facility.....	<u>10.00</u>
➤ Total ADM.....	764.00



Step 1. *Example:* Nome City Schools Adding ADM's to the appropriate School in the District

School Size Adjustment

- The alternative schools ADM are added to the highest ADM school in the district before adjusting for size
- A school with a population under 10 should be added to the smallest school in the district.

Nome Elementary + Anvil

$$385 + 44 = \underline{429.00}$$

Step 1.
Example:
Nome City
Schools

Reference:	School Size:	Formula:
1.	10-19.99	39.60
2.	20-29.99	$39.60 + (1.62 * (ADM - 20))$
3.	30-74.99	$55.80 + (1.49 * (ADM - 30))$
4.	75-149.99	$122.85 + (1.27 * (ADM - 75))$
5.	150-249.99	$218.10 + (1.08 * (ADM - 150))$
6.	250-399.99	$326.10 + (.97 * (ADM - 250))$
7.	400-749.99	$471.60 + (.92 * (ADM - 400))$
8.	Over 750	$793.60 + (.84 * (ADM - 750))$

K-6 Adjusted ADM's

$$(Ref. 7) \quad 471.60 + \{.92 * (429.00 - 400)\} \quad 498.28$$

7-12 Adjusted ADM's

$$(Ref. 6) \quad 326.10 + \{.97 * (325.00 - 250)\} \quad 398.85$$

$$(Ref. 1) \text{ Youth facility's ADM } 10 \quad + \quad 39.60$$

$$\text{School Size Adjusted ADM} \quad 936.73$$

Step 2. District Cost Factors

The Department monitors District Cost Factors and submits a report to the Legislature on January 15th every other fiscal year, beginning January 2001.

- Cost factors are specific to each school district.
- Lowest District Cost Factor is 1.000 and the highest is 1.736.

Multiply the School Size Adjusted ADM by the District Cost Factor for Nome:

$$936.73 \times \underline{1.319} = 1,235.55$$

Step 3. Special Needs Funding

- All categorical programs; special education (except intensive), vocational education, gifted/talented and bilingual/bicultural are block funded at 20%.
- To qualify for funding under this section school districts must file a plan with the department indicating special needs services that will be provided.

AS 14.17.420 (b)

Step 3. *Example:* Nome City Schools

**Multiply the adjusted ADM (from Step 2)
by the Special Needs Factor**

$$1235.55 \times \underline{1.20} = 1,482.66$$

(Shown on Column R, page 8)

Step 4. Intensive Services Funding

A school district will receive funding for intensive services students that:

1. Are receiving intensive services and are;
2. Enrolled on the **last day of the 20** school-day count period and who have;
3. Established Individual Education Plan (IEP) for each intensive services student.

An Intensive Services student generates \$20,845.

(Intensive Student Count) * 5 = Intensive Student Funding

Step 4. *Example:* Nome City Schools

**Multiply the Intensive Student Count by 5
and add to the adjusted ADM (from Step 3)**

~Nome City Schools has 2 Intensive Student~

$$2 \times 5 = 10$$

$$1,482.66 + \underline{10} = 1,492.66$$

(Shown on Column U, page 8)

Step 5. Correspondence Programs

Districts offering correspondence programs receive funding based on 80% of correspondence ADM.

Each correspondence student generates \$3,335.

$(\text{Correspondence ADM}) \times .80 = \text{Level of}$
Correspondence Funding

Step 5. *Example:* Nome City Schools

Multiply the Correspondence Student ADM
by 80% and add to the District Adjusted
ADM. (from Step 4)

~Nome City Schools has 0 Correspondence Students~

$$0 \times .80 = 0$$

District Adjusted ADM + Correspondence

$$1492.66 + \underline{0} = 1,492.66$$

(Shown on Column V, page 8)

BASIC NEED Entitlement

Multiply the district adjusted ADM by the
base student allocation = BASIC NEED

$$1,492.66 \times \$\underline{4,169} = \underline{\$6,222,900}$$

(Shown on Column W, page 9)

NOME: Summarized District Adjusted ADM & Basic Need

Projected ADM for Nome:	764.00
Step 1. Adjusted ADM for School Size:	936.73
Step 2. Apply the District Cost Factor:	$\times \quad 1.319$ <u>1,235.55</u>
Step 3. Apply the Special Needs Factor:	$\times \quad 1.20$ <u>1,482.66</u>
Step 4. Add Intensive Service Counts:	$+ \quad 10.00$ <u>1,492.66</u>
(2.00 $\times$ 5 = 10)	
Step 5. Add Correspondence Student Counts:	$+ \quad 0$ <u>1,492.66</u>
(0 $\times$.80 = 0)	
= District Adjusted ADM	1,492.66
Multiply by \$4,169 the base student allocation	$\times \underline{\$4,169.00}$
BASIC NEED:	\$6,222,900.00

Components of Basic Need (Who Pays?)

- ⇐ Required Local Contribution
 - ⇐ Federal Impact Aid
 - ⇐ State Aid

SB 174 Full & True Value/Local Effort Calculation

As a result of Senate Bill 174: (enacted in 2001)

Beginning FY2002, half of the increased full & true value over 1999 (base year), is added to 1999 base year to determine the full & true value for the purposes of calculating require local effort for education.

(If the full & true value did not increase over the 1999 base year, then the current full & true value stands and is multiplied by .004 mills to reach local effort.)

Calculating Nome's Full and True Value

Nome's 2003 Full Value	212,300,700
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<u>Nome's 1999 Full Value</u>	<u>191,926,100</u>
-------------------------------	--------------------

Full Value Increase Difference	20,374,600
--------------------------------	------------

<u>Divided in Half</u>	<u>10,187,300</u>
------------------------	-------------------

Half of the Increase is Added to 1999 Value

191,926,100 + 10,187,300 =	202,113,400
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Required Local Contribution

Example: Nome City Schools

The **Lesser** or minimum of 4 mills of the education full & true value, but not to exceed 45% of the school districts prior year basic need.

.004 of Tax Base: *(Education Full & True Value)*

$$.004 \times \underline{\$202,113,400} = \$808,454$$

45% of Prior Year Basic Need:

$$.45 \times \underline{\$5,947,472} = \$2,676,362$$

(Shown on Column C, page 9)

Title VIII Federal Impact Aid Payments

- Title VIII Federal Impact Aid Payments received from March 1 through the last day of February are used for calculations of state aid.
- The dates on the payment vouchers are used to indicate that a school district has received Title VIII Payments

Title VIII Federal Impact Aid Payments

Example: Nome City Schools

Payments received by the Nome City Schools from March 1 through the end of February.

\$41,227

(amount eligible for Deduction)

(Shown on Column D, page 9)

Impact Aid Percentage

Required Local Contribution
divided by
Budgeted Local Contribution

Budgeted Local Contribution, for the purposes of calculating the Impact Aid percentage is found in the Budgets submitted on July 15th of each year and may consist of:

- Appropriations
- Investment Earnings
- In-Kind Services
- "Other Local"

Title VIII Percentage

Example: Nome City Schools

Required Local: $\$ \underline{808,454} = 54.53\%$

Budgeted Local: \$1,482,577

(This percentage is only derived for City & Boroughs)

(Shown on Column E, page 9)

Impact Aid

Example: Nome City Schools

90% of the Impact Aid received by a school district is multiplied by the Impact Aid Percentage

Nome's Deductible Impact Aid Calculation:

$$\$41,227 \times 54.53\% \times 90\% = \$20,233$$

$$\text{Eligible Impact Aid} \times \text{Title VIII \%} \times 90\% = \text{Deductible Impact Aid}$$

(Shown on Column D, Column E, Column F, page 9)

STATE AID

Nome City Schools

Nome's State Aid:

Basic Need	\$ 6,222,900
Less Required Local (808,454)	
<u>Less Impact Aid</u>	<u>(20,233)</u>
State Aid	\$ 5,394,213

(Shown on Column G, page 9)

Additional Funds Above Basic Need

⇐ **Additional Local Contribution**

⇐ **Quality Schools Grant**

⇐ **Supplemental Funding Floor**

Additional Local Contribution

Example: Nome City Schools

The **greater** of 2 mills of the tax base or 23% of the district's current year Basic Need can be contributed but not exceeded.

.002 of Education Full & True Value Tax Base:

$$.002 \times \$202,113,400 = \$404,227$$

23% of Basic Need:

$$.23 \times \$6,222,900 = \$1,431,267$$

Maximum Local Contribution

Example: Nome City Schools

**Required local contribution plus Additional
local contribution**

Required Local Contribution: \$ 808,454

Additional Local Contribution: +\$1,431,267

Maximum Local Contribution: \$2,239,721

Quality Schools Grant

AS 14.17.480 explains a district is eligible to receive a quality school funding grant not to exceed the district's adjusted ADM multiplied by \$16.

Example: Nome City Schools

$$1,492.66 \times \$16 = \$23,883$$

(Column W, page 8 and Column I, page 9)

Supplementary Funding Floor

- ⇐ What is “The Floor”?
- ⇐ How is it established?
- ⇐ How is it adjusted?

“The Floor”

By providing additional funds “The Floor” bridges the transition between the new funding formula implemented in 1999 and the old formula that was in place in 1998.

How "The Floor" was Established

"The Floor" was established in FY1999

Old Formula State Aid

= \$1,100,000

New Formula State Aid

(Less) = \$1,000,000

Supplementary Funding Floor

(Result) = \$100,000

Nome's Transition to New Formula

- Old Formula State Aid:

FY 99 = \$5,206,292

- New Formula State Aid:

(Less) FY 99 = \$5,095,932

- Supplementary Funding Floor:

(Results) FY 99 = \$110,360

Adjustments to the "Floor"

All Adjustments to "The Floor" are **reductions!**

Decreases to "The Floor" occur because of:

1) an increase in Basic Need

OR

2) a decrease in ADM.

Supplementary Funding Floor

REMEMBER:

⇨ The floor is reduced by 40% of the **increase** in Basic Need over the prior year.

OR

⇨ The floor is reduced if ADM **decreases** by more than 5%, initially, of the FY1999 ADM.

Supplementary Funding Floor - Adjustment # 1

EXAMPLE

Increase of Basic Need

Floor Adjustment due to Increases in Basic Need began in FY2000

FY2005 Basic Need	\$2,100,000
FY2004 Basic Need	<u>\$2,050,000</u>
FY2005 increase over FY2004	\$50,000
40% of the increase over prior year equals the amount the FY2000 floor is reduced	(\$20,000)
<u>FY2004 Funding Floor</u>	<u>\$100,000</u>
Revised funding Floor for FY2005	\$80,000

Supplementary Funding Floor – Adjustment # 2

EXAMPLE

Decrease in ADM

If the ADM falls below 95% of the FY1999 ADM, Then “The Floor” is reduced by the same percentage.

Example: Floor equals \$100,000

If

FY2001 ADM = 86% of FY1999 ADM

Then

$\$100,000 \times 86\% = \$86,000$

& becomes the new Floor amount

“The Floor” has received a 14% reduction.

Establishing Nome City School's Floor

^{old}
FY 99 NEW FORMULA = \$5,206,292

FY 99 ^{new} ~~OLD~~ FORMULA (\$5,095,932)

Nome's FUNDING FLOOR Established at = \$110,360

FY 00 No Deduction = \$110,360

FY01 FLOOR reduced due to increase in Basic Need (\$14,562)

FY 01 FLOOR BALANCE = \$95,798

FY 02 FLOOR No reduction floor (0.00)

FY 02 FLOOR BALANCE = \$95,798

FY 03 FLOOR reduced due to increase in Basic Need (73,206)

FY03 FLOOR BALANCE \$22,592

*FY 04 Floor was eliminated as 40% of the difference in the
Basic Need to FY03, exceeded the Floor balance.*

Components Of State Aid

A Permanent Funding Component of State Aid

Nome's Total State Aid equals:

Calculated State Aid	\$5,394,213
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<u>plus</u> the Funding Floor	\$ 0
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<u>plus the Quality Schools Grant</u>	\$
---------------------------------------	----

23,883

TOTAL STATE ENTITLEMENT	\$5,418,096
-------------------------	-------------

Please Note:

Prorating the Public School Funding Formula

If insufficient funds are appropriated by the legislature to meet the total entitlement, then all components of the Public School Funding Formula Program will be reduced by the same percentage.

AS 14.17.400 (b)

SCOMM

137:2



HOUSE SPECIAL COMMITTEE ON EDUCATION

STATE CAPITOL, ROOM 106

MEMORANDUM

COMMITTEE MEMBERS

Rep. Mark Neuman
Chairman
Room 432
465-3820

Rep. Carl Gatto
Vice-Chair
Room 411
465-3743

Rep. Bob Lynn
Room 415
465-4931

Rep. Bill Thomas
Room 428
465-3732

Rep. Peggy Wilson
Room 108
465-3824

Rep. Les Gara
Room 418
465-2647

Rep. Woodie Salmon
Room 114
465-4527

Date: March 20, 2006

To: Members of House Special Committee on Education

From: Representative Mark Neuman, Chairman
House Special Committee on Education

Re: Scheduled bills in Education Committee

Tuesday, March 21, 2006, at 11:00 a.m. in Room 106

Consortium for Digital Learning

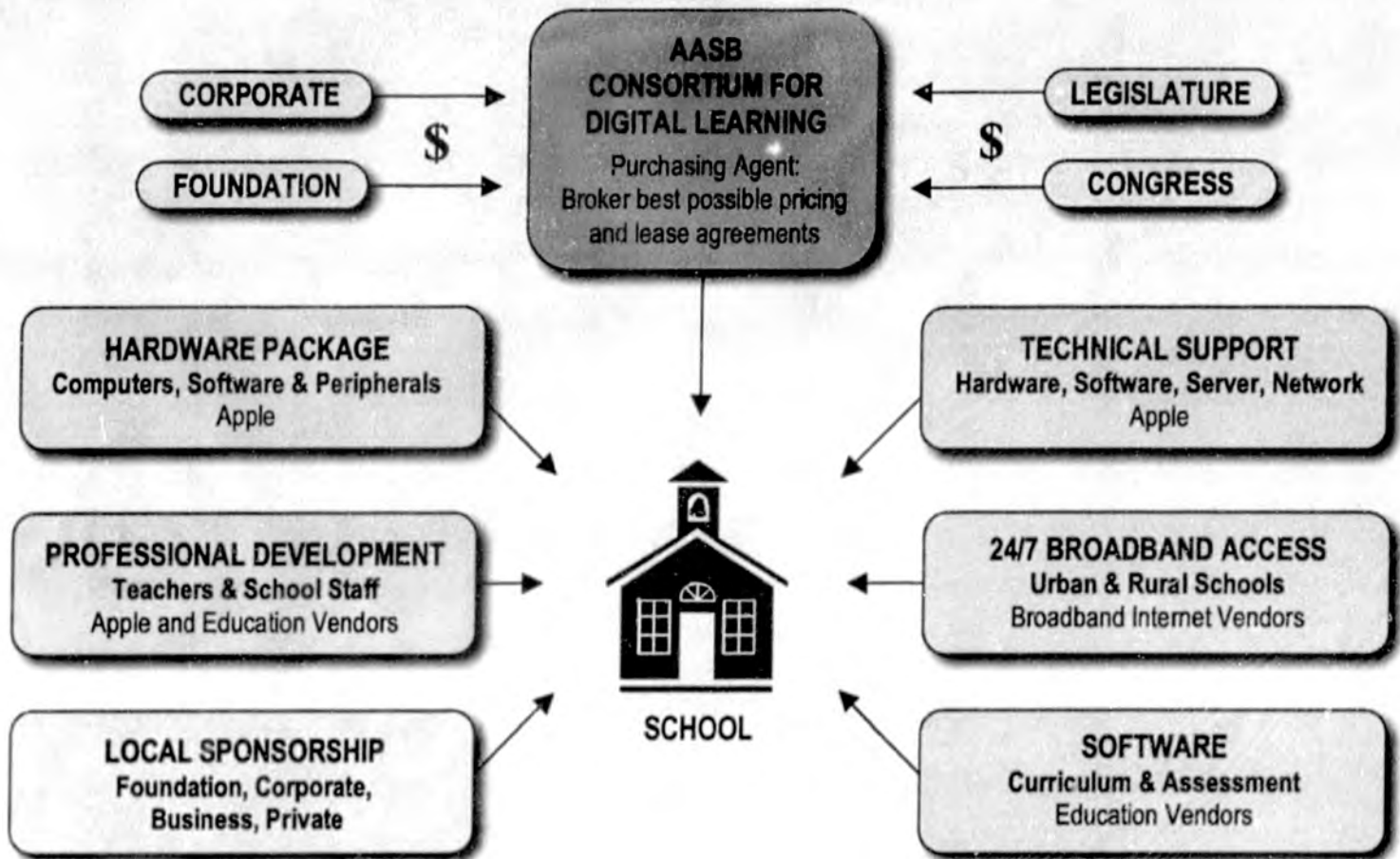
Presented by Carl Rose

Executive Director of the Association of Alaska School Boards

**** Meetings will be teleconferenced ****

Committee hearings may be postponed to 5:30 p.m.
depending on length of floor session.

CONSORTIUM FOR DIGITAL LEARNING AN OVERVIEW



The Association of Alaska School Board's Consortium for Digital Learning

AASB is proposing an enhanced educational delivery system that will prepare Alaska's youth for the digital world. Using an inclusive approach, districts and schools will be supported in:

- Determining readiness levels
- Engaging their community
- Securing hardware, software, and peripherals
- Acquiring necessary technical support for a fully functional system
- Training staff
- Managing change

Many school districts have made significant strides in uses of technology. Rarely, however, has technology been instituted in a systematic fashion that will allow our youth to compete successfully in our increasing global economy. Through the digital learning consortium, AASB is proposing a holistic use of technology that will change the basic approach to K-12 education.

The Road to the Digital School



Entry

Adoption

Adaptation

Appropriation

Innovation



Digital School

Leadership

Leadership Unclear

Leadership is delegated with little evaluation.

Little vision

No improvement plans

High aversion to risk

Leadership trying to establish itself

Top down leadership

Recognize vision in other districts

Asking for assistance

Open to new approaches

Clear leadership

Many stakeholders engaged

Creating a vision

Creating a plan

Allows new ideas

Credible, articulate leadership

Shared Leadership

Clear vision and goals

Stakeholders can articulate plan and their role in it

Encourage innovation

Leadership seen as visionary by peers

District or school seen as model for effective shared leadership

Demonstrated vision

Commitment to excellence

Innovation is part of culture

Learning

Print materials only

No Professional Development (PD) planning

Out-dated teaching methods

Little or no use of technology

Standardized tests only measure of achievement

Basic C&I - drill and practice

Some PD

Exploring new teaching methodologies

Know that technology can help

Weak connection between assessment and learning

Use of technology for higher order thinking

PD aligned to learning goals

Implementing new teaching methodologies

Pockets of excellence teaching with technology

Clear connection between assessment and learning

Use of digital authoring for teaching and learning

Comprehensive PD plan

Project based learning is evident throughout the institution

Use of technology for learning is pervasive

Integrated authentic assessment

24/7 access to digital content and tools for learning

PD supports and is validated by student learning

C&I is model for other districts

Technology supports the complete learning environment

Multiple assessments inform instruction

Infrastructure

Network unreliable, slow

No teachers have computers

Labs and/or limited classroom computers

Network limited to administration

Grading done on paper

School has a reliable network

Many teachers have their own computers

Some classroom computers

Teachers have access to the network

Teacher administrative tasks done with computers

High bandwidth network

Teachers have notebooks and productivity tools

Computers in all classrooms

Understand that mobility and wireless are in the future

Resources dedicated to application and internet support

High bandwidth out to the classrooms (some wireless)

Network and web-based teacher tools

Mobile carts deployed

Realize mobility and wireless are possible now

Fast, responsive support system in place for break fix

24/7 Access available to teachers and students

Web-apps support learning

All students have a dedicated laptop

Pervasive wireless access

Replacement policy in place for existing systems

Community

Disengaged parent community

Divisive Board

Negative press

Special interest groups in control

New ideas have much difficulty

Community without vision but receptive to new ideas

Board has low communication

Positive and Negative press

Special interest groups not controlled

New ideas tolerated but not embraced

Parents engaged and involved in planning

Supportive Board

Reactive PR

Majority supportive

Open to new ideas, but unclear on what to do

Community understands and supports vision

Policy making Board

Proactive PR

Strong sponsors in community

Clear link between vision and school improvement

Community is seen as a model

Board seen as visionary by peers

Comprehensive community outreach

Pervasive community support

Innovation becomes part of larger community culture

**Rising Above The Gathering Storm:
Energizing and Employing America for a Brighter Economic Future**

Statement of

Norman R. Augustine
Retired Chairman and Chief Executive Officer
Lockheed Martin Corporation

And

Chair, Committee on Prospering in the Global Economy of the 21st Century
Committee on Science, Engineering, and Public Policy
Division on Policy and Global Affairs
The National Academies

before the

Committee on Science
U.S. House of Representatives

October 20, 2005

Mr. Chairman and members of the Committee.

Thank you for this opportunity to appear before you on behalf of the National Academies' Committee on Prospering in the Global Economy of the 21st Century. As you know, our effort was sponsored by the National Academy of Sciences, National Academy of Engineering and Institute of Medicine (collectively known as the National Academies). The National Academies were chartered by Congress in 1863 to advise the government on matters of science and technology.

The Academies were requested by Senator Alexander and Senator Jeff Bingaman, members of the Senate Committee on Energy and Natural Resources to conduct an assessment of America's ability to compete and prosper in the 21st century—and to propose appropriate actions to enhance the likelihood of success in that endeavor. This request was endorsed by Representatives Sherwood Boehlert and Bart Gordon of the House Committee on Science.

To respond to that request the Academies assembled twenty individuals with diverse backgrounds, including university presidents, CEOs, Nobel Laureates and former presidential appointees. The result of our committee's work was examined by over forty highly qualified reviewers who were also designated by the Academies. In undertaking our assignment we considered the results of a number of prior studies which were conducted on various aspects of America's future prosperity. We also gathered sixty subject-matter experts with whom we consulted for a weekend here in Washington and who provided recommendations related to their fields of specialty.

It is the unanimous view of our committee that America today faces a serious and intensifying challenge with regard to its future competitiveness and standard of living. Further, we appear to be on a losing path. We are here today hoping both to elevate the nation's awareness of this developing situation and to propose constructive solutions.

The thrust of our findings is straightforward. The standard of living of Americans in the years ahead will depend to a very large degree on the quality of the jobs that they are able to hold. Without quality jobs our citizens will not have

the purchasing power to support the standard of living which they seek, and to which many have become accustomed; tax revenues will not be generated to provide for strong national security and healthcare; and the lack of a vibrant domestic consumer market will provide a *disincentive* for either U.S. or foreign companies to invest in jobs in America.

What has brought about the current situation? The answer is that the prosperity equation has a new ingredient, an ingredient that some have referred to as "The Death of Distance". In the last century, breakthroughs in aviation created the opportunity to move people and goods rapidly and efficiently over very great distances. Bill Gates has referred to aviation as the "World Wide Web of the twentieth century". In the early part of the present century, we are approaching the point where the communication, storage and processing of information are nearly free. That is, we can now move not only physical items efficiently over great distances, we can also transport *information* in large volumes and at little cost.

The consequences of these developments are profound. Soon, only those jobs that require near-physical contact among the parties to a transaction will not be opened for competition from job seekers around the world. Further, with the end of the Cold War and the evaporation of many of the political barriers that previously existed throughout the world, nearly three *billion* new, highly motivated, often well educated, new capitalists entered the job market.

Suddenly, Americans find themselves in competition for their jobs not just with their neighbors but with individuals around the world. The impact of this was initially felt in manufacturing, but soon extended to the development of software and the conduct of design activities. Next to be affected were administrative and support services. Today, "high end" jobs, such as professional services, research and management, are impacted. In short, few jobs seem "safe":

- U.S. companies each morning receive software that was written in India overnight in time to be tested in the U.S. and returned to India for further production that same evening—making the 24-hour workday a practicality.
- Back-offices of U.S. firms operate in such places as Costa Rica, Ireland and Switzerland.
- Drawings for American architectural firms are produced in Brazil.
- U.S. firm's call centers are based in India—where employees are now being taught to speak with a mid-western accent.
- U.S. hospitals have x-rays and CAT scans read by radiologists in Australia and India.
- At some McDonald's drive-in windows orders are transmitted to a processing center a thousand miles away (currently in the U.S.), where they are processed and returned to the worker who actually prepares the order.
- Accounting firms in the U.S. have clients tax returns prepared by experts in India.
- Visitors to an office not far from the White House are greeted by a receptionist on a flat screen display who controls access to the building and arranges contacts—she is in Pakistan.
- Surgeons sit on the opposite side of the operating room and control robots which perform the procedures. It is not a huge leap of imagination to have highly-specialized, world-class surgeons located not just across the operating room but across the ocean.

As Tom Friedman concluded in *The World is Flat*, globalization has "accidentally made Beijing, Bangalore and Bethesda next door neighbors". And the neighborhood is one wherein candidates for many jobs which currently reside in the U.S. are now just a "mouse-click" away.

How will America compete in this rough and tumble global environment that is approaching faster than many had expected? The answer appears to be, "not very well"—unless we do a number of things differently from the way we have been doing them in the past.

Why do we reach this conclusion? One need only examine the principal ingredients of competitiveness to discern that not only is the world flat, but in fact it may be tipping *against* us.

One major element of competitiveness is, of course, the cost of labor. I recently traveled to Vietnam, where the wage rate for low-skilled workers is about twenty-five cents per hour, about one-twentieth of the U.S. minimum wage. And the problem is not confined to the so-called "lower-end" of the employment spectrum. For example, five qualified chemists can be hired in India for the cost of just one in America. Given such enormous disadvantages in labor cost, we cannot be satisfied merely to match other economies in those other areas where we do enjoy strength; rather we must excel . . . markedly.

The existence of a vibrant domestic market for products and services is another important factor in determining our nation's competitiveness, since such a market helps attract business to our shores. But here, too, there are warning signs: Goldman Sachs analysts project that within about a decade, fully 80% of the world's *middle-income* consumers will live in nations outside the currently industrialized world.

The availability of financial capital has in the past represented a significant competitive advantage for America. But the mobility of financial capital is legion, as evidenced by the willingness of U.S. firms to move factories to Mexico, Vietnam and China if a competitive advantage can be derived by doing so. Capital, as we have observed, crosses geopolitical borders at the speed of light.

Human capital—the quality of our work force—is a particularly important factor in our competitiveness. Our public school system comprises the foundation of this asset. But as it exists today, that system compares, in the aggregate, abysmally with those of other developed—and even developing—nations . . . particularly in the fields which underpin most innovation: science, mathematics and technology.

Of the utmost importance to competitiveness is the availability of knowledge capital—"ideas". And once again, scientific research and engineering applications are crucial. But knowledge capital, like financial capital, is highly mobile. There *is* one major difference: being first-to-market, by virtue of access to new knowledge, can be immensely valuable, even if by only a few months. Craig Barrett, a member of our committee and Chairman of Intel, points out that ninety percent of the products his company delivers on December 31st did not even exist on January 1st of that same year. Such is the dependence of hi-tech firms on being at the leading edge of scientific and technological progress.

There are of course many other factors influencing our nation's competitiveness. These include patent processes, tax policy and overhead costs—such as healthcare, regulation and litigation—all of which tend to work against us today. On the other hand, America's version of the Free Enterprise System has proven to be a powerful asset, with its inherent aggressiveness and discipline in introducing new ideas and flushing out the obsolescent. But others have now recognized these virtues and are seeking to emulate our system.

But is it not a *good* thing that others are prospering? Our committee's answer to that question is a resounding "yes". Broadly based prosperity can make the world more stable and safer for all; it can make less costly products available