

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

3028 SCOMM 137: HOUSE SPECIAL COMMITTEE ON EDUCATION 2005-2006

School District	FY06	FY06	Difference
	Projection @ \$4,576	Projection @ \$4,896	
Alaska Gateway	4,915,667	5,172,244	256,577
Aleutian Region	1,059,727	1,107,245	47,518
Aleutians East Borough	3,501,788	3,791,724	289,936
Anchorage	223,154,797	244,437,783	21,282,986
Annette Island	1,398,131	1,580,614	182,483
Bering Strait	17,205,353	18,879,869	1,674,516
Bristol Bay Borough	1,239,140	1,376,794	137,654
Chatham	1,733,593	1,862,796	129,203
Chugach	1,905,637	1,973,222	67,585
Copper River	6,032,438	6,466,777	434,339
Cordova	3,087,845	3,353,081	265,236
Craig	3,698,050	3,988,047	289,997
Delta/Greely	8,942,900	9,566,381	623,481
Denali Borough	4,597,598	4,957,742	360,144
Dillingham	4,263,506	4,618,703	355,197
Fairbanks N. Star Borough	72,823,842	79,784,834	6,960,992
Galena	16,058,992	16,718,508	659,516
Haines Borough	1,563,785	1,731,116	167,331
Hoonah	1,535,829	1,659,886	124,057
Hydaburg	767,366	800,624	33,258
Iditarod Area	4,427,089	4,612,373	185,284
Juneau Borough	23,648,457	26,075,997	2,427,540
Kake	1,190,539	1,286,335	95,796
Kashunamiut	2,546,629	2,815,452	268,823
Kenai Peninsula Borough	46,190,906	50,742,580	4,551,674
Ketchikan Gateway Borough	11,703,837	12,826,740	1,122,903
Klawock	1,331,394	1,395,118	63,724
Kodiak Island Borough	15,580,674	16,992,847	1,412,173
Kuspuk	4,610,680	5,020,027	409,347
Lake & Peninsula Borough	5,980,874	6,431,633	450,759
Lower Kuskokwim	39,975,145	42,736,125	2,760,980
Lower Yukon	18,120,223	19,843,330	1,723,107
Mat-Su Borough	83,064,699	89,943,842	6,879,143
Nenana	3,922,379	4,200,779	278,400
Nome	6,359,841	6,860,945	501,104
North Slope Borough	8,451,990	9,804,944	1,352,954
Northwest Arctic Borough	22,227,553	24,013,879	1,786,326
Pelican	404,184	416,914	12,730
Petersburg	3,691,527	4,020,977	329,450
Pribilof	1,258,266	1,384,039	125,773
Saint Mary's	1,992,370	2,132,520	140,150
Sitka Borough	7,265,034	7,967,690	702,656
Skagway	710,547	780,857	70,310
Southeast Island	3,069,832	3,191,812	121,980
Southwest Region	6,817,409	7,463,921	646,512
Tanana	1,027,629	1,103,075	75,446
Unalaska	2,405,593	2,650,515	244,922
Valdez	3,684,508	4,001,373	316,865
Wrangell	2,276,815	2,477,013	200,204
Yakutat	991,431	1,072,970	81,539
Yukon Flats	4,617,236	4,840,941	223,705
Yukon/Koyukuk	11,059,848	11,918,696	858,848
Yupik	4,225,753	4,632,579	406,826
Mt. Edgecumbe High School	1,842,250	2,023,344	181,094
Other	26,096,100	26,096,100	
Total	762,255,225	827,606,278	65,351,053

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB001-EED-TLS-02-11-05
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title An act increasing the base student allocation RDU K-12 Support
for state funding of public education; and providing for an ... Component Special Schools
 Sponsor Rep. Gatto
 Requester Special Committee on HESS Component No. 2735

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	447.5	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	447.5	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	447.5	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	447.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation, from \$4,576 to \$4,896 for FY06.

The funding for the Alaska Challenge Youth Academy is authorized under AS 14.30.740. The funding of this program is directly linked to the based student allocation set out in AS 14.17.470.

Prepared by: Eddy Jeans, Director Phone 465-8679
 Division School Finance Date/Time 2/11/05 4:48 PM
 Approved by: Karen Rehfeld, Deputy Commissioner Date 2/11/2005
 Agency Education & Early Development

ALASKA MILITARY YOUTH ACADEMY

FY06 PROJECTION

175 x \$4896 x 7 =	5,997,600
289 x \$4896 x .6 =	848,966
less \$2,100,000	(2,100,000)
	4,746,566
FY06 Current Entitlement:	4,299,078
FY06 INCREASE TO AMYA:	\$ 447,488

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB001-EED-TLS-01-27-05
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title An act increasing the base student allocation RDU K-12 Support
for state funding of public education; and providing for an ... Component Special Schools
 Sponsor Rep. Gatto
 Requester Special Committee on HESS Component No. 2735

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	18.2	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	18.2	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	18.2	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	18.2	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation, from \$4,576 to \$4,589 for FY06.

The funding for the Alaska Challenge Youth Academy is authorized under AS 14.30.740. The funding of this program is directly linked to the based student allocation set out in AS 14.17.470.

Prepared by: Eddy Jeans, Director Phone 465-8679
 Division School Finance Date/Time 1/27/05 9:57 AM
 Approved by: Karen Rehfeld, Deputy Commissioner Date 1/27/2005
 Agency Education & Early Development

Educational Funding

Testimony Given by Superintendent Banghart to the House Special Committee on
Education February 8, 2005

For the record, my name is Joe Banghart, I'm superintendent of the Iditarod Area School District. I come to you today as a superintendent and as a concerned Alaskan. My job, as you know, is to run the school district, which involves tending to important details like trying to balance the books, but also, and more importantly, helping to ensure that Alaska's children are well educated and prepared to graduate and meet the challenges that meet them in the world outside of our small school district. Allow me to familiarize you with some of the challenges of operating this school district: The Iditarod Area School District is not located on the road system and does not receive any local financial support for operation of schools. We are currently projecting at least a \$500,000 deficit for the Fiscal Year 2006. This deficit takes in to consideration current fund balance, increases in TRS and PERS, cost of living adjustments for Certified and Classified Staff and the loss of several grants that impact the overall district budget. This does not include a projected 25% increase in fuel cost nor the impact this will have on cost of travel, freight, and electric cost at all schools. Recently at two villages the water/sewer companies were taken over by other organizations and they raised our rates from \$600.00 a month at both sites to \$1,200.00 a month. This is a 200 percent increase in cost borne directly by the district. We are currently talking with another village local utility organization that has proposed a 118 percent increase in electric cost.

Taking all of this into consideration then looking at HB 1, 73, and 18 we are concerned. If the highest proposed offer (HB18) was approved and after our district receives the adjustment for the floor the total net gain to the Iditarod Area School District would only be \$62,000. The floor is determined by the states formula that compares the old foundation formula to the new and makes adjustments for many districts in what is called the floor. This figure is decreased yearly and with the current figure our district will not receive the majority of funds. When we look at what we actually need just to keep operating for next year it is a conservative 10% increase. If HB18 was approved and that is all we receive this amounts to a 1.3 percent increase. What's more, we need to do more than just keep our head above the water if we're going to get Alaska's kids educated.

In order for a school or district to meet Annual Yearly Progress each year, a series of 31 possible individual test must be satisfied. The Annual Yearly Progress Report for all eight schools in the district gives a clear picture of immediate need for severe intervention. Of these eight schools two are at level III, two at Level II, and two at Level I. The other two are so small we cannot obtain an accurate figure to determine AYP. When we examine state testing results for all students in grades 3-12 one site has 92% students who are not proficient in reading, another 90%, another 86%, with a district wide average of students not proficient in reading being 65%. We are required to designate more money to meet the standards set by NCLB yet we are not receiving adequate money from the state or federal government.

A larger portion of our money is going towards basic operating cost. The maintenance budget per student at two sites exceeds \$6,000, labor cost per student at two other sites over \$2,000 and utility cost per student at 4 sites over \$2,000. The cost to operate and maintain our buildings has increased and support money has not been received.

I want to do my job. I want to guarantee a good education for Alaska's children. But I just don't see how these proposed budgets will get us there. Thank you and I am available for any questions you have.

31 certified staff (includes 4 special education teachers)

Average teachers salary \$50,856 (with fringe benefits \$72,543)

33 Classified (only 11 average full time)(average hours worked per day is 2.5)

8 schools

272 students(plus 72 students in Distance Learning Correspondence Program)

Teacher student ration 1 to 11 (all teachers teach more than one grade level)

Maintenance Cost

Average maintenance budget per students	\$4,703
Average labor cost per student	\$1,542
Average utility cost per student	\$2,285
Average cost per square foot	\$ 11.90

Percent of budget towards instructions 61%

**SCHOOL DISTRICT****P.O. BOX 226, TOK, AK 99780****907-883-5151****Fax: 907-883-5154**

Mr. Chairman, my name is Carol Doyle. I am the Superintendent of Alaska Gateway School District which you already know is an REAA. Thank you for the opportunity to speak with you about our district's needs today. Here at Alaska Gateway we appreciate all you have done in the past for education and that you have focused on education as a priority in our state.

First of all, I would like to tell you a little bit about our district. It is a district of about 450 students. These students are enrolled in 7 sites in our district. These sites include Tanacross, Dot Lake, Mentasta, Tetlin, Northway, Eagle, Tok, and a district only Correspondence School. Except for Tanacross which is 12 miles from Tok, most of the other sites are a good hour's drive from the central office with Eagle being 173 miles from the central location. Eagle is only accessible by charter plane 7 months out of the year and a 4 hour drive on dirt roads the other months when the road is maintained. Our school enrollments range anywhere from 10 to 220 students, with half the students in the district residing in Tok School.

All of our funding comes from the state. At the present time, even if the Governor's plan makes it through the legislature, we will be \$559,000 short for FY 06 to maintain the budget and expenses we currently have this year. Increased costs in TRS, PERS, medical insurance for employees, fuel, maintenance on 6 older buildings, along with some declining enrollment in Tok and Correspondence School attribute to this loss. If the district has to cut 559,000 dollars from its budget, there will be many program cuts and staff cuts throughout the district. The district has already been cutting over the last three to five years. We have lost all the fine arts and vocational programs at the smaller sites. The district has cut 11 certified staff over the last several years along with several classified staff. Custodian time has been cut in half and all small schools less than 40 students have minimal secretary time, about an hour a day, if that. This year we had to use half our reserve to fund education in this district after our count proved that we were 48 students short of our prediction. We have also had to cut the hazard busing route for cold weather days even with temperatures in excess of 60 degrees below zero last year and this. As a matter of information for you, the money given the districts this year for increases in TRS and PERS was not enough. Our costs for TRS and PERS amounted to \$131,507. We received from the state \$77,802 so we had to make up the difference of \$53,705 with cuts.

At some points in time during the year, here at the central office, we have talked about closing some of our small schools and busing them to Tok School. This is really not a viable solution to our problem since our students' bus ride would be in excess of one hour each way, in extreme temperatures in the winter, and on icy and snowpacked roads.

What is keeping our district alive right now is 2.4 millions dollars worth of grants and 3.6 millions dollars worth of capital projects for our aging buildings, but with only 2 maintenance men for the whole district, improvements are slow. Winter months have these two men attending to freeze-ups and other problems related to extreme temperatures. Title grants and competitive grants pay for many benefits to our students, but they cannot pay for teachers to teach the basic skills in the classroom required by NCLB. We will not be able to come up with highly

"Where Teachers Are The Gateway To Learning"

DotLake 907-882-2663 Fax: 907-882-2112	Eagle 907-547-2210 Fax: 907-547-2302	Mentasta 907-291-2327 Fax: 907-291-2325	Northway 907-778-2287 Fax: 907-778-2221	Tok 907-883-5161 Fax: 907-883-5165	Tanacross 907-883-4391 Fax: 907-883-4390	Tetlin 907-324-2104 Fax: 907-324-2114
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qualified teachers in each of our schools by the deadline. The small school teachers teach K-12, all subjects. Even Tok School 7-12 teachers have many different preps in order to give our students all of what they need to meet the state and district requirements. All our schools this year made adequate yearly progress except one, but that will change without the needed funds. We need \$5362 for a student base allocation just to keep the status quo of where we are right now. \$559,000 worth of cuts in this district will significantly impact every student and they will not receive anything close to an adequate education.

I have only hit the highlights here. Administrative staff are few. My job description is Superintendent, but I am also the Special Education Director and District Testing Coordinator and evaluate all the small schools' teachers, as well as principals, and district support staff. This is a result of cuts in the central office. Tok School and Northway School principals are the only other administrators in the district. The special programs and grant writer for the district also teaches one class at Tok School and does not have an administrative certificate.

We need your help to keep a viable education for our students in the future. I'm sorry, but HB 1, HB 73, and HB 18 will not be enough. The most net gain we will receive from HB 18 is \$163,389. We will be \$395,000 short of what we need to give our students what they need. Thank you for your time and help. The district hopes we will have your cooperation in increasing our funding so our students can have an adequate education.

There was a question from the committee about how many teachers we have. We have 35 classroom teachers. Other certified staff work in the central office, or in a grant program or are district wide special education teachers, or principals. So the true classroom ratio is not 1 to 8, but about 13 to 1. In small schools housing K-12 students, all subjects, there must be adequate staff at those sites in order to meet the needs of students. Teachers teaching multiple grades and subjects require about 3-5 hours a day depending on the number of grades they teach. This is over and above their teaching time in the classroom. Also, special education students require added traveling staff and in house staff depending on the requirements of their IEP's under the federal IDEA law.

Thank you again for the time you gave me this morning to testify.

Sincerely,
Carol Doyle,
Alaska Gateway Superintendent

Tok LIO Fax Transmittal Form**To:** House Special committee on Education**From:** Jan Persson, Tok LIO**Phone:** 883-5020 **Fax** 833-5021 **Email:** Tok_llo@legis.state.ak.us**Time sent:** 2:16pm**Date sent:** 4/8/05**Number of pgs. Inclu cover:** 3**Message:**

Testimony from the Tue. Teleconference.



**LEGISLATIVE AFFAIRS AGENCY
INFORMATION & TELECONFERENCING**

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WRITTEN TESTIMONY

Following this page is written testimony submitted jointly by Stan Lujan, Nome Public Schools Superintendent and Amy Lujan, Nome Public Schools Business Manager. This testimony is offered for the House Special Committee on Education teleconference hearing scheduled for this morning at 11:00 am.

Please contact my office with questions.

Thank you,

A handwritten signature in cursive script, appearing to read "Angelique Horton".

Angelique Horton
Information Officer

cc: Representative Richard Foster
Senator Donny Olson

Justification for Funding Increase

Thank you for your consideration of additional funding for Alaska's public schools. As you know, our children are our future, and providing for an adequate public education for Alaskan youth is one of the most important responsibilities of the state government.

We would like to explain some of the reasons we continue to face financial hardship at Nome Public Schools.

Employee Benefits Costs – TRS and PERS benefits rates, as mandated by the state, continue to rise. Next year we will again see a large increase in rates, which result in an estimated \$200,000 cost increase for Nome Public Schools. In addition, health care costs continue to rise. Although we have significantly trimmed our benefits package over the past decade, next year's increase is estimated at \$50,000.

Fuel – An increase in fuel costs results in increases in heating fuel, gasoline and electricity line items in our budget. In the current year, we are anticipating paying \$110,000 more than last year for these items. Additional cost increases are a certainty next year, since we've used a weighted average for this year's cost, which includes some leftover fuel bought at a lower price.

Keep in mind when reviewing the above figures that our budget is relatively small to absorb these increases. Last year, our district received \$5,123,370 in state foundation funding. Other costs are also on the rise, and it's well documented that the foundation formula has fallen far short of keeping up with normal inflation over the past twenty years, let alone provide adequate funding to assist with these large cost increases.

Meanwhile, our teachers and staff are being challenged by the demands of federal No Child Left Behind and state Quality Schools Initiative mandates. While many of these changes represent a positive new direction in education, they require an incredible amount of work to implement. We must make sure that our staff are adequately trained and compensated to deal with these challenges. If we do not provide adequate training and compensation, the unfortunate result is that many will leave the profession, further weakening our educational system.

The Alaska Department of Education and Early Development has provided estimates of the funding needed to pay for the TRS and PERS increases. We have also highlighted health benefits and fuel costs in this narrative. Some legislators complain that education advocates can "never get enough". Our response is that one only needs to look at our financial statements to understand why. Our budgets cannot absorb the large cost increases we've been subject to over the past few years, while the funding formula has not kept up, by any measure. When wages and benefits make up 80% of our budget, we are forced to deal with shortfalls by cutting staff, which results in increased class sizes and shortchanges our students. We have also gone through the pain of cutting supplies and travel, but these line items can only provide a small portion of the funding needed to deal with large cost increases.

Parents and community members demand and deserve a quality service from our public schools, and we need your help to make sure we can deliver that service.

Thank you,

Stan Lujan
Superintendent

Amy Lujan
Business Manager
Nome Public Schools



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

(907) 452-2000

520 Fifth Avenue

Fairbanks, AK 99701-4756

www.northstar.k12.ak.us

February 10, 2005

The Honorable Mark Neuman, Chairperson
House Special Committee on Education
State Capitol
Juneau, AK 99801

Dear Representative Neuman:

On Tuesday, February 08, 2005, the House Special Committee on Education took public testimony on various education funding bills. Nick Stayrook, Chief Information Services Officer for the Fairbanks North Star Borough School District, provided testimony during that meeting.

Representative Gatto asked for information on the total student enrollment and number of classroom teachers. Listed below is the information:

Total student enrollment (in FTE)	14,576
Total number of classroom teachers	651
* Total number of certificated staff	974

* Includes certificated counselors, librarians, special education teachers, mentor teachers, physical education and music teachers with no classroom assignments, etc.

In addition, information was requested on the base student allocation. The Fairbanks School Board has not yet acted on a student funding resolution. The Fairbanks School Board will consider a resolution that calls for a base student allocation of \$4,995.00, at its February 15 meeting.

Thank you again for allowing public testimony on education funding.

Sincerely yours,

Ann E. Shortt, Ed. D.
Superintendent of Schools

cc: School Board Members
Interior Delegation



NEA-ALASKA

Affiliated with the National Education Association

Bill Bjork testimony before House Education **February 10, 2004**

Good Morning Chairman Neuman and members of the House Education Committee. For the record my name is Bill Bjork and I serve as President for the more than 12,500 members of NEA-Alaska.

To begin, let me applaud the committee for hearing all of the education legislation and allowing testimony from across Alaska to determine the level of State funding for K-12 education in Alaska.

You have heard from several districts and parents advocating for a per student figure in the Base Student Allocation (BSA). The numbers vary, because the specific pupil needs in each school district vary. Many are attempting to reduce large class sizes. Others cite the need for intervention programs and reading programs as a means to address the under-funded federal mandates of No Child Left Behind. While the numbers and needs vary, the reasoning behind the numbers is similar. **What will it take to meet Alaska's constitutional mandate to establish and MAINTAIN a public education system open to all?**

Last year, the 23rd Alaska Legislature passed a K-12 funding increase of \$407 per student in the BSA. NEA-Alaska applauds and sincerely appreciates this effort. The debate last session revolved around what amount of funding would it take to not have to cut programs and personnel. This year there appears to be the same conversation. Governor Murkowski has proposed a \$62 million (\$304 per student) increase that would indeed cover the TRS/PERS contribution rate increase and address inflation for the past year. This proposal covers two legs of the three-legged "education funding" stool. It does not take into account pupil needs; the resources needed for students to achieve up to State and federal standards.

We talk often about adequate funding for K-12 education. Most legislators, school board members, public school employees and parents ask us, what is adequate? Everyone wants a number, but adequacy in education truly means that Alaska's schools will have the resources necessary to offer opportunities for all students to achieve to standards--leaving no child behind!

Alaskans realize that there were 20 years (1983-2002) of flat funding that did not keep pace with inflation. During that timeframe inflation ate away 47% of the buying power of the student dollar. Former Senator Rick Halford was fond of saying "when you're trying to get out of a hole, stop digging." Two years ago the legislature quit digging. Last year the legislature began backfilling the funding hole! This year we are confident that there will be the resources available to continue addressing K-12 funding needs.

NEA-Alaska is advocating a BSA increase of \$739 per student (approx - \$148 million) to address TRS/PERS, inflation (About \$60-62 million total) and to make a down payment towards adequacy. This amount would not just stop at holding the status quo from last year, but start on the road to providing an adequate and meaningful education for the 133,000 students in Alaska's K-12 public schools.

Thank you for your time and I would be happy to answer questions.

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Alaska](#)[Contact Us](#)**Legislative Updates**To receive updates via personal email [click here](#)**ADEQUATE FUNDING for Alaska's Schools**

January 2005

The following information is provided as a resource to inform Alaskans about the revenue available to the State of Alaska to meet the Constitutional mandate of funding K-12 education.

Over the past two fiscal years, through the work of parents, teachers, support staff, NEA-Alaska and a groundswell of support for public education, we have achieved historic increases in the K-12 education budget. These two years of increase come on the heels of 20 years of flat funding that did not keep pace with inflation in Alaska. Here are the facts:

- The State currently has about 133,000 children in Alaska's K-12 public schools.
- The Base Student Allocation (BSA) is now at \$4,576 per student, which costs \$760 million annually.
- The inflation rate is calculated at 3% annually, which means \$22.8 M for FY '06.
- Every \$1 increase to the BSA costs approximately \$212,000. In rough terms \$1 million produces a \$5 increase to the BSA.
- Governor Murkowski has proposed an increase of \$304 to the BSA for FY '06, making it \$4,880, and an increase of \$310 to the BSA for FY '07, making it \$5,190.
- Senator Wilken introduced SB 1 to implement the Governor's proposal for FY '06 only. The \$62 million increase would cover the \$38 million cost of the employer's contribution rate increase to TRS/PERS. That leaves \$24 million to provide for the inflation costs.
- The FY '05 budget is based on \$28.30 per barrel and a \$360 million draw on the Constitutional Budget Reserve (CBR).
- \$1 on the price per barrel of ANS Crude yields approximately \$60 million in revenue for the General Fund.
- ANS Crude is conservatively projected to average more than \$39 per barrel in FY '05.
- The unanticipated revenue if oil averages \$39.30 per barrel in FY '05 would be \$660 million, leaving a surplus of \$300 million and a CBR balance of more than \$2.3 billion.
- The Education Funding Gap created by inflation from 1983 – 2002 is estimated at \$720 million
- To fund at least 1/8 of the gap would require \$89 million above the Governor's FY '06 proposal or a BSA of \$5,315 (an increase of \$739).

2020k
Rank 50th
in state

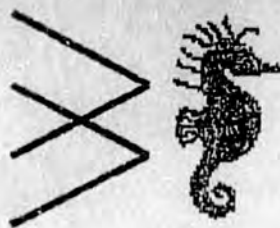


Alaska State Legislature

Please enter into the record my testimony to the HOUSE SPECIAL COMMITTEE ON
committee name EDUCATION
committee on EDUCATION FUNDING, dated FEB. 10, 2005
bill/subject

PLEASE SEE TESTIMONY
ATTACHED

Signed: TAMIE EVERTON FOGLE
Testifier
SELF
Representing (Optional)
PO BOX 3809 KODIAK 99615
Address
486-6259 hm
Phone No.



From the desk of Tamie Everton Fogle
481-2511 wk, 486-6259 hm
tamfogle@ptialaska.net

February 9, 2005

To: The House Special Committee on Education
Cc: Gabriel LeDoux, District 36 representative

I am writing in regards to the hearings occurring regarding K-12 funding. I am a parent with two elementary age daughters, and I have worked as a teacher for 7 years and a classroom aide for 2 years within the Kodiak Island Borough School District. I am also a product of the Alaskan school system, having attended elementary schools in both Ketchikan and Valdez, and then high school in Kodiak. After completing my undergraduate education at Harvard University, I returned to Kodiak and worked for several years as a substance abuse counselor before being hired by the school district. Recently, I completed my Master's degree through the University of Alaska, Fairbanks. I am an Alaskan. And I am worried.

In our school district we have experienced many cuts to funding. At first, these cuts appear to have had little impact, but as someone who has been a part of this community since 1982, I can see a gradual erosion of the programs, staff and materials that are necessary for a strong educational system.

The elementary schools have lost their band programs, swimming lessons and counselors. Cuts have forced music and PE to half the level it once was for both elementary and middle school students. The alternative programs at the high school which worked with struggling students and reached out to drop-outs is gone. Storage spaces and workrooms have been converted into classrooms throughout the district. Two of our schools were crowded to the point that the district is now bussing the 6th grade students out of their neighborhoods to help alleviate the problem. In the High School where I work, student enrollment has increased dramatically since I was a student, yet staff numbers are not significantly higher. Teachers have become very creative at masking and overcoming the difficulties which cuts have caused. But why should they be forced to do this?

While I appreciate any increase to funding that the governor and the legislature are willing to offer, the amounts and numbers I have been hearing will not begin to address the gradual erosion that has been occurring since the end of the 1980's. The amounts may meet the cost of inflation for this year. But I do not believe that the status quo is what education should aim for. We have been given mandates from both our State and Federal governments to provide a quality education for every child and not to leave any of them behind. At the moment, we can do a reasonably good job for the majority, but the funding is not sufficient to do an excellent job for all. If you truly want us to reach every child, you must provide the money that will make that possible.

I teach because I care deeply about the students in my community. I am afraid that leaving the erosion of our educational system at its current level will have drastic consequences for our children and our society. We need classroom spaces set up for learning, class sizes that allow learning to occur, programs that will help our children to grow into well rounded and intelligent adults and the materials and staff to meet our students' varied needs.

I urge you to listen to the many voices throughout the state that are asking for adequate funding for education. Thank you for your time.

Sincerely,

Tamie Everton Fogle, B.A., M.Ed.

**ANCHORAGE SCHOOL DISTRICT
ASDR 2004-2005-10**

**RESOLUTION IN SUPPORT OF INCREASED STATE FUNDING OF THE
ALASKA PUBLIC SCHOOL FUNDING PROGRAM**

WHEREAS, state funding for public schools is essential to maintain an education system that meets the needs of the children of Alaska; and

WHEREAS, Governor Frank Murkowski has recognized the importance of increasing public school funding by recommending that foundation formula funding for public schools be increased; and

WHEREAS, public school students will require adequate education programs in order to meet student achievement requirements imposed under both state and federal law; and

WHEREAS, adequate education programs will require a significant increase in state education funding to allow school districts to have the education resources to meet student needs; and

WHEREAS, school districts are experiencing increased fixed costs in their retirement systems and in other area including fuel and electricity; and

WHEREAS, improvements to the public school system require a combination of strategies including improving instructional quality, decreasing class sizes, providing safe and efficient transportation, and providing adequate employee compensation; and

WHEREAS, providing increased education funding benefits all the public schools in the state and all residents of the state by developing our most precious natural resource - children, and providing a foundation for economic growth; and

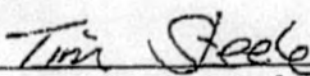
WHEREAS, in order to prevent program cuts, to assure a maintenance level of public school funding, and to make modest reduction in class sizes, public school funding will need to be increased by \$112 million dollars for the next fiscal year;

BE IT RESOLVED, that the Anchorage School District strongly supports increasing state support for public schools; and

BE IT FURTHER RESOLVED, that the Anchorage School District requests the Governor and legislature to increase the base student allocation in the foundation formula to \$5,120, which would provide an additional \$112 million dollars in state support for public schools.

DATED this 7th day of February 2005.

ANCHORAGE SCHOOL BOARD


Tim Steele, President

Crystal Kennedy
Jake Metcalfe
Macon Roberts

John Steiner
Jeff Friedman
Mary Marks

Carol Comeau, Superintendent

ALASKA COUNCIL



OF SCHOOL ADMINISTRATORS

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Phone: (907) 586-9702 • Fax: 586-5879

web site: www.alaskaacsa.org

Alaska Council of School Administrators

14 January 2005

The Honorable Mark Neuman
House of Representatives
Alaska State Capitol, Room 409
Juneau, Alaska 99801-1182

Dear Representative Neuman:

By way of introduction, I am the Executive Director of the Alaska Council of School Administrators (ACSA), an organization with a membership of over 400. ACSA and its member organizations are briefly described in the enclosure.

Since education is one of the legislature's top priorities, I expect to be working closely with you on several issues. I retired after 21 years of administrative experience in various districts from small cities, to a large Rural Education Attendance Area district, the Fairbanks North Star Borough School District, and the Wrangell and Petersburg School Districts. Through experience in such diverse settings, I have gained a broad understanding of Alaska's educational challenges and look forward to being involved as issues are addressed.

In the near future, I will be calling to make an appointment to visit with you and your staff. If I can be of assistance in any way on educational matters, please let me know. I look forward to meeting with you.

Respectfully,

Mary A. Francis, Ph.D.

MF:klc

Encl.



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web site: www.alaskaacsa.org

Alaska Council of School Administrators

Two highest priorities for education

- *long-term fix for TRS/PERS systems; look at combining small districts
- *pay for TRS/PERS increases; re-authorize bond debt reimbursement program
- *funds to address class size; pay for TRS/PERS increases
- *state data system to track students; supplement delivery system for at-risk students
- *funding to keep current staff; funding for maintenance of physical plant
- *pay for TRS/PERS increases and fix the problem
- *adequate funding; continue debt reimbursement program
- *help with TRS/PERS; long-range fiscal plan for the state
- *adequate funding
- *resources to train teachers
- *adequate funding; how and when a district can release tenured teachers
- *fund increases to TRS/PERS; increase educational funding; fulfill commitment to debt reimbursement program; change in transportation funding from by student to by bus
- *educational funding; local control; continue HR 242 regarding hire of retired teachers in hard to fill positions

*restore funding for early education program; volatile insurance costs

*forward funding; funding for building maintenance

*forward funding; fund increases to TRS/PERS

Many district superintendents expressed gratitude to Representative Neuman for asking for this information.

ASSOCIATION OF ALASKA SCHOOL BOARDS
Advocates for Alaska's Youth

February 8, 2005

**Statement by the Association of Alaska School Boards on
Foundation Formula Funding**

Carl Rose, executive director of AASB, issued the following statement today in testimony to the House Special Committee on Education:

Thank you for the opportunity to testify today. Our 52 member school districts have a huge stake in the legislation before you. Nothing less than the future of our children, and the future of our state, will be shaped by the decisions the 24th Alaska Legislature makes in regards to education funding.

In late January, the AASB teleconferenced with our five largest districts to discuss the accelerated timetable the Legislature has established for considering the state operating budget. School districts appreciate the willingness of the Legislature to consider education funding early in the session. As a consequence, we need to establish our positions and make them known to the Legislature in a significantly shortened timeframe.

After discussions with our largest districts, AASB believes that the foundation formula increased proposed by the administration, while much appreciated as a starting point, simply won't provide the level of state support most of them require in fiscal year 2006. Our organization believes the precedent established last year, when the Legislature provided an increase of \$82.5 million in foundation funding, should guide this year's deliberations on the formula.

(more)

Using that yardstick, AASB urges the Legislature to increase the base student allocation to \$4,995 and appropriate an additional \$85 million in basic state support for K-12 education.

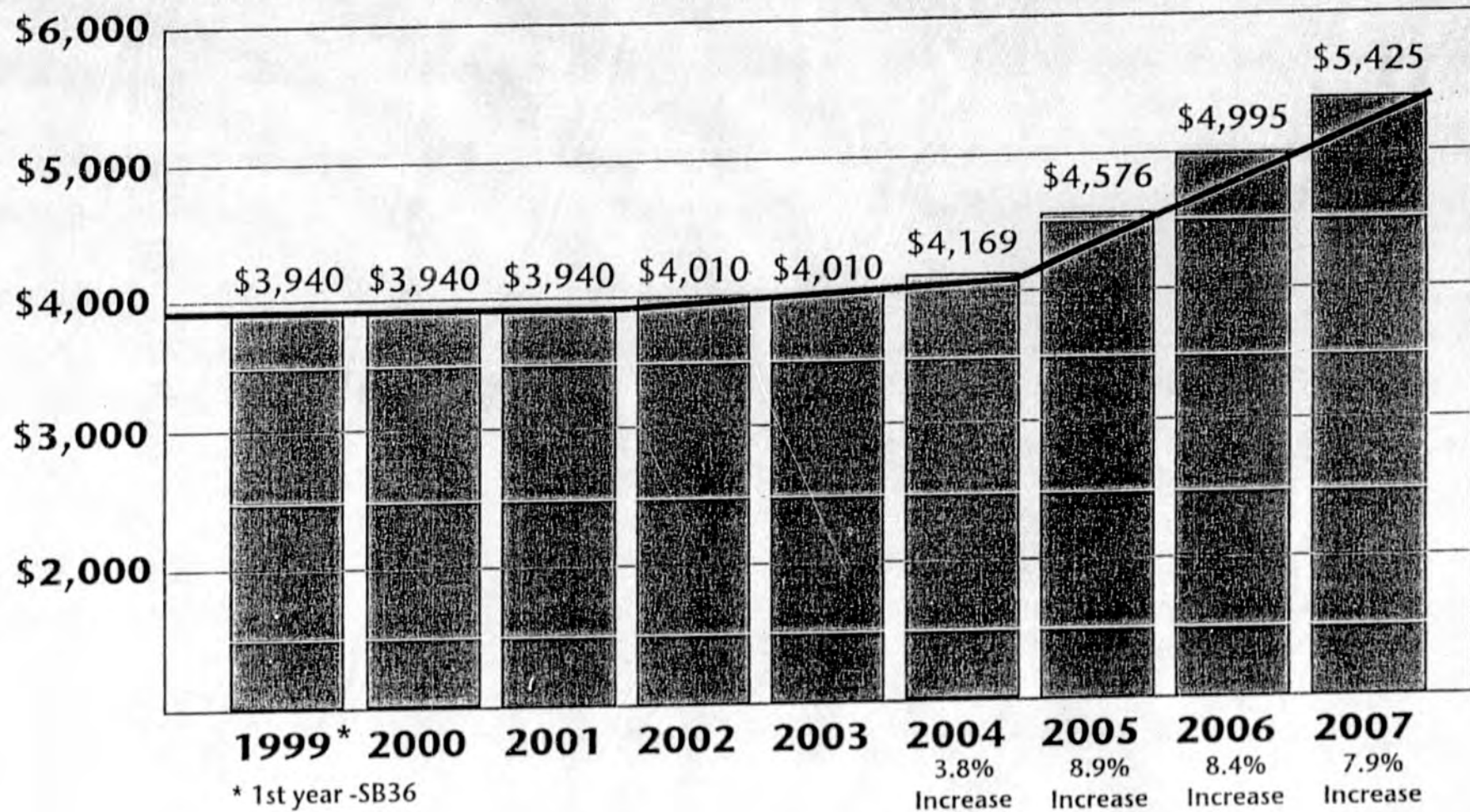
That is the minimum level of state support that is required by most of our school districts across the state. This increase is less than some teachers and parents support, but it is more than the administration has offered to date.

As you know, much of that extra state support will never reach the classroom. Because of requirements for funding increased retirement costs, \$38 million is earmarked for the PERS/TRS systems and \$47 million would go towards instruction and operations. (Note graphs that accompany this testimony).

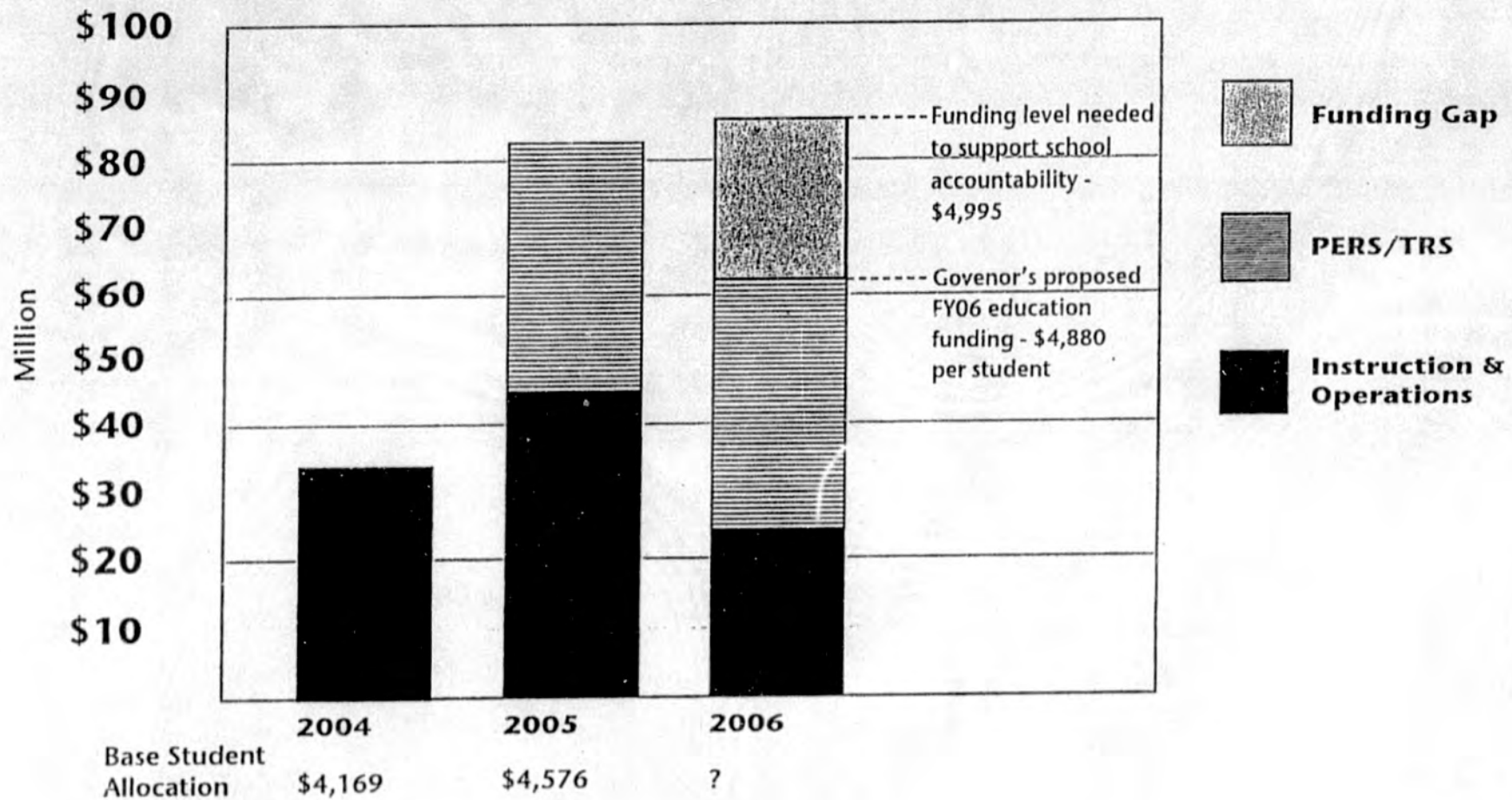
AASB believes that when the Legislature examines the need for increasing the foundation formula for K-12 education, you will see that this is a good investment in the future of Alaska. Certainly, the public will support you in making this investment happen.

Thank you.

Base Student Allocation 1999-2007



Proposed School Funding



ANCHORAGE SCHOOL DISTRICT
ASDR 2004-2005-10

RESOLUTION IN SUPPORT OF INCREASED STATE FUNDING OF THE
ALASKA PUBLIC SCHOOL FUNDING PROGRAM

WHEREAS, state funding for public schools is essential to maintain an education system that meets the needs of the children of Alaska; and

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WHEREAS, adequate education programs will require a significant increase in state education funding to allow school districts to have the education resources to meet student needs; and

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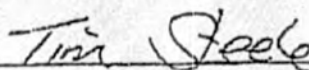
WHEREAS, in order to prevent program cuts, to assure a maintenance level of public school funding, and to make modest reduction in class sizes, public school funding will need to be increased by \$112 million dollars for the next fiscal year;

BE IT RESOLVED, that the Anchorage School District strongly supports increasing state support for public schools; and

BE IT FURTHER RESOLVED, that the Anchorage School District requests the Governor and legislature to increase the base student allocation in the foundation formula to \$5,120, which would provide an additional \$112 million dollars in state support for public schools.

DATED this 7th day of February 2005.

ANCHORAGE SCHOOL BOARD



Tim Steele, President

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Carol Comeau, Superintendent

Kenai Peninsula Borough School District Frequently Asked Questions

February 8, 2005

What are the District's statistics?

The District is the fourth largest district in the state with 9,546 students, housed in 44 schools in 21 communities covering 26,000 square miles. The District has 1125 employees: 600 certified staff, 470 support staff and 55 administrators. There are fifteen schools with under 100 students and five sites have severely limited access (they are not on a road system).

What base student allocation does the District need?

\$5200 is needed per the District's State Legislative Priorities, with a revised fiscal note, adopted at the February 7, 2005 Board of Education Meeting.

What will Governor Murkowski's recommended base student allocation of \$4880 cover for the District?

The Governor's recommendation does not cover the District's costs for FY06 operations due to scheduled increases in utility, insurance, salary and benefit costs. However, this increase in funding would enable the District to avoid a significant budget reduction process that has been experienced in recent years.

What does the District's Preliminary FY06 Budget include?

This is the District's first attempt to recover lost ground in pupil teacher ratios by lowering class sizes to more reasonable levels. The FY06 Preliminary Budget includes a modest change; primarily to the K-6 staffing formula. We have systematically increased class sizes in recent years in order to balance our budget to available revenue. The budget includes continuing other District programs as is.

What does the District need to address the true staffing needs of the District?

A base student allocation of \$5200 for FY06 is needed to address the needs outlined in the District's Legislative Priorities; this assumes continued funding to the cap by the Kenai Peninsula Borough.

What would a base student allocation of \$4995 do for the District?

This allocation would meet the obligations of the District for FY06 without use of fund balance and would allow the District to budget for a minimum number of unallocated temporary positions to offset, specifically at the 7-12 level, a portion of basic program offerings being lost through enrollment declines. In other words, schools of 400-500 students could possibly keep a minimum number of electives for one more year.

Attached for further clarification is the District's State Legislative Priorities and Resolution 04-05-3 approved by the Board of Education on February 7, 2005.



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web site: www.alaskaacsa.org

Alaska Council of School Administrators

15 February 2005

House Finance Committee members
Alaska State Capitol
Juneau, Alaska 99801

Dear Committee members:

I have a meeting that conflicts with the scheduled Finance Committee hearing on HB 1 and HB 30, so I offer this written testimony for the committee's consideration.

The Alaska Council of School Administrators supports increases to the education foundation program to address Alaska school districts' needs. The Council appreciates the progress made last year to provide additional funds to mitigate against rising costs of doing educational business. We seek a continuation of that forward momentum, so that school districts do not have to further reduce services to children.

ACSA supports HB 1 and HB 30 with the caveat that the Base Student Allocation is not sufficient to meet the needs of many school districts. With additional funds, class size issues can be addressed as well as further attention paid to enhancing student achievement in the curricular areas of state assessments.

Please consider increasing the Base Student Allocation, consistent with the growing needs of school districts. Thank you for your attention and the opportunity to testify.

Sincerely,

A handwritten signature in cursive script that reads 'Mary A. Francis'.

Mary A. Francis, Ph.D.
Executive Director

ALASKA COUNCIL



OF SCHOOL ADMINISTRATORS

326 Fourth Street, Suite 404 • Juneau, Alaska 99801

Phone: (907) 586-9702 • Fax: 586-5879

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Alaska Council of School Administrators

Two highest priorities for education

- *long-term fix for TRS/PERS systems; look at combining small districts
- *pay for TRS/PERS increases; re-authorize bond debt reimbursement program
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- *funding to keep current staff; funding for maintenance of physical plant
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- *adequate funding; continue debt reimbursement program
- *help with TRS/PERS; long-range fiscal plan for the state
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- *educational funding; local control; continue HR 242 regarding hire of retired teachers in hard to fill positions

*restore funding for early education program; volatile insurance costs

*forward funding; funding for building maintenance

*forward funding; fund increases to TRS/PERS

Many district superintendents expressed gratitude to Representative Neuman for asking for this information.



MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
501 N. GULKANA STREET
PALMER, ALASKA 99645

Board Memo No. 05-110

A Resolution of Matanuska-Susitna Borough School Board Regarding Education Funding.

WHEREAS, the Governor recognizes the challenge of creating a quality educational system and desires to continue to improve education; and,

WHEREAS, the Governor said in the State of the State Address, "Increases in the retirement system costs and unforeseen energy expenses have put too great a burden on local governments in the short term," and,

WHEREAS, he introduced a funding bill to increase foundation funding by \$62 million resulting in a base student allocation of \$4,880; and,

WHEREAS, increasing student achievement and improving school performance (required by both the No Child Left Behind Act and Alaska statute and standards) will require schools to go beyond status quo operations and institute new or improved programs that meet the unique needs of each student; and,

WHEREAS, increasing student achievement and improving school performance require resources *beyond* those needed to simply address the increased costs of the retirement system and the unforeseen energy expenses; and,

WHEREAS, the School Board of the Matanuska-Susitna Borough School District recognizes that improving student achievement will require a combination of the following strategies at a minimum:

- Extending instructional time with students,
- Restoring teaching supplies and textbooks,
- Strengthening professional development,
- Strengthening classroom assessments,
- Continuing with curriculum alignment,
- Expanding Career & Technical Education,
- Designing interventions to address challenges from growth and overcrowding; and,

WHEREAS, reaching a level of truly adequate foundation funding that will increase student achievement and improve school performance will require a reasonable and dependable trend of funding increases over a number of years; and,

WHEREAS, by our district requesting a higher level of funding increase for 2006 than currently proposed by the Governor, we recognize that the benefit would accrue not only to our students but also to all students in Alaska, both urban and rural; and,

WHEREAS, the MSBSD School Board strongly supports the funding bill introduced by the Governor to increase foundation funding; and,

THEREFORE BE IT RESOLVED, the MSBSD School Board requests the Governor and Legislature increase foundation funding in the Governor's bill by an additional \$23 million, for a total FY06

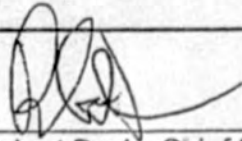
increase of \$85 million. With the resulting base student allocation of \$4995, schools could continue to work toward increasing student achievement and improving school performance.

BE IT FURTHER RESOLVED that the MSBSD School Board strongly opposes any change to its district cost factor (per the 2003 Alaska School District Cost Study). Such a change would negate any increases by the Governor and Legislature by shifting funds from districts with increasing enrollment and rapid growth, like Mat-Su, to districts with decreasing enrollment.

ADOPTED by Matanuska-Susitna Borough School District this 2nd day of February 2005.

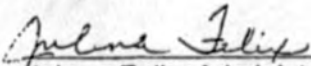


Michael Chmielewski, Board President



Robert Doyle, Chief School Administrator

ATTEST:



Julena Felix, Administrative Assistant



MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
501 N. GULKANA STREET
PALMER, ALASKA 99645

SUBJECT: 2004-05 Legislative Priorities with Board Approved Changes

Borough

- Comprehensive planning for future school sites
- Fall 2005 bond election for new schools
- Clarification of fund balance issues

State

- Funding for construction of 20 portable classrooms
- Reauthorization of Bond Debt Reimbursement to 90/10
- Foundation Funding
 - Funding to pay for mandatory PERS/TRS increases

Federal

- Fully fund NCLB mandates
- Amendments to NCLB:
 - Remove "Students with Disabilities" and "Limited English Proficient" subgroups from AYP calculations
 - Adopt a progress model, versus a cut-score model
 - Offer school-based supplemental support before school choice/transportation; stop requiring districts to withhold transportation funding
 - Require evaluation of supplemental service providers



MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Office of Public Information

501 N. Gulkana • Palmer, Alaska 99645

Phone: 907-746-9251 • Fax: 907-761-4076

Growth – Mat-Su Borough School District

MSBSD is growing by nearly 500 students each year, which is roughly equivalent to the population of an elementary school. We welcome the growth, yet it places significant strain on our existing school facilities and services. While we aren't responsible for the growth, we do consider the district to be a major player in the Valley's growing economy.

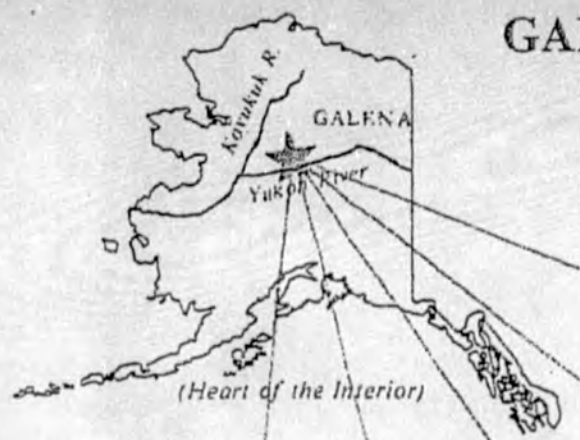
In fall 2007, the district will open a new Wasilla-area elementary school. By that time, the district's core area elementary schools will have well exceeded their actual capacity by approximately four 500-student buildings. The State's calculations for building capacity may tell a different story. However, the State's calculation inaccurately reflects available space. For instance, actual capacity changes based upon program needs (special education, for example) and class size. At this time, it is impossible to identify available classroom space in any of the district's core-area elementary schools.

As our community scrambles to address the largest growth rate in the state, we must continue to invest in the infrastructure of our schools. Research proves educated individuals are more likely to be employed and earn more. They contribute to the economy by spending more money and paying more in social security taxes. As education levels rise, the costs of social programs go down. Higher levels of education mean lower levels of spending on welfare, unemployment, health care, and criminal justice.

Business relies on quality K-12 education and higher education institutions to create a highly qualified workforce to serve the needs of a diverse economy and participate in democracy. The status of the local school system is a major quality of life consideration for relocating businesses and employees. Success in our economy requires attracting and retaining individual talent. Quality schools stabilize communities and increase housing values.

Again, we aren't driving growth in the Valley, but yet we must respond appropriately. Currently we're looking for solutions to overcrowding. Bonding for new schools is a major piece of any solution. Debt-reimbursement has been successfully used in the past to construct new facilities and complete major maintenance on our oldest buildings. Extending debt reimbursement may not be possible in light of opposition from the State Department of Education & Early Development and the Department of Revenue. With that in mind, we're requesting creative solutions to problems caused by rapid growth, perhaps to include direct capital appropriations and grants.

GALENA CITY SCHOOL DISTRICT



GALENA, ALASKA 99741

PHONE (907) 656-1205

FAX (907) 656-2238

SUPERINTENDENT

Jim Smith

To: House Education Committee
Re: Galena City School Position Statement
"School Finance"

Date: February 8, 2005

Please let me note the floor will consume much of any increase we might get, especially if it is applied to PERS/TERS additional dollars as well. Last year the floor was froze for that portion of the increase which helps. For the fifteen schools left with the floor, funding services continues to be a "slippery-slope". The Galena City School District has survived to date by diversifying our operations which for some in the education community is unsettling. If the floor must exist to expiration I would guess that some programs will exhaust with it. No matter what numbers we are using for budget planning next year, the current \$4,869 base or \$4880, the reductions driven by the floor leave us in a recession. Thus any chance we have of any increase is determined by how the floor is addressed for the increase covering PERS/TERS costs and or even the educational services portion of the legislated increase. If we had wish, the floor would be froze as was done a couple years ago, or it would be eliminated.

- 1) Using the current base number, FY 05 \$4,576.
- 2) Joining the FY05 (this year) increase, Galena has dealt with a loss in correspondence school numbers as well as the funding floor so our additional funding has not even covered the increased PERS/TERS costs. With the advent of the new state board spending limits for state-wide correspondence schools we are suffering a student count reduction in the neighborhood of 294 students (-\$1,072,380 in state ADM). At this point, schools haven't final funding numbers from DEED. I believe their waiting for final numbers on federal impact aid. Currently we have entered into collective bargaining with our employee groups. We have utility increases brought on from \$.70 per gallon increased fuel costs, of course increased PERS/TERS costs projected next year up \$391,706, and we still have a funding floor projection of \$919,767 that must be consumed which negates 40% of any increase to come our way all along with other inflationary increases?
- 3) I would project that Galena will be working with a \$700,000 to \$1,000,000 deficit. If we were to use the \$4880, that would generate an additional \$66,880 for the 220 students in the village and an additional \$75,548 for the 3434 correspondence school students. Thus a total increase of \$142,428 in ADM. Remember the floor consumes 40%. We're looking at better than a half million dollar shortfall. We've already identified four positions that will be gone into next year.

I hope these numbers represent our need. Galena finds little compassion from many sources regarding funding challenges which is the reason that we've worked so hard to diversify programs. We'll make the necessary cuts to meet the mark but not diminish quality. Thank you for any positive attention you might offer.

Jim Smith
Superintendent

BRISTOL BAY BOROUGH SCHOOL DISTRICT

P. O. BOX 169
NAKNEK, ALASKA 99633

KELLY W. CASTLEBERRY
PRINCIPAL
PHONE: (907) 246-4265
FAX: (907) 246-4447
E-MAIL: kcastleberry@nnk.gcisa.net

RICHARD D. HEBHARDT
SUPERINTENDENT
PHONE: (907) 246-4225
FAX: (907) 246-6857
E-MAIL: rhebhardt@nnk.gcisa.net

February 11, 2005

The Honorable Kevin Meyer
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

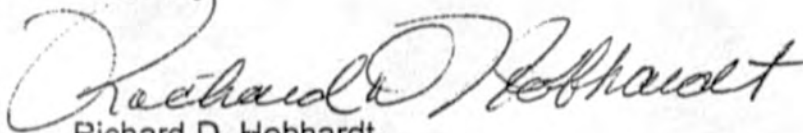
Dear Representative Meyer:

Please find enclosed, for your consideration, a resolution in support of an increase to the Base Student Allocation in the Alaska Public School Foundation Formula.

This resolution was adopted by the Bristol Bay Borough School Board at its regular meeting of February 10, 2005.

Your favorable consideration of this request is appreciated.

Sincerely,



Richard D. Hebhardt
Superintendent of Schools

RDH/cm

FEB 15 2005

BRISTOL BAY BOROUGH SCHOOL DISTRICT

RESOLUTION IN SUPPORT OF INCREASING THE ALASKA PUBLIC SCHOOL FOUNDATION FORMULA PROGRAM

WHEREAS state funding for public schools is essential in order to maintain an education system that meets the needs of Alaska's children; and

WHEREAS Governor Frank Murkowski has recognized the importance of increasing public school funding by recommending that foundation formula funding for public schools be increased; and

WHEREAS public school students require adequate educational programs in order to meet student achievement requirements imposed by both state and federal law; and

WHEREAS adequate educational programs require a significant increase in state education funding in order to enable school districts to meet overall student needs; and

WHEREAS school districts are experiencing increased retirement (TRS/PERS) and employer health insurance costs, as well as rising maintenance and utilities expenses; and

WHEREAS public school systems must employ a combination of strategies in order to achieve the public's mandate, including, among other things, the improvement of instruction, the provision of safe and efficient transportation systems, as well as the affording of fair/competitive employee compensation; and

WHEREAS increased education funding benefits all public schools and communities in Alaska by developing the State's most precious natural resource (children); and

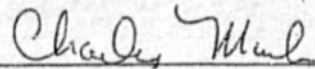
WHEREAS state public school funding must be increased by \$112 million for the 2005-2006 school year in order to provide an essential level of educational programming as well as to prevent further staffing cuts;

THEREFORE, BE IT RESOLVED that the Bristol Bay Borough School District strongly supports increasing state support for public schools for the coming fiscal year; and

BE IT FURTHER RESOLVED that the Bristol Bay Borough School District hereby requests the Governor and Legislature to increase the Base Student Allocation (BSA) in the foundation formula to \$5,120 per student, which would provide the additional \$112 million needed to meet school districts' educational needs in 2005-2006.

DATED this 10th day of February 2005.

BRISTOL BAY BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION

A handwritten signature in cursive script, appearing to read "Charles Munk", is written over a horizontal line.

Charles Munk, President

Michael Swain, Clerk
Sharon Wilson

Abe Williams
Ralph "Bucko" Angasan

Richard Hebhardt, Superintendent

Alaska Kids Count!



Who are we?

Alaska Kids Count! is a nonpartisan network of parents, educators and community members concerned about the quality of public education in Alaska and committed to making a positive contribution to improve Alaska's schools. It is a grassroots, volunteer effort.

The network's primary goal is to increase State funding to provide the resources needed to offer a high quality education to students in Alaska.

The network provides individuals with the tools and information needed to effectively voice concerns to state and local decision makers. Information is shared primarily through email. Participants are encouraged to attend legislative hearings, write letters to elected officials and newspapers, make phone calls and distribute information on education issues and pending legislation.

Our guiding principles:

- * Parents, voicing their individual and collective concerns, are a powerful and effective lobby.
- * Advocacy will be most effective if it is done collaboratively with parents, educators and organizations from across the state.
- * It is the State's constitutional obligation to provide a free K-12 public education. It is the Legislature's responsibility to determine the means of funding it.
- * To be effective, we must be persistent.

Alaska Kids Count! originated in January 2004 in response to parent concerns about diminishing resources and opportunities in Juneau's public schools. We have evolved into a statewide organization with contacts across the state, with our base of operation in Juneau.

To learn more about Alaska Kids Count! write to williwaw@earthlink.net or visit our web site at www.AlaskaKidsCount.org.

Alaska Kids Count! Steering Committee
Mary Hakala, Mike Sigler, Mike Ford and Andi Story
January 2005

Alaska Kids Count! Juneau

Our Goals for Foundation and Local Funding for Public Schools

Juneau's class sizes continue to grow and as a result the quality of our children's education continues to erode. For example, Harborview School has a kindergarten class with 26 children and Auke Bay School has a third grade class with 30 children this year. As parents, we see the need for smaller class sizes and know how fewer children in a classroom allow teachers more time for individual attention to meet each child's learning needs.

Alaska Kids Count supports reducing average class size to reach the Juneau School Board's published class size goals. These are modest ratios and do not reflect an ideal.

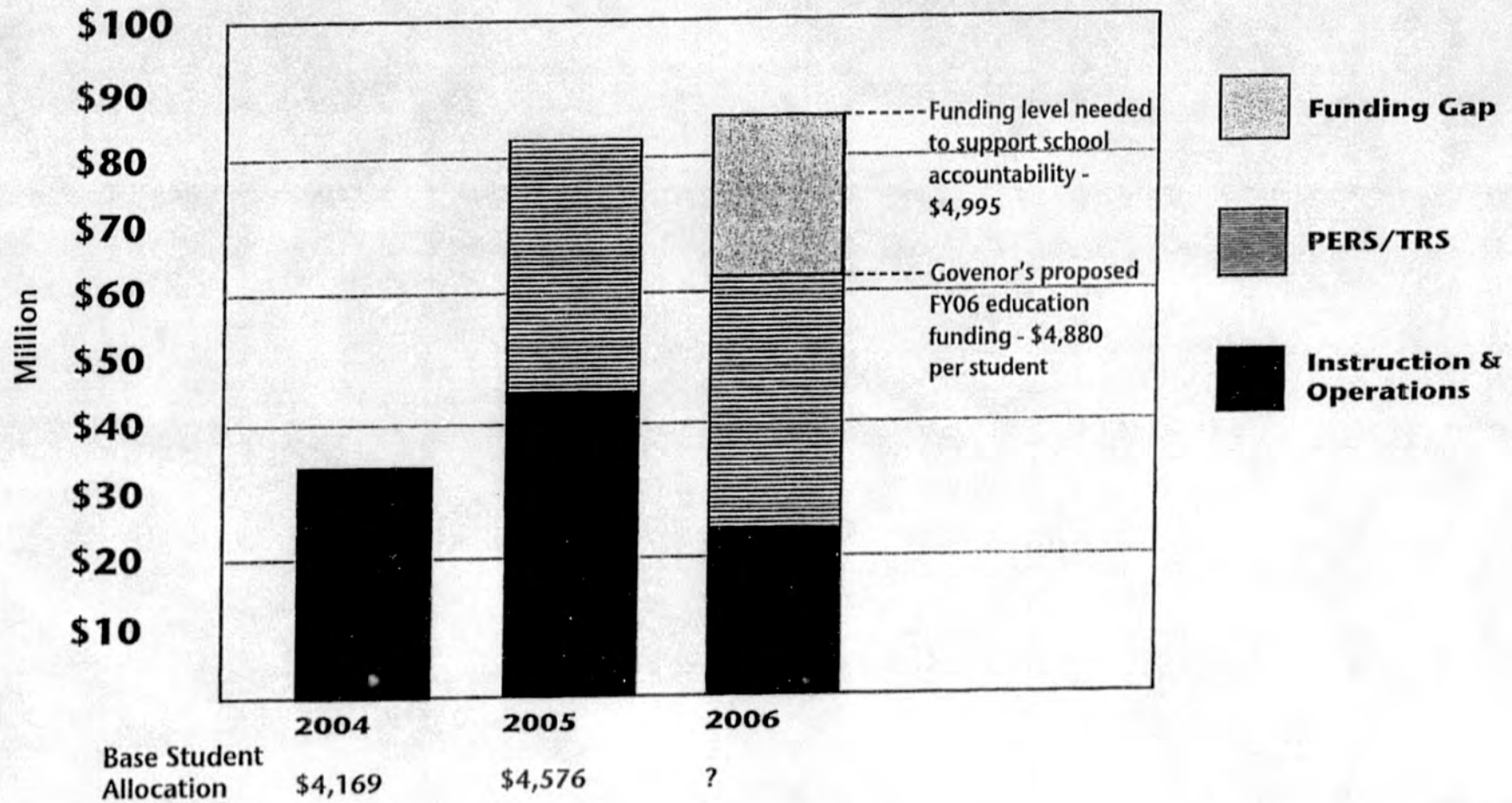
<u>Grades</u>	<u>Board Goal</u>	<u>Current Average Class Size</u>
K-2	20	K-5 combined at 25
3-5	25	
6-8	30	32
9-12	30	32

Alaska Kids Count also supports meeting specific instructional needs that affect the classroom such as special education and English as a Second Language, and matching requirements for independent Arts for Kids grant initiatives. These services directly impact the quality of education available to Juneau's students.

To meet these goals, Alaska Kids Count supports an increase in Foundation funding of approximately \$112 million statewide, \$50 million more than the Governor's proposed funding level. This would generate an increase of approximately \$1.8 million in state education funding for Juneau. This requires an estimated Base Student Allocation of \$5120.

The Governor's proposal is a \$62 million increase with \$38 million for retirement and \$24 million to compensate for inflation. Even assuming a \$900 thousand local contribution (to the "cap"), the Governor's proposal requires \$600 thousand in cuts to Juneau's schools. While Alaska Kids Count appreciates the Governor's proposal, we ask the Governor and the Legislature to do more for Alaskan students. Our example is specific to Juneau, but is representative of other school districts' needs.

Proposed School Funding





GALENA CITY SCHOOL DISTRICT

GALENA, ALASKA 99741

PHONE (907) 656-1205

FAX (907) 656-2238

SUPERINTENDENT

Jim Smith

To: House Education Committee
Re: Galena City School Position Statement
"School Finance"
Date: February 8, 2005

Please let me note the floor will consume much of any increase we might get, especially if it is applied to PERS/TERS additional dollars as well. Last year the floor was froze for that portion of the increase which helps. For the fifteen schools left with the floor, funding services continues to be a "slippery-slope". The Galena City School District has survived to date by diversifying our operations which for some in the education community is unsettling. If the floor must exist to expiration I would guess that some programs will exhaust with it. No matter what numbers we are using for budget planning next year, the current \$4,869 base or \$4880, the reductions driven by the floor leave us in a recession. Thus any chance we have of any increase is determined by how the floor is addressed for the increase covering PERS/TERS costs and or even the educational services portion of the legislated increase. If we had wish, the floor would be froze as was done a couple years ago, or it would be eliminated.

- 1) Using the current base number, FY 05 \$4,576.
- 2) Joining the FY05 (this year) increase, Galena has dealt with a loss in correspondence school numbers as well as the funding floor so our additional funding has not even covered the increased PERS/TERS costs. With the advent of the new state board spending limits for state-wide correspondence schools we are suffering a student count reduction in the neighborhood of 294 students (-\$1,072,380 in state ADM). At this point, schools haven't final funding numbers from DEED. I believe their waiting for final numbers on federal impact aid. Currently we have entered into collective bargaining with our employee groups. We have utility increases brought on from \$.70 per gallon increased fuel costs, of course increased PERS/TERS costs projected next year up \$391,706, and we still have a funding floor projection of \$919,767 that must be consumed which negates 40% of any increase to come our way all along with other inflationary increases?
- 3) I would project that Galena will be working with a \$700,000 to \$1,000,000 deficit. If we were to use the \$4880, that would generate an additional \$66,880 for the 220 students in the village and an additional \$75,548 for the 3434 correspondence school students. Thus a total increase of \$142,428 in ADM. Remember the floor consumes 40%. We're looking at better than a half million dollar shortfall. We've already identified four positions that will be gone into next year.

I hope these numbers represent our need. Galena finds little compassion from many sources regarding funding challenges which is the reason that we've worked so hard to diversify programs. We'll make the necessary cuts to meet the mark but not diminish quality. Thank you for any positive attention you might offer.

Jim Smith
Superintendent

February 10, 2005.

Representative Neuman
House Special Committee on Education
907-465-4822

Dear Representative Neuman,

The Glacier Valley Site Council strongly supports arts education for all students in the Juneau School District. Substantial research shows that the arts positively affect not only children's academic achievement, but their social and emotional development, as well. Here are just a few of the reasons why the GV Site Council strongly encourages the House Special Committee on Education to make the arts a priority in our schools:

- The *No Child Left Behind Act's* definition of core academic subjects includes the arts
- Studies nation-wide show that the arts can be utilized as a remedy for the school district's Five Strategic Goals (Drop-Out, Native Success, Healthy Behaviors, Staff Development, Community), and
- Academic achievement through an arts-integrative model is already established at a local level, both quantitatively and qualitatively.

At Glacier Valley we believe in arts education and would like to see equitable art programs introduced into the schools, especially a visual art program for our elementary schools. The cost for such a program across the district would be \$200,000 per year. We hope that the legislature will consider this program's impact on our children's success in school, as well as the importance of equity in art education across the district. If you have any questions, please feel free to contact Glacier Valley's principal, Ted Wilson, at 463-1801.

Sincerely,

Members of the Glacier Valley Site Council



Alaska State Legislature

Please enter into the record my testimony to the House Education
committee name

Committee on Education Funding Bills, dated 2-8-05
bill # / subject public hearing date

Good afternoon,

Attached is some information about the Kenai Peninsula Borough School District that may be useful in your work on funding K-12 education.

Hopefully, the FAQ's will help clear up some of the confusion I sensed during today's audio conference. Also attached is the updated Board of Education's State Legislative Priorities and Resolution 04-05-3, both acted on by the Board at last night's meeting. These documents were the basis for my comments today.

Please let me know if you have any questions. I will be traveling the next few days, however, I may be reached by cell phone at 907-398-4339.

Thank you for all you do on behalf of Alaskans!

Melody Douglas, CFO

Signed: Melody Douglas
Testifier
Kenai Peninsula School District
Representing (optional)
148 S. Binkley Soldotna, AK 99669
Address
(907) 262-5846 (907) 398-4339 cell
Phone number

Rex Shattuck

From: Melody Douglas [mdouglas@kpbsd.k12.ak.us]
: Tuesday, February 08, 2005 5:23 PM
Rep. Carl Gatto; Rep. Bob Lynn; Representative_William_Thomas@legis.state.ak.us; Rep. Peggy Wilson; Rep. Les Gara; Rep. Mark Neuman; Rep. Woodie Salmon
Cc: dpeterson@kpbsd.k12.ak.us; MaryBea Byrne; kevans@kpbsd.k12.ak.us
Subject: Kenai Peninsula Borough School District Information
Attachments: Resolution 04-05-3.doc; Legislative Priorities.doc; Frequently Asked Questions.doc



Resolution
4-05-3.doc (41 KB)



Legislative
Priorities.doc (39...



Frequently Asked
Questions.doc...

Good afternoon,

Attached is some information about the Kenai Peninsula Borough School District that may be useful in your work on funding K-12 education. Hopefully, the FAQ's will help clear up some of the confusion I sensed during today's audio conference. Also attached is the updated Board of Education's State Legislative Priorities and Resolution 04-05-3, both acted on by the Board at last night's meeting. These documents were the basis for my comments today. Please let me know if you have any questions. I will be traveling the next few days, however, I may be reached by cell phone at 907-398-4339.

Thank you for all you do on behalf of Alaskans!

Melody Douglas, CFO

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Resolution 04-05-3

RESOLUTION ON STUDENT FUNDING

Whereas, the Governor recognizes the challenge of creating a quality educational system and desires to continue to improve education; and

Whereas, the Governor said in the State of the State Address: "... increases in the retirement system costs and unforeseen energy expenses have put too great a burden on local governments in the short term," and he introduced a funding bill to increase the foundation funding by \$62 million resulting in a base student allocation of \$4,880; and

Whereas, increasing student achievement and improving school performance (required by both the No Child Left Behind Act and Alaska statute and standards) will require schools to go beyond status quo operations and institute new or improved programs over the long term to address the specific unique needs of each student; and

Whereas, increasing student achievement and improving school performance require resources *beyond* those needed to simply address the increased costs of the retirement system and the unforeseen energy expenses; and

Whereas, the Kenai Peninsula Borough School District recognizes that improving student achievement will require a combination of the following strategies at a minimum:

- reducing Pupil Teacher Ratio (PTR) to 20:1 average at kindergarten
- reducing PTR to 22:1 average at 1-3rd grade
- reducing PTR to 26:1 at 4-6th grade
- expanding literacy resources and training in primary grades
- expanding distance education opportunities; and

Whereas, reaching a level of truly adequate foundation funding that will increase student achievement and improve school performance will require a reasonable and dependable trend of funding increases over a number of years; and

Whereas, by our district requesting a higher level of funding increase for 2006 than currently proposed by the Governor, we recognize that the benefit would accrue not only to our students but also to all students in Alaska, both urban and rural; now therefore be it

Resolved, That the Kenai Peninsula Borough School District strongly supports the funding bill introduced by the Governor to increase foundation funding; and be it further

Resolved, That the Kenai Peninsula Borough School District requests the Governor and Legislature increase the base student allocation to \$5086 for FY06 and make an additional appropriation of \$114 per Kenai Peninsula Borough School District student to assist with the additional fixed costs of operating rural schools. As the Kenai Peninsula Borough School District is a model for the State, with your support we can work together to make our children a true priority.

Attest:

Sammy Crawford, President
School Board

Sally Tachick
Notary Public
My Commission Expires 7/25/05

Kenai Peninsula Borough School District

Frequently Asked Questions

February 8, 2005

What are the District's statistics?

The District is the fourth largest district in the state with 9,546 students, housed in 44 schools in 21 communities covering 26,000 square miles. The District has 1125 employees: 600 certified staff, 470 support staff and 55 administrators. There are fifteen schools with under 100 students and five sites have severely limited access (they are not on a road system).

What base student allocation does the District need?

\$5200 is needed per the District's State Legislative Priorities, with a revised fiscal note, adopted at the February 7, 2005 Board of Education Meeting.

What will Governor Murkowski's recommended base student allocation of \$4880 cover for the District?

The Governor's recommendation does not cover the District's costs for FY06 operations due to scheduled increases in utility, insurance, salary and benefit costs. However, this increase in funding would enable the District to avoid a significant budget reduction process that has been experienced in recent years.

What does the District's Preliminary FY06 Budget include?

This is the District's first attempt to recover lost ground in pupil teacher ratios by lowering class sizes to more reasonable levels. The FY06 Preliminary Budget includes a modest change; primarily to the K-6 staffing formula. We have systematically increased class sizes in recent years in order to balance our budget to available revenue. The budget includes continuing other District programs as is.

What does the District need to address the true staffing needs of the District?

A base student allocation of \$5200 for FY06 is needed to address the needs outlined in the District's Legislative Priorities; this assumes continued funding to the cap by the Kenai Peninsula Borough.

What would a base student allocation of \$4995 do for the District?

This allocation would meet the obligations of the District for FY06 without use of fund balance and would allow the District to budget for a minimum number of unallocated temporary positions to offset, specifically at the 7-12 level, a portion of basic program offerings being lost through enrollment declines. In other words, schools of 400-500 students could possibly keep a minimum number of electives for one more year.

Attached for further clarification is the District's State Legislative Priorities and Resolution 04-05-3 approved by the Board of Education on February 7, 2005.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT 2005 STATE LEGISLATIVE PRIORITIES

**** Recognize that children are the first priority in the State of Alaska.***

By recognizing and declaring children as the top priority in Alaska, and encouraging support for programs guaranteeing their safety, health, and education, the stability of Alaska's future will be protected.

**** Assure that health and safety needs are met by providing accountability for all school-age children in the state.***

Having a choice of an educational delivery system is important to Alaskans. However, all children have a right to an education. A registration and educational accountability system for all school-age children will help protect their right to an education as well as help protect the health and safety needs of those least likely to care for themselves.

**** Fund education on a forward basis so that budgets are known prior to statutory requirements for notifying teachers of non-retention.***

School district issuance of teaching contracts is governed by state statute. Without knowledge of state funding, districts are required to balance their resources. In times of reduction, as a labor intensive workplace, this balancing occurs in school districts by having fewer people doing the job. A process of non-retaining teachers occurs in mid-March with reinstatement occurring once the budget amount is known, usually in mid-May. Funding for education should be established early so that adequate planning can occur.

**** Fully fund the contribution changes required to the Teachers Retirement System (TRS) and the Public Employees Retirement System (PERS) in addition to the State educational funding formula.***

An important factor in student academic achievement is highly qualified and committed employees. The state mandated employer contribution increase to TRS and PERS is in excess of \$2 million for KPBSD, equating to an increase of \$114 per student. Fully funding this increase in addition to the current educational funding formula ensures that the District is not forced to reallocate instructional funds to pay for this obligation.

**** Recognize, through adjustments to the area cost differential within the educational funding formula, the high cost of doing business in the Kenai Peninsula Borough School District.***

With fifteen schools of under 100 students, 44 separate school programs, and five sites with severely limited access, a cost differential of 1.004 is not sufficient to provide equitable education for communities throughout the peninsula. KPBSD continues to be efficient with low administrative costs, meeting 70/30% instructional/other cost requirements, and receiving the maximum funding available through the local contribution. Since 1984, studies have shown that KPBSD has received less consideration than other districts for the high cost of doing business. It is estimated that a single year's adjustment of over \$2 million to the cost differential for KPBSD (equates to an increase of \$114 per student) would result in a more equitable distribution of state resources for KPBSD students.

*** Increase the foundation formula to reduce large class sizes.**

With high academic achievement standards, federal mandates, and increased accountability, increasing class sizes are of concern to parents and educators. Due to budget constraints, KPBSD has been forced to increase the numbers of students in classrooms. Current pupil teacher ratios are 24:1 in grades K-3; 29:1 in grades 4-6, 24.5:1 in 7-12, and 19:1 in our K-12 small schools. In order to lower class sizes to the appropriate and research based averages of 18:1 in K-3, and 24:1 in 4-12, approximately sixty additional teachers would be needed in KPBSD. This would mean an increase of \$3.9 million, or the need for \$175 additional in the funding formula.

*** Inflation-proof the educational funding formula.**

Costs continue to rise in education as in any business. In Alaska, the Permanent Fund is adjusted for these increases but the educational funding formula is not. Therefore, regular expected increases to the cost of doing business each year require Districts to reduce budgets to account for inflationary costs. A regular mechanism for addressing increasing costs needs to be developed. An example of an annual estimated cost of living adjustment of 1.5% would be \$1.2 million, adding an additional \$69 per student to the funding formula.

Fiscal Note for KPBSD Legislative Priorities

	12-6-04 Legislative Priorities	1-5-05 Preliminary Budget	1-31-05 Revised Fiscal Note
Current per pupil state foundation formula amount	\$ 4,576	\$ -	\$ -
Governor's Proposal (\$62 million)	-	4,869 *	-
District needs per FY06 Preliminary Budget	-	-	4,980 ***
Retirement obligation (TRS/PERS)	114	-	-
Recognize area cost differential issues in KPBSD	114	114	114
Reduce large class sizes	175	106 **	106 **
Address higher costs of doing business each year	69	-	-
	<u>\$ 5,048</u>	<u>\$ 5,089</u>	<u>\$ 5,200</u>

* Increase in base student allocation of \$293 (revised to \$304 by DEED for \$4880) used to address all salary and benefit increases, property, liability and workers compensation increases, distance delivery upgrade, elementary reading curriculum

** Preliminary Budget contains approximately \$1.2 million of \$3.9 million legislative priority for reducing large class sizes

*** Additional base student allocation amount needed over Governor's proposal to balance FY06 revenues to expenditures
Note: no fund balance allocation of \$1.7 million needed with this scenario

Alaska Kids Count! Juneau

Our Goals for Foundation and Local Funding for Public Schools

Juneau's class sizes continue to grow and as a result the quality of our children's education continues to erode. For example, Harborview School has a kindergarten class with 26 children and Auke Bay School has a third grade class with 30 children this year. As parents, we see the need for smaller class sizes and know how fewer children in a classroom allow teachers more time for individual attention to meet each child's learning needs.

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<u>Grades</u>	<u>Board Goal</u>	<u>Current Average Class Size</u>
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Alaska Kids Count!



Who are we?

Alaska Kids Count! is a nonpartisan network of parents, educators and community members concerned about the quality of public education in Alaska and committed to making a positive contribution to improve Alaska's schools. It is a grassroots, volunteer effort.

The network's primary goal is to increase State funding to provide the resources needed to offer a high quality education to students in Alaska.

The network provides individuals with the tools and information needed to effectively voice concerns to state and local decision makers. Information is shared primarily through email. Participants are encouraged to attend legislative hearings, write letters to elected officials and newspapers, make phone calls and distribute information on education issues and pending legislation.

Our guiding principles:

- * Parents, voicing their individual and collective concerns, are a powerful and effective lobby.
- * Advocacy will be most effective if it is done collaboratively with parents, educators and organizations from across the state.
- * It is the State's constitutional obligation to provide a free K-12 public education. It is the Legislature's responsibility to determine the means of funding it.
- * To be effective, we must be persistent.

Alaska Kids Count! originated in January 2004 in response to parent concerns about diminishing resources and opportunities in Juneau's public schools. We have evolved into a statewide organization with contacts across the state, with our base of operation in Juneau.

To learn more about Alaska Kids Count! write to williwaw@earthlink.net or visit our web site at www.AlaskaKidsCount.org.

Alaska Kids Count! Steering Committee
Mary Hakala, Mike Sigler, Mike Ford and Andi Story
January 2005

Rex Shattuck

From: Kris Moore [mooreofus@gci.com]
Monday, February 07, 2005 8:45 AM
mooreofus@gci.net
Subject: Five minutes is all it takes-- TAKE 5 TODAY!

I know how busy we are as educators, parents and involved community members. I am asking you to find a minimum of five minutes and help advocate for quality schools in the state of Alaska.

You do not have to be an expert or understand the details of education funding, which is very complicated and confusing. You also cannot remain silent.

This week the House Education committee will be hearing testimony on education funding.

IF YOU CAN ATTEND AT YOUR LOCAL LIO ON TUESDAY OR THURSDAY, AT 11:00AM, PLEASE GO AND PROVIDE A PUBLIC TESTIMONY OF YOUR STUDENT'S NEEDS.

Funding for additional schools, adequate funding for district goals, smaller classroom sizes, current text books and materials, lower fees and material co-pays, less school fundraisers, funding that will allow decisions to be made based on what's best for kids...etc..

If you cannot attend, please take five minutes to call the LIO office (matsu--376-3704)

They will assist you in sending a message to the members of the education committee and our local legislators. This is the simplest way to use your voice and everyone can and should do it.

and that you can call, email, write, etc...legislators directly using the contact information previously provided.
[http://w3.legis.state.ak.us/home.htm?](http://w3.legis.state.ak.us/home.htm)

Make these contacts today, Monday. Legislators need to hear from YOU, yes you...EACH OF YOU..and please encourage others to take 5 today, also.

In addition, Representative Kohring will be at Wasilla City Hall tonight from 6-8. This is an excellent opportunity for us to be visible to our elected officials.

As always, contact me if you need additional support or information. Several of you have had a difficult time replying to my emails, please make sure your address is correct at mooreofus@gci.net

Since you are at your computer now, why not send a POM over the internet...
<http://www.legis.state.ak.us/poms/>

Take this link and your message is on its way.

Take 5 today!

Kris Moore
Voices for Children
373-2684
mooreofus@gci.net

House Special Committee on Education members Rep_Mark_Neuman@legis.state.ak.us
_Carl_Gatto@legis.state.ak.us Rep_Bob_Lynn@legis.state.ak.us Rep_Bill_Thomas@legis.state.ak.us
Rep_Peggy_Wilson@legis.state.ak.us Rep_Les_Gara@legis.state.ak.us
Rep_Woodie_Salmon@legis.state.ak.us



NEA-ALASKA

Affiliated with the National Education Association

Bill Bjork testimony before House Education **February 10, 2004**

Good Morning Chairman Neuman and members of the House Education Committee. For the record my name is Bill Bjork and I serve as President for the more than 12,500 members of NEA-Alaska.

To begin, let me applaud the committee for hearing all of the education legislation and allowing testimony from across Alaska to determine the level of State funding for K-12 education in Alaska.

You have heard from several districts and parents advocating for a per student figure in the Base Student Allocation (BSA). The numbers vary, because the specific pupil needs in each school district vary. Many are attempting to reduce large class sizes. Others cite the need for intervention programs and reading programs as a means to address the under-funded federal mandates of No Child Left Behind. While the numbers and needs vary, the reasoning behind the numbers is similar. **What will it take to meet Alaska's constitutional mandate to establish and MAINTAIN a public education system open to all?**

Last year, the 23rd Alaska Legislature passed a K-12 funding increase of \$407 per student in the BSA. NEA-Alaska applauds and sincerely appreciates this effort. The debate last session revolved around what amount of funding would it take to not have to cut programs and personnel. This year there appears to be the same conversation. Governor Murkowski has proposed a \$62 million (\$304 per student) increase that would indeed cover the TRS/PERS contribution rate increase and address inflation for the past year. This proposal covers two legs of the three-legged "education funding" stool. It does not take into account pupil needs; the resources needed for students to achieve up to State and federal standards.

We talk often about adequate funding for K-12 education. Most legislators, school board members, public school employees and parents ask us, what is adequate? Everyone wants a number, but adequacy in education truly means that Alaska's schools will have the resources necessary to offer opportunities for all students to achieve to standards--leaving no child behind!

Alaskans realize that there were 20 years (1983-2002) of flat funding that did not keep pace with inflation. During that timeframe inflation ate away 47% of the buying power of the student dollar. Former Senator Rick Halford was fond of saying "when you're trying to get out of a hole, stop digging." Two years ago the legislature quit digging. Last year the legislature began backfilling the funding hole! This year we are confident that there will be the resources available to continue addressing K-12 funding needs.

NEA-Alaska is advocating a BSA increase of \$739 per student (approx - \$148 million) to address TRS/PERS, inflation (About \$60-62 million total) and to make a down payment towards adequacy. This amount would not just stop at holding the status quo from last year, but start on the road to providing an adequate and meaningful education for the 133,000 students in Alaska's K-12 public schools.

Thank you for your time and I would be happy to answer questions.

Department of Education and Early Development
 Prepared 2/18/05
 Base Student Allocation Proposals

Prepared by Mindy Lobaugh

\$ to Education [in millions]	\$ to PERS [in millions]	Requestor	BSA	Increase over Prior Year [in millions]	\$ Increase to BSA	% Increase to BSA over 2005
		2004	\$ 4,169	-	-	-
43.9	38.6	2005	4,576	82.5	407	-
23.0	38.1	2006 Governor	4,880	61.1	304	6.64%
27.3	38.1	2006 HB1(EDUC) Carl	4,896	65.4	320	6.99%
32.0	38.1	2006HB1(HESS) Peggy	4,919	70.1	343	7.50%
47.7	38.1	2006 AASB Carl Rose	4,995	85.8	419	9.16%
113.9	38.1	2006 NEA	5,315	152.0	739	16.15%
73.5	38.1	2006 Alaska Kids Count	5,120	111.6	544	11.89%

SCOMM

137:10

AMMENDMENT #1 TO CSHB 13

Page number 5 line 3

are located in a school district with an average daily membership of 500 or more, and have a four year growth rate of 10%,

Page number 5 line 12

are located in a school district with an average daily membership of 500 or more, and have a four year growth rate of 10%,

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

J-3867 or 465-2450
^ (07) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 3, 2005

SUBJECT: Municipal Bonds for School Construction, HB 13
(Work Order No. 24-LS0062\Y)

TO: Representative Mark Neuman
Attn: Rex Shattuck

FROM: Jean M. Mischel
Legislative Counsel 

Enclosed is the committee substitute you requested placing a limit on the bill's applicability to areas with a "high" student population. I have made a judgment that a "high" student population is an ADM of 500.

As you are aware, a Superior Court summary judgment order in *Kasayulie* inspired the passage of additional general obligation bonds to pay for capital improvement projects for schools prioritized but not previously funded in the rural school districts or REAAs. The *Kasayulie* court required in 1999 that the state use a funding scheme that adequately maintains rural schools and to have a compelling reason for inequality of facility funding. In the past, the state apparently lacked that scheme. In the 22nd Legislature, general obligation bonds were proposed and approved in an amount (\$171 million) thought to strike a compromise between rural and urban school facility funding in exchange for a two year extension for restricted approvals under AS 14.11.100(a)(9) and (10), and the addition of unrestricted approvals for municipal bonds reimbursement for a five and a half year period under AS 14.11.100(a)(11) and (12) (§§ 6 - 8, ch. 3, SSSLA 2002).

As a final technical matter, the absence of an existing cross-reference to paragraphs (a)(11) and (12) in subsections AS 14.11.100(h) and (i), has been left alone. It does not appear to have a substantive effect since (a)(11) and (12) contain the (h) and (i) limitation internally.

If I may be of further assistance, please advise.

JMM:jad
05-134.jad

Enclosure

24-LS0062\Y
Mischel
3/3/05

CS FOR HOUSE BILL NO. 13()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES GATTO AND GRUENBERG, Thomas, Gara, Gardner, Lynn

A BILL

FOR AN ACT ENTITLED

**"An Act relating to reimbursement of municipal bonds for school construction; and
providing for an effective date."**

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

*** Section 1.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

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

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

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

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more

than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified

voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30,

1999, but before July 1, 2006 [JANUARY 1, 2005], to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), are located in a school district with an average daily membership of 500 or more, and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before July 1, 2006 [JANUARY 1, 2005], to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), are located in a school district with an average daily membership of 500 or more, and are not reimbursed under (n) or (o) of this section.

* Sec. 2. The uncoded law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. This Act is retroactive to January 1, 2005.

* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

HOUSE COMMITTEE REPC T

(7)

Date Referred to Committee: January 10, 2005

FURTHER REFERRALS: YES

Finance

Date of Committee Action: 4 Mar 05

The HOUSE SPECIAL COMMITTEE ON EDUCATION considered:

HB 13

HOUSE BILL NO. 13

SCHOOL CONSTRUCTION BOND REIMBURSEMENT

"An Act relating to reimbursement of municipal bonds for school construction; and providing for an effective date."

Recommends it be replaced with ☐ HCS or ☐ CS for _____ (_____)

For Senate Bills with new title: ☐ Technical Title ☐ New Title: HCR_____ ☐ Same Title ☐ New Title

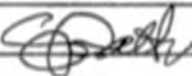
[] attach amendments

☐ add new referral to _____ Committee

☐ Letter of Intent _____ Committee

List of
Abbrev
for
Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
HSS
LEG
LAW
LWF
MVA
DNR
DPS
REV
DOT
UA

[illegible][illegible]

Signing <u>with recommendations</u>		Printed Last Name	DP	DNP	NR	AM
		Rep. George	✓			
		Rep. Gatto	X			
		Rep. Wilson	✓			
		Rep. Thomas	X			
Chair:		Rep. Newman	✓			
Chair:						

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 13
 (H) Publish Date: 3/4/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title "An Act relating to reimbursement of municipal RDU ESS
bonds for school construction; and provide for an effective ..." Component School Debt Reimbursement
 Sponsor Rep. Gatto & Rep. Gruenberg
 Requester _____ Component No. 153

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	0.0	*	*	*	*	*

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Act will extend the Debt Reimbursement program for another year and a half. Since there is no limit on the principal amount that can be approved for reimbursement it is not possible to project the increase to the Debt Reimbursement program for fiscal years 2007 and beyond.

Prepared by: Eddy Jeans, Director
 Division: School Finance
 Approved by: Karen Rehfeld, Deputy Director
 Agency: Education & Early Development

Phone 465-8679
 Date/Time 1/24/05 3:52 PM
 Date 1/24/2005

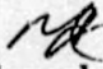
Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182


Representative Max Gruenberg

Representative Carl Gatto 

Sponsor Statement and Bill Analysis

HB 13 – Reimbursement of Municipal Bonds for School Construction

This bill extends until July 1, 2006 the statutory date for municipalities to receive reimbursement from the state for school construction and renovation bonds. The previous law expired January 1, 2005.

The two changes to the existing statute are on the last page of the bill.

January 2005

Anchorage School District POSITION STATEMENT: HB 13

W) 907-742-4322 (F) 907-742-4417
Wiget_Larry@asdk12.org

TO: HOUSE SPECIAL COMMITTEE ON EDUCATION

FROM: CAROL COMEAU, SUPERINTENDENT *Carol Comeau*
TIM STEELE, PRESIDENT, ANCHORAGE SCHOOL BOARD *T.S.*

CONTACT: LARRY WIGET, DIRECTOR, GOVERNMENT RELATIONS

SUBJECT: HB 13: RELATING TO REIMBURSEMENT OF MUNICIPAL
BONDS FOR SCHOOL CONSTRUCTION

In its current form, HB 13 proposes extending the state law reimbursing municipalities 60-70% of the cost of school construction bonds from January 1, 2005 to July 1, 2006. The Anchorage School Board and Administration support HB 13 and would like to see the bill amended to extend the deadline to July 1, 2010.

The Anchorage School Board is responsible for providing an adequate educational environment for the students of Anchorage. To fulfill this obligation, the School Board regularly engages in comprehensive long-range planning of school facility construction, renovation, and maintenance. On an annual basis, the School Board adopts a Six-Year Capital Improvement Plan (CIP) that addresses the anticipated levels of student enrollment and shifts in enrollment, along with school facility condition and functionality from an educational perspective. This plan delineates the construction priorities for the District over each succeeding six-year period. It is reviewed annually as conditions change.

With nearly 94 school buildings in our care, a few major renovation and construction projects are needed nearly every year to keep all of our facilities in good, safe condition and to ensure they are highly effective learning environments. Extending the debt reimbursement program to July 1, 2010, will help meet school construction needs in areas of the state that are able to bond for school facilities. It will also provide stability in state funding, subject to annual appropriation by the legislature and approval of bonds by local taxpayers, to enable the Anchorage School District and others to meet future construction needs.

Keeping a promise made to voters last fall, Anchorage School District Superintendent Carol Comeau did not propose school bonds for the April 2005 municipal ballot. We pledged to voters and taxpayers that if the school bonds on the November 2, 2004 special election ballot were approved, then we would not seek additional bonds in April. We are keeping that promise. School bonds,

however, are needed in coming years and 60% - 70% debt reimbursement is critical to our municipalities in the state.

The Anchorage School District supports HB 13 and encourages the Alaska Legislature to extend the deadline to July 1, 2010.

Debt Reimbursement

Safe, efficient, and technologically appropriate infrastructure is an essential ingredient in achieving academic success. This has largely been accomplished through the successful partnership between the Legislature and local taxpayers. The Anchorage School Board requests the Legislature and the Governor's Office to continue this partnership by fully honoring all past commitments for bonded indebtedness reimbursement.

To meet future school construction needs, the Anchorage School Board requests that the Legislature and the Governor's Office reinstate and extend the school debt reimbursement program for new local bond propositions and continue to fully fund that program.

- 2005 ASD Legislative Priority

cc: Anchorage School Board

Rex Shattuck

From: Harvey, Tom [AK] [Tom.Harvey@neaalaska.org]
Sent: Thursday, January 20, 2005 7:16 PM
To: Bjork, William (contact) [MB]
Cc: Alcantra, John [AK]
Subject: LCS Message 012005

**Legislative Update**Contact your NEA-Alaska Government Relations TeamContact your legislatorsLegislative committeesBills on the move

Alaska's Children, Alaska's Future

Thursday, January 20, 2005**Actions Necessary:**

- ✓ ***Work with your school district to determine the FY '06 budget needs and the budget necessary to provide every child an opportunity to meet state standards***

Over the past two days many legislators have been asking what will it take to fund K-12 this year. Is the Governor's proposal enough? NEA-Alaska has continually said, "No." The Governor's proposal (\$62 million; \$304 increase; BSA of \$4,880) covers the rate increase of TRS & PERS and covers the inflation for the past year. It does not help restore program losses of the past. What is the correct number?

The Kenai Peninsula Borough School District has called for \$96 million, which is a \$472 increase or a BSA of \$5048. According to their figures this covers inflation, TRS & PERS, area cost differential increases and smaller class sizes (18:1 k-3, 24:1 in 4-12)

The Juneau School District has indicated that even with the Governor's proposal and a funding to the cap by the city, the school district will have to cut \$625,000. In order to fund the priority of reducing class sizes, the Governor's proposal would need to be tripled, which is a BSA increase of \$912 (BSA of 5488).

The Anchorage School District has indicated that with the Governor's proposal and the increase in local effort required by state law, the district will still need to cut \$10 million. This will mean larger class sizes.

Thus, the preliminary data says the Governor's proposal is not enough. The following comment was heard in the legislative halls this week: "Last year the state had a \$50 million surplus and K-12 got an \$82 million increase. So with a \$300 million surplus, should the schools get the same \$82 million increase a smaller increase or a larger increase?"

Yesterday President Bjork testified before the House Judiciary in favor of HB 41, Assaults on School

1/23/2005

Employees, sponsored by Reps. Lynn and McGuire with co-sponsors Reps. Anderson, Wilson, Ramras. The bill was held over by the committee for further consideration. NEA-Alaska will be providing a written response to questions asked by the committee members. Governor Murkowski has also submitted a bill on the same subject calling for the assault to be an aggravating factor.

House Finance heard an overview of PERS & TRS yesterday. NEA-Alaska was present at the overview and received a copy of the presentation made by Retirement & Benefits and Mercer, the actuary for the state. It was noted that the actuary readily admitted to several of the issues raised by NEA-Alaska in its flyer to members in October. The bottom line was that a new tier system would not do anything to reduce the present liability of PERS and TRS. Both the TRS trustees and the PERS trustees considered making a recommendation for new tiers and the motions failed. ***NEA-Alaska opposes the creation of new tiers and believes that a defined contributions system, as proposed by some, is bad public policy.***

EDUCATION FUNDING

SB 1 (Sen. Wilken) increases the Base Student Allocation (BSA) from \$4,576 to \$4,880, a \$304 increase, which requires a \$62 million appropriation. \$62 M covers the employer contribution rate increase for TRS & PERS (\$38 M) and the cost of inflation (\$24M). ***NEA-Alaska supports the increase to the BSA and believes the third component to K-12 funding, adequate instructional programs, needs to be addressed.***

There are several other bills calling for increases to the BSA: HB 1 (Rep. Gatto) a \$13 increase; HB 18 (Rep. Wilson) a \$124 increase; SB 13 (Sen. Gary Stevens) a \$293 increase.

Thank you for your interest in public education.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB013-EED-ESS-01-24-05
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title "An Act relating to reimbursement of municipal RDU ESS
bonds for school construction; and provide for an effective ..." Component School Debt Reimbursement
 Sponsor Rep. Gatto & Rep. Gruenberg
 Requester _____ Component No. 153

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	0.0	*	*	*	*	*

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Act will extend the Debt Reimbursement program for another year and a half. Since there is no limit on the principal amount that can be approved for reimbursement it is not possible to project the increase to the Debt Reimbursement program for fiscal years 2007 and beyond.

Prepared by: Eddy Jeans, Director Phone 465-8679
 Division: School Finance Date/Time 1/24/05 3:52 PM
 Approved by: Karen Rehfeld, Deputy Director Date 1/24/2005
 Agency: Education & Early Development

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 13

1 Page 1, line 1, following "Act":

2 Insert "relating to the school construction grant fund;"

3

4 Page 1, following line 3:

5 Insert new bill sections to read:

6 "* Section 1. AS 14.11.008(a) is amended to read:

7 (a) In order to receive a grant under this chapter or an appropriation under
8 AS 37.05.560, a district must

9 (1) be

10 (A) a rural educational attendance area;

11 (B) a municipal school district and, as of June 30 of the
12 previous fiscal year, have a population of less than 1,000; or

13 (C) a municipal school district that operates schools on a
14 military reservation; and

15 (2) provide a percentage share of the project cost, as determined under
16 (b) or (c) of this section; a [A] district shall provide the required participating share
17 within three years after the date that the appropriation bill funding the grant is passed
18 by the legislature.

19 * Sec. 2. AS 14.11.008(a) is repealed and reenacted to read:

20 (a) In order to receive a grant under this chapter or an appropriation under
21 AS 37.05.560, a district must provide a percentage share of the project cost, as
22 determined under (b) or (c) of this section. A district shall provide the required
23 participating share within three years after the date that the appropriation bill funding

1 the grant is passed by the legislature.

2 * **Sec. 3.** AS 14.11.008 is amended by adding a new subsection to read:

3 (g) Grant funds provided to a municipal school district under (a)(1)(C) of this
4 section may only be used for the costs of school construction or major maintenance for
5 a school located on a military reservation.

6 * **Sec. 4.** AS 14.11.011(a) is amended to read:

7 (a) A municipality that is a school district or a regional educational attendance
8 area eligible under AS 14.11.008(a) may submit a request to the department for a
9 grant under this chapter.

10 * **Sec. 5.** AS 14.11.011(a) is repealed and reenacted to read:

11 (a) A municipality that is a school district or a regional educational attendance
12 area may submit a request to the department for a grant under this chapter."
13

14 Page 5, lines 13 - 16:

15 Delete all material and insert:

16 " * **Sec. 7.** AS 14.11.008(g) is repealed.

17 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 **RETROACTIVITY.** If, under sec. 9 of this Act, secs. 1, 3, 4, and 6 of this Act take
20 effect, they are retroactive to January 1, 2005.

21 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
22 read:

23 **CONTINGENT EFFECT.** Sections 1 - 7 of this Act take effect only if, at the first
24 regular session or at a special session, the Twenty-Fourth Alaska Legislature passes a bill
25 appropriating an amount equal to or more than \$100,000,000 to the school construction grant
26 fund under AS 14.11.008 - 14.11.011, as amended by secs. 1, 3, and 4 of this Act, and that bill
27 becomes law not later than October 1, 2005.

28 * **Sec. 10.** If, under section 9 of this Act, secs. 2, 5, and 7 of this Act take effect, they take
29 effect July 1, 2006.

30 * **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect immediately under
31 AS 01.10.070(c)."

ALASKA COUNCIL



OF SCHOOL ADMINISTRATORS

326 Fourth Street, Suite 404 • Juneau, Alaska 99801

Phone: (907) 586-9702 • Fax: 586-5879

web site: www.alaskaacsa.org

Alaska Council of School Administrators

January 31, 2005

Representative Mark Neuman, Chair
House Special Committee on Education

Dear Chair Neuman and Committee members:

Enclosed is resolution 04-8, *Bond Debt Reimbursement*, adopted by the organizations that make up the Alaska Council of School Administrators. This resolution is presented in support of HB 13.

Respectfully submitted,

Mary A. Francis, Ph.D.
Executive Director

Resolution 04-8

BOND DEBT REIMBURSEMENT

WHEREAS, the voters have supported several local and statewide bond initiatives for school construction and major maintenance; and

WHEREAS, the public was informed that local and statewide bond efforts would receive State support in the repayment of the bond effort; and

WHEREAS, the planning of construction projects and major maintenance efforts were carefully considered with anticipated budget information secured from a variety of sources, including information from the State of Alaska; and

WHEREAS, a significant reduction in the repayment schedule from the State of Alaska will adversely affect local budgets at an extremely challenging time; now

THEREFORE IT IS RESOLVED that the Alaska Council of School Administrators supports full funding of previously approved bonds as they were presented to the people of local communities and a continued debt reimbursement program that also allows participation by districts unable to bond.

Adopted by the Alaska Council of School Administrators (AASA, AAESP, AASSP and ALASBO) October and December 2004.

HOUSE COMMITTEE REPC T

(7)

Date Referred to Committee: January 10, 2005

FURTHER REFERRALS: HES
Finance

Date of Committee Action: 4 Mar 05

The HOUSE SPECIAL COMMITTEE ON EDUCATION considered:

HB 13

HOUSE BILL NO. 13

SCHOOL CONSTRUCTION BOND REIMBURSEMENT

"An Act relating to reimbursement of municipal bonds for school construction; and providing for an effective date."

Recommends it be replaced with ☐ HCS or ☐ CS for _____ (_____)
 For Senate Bills with new title: ☐ Technical Title ☐ New Title: HCR _____ ☐ Same Title ☐ New Title

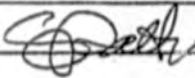
[] attach amendments

☐ add new referral to _____ Committee

[] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
HSS
LEG
LAW
LWF
MVA
DNR
DPS
REV
DOT
UA

[illegible][illegible]

Signing <u>with recommendations</u>		Printed Last Name	DP	DNP	NR	AM
		Rep. Garcia	✓			
		Rep. Gatto	✗			
		Rep. Wilson	✗			
		Rep. Thomas	✗			
Chair:		Rep. Newman	✓			
Chair:						

January 2005

Anchorage School District

POSITION STATEMENT: HB 13

W) 907-742-4322 (F) 907-742-4417
Wiget_Larry@asdk12.org

TO HOUSE SPEICAL COMMITTEE ON EDUCATION

FROM CAROL COMEAU, SUPERINTENDENT *Carol Comeau*
TIM STEELE, PRESIDENT, ANCHORAGE SCHOOL BOARD *P.T.S.*

CONTACT: LARRY WIGET, DIRECTOR, GOVERNMENT RELATIONS

SUBJECT: HB 13: RELATING TO REIMBURSEMENT OF MUNICIPAL BONDS FOR SCHOOL CONSTRUCTION

In its current form, HB 13 proposes extending the state law reimbursing municipalities 60-70% of the cost of school construction bonds from January 1, 2005 to July 1, 2006. The Anchorage School Board and Administration support HB 13 and would like to see the bill amended to extend the deadline to July 1, 2010.

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however, are needed in coming years and 60% - 70% debt reimbursement is critical to our municipalities in the state.

The Anchorage School District supports HB 13 and encourages the Alaska Legislature to extend the deadline to July 1, 2010.

Debt Reimbursement

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To meet future school construction needs, the Anchorage School Board requests that the Legislature and the Governor's Office reinstate and extend the school debt reimbursement program for new local bond propositions and continue to fully fund that program.

- 2005 ASD Legislative Priority

cc: Anchorage School Board

House EDUCATION Minute**Mar 03, 2005**HB 13-SCHOOL CONSTRUCTION BOND REIMBURSEMENT

CHAIR NEUMAN announced that the first order of business would be HOUSE BILL NO. 13 "An Act relating to reimbursement of municipal bonds for school construction; and providing for an effective date."

11:10:38 AM

REPRESENTATIVE GATTO, sponsor to HB 13, stated that this legislation is a way for urban districts to finance school construction. He said that there is a shortage of space in several areas in Alaska, specifically in the Mat-Su Valley and Anchorage and as schools deteriorate, they need replacement. He related that this bill allows for the construction of schools where the state supplies 70 percent of the cost and the homeowners and residents of the area supply 30 percent.

REPRESENTATIVE THOMAS commented that Haines is an organized municipality and qualifies [for the proposed legislation].

REPRESENTATIVE GATTO stated that he is unaware of any areas in the state that would not qualify for the "70/30" division of funding. He remarked that this funding is open to everyone in the state if those interested, apply.

CHAIR NEUMAN asked if this legislation will act like a new school bond or if it can be used for repairs and maintenance.

REPRESENTATIVE GATTO said that this legislation does not cover routine repairs and maintenance, but does apply to reconstruction or major maintenance.

11:13:55 AM

REPRESENTATIVE GARA commented that this legislation is something that wealthier [or urban] districts in the state can take advantage of. Since many of the rural communities don't do matching bond contributions, he related, those schools are usually funded through an appropriation. He said that if school construction is pushed in places that need it, then he would like a commitment from the sponsor to address the needs of rural districts [that cannot benefit from this legislation]. He questioned if [this legislation] is viewed as a global way to help all the school districts. He asked if Representative Gatto supports the funding of rural school district construction and maintenance.

REPRESENTATIVE GATTO reminded Representative Gara that legislation enabling the "70/30" split construction issue expired [January 1, 2005]. He related that some districts didn't have bonding available or didn't put bonding out at the