SCOMM

153:6

25th Alaska State Legislature
Joint Legislative Education Funding Task Force

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AGENDA
August 16, 2007
9:00 am – 4:00 pm
Lunch break: 12:00 pm - 1:00 pm

9 am – 12 pm Public testimony on recommendations/draft report

1 pm – 4 pm Review and edit recommendations/draft report

Joint Legislative Education Funding Task Force

Report to the Governor and Legislature

September 1, 2007

* * * Work Draft * * *

Joint Legislative Education Funding Task Force
Report to the Governor and Legislature

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Report to the Governor and Legislature

Members

Representative Mike Hawker – Chairman

Senator Bert Stedman – Vice-Chairman

Senator Johnny Ellis

Senator Lyman Hoffman

Representative Reggie Joule

Representative Mike Kelly

Representative Bob Roses

Representative Paul Seaton

Senator Gary Stevens

Senator Gary Wilken

Public Member Carl Rose, Association of Alaska School Boards

Committee Aides: Juli Lucky, Paulyn Swanson, Charisse Millett

Report to the Governor and Legislature

Authority and charge

The Joint Legislative Education Funding Task Force (JLETF) was established by Senate Concurrent Resolution 11 (SCR 11), passed by the first session of the Twenty-fifth Alaska State Legislature. The JLETF was established for the purpose of examining school district cost differentials and the existing formula for distributing state aid for education. The JLETF was charged with:

- Evaluating proposals that are based on available facts and conclusions pertaining to school district cost factors and the foundation formula.
- Recommending improvements or additions to the laws providing for education funding
- Taking public comments on education funding and school district cost factors

The JLETF was directed to submit a report of its findings and proposed legislative changes to the governor and the legislature by September 1, 2007 and was authorized to make any additional reports it considered advisable.

This report constitutes the findings and proposed legislative changes of the JLETF.

The JLETF terminated on October 15, 2007 after completing its assigned responsibilities.

Methodology

The JLETF met during the months of June, July and August, 2007. The initial meetings included a detailed analysis of the school funding formula and related statutes and regulations. The JLETF also considered the implications of the Decision and Order rendered June 21, 2007 in the case of Kristine Moore, et al vs. State of Alaska regarding the adequacy of school funding in Alaska.

The Task Force identified specific issues for further analysis and consideration. The JLETF then conducted public hearings where all school districts in the state were invited to provide testimony without a time limit. Invited testimony was followed by open public testimony. The JLETF then convened in a public work session and developed initial recommendations. The initial recommendations were subjected to a second session of open public comment then finalized into this report.

Alaska school funding formula

The school funding formula is a statutorily defined calculation that results in determining the amount of state aid to be paid annually to each individual school district. The formula is intended to achieve an equitable distribution of aid for education throughout the state. The current formula was adopted in 1998 and has undergone several amendments. The formula incorporates factors intended to recognize and adjust individual district funding for the financial consequences of variables in school size, geographic cost differences, intensive needs student populations, correspondence programs, federal aid and the ability of communities to provide local contributions.

State aid to each school district is calculated annually based on student enrollment. The formula uses the term 'average daily membership' for the enrollment census. Average daily membership (ADM) is first adjusted for school size to recognize economies of scale for larger schools. School size adjusted ADM is then multiplied by factors for district cost differentials, special needs funding and intensive services funding. Correspondence program membership is factored and added to the attending membership to achieve a final adjusted ADM. This total is multiplied by the base student allocation (BSA) to determine each district's basic need. The BSA is a dollar value established in statute.

Basic need is reduced by the amount of required local contribution for districts in organized boroughs and 90% of federal Title VIII Impact Aid received. It is also increased by a statutory Quality School Grants entitlement and, in some cases, by a funding 'floor' factor to result in the final state aid entitlement.

Committee determinations

The JLETF determined at the beginning of deliberations to limit the scope of work to examining components of the existing formula rather than undertaking a reconsideration of the formula itself.

The JLETF determined that the school funding formula should be structured in such a manner that schools are fairly and adequately funded without other special grant programs such as Learning Opportunity Grants (LOGs) or School Improvement Grants (SIGs). These grants have been used in the past to provide additional funding without addressing the underlying problems with the formula.

The JLETF determined that the recommendations contained in this report are prefaced by the assumption that Senate Bill125 (SB 125), PERS/TRS Cost Sharing, passes the legislature and becomes law substantially in the form SB125 existed at the adjournment of the first regular session of the Twenty-fifth Alaska State Legislature. SB125 provides a mechanism allocating the annual payment for the cost of Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) contributions for school district employees between the state and the local employers. SB125 effectively relieves school districts from financial responsibility for unfunded past service costs in excess of levels specified in that statute. School districts are provided with a stable, predictable and limited cost environment for these obligations.

Immediate recommendations and further consideration of education issues:

The JLETF recognizes that school funding policy is an ongoing constitutionally mandated responsibility of the legislature. To better meet that responsibility, the Task Force recommends immediate action, as described in this report, augmented by a long-term commitment to continue the process undertaken by the JLETF. This report

identifies a number of specific policies for implementation by the second regular session of the Twenty-fifth Alaska State Legislature and identifies other issues with provisions of the school funding formula that merit further legislative consideration.

The JLETF recommends that the legislature's further consideration of education and education funding issues merit the regular and continuing attention of dedicated committees separate and apart from the Standing Committees for Health and Human Services. Standing Committees for Education should be established during the second regular session of the Twenty-fifth Alaska State Legislature. These education committees should be formally charged with recurring review of foundation formula, regularly revising district cost differentials and general education policy.

Recommendations for polices to be implemented during the second regular session of the Twenty-fifth Alaska State Legislature:

District cost factors

The school funding formula recognizes that school districts across the state face differing costs for similar goods and services including energy, supplies and labor. These geographic cost-of-living differences are accommodated in the formula by a factor that is applied to the school size adjusted daily membership. Anchorage is presumed to be the base for this calculation and receives a factor of one (1.0). Other districts are individually assigned factors in excess of one to recognize their individual cost differential in relation to Anchorage.

The numerical value of the cost differential factors has been a policy issue with the formula since it was adopted in 1998. The legislature has undertaken various efforts utilizing professional economic consultants to accurately and fairly determine these factors. A controversial economic analysis was completed in 2004 by the American Institute of Research (AIR). This work was reviewed and modified in 2006 by the University of Alaska's Institute of Social and Economic Research (ISER). Certain aspects of the ISER differential calculation also raise questions and controversy within the legislature. However, the ISER study is

generally accepted as the most recent and reliable differential analysis available at this time.

The JLETF recognizes that legitimate concerns exist with the ISER study. SCR 11 charged the Task Force with evaluating proposals that are based on available facts and conclusions pertaining to school district cost factors and the foundation formula. Accordingly the Task Force determined it was appropriate to utilize the ISER conclusions in making the recommendations in this report.

The JLETF recommends that the district cost factor statutes be changed to phase in the ISER proposal. 50% of the ISER factors should be implemented in fiscal year 2009, with the remaining 50% implemented over the four subsequent fiscal years. This implementation will require an adjustment to the base student allocation so that the amount received by Anchorage will not be diluted by the increased factors for other school districts.

The JLETF recommends that a "Blue Ribbon Commission" be established to further review the cost factors in detail. The Commission should include members representing the public, school districts and the legislature. It should be provided with adequate financial support to engage the professional resources necessary to conduct the economic analyses necessary to improve the accuracy of district cost factors.

Intensive needs student funding

Intensive needs students are specifically identified individuals experiencing medical or other circumstances that require dedicated services, equipment or facilities. Currently school districts receive five (5) times the BSA for each intensive needs student. The determination of students classified as intensive needs is subject to Department of Education and Early Development audit and challenge.

School districts have provided consistent testimony that the actual cost to serve these students is more than the current reimbursement. The Task Force accepts

school district testimony that these costs could average as high as fifteen times (15) the BSA.

The JLETF recommends that statute be changed to provide a nine (9) times BSA multiplier for fiscal year 2009, eleven (11) times for 2010 and thirteen (13) times for 2011 and beyond.

Declining enrollment step-down

School districts occasionally experience abrupt declines in enrollment resulting from factors beyond the district's control or ability to predict in advance. The closing or realignment of military bases can have this effect. Under the school funding formula these abrupt enrollment declines result in an immediate and equally abrupt funding reduction.

The JLETF recommends that statute be adopted to provide a 'step-down' mechanism that buffers the effects of declining enrollment.

Base student allocation

The JLETF recognizes that school districts are better able to plan and budget their programs when the amount of their student funding is known and predictable. The timing of the state budget cycle overlaps the budget cycles of the districts and often results in school districts preparing budgets without knowing the amount of their state aid.

The JLETF recommends that the adjustments to the BSA required to implement the other recommendations in this report be made in statute for fiscal 2009, and that the legislature commit in statute to increasing BSA amounts for the three subsequent years. The BSA for 2010 through 2012 should be increased by $100 per year from adjusted 2009 levels.

Pupil transportation recalibration

The JLETF recognizes that school districts have experienced increased costs of transporting pupils and have largely completed negotiating new transportation contracts that are in excess of current funding levels.

The JLETF recommends that the current system of providing funding for pupil transportation through contracts between the state and the districts be continued. However, the Department of Education and Early Development should recalibrate the amount of those contracts for fiscal year 2009 utilizing the most recent actual audited costs for the school districts.

University of Alaska teacher preparation report

Preparing new teachers to meet the challenges of providing quality education throughout Alaska should be an important objective of the University of Alaska.

The JLETF recommends that the legislature require the University to provide an annual report to the legislature documenting their efforts and degree of success in training teachers and in assisting Alaska school districts to attract and retain qualified instructors.

Military Youth Academy funding

The Military Youth Academy receives funding that is statutorily derived from the BSA. The recent significant increases in the BSA may have resulted in a windfall of unanticipated funding in excess of the Academy's immediate needs.

The JLETF recommends that the legislature review and adjust statutes to provide adequate and appropriate, but not excessive funding, for the Military Youth Academy.

Other recommendations:

Expedite school appropriation

The JLETF recommends that the legislature expedite school funding and pass a stand-alone appropriation to fund the statutory BSA by the 60th legislative day. This appropriation confirms the availability of the BSA and will further facilitate school districts' ability to plan and budget their programs.

Utilize Public Education Fund

The Public Education Fund was established by the legislature to provide a means to set aside money in excess of the requirements of a current year's budget to fund the BSA in subsequent years.

The JLETF recommends the legislature continue to use the Public Education Fund and that the maximum possible amount of money be set aside in the fiscal year 2009 budget process for this purpose.

Special Session call is not necessary

The JLETF believes it has proposed a solution for school funding, including the treatment of school district cost factors, which provides stable, predictable and adequate funding for the next three fiscal years. Accordingly, the Task Force concludes it is not necessary or appropriate for the governor to call the legislature into special session in order to address school funding prior to the Twenty-fifth Alaska State Legislature convening its second regular session.

Issues referred to the proposed Standing Committees for Education for further legislative consideration:

Charter and correspondence schools

Charter and correspondence schools are an important part of providing a broad spectrum of school alterr atives in Alaska. The manner in which these alternatives are recognized in the school funding formula should be evaluated by the Standing Committees for Education to make certain they are fairly and adequately supported

Special needs block grants

The special needs block grant is a 20% increase in each district's ADM to recognize the cost of providing a range of specialized services including special education, vocational technology, bi-lingual and bi-cultural programs and gifted and talented programs. When the current school funding formula was adopted, it was determined that these programs were to be funded with these block grants, rather than attempting to fund each activity category individually. The JLETF did not recommend a change in the special needs block grant factor.

However, the JLETF recommends the structure of these grants be further considered by the Standing Committees for Education to evaluate whether the block grant approach continues to be the most appropriate mechanism to address these specialized programs.

Vocational technology programs

Vocational technology programs are becoming a more prominent component of public school education. Various school districts have developed differing approaches to providing these programs.

The Standing Committees for Education should undertake a comprehensive examination of vocational technology programs across the state and determine if additional statutory consideration is appropriate to meet the demand for these programs and to maximize their effectiveness.

Required local effort and federal Title VIII Impact Aid

School districts in organized boroughs are required to provide local funding in the amount equivalent to a 4-mil tax levy on the full and true value of the taxable real and personal property in the district not to exceed 45% of the district's basic need for the preceding fiscal year. However, beginning in fiscal 2002, only 50% of the increase in real and personal property over the 1999 full and true value is used for the 4-mil equivalent calculation.

The JLETF considered and made no recommendations to change the required local effort provisions at this time. The Special Committees on Education should undertake an examination of these provisions, considering both the long-term consequences of the current structure and the exemption for school districts in the unorganized boroughs from local effort requirements.

Federal Impact Aid provides funds, ostensibly in-lieu of local taxes, to school districts for children of parents living and/or working on federal property or property exempted from taxation by federal mandate.

The JLETF considered and made no recommendations to change the Federal Impact Aid provisions. The Special Committees on Education should include consideration of these provisions in their evaluation of local effort issues.

Moore et. al. v. State of Alaska Decision and Order

On June 21, 2007, the Superior Court issued a Decision and Order in the Moore et al v. State of Alaska lawsuit. The Decision and Order placed certain requirements on the legislature with regard to schools that are not performing adequately.

The JLETF recognizes the legislature's continued reliance upon authority delegated to the executive branch and the Department of Education and Early Development to continue and conclude the legal process with regard to these issues. The JLETF recommends that the legislature evaluate and determine the appropriate action, if any, to take in the second regular session of the Twenty-

fifth Alaska State Legislature based on the facts available when that session convenes in January 2008.

Over-lapping timing for state and school district budget cycles

The JLETF considered early or pre-funding alternatives for the annual education appropriation. In addition to the specific proposals in the report, the Task Force recommends the Standing Committees on Education further consider alternatives that can provide relief from the practical problems that arise from the over-lapping state and school district budget cycles.

Innovative or best practices grants

The JLETF determined that the School Funding Formula should be structured in such a manner that schools are fairly and adequately funded without other special grant programs. The JLETF also recognizes that "innovative" and "best practices" programs outside or increasing the scope of regular public school instructional programs should be encouraged.

The JLETF recommends that the Standing Committees for Education work with the Department of Education and Early Development to evaluate the viability of a system of specialized supplemental grants that would be available to school districts which apply and meet high eligibility standards of both need and merit.

Voluntary pre-K programs

The JLETF considered voluntary pre-kindergarten programs and desired this report remain neutral with regard to this issue. The JLETF recommends that the merits and costs of these programs be objectively evaluated by the Standing Committees on Education.

Achieving and sustaining the commitments proposed in this report

The JLETF recognizes that achieving and sustaining the education funding commitments proposed in this report presents significant challenges in light of the economic reality of the state's declining oil production. No matter how high the market price of oil reaches, nor how great the level of state imposed taxation, the indisputable decline in North Slope oil production inevitably results in the state having less fiscal resources available to allocate among all the competing needs for public services, including providing a system of public schools.

The determination of taxation policy and the appropriation of state revenue will always require reconciliation of differing economic and social philosophies among individual policy makers. Regardless of the dynamics inherent in the political process, the Alaska Constitution requires the legislature to establish and maintain a system of public schools and the legislature must be committed to meeting that responsibility.

The JLETF recommends the legislature adopt the proposals in this report and prioritize developing the long-range fiscal policy necessary to sustain these commitments.

Draft Legislation

Draft Resolutions

Fiscal Notes

Individual Member Editorial Comments

These comments reflect the individual views and opinions of their authors. They are included in this report exactly as submitted by the individual members. These comments do not necessarily reflect the consensus of the Joint Legislative Education Funding Task Force which is contained in the body of this report.

25-LS1048\E
Mischel
8/10/07

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

"An Act relating to school funding, the base student allocation, district cost factors, and the adjustments for intensive services and average daily membership calculations; and providing for an effective date."

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

*** Section 1.** AS 14.17.410(b) is amended to read:

(b) Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:

(1) state aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum obtained under (D) of this paragraph, multiplied by the base student allocation set out in AS 14.17.470; district adjusted ADM is calculated as follows:

(A) the ADM of each school in the district is calculated by applying the school size factor to the student count as set out in AS 14.17.450;

(B) the number obtained under (A) of this paragraph is

multiplied by the district cost factor described in AS 14.17.460;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added; the sum is then multiplied by the special needs factor set out in AS 14.17.420(a)(1);

(D) the number obtained for intensive services under AS 14.17.420(a)(2) and the number obtained for correspondence study under AS 14.17.430 are added to the number obtained under (C) of this paragraph;

(E) notwithstanding (A) - (C) of this paragraph, if a school district's ADM adjusted for school size under (A) of this paragraph decreases by five percent or more from one fiscal year to the next fiscal year, the school district may use the last fiscal year before the decrease as a base fiscal year to offset the decrease, according to the following method:

(i) for the first fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 75 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the first fiscal year after the base fiscal year;

(ii) for the second fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 50 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the second fiscal year after the base fiscal year;

(iii) for the third fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 25 percent of the difference in the district's ADM adjusted for school

size between the base fiscal year and the third fiscal year after the base fiscal year;

(F) the method established in (E) of this paragraph is available to a school district for the three fiscal years following the base fiscal year determined under (E) of this paragraph only if the district's ADM adjusted for school size determined under (A) of this paragraph for each fiscal year is less than the district's ADM adjusted for school size in the base fiscal year;

(G) the method established in (E) of this paragraph does not apply to a decrease in the district's ADM adjusted for school size resulting from a loss of enrollment that occurs as a result of a boundary change under AS 29;

(2) the required local contribution of a city or borough school district is the equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

*** Sec. 2.** AS 14.17.420(a) is amended to read:

(a) As a component of public school funding, a district is eligible for special needs funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of 1.20 shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by **nine** [FIVE].

*** Sec. 3.** AS 14.17.420(a), as amended by sec. 2 of this Act, is amended to read:

(a) As a component of public school funding, a district is eligible for special needs funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of 1.20 shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by **11** [NINE].

*** Sec. 4.** AS 14.17.420(a), as amended by secs. 2 and 3 of this Act, is amended to read:

(a) As a component of public school funding, a district is eligible for special needs funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of 1.20 shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by **13** [11].

*** Sec. 5.** AS 14.17.460(a) is repealed and reenacted to read:

(a) For purposes of calculating a district's adjusted ADM under AS 14.17.410(b)(1), the district cost factor for a school district is (1) for the fiscal year ending June 30, 2009, the factor set out under column (A) of this subsection, (2) for the fiscal year ending June 30, 2010, the factor set out under column (B) of this subsection, (3) for the fiscal year ending June 30, 2011, the factor set out under column (C) of this subsection, (4) for the fiscal year ending June 30, 2012, the factor

set out under column (D) of this subsection, and (5) for fiscal years ending on or after June 30, 2013, the factor set out under column (E) of this subsection:

	DISTRICT COST FACTOR				
DISTRICT	(A)	(B)	(C)	(D)	(E)
Alaska Gateway	1.443	1.481	1.519	1.557	1.594
Aleutians East	1.707	1.778	1.849	1.920	1.991
Aleutians Region	1.838	1.864	1.890	1.916	1.939
Anchorage	1.000	1.000	1.000	1.000	1.000
Annette Island	1.175	1.216	1.257	1.298	1.338
Bering Strait	1.762	1.821	1.880	1.939	1.998
Bristol Bay	1.370	1.397	1.424	1.451	1.478
Chatham	1.348	1.405	1.462	1.519	1.576
Chugach	1.395	1.420	1.445	1.470	1.496
Copper River	1.246	1.264	1.282	1.300	1.316
Cordova	1.165	1.182	1.199	1.216	1.234
Craig	1.108	1.133	1.158	1.183	1.206
Delta/Greely	1.174	1.191	1.208	1.225	1.241
Denali	1.323	1.326	1.329	1.332	1.332
Dillingham	1.300	1.312	1.324	1.336	1.346
Fairbanks	1.055	1.059	1.063	1.067	1.070
Galena	1.370	1.376	1.382	1.388	1.391
Haines	1.104	1.128	1.152	1.176	1.200
Hoonah	1.227	1.270	1.313	1.356	1.399
Hydaburg	1.295	1.348	1.401	1.454	1.504
Iditarod	1.658	1.705	1.752	1.799	1.846
Juneau	1.075	1.093	1.111	1.129	1.145
Kake	1.242	1.296	1.350	1.404	1.459
Kashunamiut	1.504	1.533	1.562	1.591	1.619
Kenai Peninsula	1.088	1.109	1.130	1.151	1.171
Ketchikan	1.085	1.106	1.127	1.148	1.170
Klawock	1.160	1.196	1.232	1.268	1.302

Kodiak Island	1.191	1.216	1.241	1.266	1.289
Kuspuk	1.584	1.622	1.660	1.698	1.734
Lake and Peninsula	1.776	1.831	1.886	1.941	1.994
Lower Kuskokwim	1.577	1.599	1.621	1.643	1.663
Lower Yukon	1.650	1.703	1.756	1.809	1.861
Matanuska-Susitna	1.040	1.048	1.056	1.064	1.070
Mt. Edgecumbe	1.098	1.123	1.148	1.173	1.195
Nenana	1.304	1.313	1.322	1.331	1.338
Nome	1.385	1.402	1.419	1.436	1.450
North Slope	1.648	1.684	1.720	1.756	1.791
Northwest Arctic	1.686	1.720	1.754	1.788	1.823
Pelican	1.384	1.408	1.432	1.456	1.477
Petersburg	1.122	1.153	1.184	1.215	1.244
Pribilof	1.555	1.589	1.623	1.657	1.691
Sitka	1.098	1.123	1.148	1.173	1.195
Skagway	1.159	1.163	1.167	1.171	1.174
Southeast Island	1.264	1.299	1.334	1.369	1.403
Southwest Region	1.554	1.587	1.620	1.653	1.685
St. Mary's	1.488	1.522	1.556	1.590	1.624
Tanana	1.641	1.677	1.713	1.749	1.786
Unalaska	1.343	1.368	1.393	1.418	1.441
Valdez	1.133	1.143	1.153	1.163	1.170
Wrangell	1.080	1.100	1.120	1.140	1.159
Yakutat	1.229	1.275	1.321	1.367	1.412
Yukon Flats	1.892	1.948	2.004	2.060	2.116
Yukon/Koyukuk	1.669	1.711	1.753	1.795	1.835
Yupiit	1.596	1.628	1.660	1.692	1.723.

*** Sec. 6.** AS 14.17.470 is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is **$5,480** [$5,380].

*** Sec. 7.** AS 14.17.470, as amended by sec. 6 of this Act, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is **$5,580** [$5,480].

* **Sec. 8.** AS 14.17.470, as amended by secs. 6 and 7 of this Act, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is **$5,680** [$5,580].

* **Sec. 9.** Sections 1, 2, 5, and 6 of this Act take effect July 1, 2008.

* **Sec. 10.** Sections 3 and 7 of this Act take effect July 1, 2009.

* **Sec. 11.** Sections 4 and 8 of this Act take effect July 1, 2010.

25-LS1041\A
Cook
8/15/07

HOUSE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE ROSES

Introduced:
Referred:

A RESOLUTION

Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to standing committees.

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

*** Section 1.** Rule 20(a), Uniform Rules of the Alaska State Legislature, is amended to read:

(a) Each house has the following standing committees with the jurisdiction indicated:

Education (the programs and activities of the Department of Education and Early Development and of the University of Alaska)

Finance (all appropriation, revenue, capital improvement, and bonding measures, the executive budget, and the programs and activities of the Department of Revenue)

Health [, EDUCATION] and Social Services (the programs and activities of the Department of Health and Social Services [, THE DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, AND THE UNIVERSITY OF ALASKA])

Judiciary (the programs and activities of the Alaska Court System and the

Department of Law, and the legal and substantive review of bills referred to it for that purpose)

Labor and Commerce (the programs and activities of the Department of Labor and Workforce Development relating to labor-management relations, industrial safety, unemployment compensation, and workers' compensation and the programs and activities of the Department of **Commerce,** Community, and Economic Development that do not primarily relate to local government or to government services or functions in the unorganized borough)

Community and Regional Affairs (the programs and activities of the Department of **Commerce,** Community, and Economic Development that primarily relate to local government and government services or functions in the unorganized borough, and other matters relating to political subdivisions)

Resources (the programs and activities of the Departments of Fish and Game, Natural Resources, and Environmental Conservation)

Rules (interpretation of the Uniform Rules, calendar, the internal administration of the house and matters pertaining to the management of the legislature as a whole)

State Affairs (programs and activities of the Office of the Governor and the Departments of Administration, Military and Veterans' Affairs, Corrections, and Public Safety, and programs and activities of the Department of Transportation and Public Facilities relating to public facilities)

Transportation (programs and activities of the Department of Transportation and Public Facilities relating to transportation and other legislative matters relating to transportation).

* **Sec. 2.** The amendment proposed by this resolution takes effect immediately.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version:
() Publish Date:

Revision Date/Time (Note if correction):
Dept. Affected: Education & Early Development

Title: An Act relating to school funding, the base student allocation, district cost factors, and the adjustments for ...."
RDU: K-12 Support
Component: Foundation Program

Sponsor
Requester
Component No. 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	84,688.0	52,876.9	54,320.6	34,431.1	12,207.4	
Miscellaneous						
TOTAL OPERATING	**84,688.0**	**52,876.9**	**54,320.6**	**34,431.1**	**12,207.4**	**0.0**
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	84,688.0	52,876.9	54,320.6	34,431.1	12,207.4	
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	**84,688.0**	**52,876.9**	**54,320.6**	**34,431.1**	**12,207.4**	**0.0**

Estimate of any current year (FY2008) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2009 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

This bill would set the district cost factors in FY09 at 50% of the ISER increase over the original cost factors and implement the remaining 50% over the next 4 years; offers 9x the Base Student Allocation (BSA) for intensives plus it will increase it to 11x the BSA in FY10 and 13x the BSA in FY11; provide a hold harmless provision for those districts whose School Size adjusted ADM has decreased by more than 5% over the prior year; and increase the BSA by $100 for FY10 to $5,480, FY11 to $5,580, & FY12 to $5,680.

The Legislature funded 50% of ISER in FY08 outside the formula for approximately $50million and the School Improvement Grant for approximately $20million. If the $70million provided in FY08 is taken into consideration, then the actual increase in FY09 over FY08 is approximately $15million.

The GF capitalizes on the Public Education Fund (PEF).

Prepared by: Eddy Jeans, Director
Phone 465-8679
Division: School Finance
Date/Time 8/14/07 12:00 AM
Approved by:
Date 8/14/2007
Agency: Education & Early Development

Prepared 8/14/07
Foundation Funding 5 year Proposal

School Districts	50% ISER Implemented	Intensive Multiplier from x5 to x9	5% reduction in School Size Adjustment Hold Harmless	YEAR 1 FY2009 funding
ALASKA GATEWAY	617,518	129,120		**746,638**
ALEUTIAN REGION	78,404	-		**78,404**
ALEUTIANS EAST BOROUGH	834,869	-		**834,869**
ANCHORAGE	0	14,633,600		**14,633,600**
ANNETTE ISLAND	489,902	86,080		**575,982**
BERING STRAIT	4,212,440	365,840		**4,578,280**
BRISTOL BAY BOROUGH	196,738	64,560		**261,298**
CHATHAM	512,836	64,560		**577,396**
CHUGACH	98,694	-		**98,694**
COPPER RIVER	376,208	215,200		**591,408**
CORDOVA CITY	247,730	129,120		**376,850**
CRAIG CITY	309,354	215,200		**524,554**
DELTA/GREELY	495,029	172,160		**667,189**
DENALI BOROUGH	24,767	64,560		**89,327**
DILLINGHAM CITY	206,234	172,160		**378,394**
FAIRBANKS NORTH STAR BOROUGH	1,655,169	5,638,240		**7,293,409**
GALENA CITY	48,564	21,520		**70,084**
HAINES BOROUGH	278,433	107,600		**386,033**
HOONAH CITY	259,656	86,080		**345,736**
HYDABURG CITY	167,061	21,520		**188,581**
IDITAROD AREA	603,165	-		**603,165**
JUNEAU BOROUGH	2,472,339	3,120,400		**5,592,739**
KAKE CITY	213,682	86,080	121,627	**421,389**
KASHUNAMIUT	364,985	86,080		**451,065**
KENAI PENINSULA BOROUGH	5,801,942	1,786,160		**7,588,102**
KETCHIKAN GATEWAY BOROUGH	1,508,776	538,000		**2,046,776**
KLAWOCK CITY	206,830	64,560		**271,390**
KODIAK ISLAND BOROUGH	1,977,742	538,000		**2,515,742**
KUSPUK	706,120	-		**706,120**
LAKE AND PENINSULA BOROUGH	1,090,155	43,040		**1,133,195**
LOWER KUSKOKWIM	3,257,403	1,312,720		**4,570,123**
LOWER YUKON	4,248,108	279,760		**4,527,868**
MATANUSKA-SUSITNA BOROUGH	3,202,095	2,690,000		**5,892,095**
NENANA CITY	71,767	64,560		**136,327**
NOME CITY	412,471	86,080		**498,551**
NORTH SLOPE BOROUGH	2,100,339	193,680		**2,294,019**
NORTHWEST ARCTIC BOROUGH	2,545,617	387,360		**2,932,977**
PELICAN CITY	24,120	-		**24,120**
PETERSBURG CITY	622,914	236,720		**859,634**
PRIBILOF	196,521	-		**196,521**
SAINT MARY'S	241,256	21,520	122,004	**384,780**
SITKA BOROUGH	1,091,017	774,720		**1,865,737**
SKAGWAY CITY	15,325	21,520		**36,845**
SOUTHEAST ISLAND	373,296	107,600		**480,896**
SOUTHWEST REGION	953,257	129,120		**1,082,377**
TANANA	76,192	-	75,274	**151,466**
UNALASKA CITY	359,049	43,040		**402,089**
VALDEZ CITY	235,805	236,720		**472,525**
WRANGELL PUBLIC	259,548	21,520		**281,068**
YAKUTAT	209,957	-	104,089	**314,046**
YUKON FLATS	716,859	107,600		**824,459**
YUKON/KOYUKUK	698,782	129,120		**827,902**
YUPIIT	608,183	86,080		**694,263**
Mt. Edgecumbe	310,918	-		**310,918**
TOTAL	**48,886,141**	**35,378,880**	**422,994**	**84,688,015**

Department of Education and Early Development
Prepared 8/14/07
Foundation Funding 5 year Proposal

Prepared by School Finance

School Districts	1/4 increase of remaining 50% ISER	BSA increase by $100 to $5,480	Intensive Mulitiplier from x9 to x11	YEAR 2 FY2010 funding
ALASKA GATEWAY	154,434	121,156	64,560	**340,150**
ALEUTIAN REGION	20,019	26,573	-	**46,592**
ALEUTIANS EAST BOROUGH	208,772	96,862	-	**305,634**
ANCHORAGE	0	7,085,643	7,316,800	**14,402,443**
ANNETTE ISLAND	122,435	71,714	43,040	**237,189**
BERING STRAIT	1,048,660	618,522	182,920	**1,850,102**
BRISTOL BAY BOROUGH	49,104	50,610	32,280	**131,994**
CHATHAM	128,209	62,025	32,280	**222,514**
CHUGACH	24,443	36,520	-	**60,963**
COPPER RIVER	96,697	140,731	107,600	**345,028**
CORDOVA CITY	60,975	85,244	64,560	**210,779**
CRAIG CITY	78,943	110,330	107,600	**296,873**
DELTA/GREELY	123,729	205,959	86,080	**415,768**
DENALI BOROUGH	7,446	88,303	32,280	**128,029**
DILLINGHAM CITY	53,853	117,806	86,080	**257,739**
FAIRBANKS NORTH STAR BOROUGH	413,873	2,340,958	2,819,120	**5,573,951**
GALENA CITY	13,274	329,434	10,760	**353,468**
HAINES BOROUGH	69,609	67,323	53,800	**190,732**
HOONAH CITY	64,860	39,927	43,040	**147,827**
HYDABURG CITY	42,143	20,972	10,760	**73,875**
IDITAROD AREA	150,818	109,377	-	**260,195**
JUNEAU BOROUGH	635,757	882,276	1,560,200	**3,078,233**
KAKE CITY	53,151	28,048	43,040	**124,239**
KASHUNAMIUT	92,109	94,578	43,040	**229,727**
KENAI PENINSULA BOROUGH	1,450,498	1,579,418	893,080	**3,922,996**
KETCHIKAN GATEWAY BOROUGH	372,755	395,170	269,000	**1,036,925**
KLAWOCK CITY	52,071	35,356	32,280	**119,707**
KODIAK ISLAND BOROUGH	504,580	489,499	269,000	**1,263,079**
KUSPUK	178,877	141,503	-	**320,380**
LAKE AND PENINSULA BOROUGH	275,087	171,890	21,520	**468,497**
LOWER KUSKOKWIM	833,305	1,189,506	656,360	**2,679,171**
LOWER YUKON	1,062,096	646,717	139,880	**1,848,693**
MATANUSKA-SUSITNA BOROUGH	853,863	2,307,860	1,345,000	**4,506,723**
NENANA CITY	18,995	85,872	32,280	**137,147**
NOME CITY	106,193	167,245	43,040	**316,478**
NORTH SLOPE BOROUGH	525,138	465,108	96,840	**1,087,086**
NORTHWEST ARCTIC BOROUGH	631,710	612,077	193,680	**1,437,467**
PELICAN CITY	6,152	6,691	-	**12,843**
PETERSBURG CITY	158,265	121,196	118,360	**397,821**
PRIBILOF	49,051	42,542	-	**91,593**
SAINT MARY'S	59,895	50,776	10,760	**121,431**
SITKA BOROUGH	278,325	274,169	387,360	**939,854**
SKAGWAY CITY	3,831	21,789	10,760	**36,380**
SOUTHEAST ISLAND	93,351	69,856	53,800	**217,007**
SOUTHWEST REGION	240,176	220,619	64,560	**525,355**
TANANA	18,940	16,327	-	**35,267**
UNALASKA CITY	91,571	95,081	21,520	**208,172**
VALDEZ CITY	62,054	143,550	118,360	**323,964**
WRANGELL PUBLIC	64,860	67,232	10,760	**142,852**
YAKUTAT	52,774	27,106	-	**79,880**
YUKON FLATS	179,147	121,026	53,800	**353,973**
YUKON/KOYUKUK	175,747	231,278	64,560	**471,585**
YUPIIT	153,301	148,885	43,040	**345,226**
Mt. Edgecumbe	79,321	66,032	-	**145,353**
TOTAL	**12,345,242**	**22,842,267**	**17,689,440**	**52,876,949**

Department of Education and Early Development
Prepared 8/14/07
Foundation Funding 5 year Proposal

Prepared by School Finance

School Districts	1/4 increase of remaining 50% ISER	BSA increase by $100 to $5,580	Intensive Multiplier from x11 to x13	YEAR 3 FY2011 funding
ALASKA GATEWAY	157,241	125,217	66,960	**349,418**
ALEUTIAN REGION	20,390	26,944	-	**47,334**
ALEUTIANS EAST BOROUGH	212,530	100,729	-	**313,259**
ANCHORAGE	0	7,221,643	7,588,800	**14,810,443**
ANNETTE ISLAND	124,759	74,784	44,640	**244,183**
BERING STRAIT	1,068,092	641,356	189,720	**1,899,168**
BRISTOL BAY BOROUGH	50,068	52,121	33,480	**135,669**
CHATHAM	130,585	65,001	33,480	**229,066**
CHUGACH	24,897	36,973	-	**61,870**
COPPER RIVER	98,543	144,524	111,600	**354,667**
CORDOVA CITY	62,215	87,576	66,960	**216,751**
CRAIG CITY	80,406	113,793	111,600	**305,799**
DELTA/GREELY	126,078	209,853	89,280	**425,211**
DENALI BOROUGH	7,586	89,041	33,480	**130,107**
DILLINGHAM CITY	54,740	120,402	89,280	**264,422**
FAIRBANKS NORTH STAR BOROUGH	421,434	2,401,026	2,923,920	**5,746,380**
GALENA CITY	13,521	329,880	11,160	**354,561**
HAINES BOROUGH	70,844	69,612	55,800	**196,256**
HOONAH CITY	66,172	41,931	44,640	**152,743**
HYDABURG CITY	42,922	21,953	11,160	**76,035**
IDITAROD AREA	153,614	112,172	-	**265,786**
JUNEAU BOROUGH	647,538	923,058	1,618,200	**3,188,796**
KAKE CITY	54,190	29,834	44,640	**128,664**
KASHUNAMIUT	93,707	97,083	44,640	**235,430**
KENAI PENINSULA BOROUGH	1,477,325	1,622,898	926,280	**4,026,503**
KETCHIKAN GATEWAY BOROUGH	379,719	407,079	279,000	**1,065,798**
KLAWOCK CITY	52,981	36,920	33,480	**123,381**
KODIAK ISLAND BOROUGH	513,876	503,849	279,000	**1,296,725**
KUSPUK	182,193	144,818	-	**327,011**
LAKE AND PENINSULA BOROUGH	280,132	177,387	22,320	**479,839**
LOWER KUSKOKWIM	848,692	1,217,148	680,760	**2,746,600**
LOWER YUKON	1,081,667	668,998	145,080	**1,895,745**
MATANUSKA-SUSITNA BOROUGH	869,686	2,348,684	1,395,000	**4,613,370**
NENANA CITY	19,400	86,825	33,480	**139,705**
NOME CITY	108,216	170,014	44,640	**322,870**
NORTH SLOPE BOROUGH	534,816	476,639	100,440	**1,111,895**
NORTHWEST ARCTIC BOROUGH	643,472	627,385	200,880	**1,471,737**
PELICAN CITY	6,265	6,805	-	**13,070**
PETERSBURG CITY	161,142	126,328	122,760	**410,230**
PRIBILOF	50,067	43,453	-	**93,520**
SAINT MARY'S	61,006	52,086	11,160	**124,252**
SITKA BOROUGH	283,429	286,526	401,760	**971,715**
SKAGWAY CITY	3,958	22,061	11,160	**37,179**
SOUTHEAST ISLAND	95,081	72,586	55,800	**223,467**
SOUTHWEST REGION	244,517	226,268	66,960	**537,745**
TANANA	19,290	16,678	-	**35,968**
UNALASKA CITY	93,322	97,179	22,320	**212,821**
VALDEZ CITY	63,204	146,900	122,760	**332,864**
WRANGELL PUBLIC	66,061	68,634	11,160	**145,855**
YAKUTAT	53,750	28,084	-	**81,834**
YUKON FLATS	182,577	125,348	55,800	**363,725**
YUKON/KOYUKUK	179,006	235,735	66,960	**481,701**
YUPIIT	156,031	152,524	44,640	**353,195**
Mt. Edgecumbe	80,791	67,502	-	**148,293**
TOTAL	**12,573,744**	**23,399,847**	**18,347,040**	**54,320,631**

Department of Education and Early Development
Prepared 8/14/07
Foundation Funding 5 year Proposal

Prepared by School Finance

School Districts	YEAR 4 - FY2012 1/4 increase of remaining 50% ISER	BSA increase by $100 to $5,680	YEAR 4 FY2012 funding
ALASKA GATEWAY	160,157	128,079	288,236
ALEUTIAN REGION	20,705	27,314	48,019
ALEUTIANS EAST BOROUGH	216,454	104,597	321,051
ANCHORAGE	0	7,221,643	7,221,643
ANNETTE ISLAND	127,030	77,054	204,084
BERING STRAIT	1,087,526	660,790	1,748,316
BRISTOL BAY BOROUGH	51,035	53,033	104,068
CHATHAM	132,961	67,377	200,338
CHUGACH	25,350	37,426	62,776
COPPER RIVER	100,281	146,316	246,597
CORDOVA CITY	63,235	88,706	151,941
CRAIG CITY	81,870	115,256	197,126
DELTA/GREELY	128,317	212,146	340,463
DENALI BOROUGH	7,722	89,179	96,901
DILLINGHAM CITY	55,792	121,399	177,191
FAIRBANKS NORTH STAR BOROUGH	429,157	2,408,695	2,837,852
GALENA CITY	13,710	330,125	343,835
HAINES BOROUGH	72,188	70,902	143,090
HOONAH CITY	67,263	43,133	110,396
HYDABURG CITY	43,705	22,734	66,439
IDITAROD AREA	156,408	114,967	271,375
JUNEAU BOROUGH	659,265	934,839	1,594,104
KAKE CITY	55,121	30,819	85,940
KASHUNAMIUT	95,468	98,789	194,257
KENAI PENINSULA BOROUGH	1,504,261	1,649,779	3,154,040
KETCHIKAN GATEWAY BOROUGH	386,572	413,987	800,559
KLAWOCK CITY	54,002	37,885	91,887
KODIAK ISLAND BOROUGH	523,282	513,200	1,036,482
KUSPUK	185,563	148,134	333,697
LAKE AND PENINSULA BOROUGH	285,227	182,484	467,711
LOWER KUSKOKWIM	864,191	1,232,591	2,096,782
LOWER YUKON	1,101,405	688,680	1,790,085
MATANUSKA-SUSITNA BOROUGH	885,567	2,364,509	3,250,076
NENANA CITY	19,642	87,176	106,818
NOME CITY	110,130	171,982	282,112
NORTH SLOPE BOROUGH	544,547	486,370	1,030,917
NORTHWEST ARCTIC BOROUGH	655,124	639,092	1,294,216
PELICAN CITY	6,379	6,919	13,298
PETERSBURG CITY	164,188	129,262	293,450
PRIBILOF	50,924	44,363	95,287
SAINT MARY'S	62,059	53,195	115,254
SITKA BOROUGH	288,641	291,684	580,325
SKAGWAY CITY	3,973	22,132	26,105
SOUTHEAST ISLAND	96,811	74,316	171,127
SOUTHWEST REGION	249,078	230,719	479,797
TANANA	19,586	17,028	36,614
UNALASKA CITY	94,964	98,876	193,840
VALDEZ CITY	64,354	148,050	212,404
WRANGELL PUBLIC	67,321	69,837	137,158
YAKUTAT	54,730	29,062	83,792
YUKON FLATS	185,787	128,668	314,455
YUKON/KOYUKUK	182,262	238,992	421,254
YUPIIT	158,926	155,364	314,290
Mt. Edgecumbe	82,262	68,972	151,234
TOTAL	**12,802,478**	**23,628,626**	**36,431,104**

School Districts	YEAR 5 - FY2013 1/4 increase of remaining 50% ISER
ALASKA GATEWAY	158,633
ALEUTIAN REGION	18,684
ALEUTIANS EAST BOROUGH	220,263
ANCHORAGE	0
ANNETTE ISLAND	126,109
BERING STRAIT	1,106,961
BRISTOL BAY BOROUGH	51,891
CHATHAM	135,336
CHUGACH	26,829
COPPER RIVER	90,794
CORDOVA CITY	68,238
CRAIG CITY	76,668
DELTA/GREELY	122,977
DENALI BOROUGH	0
DILLINGHAM CITY	47,334
FAIRBANKS NORTH STAR BOROUGH	327,577
GALENA CITY	7,006
HAINES BOROUGH	73,479
HOONAH CITY	68,524
HYDABURG CITY	42,038
IDITAROD AREA	159,089
JUNEAU BOROUGH	596,595
KAKE CITY	57,188
KASHUNAMIUT	93,814
KENAI PENINSULA BOROUGH	1,458,233
KETCHIKAN GATEWAY BOROUGH	412,219
KLAWOCK CITY	51,890
KODIAK ISLAND BOROUGH	489,970
KUSPUK	178,855
LAKE AND PENINSULA BOROUGH	279,788
LOWER KUSKOKWIM	799,661
LOWER YUKON	1,099,955
MATANUSKA-SUSITNA BOROUGH	676,002
NENANA CITY	15,607
NOME CITY	92,389
NORTH SLOPE BOROUGH	538,842
NORTHWEST ARCTIC BOROUGH	686,538
PELICAN CITY	5,696
PETERSBURG CITY	156,298
PRIBILOF	51,891
SAINT MARY'S	63,226
SITKA BOROUGH	258,599
SKAGWAY CITY	3,076
SOUTHEAST ISLAND	95,692
SOUTHWEST REGION	245,782
TANANA	20,506
UNALASKA CITY	88,971
VALDEZ CITY	45,853
WRANGELL PUBLIC	65,048
YAKUTAT	54,453
YUKON FLATS	189,221
YUKON/KOYUKUK	176,689
YUPIIT	156,755
Mt. Edgecumbe	73,706
TOTAL	**12,207,442**

Joint Legislative Education Task Force

Dissenting Member Opinion – Rep. Mike Kelly – 8/14/07

Unfortunately I cannot support the recommendations of the task force relating to our primary assignments: **District Cost Factors & Intensive Needs Funding**.

District Cost Factors

In my opinion, testimony from the Education Department and some of the School Districts, combined with a presentation concerning the Moore vs. State lawsuit, sheds more favorable light on the State's ongoing attempts to ensure reasonable adequacy and equity in education funding that some non-urban legislators would have us believe. Add ISER's inconsistent conclusions that surfaced during questioning by task force members and it is clear to me that implementation of more than 50% of the flawed ISER study is not supportable. Especially since the price tag is $100 million compounding annually and Alaska is entering a decade of deficits with oil production declining. Keep in mind we are already paying over 3 times the average cost per student in Anchorage for a student in some of the smaller schools. The ISER increase would be added to a K-12 budget that has ballooned over 35% in the past 5 years, without even considering the multi-billion dollar PERS/TRS unfunded liability mortgage payments.

I could reluctantly support statutory implementation of 50% of the ISER study for District Cost Factors with the understanding that 50% would be the final percentage implemented by the Legislature. Some rural lawmakers have said they have some of the same concerns over the ISER study that I have and would be satisfied with 50%. I was hopeful when the task force tentatively landed on implementing 50% of ISER (with a blue ribbon committee appointed to study the matter further), but the deal changed overnight to a phased-in implementation of 100% of ISER. The blue ribbon committee proposal was retained to study the issue even though the task force had decided to recommend 100% implementation. Might make sense if you're from Bethel. None if Anchorage is home. I was told I should be satisfied because urban districts retained the current "local contribution formula." I'm not. Districts that make a local contribution to education are funding over 95% of the cost increases in education, while many of the others pay nothing. In a time of scarcer resources, implementing 100% of ISER will simply amount to another transfer payment away from local districts that tax their residents to support education at a time when they can demonstrate significant needs and are underperforming in important accountability areas. If we are going to create a blue ribbon committee we should look at a lot more than District Cost Factors.

Intensive Needs Funding

Funding for intensive needs students is currently 500% of average student funding. The task force recommended a phased-in increase to 1300%. I can't support more than a 200% increase to 700%. There are significant problems with the way intensive needs students are being assimilated into our schools (including reports of classroom disruption, less learning-time-on-task for other students, lower teacher morale, questions about the

appropriateness of the classroom venue for some levels of need, questions about the appropriateness of our schools assuming parental and family roles/responsibilities/costs, etc.). Throwing money at these problems must be accompanied by creative solutions. Some folks would add even more responsibility for intensive needs students onto the teachers in our schools. As much as our hearts go out to the parents and families involved, we cannot sustain the cost growth. The wisdom of some elements of the current system (much of which is unfortunately federally mandated) is questionable.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

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August 16, 2007

The Honorable Bob Roses
Alaska House of Representatives
716 West 4th Avenue
Anchorage, Alaska 99501

Re: Educational Land Trust

Dear Representative Roses:

Your letter dated August 8, 2007, posed several questions regarding an educational land trust, *i.e.*, the public school trust. The basic response to your questions is that the public school land trust was changed into a monetary trust on July 1, 1978, so there currently is no educational or public school trust with land as its corpus. Certain issues related to the public school trust are being addressed by the Department of Law due to related litigation; any additional or more detailed inquires regarding this should be directed to them.

The monetary trust is the Public School Trust Fund (AS 37.14.110 – AS 37.14.170), which is administered, invested and accounted for by the Department of Revenue. Starting in Fiscal Year 1979, pursuant to AS 37.14.150, the state has paid to the public school trust one-half of one percent of all revenue generated from state lands, including Prudhoe Bay oil and gas revenues, instead of 100% of revenues generated by what previously were public school trust lands.

The public school trust has grown dramatically after being changed from a land trust into a monetary trust. As a land trust, from 1915 to June 30, 1978, the land trust's public school permanent fund grew to approximately $8.5 million. As a monetary trust, from July 1, 1978 through the end of Fiscal Year 2006, the monetary trust's public school trust fund grew to approximately $331 million. This growth results from the fund receiving a percentage of the revenue from all state lands, rather than revenue from only School Grant lands. Expenditures from trust fund income (primarily paid to partially fur the school foundation formula) exceeded $11.9 million for Fiscal Year 2006, compared to approximately $560,000 for Fiscal Year 1978. A copy of the FY 1978 and FY 2006 balance sheets for the public school trust are attached.

Working with the Department of Law regarding public school trust issues, DNR has taken several actions to identify and manage lands that would have been public school trust lands but for the change to the monetary trust.

The state originally received title to approximately 179,563 acres of school designated land under five different federal grant entitlements. The largest block were defined as sections 16 and 36 (involving approximately 160 full sections), located in townships that had been surveyed before

statehood. This grouping totaled approximately 100,000 acres. An additional 75,000 acres were received with the passage of the Alaska National Interest Lands Conservation Act (ANILCA). The remaining acres were received under partial section 16 or 36 conveyances (approximately 2,800 acres) or small Territorial Grants (approximately 800 acres). Lands were generally located on the Kenai Peninsula, Anchorage, Matanuska-Susitna Valley, in areas surrounding Fairbanks and Healy, and with parcels along the railroad line between Anchorage and Fairbanks.

DNR manages these public school trust lands under Department Order 143, which management includes coordination with the Department of Law. At the direction of the Department of Law, from December 21, 1998, to the present, 100 % of revenues generated from these lands have been accounted for within a separate DNR account. As of August 14, 2007, this account contains $1,715,355.

Certain issues related to the public school trust are currently being addressed by the Department of Law due to litigation on school funding; any additional or more detailed inquiries should be directed to them.

Sincerely,



Tom Irwin,
Commissioner

cc: Talis Colberg, Attorney General
Dick Mylius, Director, DNR Division of Mining, Land and Water

STATE OF ALASKA

PUBLIC SCHOOL PERMANENT FUND
COMPARATIVE BALANCE SHEET

ASSETS	June 30, 1978	June 30, 1977
Current Assets:		
Cash in Treasury (St. #4)	$ 140,854	$ 209,045
Investments	8,391,085	7,591,182
Total Assets	$ 8,531,939	$ 7,800,227
RESERVES		
Permanent Fund Trust Reserve	$ 7,155,716	$ 6,610,652
Merrill Field Trust Reserve	1,376,222	1,189,575
Total Reserves	$ 8,531,939	$ 7,800,227

PUBLIC SCHOOL PERMANENT FUND
COMPARATIVE ANALYSIS OF CHANGES IN RESERVES

	Fiscal Year Ended June 30, 1978	Fiscal Year Ended June 30, 1977
Beginning Balance Permanent Trust Reserve	$ 6,610,652	$ 5,930,337
Add: Revenues		
Dedicated - Unrestricted		
Coal Leases	3,290	1,010
Sale of Gravel	1,542	12,081
Land Leases	491,860	618,911
Mineral Leases	6,521	15,562
Sale of Land	1,176	2,058
Sale of Timber	4,913	3,446
Royalties Gas Property	35,759	27,203
Royalties Oil Production		40
Total Revenues	$ 545,064	$ 680,315
Ending Balance Permanent Trust Reserve	$ 7,155,716	$ 6,610,652
Beginning Balance Merrill Field Trust Reserve	$ 1,189,575	$ 1,005,754
Add: Receipts	186,647	183,861
Deduct: Expenses		40
Ending Balance Merrill Field Trust Reserve	$ 1,376,222	$ 1,189,575

NOTE: Interest received on investment in the amount of $560,489.97 for the fiscal year ended June 30, 1978 was posted directly to the General Fund and used exclusively for school purposes.

LEGAL REFERENCES: Act of Congress, March 4, 1915 and Chapter 55, SLA 1931.

Combining Fund Statements

STATE OF ALASKA **STATEMENT 3.01**
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006
(Stated in Thousands)

	Permanent Fund	
	Public School Trust Fund	Special Revenue Funds
ASSETS		
Cash and Investments	$ 329,725	$ 99,064
Accounts Receivable - Net	1,178	3,095
Interest and Dividends Receivable	758	
Due from Other Funds	596	241
Due from Component Units		
Due from Other Governments		4,964
Loans, Notes, and Bonds Receivable	74	
Securities Lending Collateral	11,690	5,480
Other Assets		33
Total Assets	$ 344,021	$ 112,877
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable and Accrued Liabilities	$ 8	$ 9,817
Obligations Under Securities Lending	11,690	5,480
Due to Other Funds		3,228
Due to Component Units		12
Unearned and Deferred Revenue	721	
Other Liabilities	2	326
Total Liabilities	12,421	18,863
Fund Balances:		
Reserved:		
Encumbrances		40,545
Debt Service		
Other Purposes	321,514	1,807
Unreserved:		
Designated for Continuing Appropriations	583	9,862
Designated for Other		56
Undesignated	9,503	41,744
Total Fund Balances	331,600	94,014
Total Liabilities and Fund Balances	$ 344,021	$ 112,877

STATE OF ALASKA **STATEMENT 3.02**
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006
(Stated in Thousands)

	Permanent Fund	
	Public School Trust Fund	Special Revenue Funds
REVENUES		
Taxes	$	$ 27,394
Licenses and Permits		27,510
Charges for Services		1,206
Fines and Forfeitures	1	72
Rents and Royalties	12,051	4,473
Premiums and Contributions		6,339
Interest and Investment Income	13,548	1,107
Federal Grants in Aid		27,128
Other Revenues		765
Total Revenues	25,600	95,994
EXPENDITURES		
Current:		
General Government	160	1,769
Education	520	27,390
University		
Health and Human Services		4,598
Law and Justice	3	469
Public Protection		936
Natural Resources		55,926
Development		17,160
Transportation		34
Debt Service:		
Principal		
Interest and Other Charges		
Total Expenditures	683	108,282
Excess (Deficiency) of Revenues Over Expenditures	24,917	(12,288)
OTHER FINANCING SOURCES (USES)		
Bonds Issued		
Bonds Issued Premium		
Transfers In from Other Funds	35	3,135
Transfers (Out to) Other Funds	(11,947)	(1,757)
Total Other Financing Sources and Uses	(11,912)	1,378
Net Change in Fund Balances	13,005	(10,910)
Fund Balances - Beginning of Year	318,595	104,924
Fund Balances - End of Year	$ 331,600	$ 94,014

PUBLIC SCHOOL TRUST FUND

		Balance End FY		Income Expended	Statutory Allocations of State Land Revenues	
6/30/1959		$257,003.82		??		
6/30/1960		$355,725.43		??		
6/30/1961		$444,411.56		??		
6/30/1962		$614,932.56		??		
6/30/1963		$834,534.66		??		
6/30/1964		$1,043,281.00		$35,488.07		
6/30/1965		$1,287,138.66		$40,246.78		
6/30/1966		$1,572,120.06		$53,057.64		
6/30/1967		$1,820,490.45		$65,731.65		
6/30/1968		$2,003,275.36		$74,683.22		
6/30/1969		$2,500,471.79		$85,953.92		
6/30/1970		$2,731,727.00		$134,099.46		
6/30/1971		$3,018,032.00		$141,052.38		
6/30/1972		$3,410,853.00		$216,663.71		
6/30/1973		$3,906,247.00		$213,938.55		
6/30/1974		$4,960,393.00		$316,729.00		
6/30/1975	**	$6,176,850.00		$370,210.42		**Note - Merrill Field Trust (TG #1) Added as of July 1, 1974 amount included in Balance
6/30/1976		$6,936,091.00		$426,662.50		
6/30/1977		$7,800,227.00		$487,938.02		
**6/30/1978		$8,531,939.00		$560,489.97		**Note - Land Redesignated Following Day
6/30/1979		$9,840,198.00		$695,000.00	$1,308,000.00	
6/30/1980		$16,982,098.00		$629,000.00	$7,142,000.00	
6/30/1981		$24,423,000.00		$1,752,000.00	$7,441,000.00	
6/30/1982		$31,629,000.00		$3,153,000.00	$7,994,000.00	
6/30/1983		$41,079,000.00			$9,450,000.00	
6/30/1984	**	$65,922,000.00			$9,217,000.00	**Note - Balance includes $10,175,000 prior years' adjustment for investment income
6/30/1985		$79,812,000.00			$7,121,000.00	
6/30/1986		$77,583,000.00	**	$16,836,000.00	$6,578,000.00	**Note - Expenditure is capital appropriation
6/30/1987		$80,835,000.00	**	$10,122,000.00	$3,262,000.00	**Note - Expenditure includes $2,010,000 capital appropriation
6/30/1988		$86,136,000.00		$7,431,000.00	$6,470,000.00	
6/30/1989		$89,569,000.00		$8,991,000.00	$4,350,000.00	

6/30/1990	$96,282,000.00	$7,189,000.00	$5,208,000.00	
6/30/1991	$106,047,000.00	$7,102,000.00	$8,331,000.00	
6/30/1992	$120,924,000.00	$7,758,000.00	$6,637,000.00	
6/30/1993	$126,249,000.00	$8,349,000.00	$5,748,000.00	
6/30/1994	$128,904,000.00	$8,533,000.00	$3,866,000.00	
6/30/1995	$142,219,000.00	$6,897,000.00	$6,177,000.00	
6/30/1996	$151,997,000.00	$5,480,000.00	$4,634,000.00	
6/30/1997 **	$211,536,000.00	$11,911,000.00	$5,476,000.00	**Note - Change in GASB and other accounting adjustments - e.g., recognize unrealized gains
6/30/1998	$249,373,000.00	$9,297,000.00	$4,047,000.00	
6/30/1999	$273,000,000.00	$7,278,000.00	$2,608,000.00	
6/30/2000	$288,391,000.00	$7,681,000.00	$5,291,000.00	
6/30/2001	$286,086,000.00	$8,519,000.00	$5,788,000.00	
6/30/2002	$269,374,000.00	$11,911,000.00	$4,328,000.00	
6/30/2003	$280,505,000.00	$12,613,000.00	$6,216,000.00	
6/30/2004	$299,152,000.00	$12,671,000.00	$7,136,000.00	
6/30/2005	$318,595,000.00	$12,380,000.00	$9,590,000.00	
6/30/2006	$331,600,000.00	$11,947,000.00	$12,051,000.00	
6/30/2007				
			** $161,414,000.00	**Total Statutory Allocations into Public School Trust Fund
		** $3,222,945.29		** Pre-1978 Public School Trust Expenditures (1964 - 1978)
		** $207,125,000.00		**Post-1978 Public School Trust Expenditures (1979 - 2006)

Alaska State Legislature

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REPRESENTATIVE Paul Seaton
District 35

August 14, 2007

Education Task Force Comments

I am proud of the work this task force has done and the compromises members have made in order to forward recommendations that will help give all of Alaska's children the opportunity for a quality education. However, I would like to comment on two items in particular and hope that my concerns can be included in some manner in the finial report.

1. **Intensive Needs:** I would like to see the phase-in of intensive needs reflect the same time frame that we recommend for phasing in the 50% of the ISER cost differential. This could be 9x BSA in 2009 and increase by 1x until a multiplier of 13 is reached in 2013, the same year as the last 1/4th of the cost differential. My rational for mirroring the cost differential phase-in schedule is so that for the next four years all districts will see an increase in their funding and have reason to support the proposal. Another method would be to shorten the phase-in of ISER to 1/3 in 2009, 1/3 in 2010 and the finial 1/3 in 2011 so it is parallel to the proposed phase-in for intensive needs.
2. **Required Local Effort:** I propose that the department calculate the required local effort for each district and then apply the lowest calculated mil rate to all districts. This will address the problem of potentially failing a federal disparity test in only three years under the current system. It would also alleviate the concern some districts have that establishing a new floor for the tax mil rate could result in the future loss of a subsidy. An additional benefit to this approach is that as we reach the point in the future when we may need to address the amount of the subsidy, all districts will be coming to the table in an equal position. I have requested the department calculate a schedule reflecting the potential future cost to the State based on this scenario.

I am looking forward to an Education committee in the House that can address these issues and more in all the detail they deserve.

National Forest Receipts Program
Overview

There are two National Forests located in Alaska: the Tongass in Southeast and the Chugach located in Southcentral.

National Forest Receipts are federal revenues generated from use of the national forests, to include commercial timber harvesting, mineral lease permits, campground fees and other recreational uses. These federal receipts are shared with local governments, cities, boroughs, school districts and Regional Educational Attendance Areas (REAAs) located in these national forests.

The National Forest Receipts Program was originally authorized under a 1908 federal law which required that 25% of the annual income earned from activities within a national forest be shared with the State and distributed to governments located within the national forest.

The law requires that National Forest Receipts payments be spent only on schools, roads and certain other "special projects" (16 U.S.C. 500; AS 41.15.180; 3 AAC 132.100; 3 AAC 132.110). See below for a description of special projects.

With the decline of commercial timber harvests in the National Forests, "stumpage fees" dropped and Congress recognized a need to augment the federal revenue loss to local governments. Consequently, Congress passed the "Secure Rural Schools and Community Self-Determination Act" (P.L. 106-393) in 2000, which stipulated that National Forest Receipts payments wouldn't be calculated on the actual fees collected for the year, but on an average of the three highest annual payments made to the State between 1987 and 2000. This had the effect of "locking in" payments for the next six years - 2002 through 2007 – at historically high timber harvest levels.

This legislation has been instrumental in filling the fiscal gaps created by the decline in timber sales for many Alaskan forest communities. Although the law sunset in 2007, President Bush signed an emergency supplemental appropriations bill this year that grants a one-year extension at the current funding level. As a result, communities in our state will receive nearly $9.8 million in federal assistance for schools and roads this year. Without a new piece of federal legislation, funding will end next year. Our Congressional Delegation is working on a proposal to gradually step down timber receipt payments over the next several years – but the likelihood of success is questionable.

How are National Forest Receipt Payments currently distributed?

Alaska's annual payment is based on the average of the 3 highest year payments the state received from 1987-2000. In FFY 2007, that amount was $9.783 million

National Forest Receipts payments are made in late fall of each fiscal year. Alaska's payment is allocated to each National Forest based on the average payments each forest received during the base measurement years (1987-2000). Forest income was historically much higher in the Tongass than the Chugach because the Tongass generated "stumpage" fees from commercial logging while income in the Chugach was earned mostly from campground fees, recreation fees and mineral lease permits. In FY 07, the Tongass received $9.630 (98.43%) and the Chugach received $0.154 (1.57%) of the Federal payment

Payments are then allocated proportionally to each Borough based on the percentage of forest acreage located within that Borough.

Tongass Forest

Borough	Acres	%	Payment
Unorg	10,187,768	61.5%	$5,918,534
Sitka	1,796,494	10.8%	$1,043,664
Juneau	1,710,625	10.3%	$993,779
Yakutat	1,226,410	7.4%	$712,477
Haines	916,189	5.5%	$532,255
Ketchikan	739,514	4.5%	$429,617
	16,577,000	100%	$9,630,327

Chugach Forest

Borough	Acres	%	Payment
Unorg	3,980,725	73.8%	$113,316
Kenai	1,094,193	20.3%	$31,148
Anchorage	274,923	5.1%	$7,826
Mat-Su	43,386	0.8%	$1,235
Kodiak	2,492	0.0%	$71
Yakutat	420	0.0%	$12
	5,396,139	100%	$153,608

Federal Law requires that at least 15% of each Borough's payment be spent on "special projects" with the balance being spent on schools and roads. Entities that receive less than $100k are exempt from spending any money in the "special projects" category. The special projects category includes road maintenance and decommissioning; stream and watershed restoration; maintaining infrastructure, including trails; forest ecosystem stewardship; land health and water quality; control of noxious or exotic weeds; and other projects consistent with the Forest Plan including fish and wildlife habitat and restoring native species. There are also a limited list of activities preformed by the local government that may qualify under this category including reimbursement for costs of emergency services on public lands; costs for supervising mandatory community service on public lands; easements for access or conservation; forest-related education; fire prevention and planning; and community forestry.

Organized boroughs are free to decide how to divide their remaining payment between schools and roads. Here is how the boroughs reported allocating the money in FY 07

Tongass Organized Boroughs – FY07 NFR Payments

Borough	Total	15% Proj $	Schools $	Roads $
Sitka	$1,043,664	$156,550	$525,767	$361,348
Juneau	$993,779	$149,067	$0	$844,712
Yakutat	$712,477	$106,872	$605,605	$0
Haines	$532,255	$79,838	$452,417	$0
Ketchikan	$429,617	$64,443	$365,174	$0

Chugach Organized Boroughs – FY07 NFR Payments

Borough	Total	15% Proj $	Schools $	Roads $
Kenai	$31,148	$0	$31,148	$0
Anchorage	$7,826	$0	$7,826	$0
Mat-Su	$1,235	$0	$1,235	$0
Kodiak	$71	$0	$71	$0
Yakutat	$12	$2	$10	$0

The Unorganized Borough's, payment however must by statue be split 75% for schools and 25% for roads.

- School payments are allocated proportionally to each home rule or first class city, and REAA based on Average Daily Meals (ADM).
- Road payments are allocated proportionally to each home rule, first class or second class city, and federally organized Native villages based on road miles within their municipal boundaries.

STATE OF ALASKA
FY 07 NATIONAL FOREST RECEIPTS PAYMENTS

TONGASS NATIONAL FOREST

Borough	Acres	Total Payment	15% Projects $	Schools $	Roads $
Sitka	1,796,494	$1,043,664	$156,550	$525,767	$361,348
Juneau	1,710,625	$993,779	$149,067	$0	$844,712
Yakutat	1,226,410	$712,477	$106,872	$605,605	$0
Haines	916,189	$532,255	$79,838	$452,417	$0
Ketchikan	739,514	$429,617	$64,443	$365,174	$0
Unorganized Borough	10,187,768				
Petersburg (HR)		$1,173,664	$190,027	$914,381	$69,256
Craig (1C)		$743,876	$120,440	$594,437	$28,999
Wrangell (HR)		$725,437	$117,455	$571,788	$36,194
Annette Island - REAA		$537,333	$86,999	$450,334	$0
Southeast Island - REAA		$373,545	$60,480	$313,065	$0
Chatham - REAA		$368,934	$59,734	$309,200	$0
Hoonah (1C)		$340,813	$55,181	$257,409	$28,224
Klawock (1C)		$288,254	$46,671	$209,638	$31,945
Kake (1C)		$265,865	$43,046	$179,336	$43,483
Skagway (1C)		$246,123	$39,850	$168,900	$37,373
Hydaburg (1C)		$156,683	$25,368	$112,085	$19,229
Pelican (1C)		$29,158	$0	$25,087	$4,071
Metlakatla (Fed)		$128,413	$20,791	$0	$107,622
Thorne Bay (2C)		$128,191	$20,755	$0	$107,436
Gustavus (2C)		$111,057	$17,981	$0	$93,076
Coffman Cove (2C)		$57,508	$0	$0	$57,508
Kasaan (2C)		$31,345	$0	$0	$31,345
Angoon (2C)		$28,458	$0	$0	$28,458
Tenakee Springs (2C)		$9,252	$0	$0	$9,252
Port Alexander (2C)		$4,626	$0	$0	$4,626
State		$170,000	$0	$0	$170,000
Total Unorganized Borough		$5,918,534	$904,778	$4,105,660	$908,096
TOTAL TONGASS	16,577,000	$9,630,327	$1,461,546	$6,054,624	$2,114,156

CHUGACH NATIONAL FOREST

Borough	Acres	Total Payment	15% Projects $	Schools $	Roads $
Kenai	1,094,193	$31,148	$0	$31,148	$0
Anchorage	274,923	$7,826	$0	$7,826	$0
Mat-Su	43,386	$1,235	$0	$1,235	$0
Kodiak	2,492	$71	$0	$71	$0
Yakutat	420	$12	$2	$10	$0
Unorganized Borough	3,980,725				
Valdez (HR)		$67,094	$0	$61,317	$5,777
Cordova (HR)		$37,529	$0	$34,380	$3,149
Chugach - REAA		$6,838	$0	$6,838	$0
Whittier (2C)		$1,855	$0	$0	$1,855
Total Unorganized Borough		$113,316	$0	$102,536	$10,780
TOTAL CHUGACH	5,396,139	$153,608	$2	$142,826	$10,780
TOTAL STATEWIDE	21,973,139	**$9,783,934**	**$1,461,548**	**$6,197,450**	**$2,124,936**

Aug 14, 2007 **Compiled By:** Sen Stedman's Office - **Data:** DCCED

Joint Legislative Education Funding Task Force

Recommendation Proposed by Gary Wilken

August 16, 2007

District Cost Factor – Teacher Compensation Component

Issue Summary: The teacher compensation component of the *Alaska School District Cost Study Update*, prepared by the Institute of Social and Economic Research (ISER), January 31, 2005 reflects "how much each school district would need to pay to recruit and keep teachers and administrators with equivalent qualifications." (ISER Research Summary, March 2005) In other words, the teacher component of the proposed district cost factor is to provide sufficient funds so that districts could increase teacher salaries, if needed to attract and retain quality teachers.

ISER has acknowledged that the upward adjustment of the proposed district cost factor is based largely on the teacher cost component.

Recommendation: The Joint Legislative Education Funding Task Force recognizes that the district cost factor proposed by ISER includes a teacher compensation component that provides school districts with additional dollars to increase teacher salaries to help attract and retain highly qualified teachers.

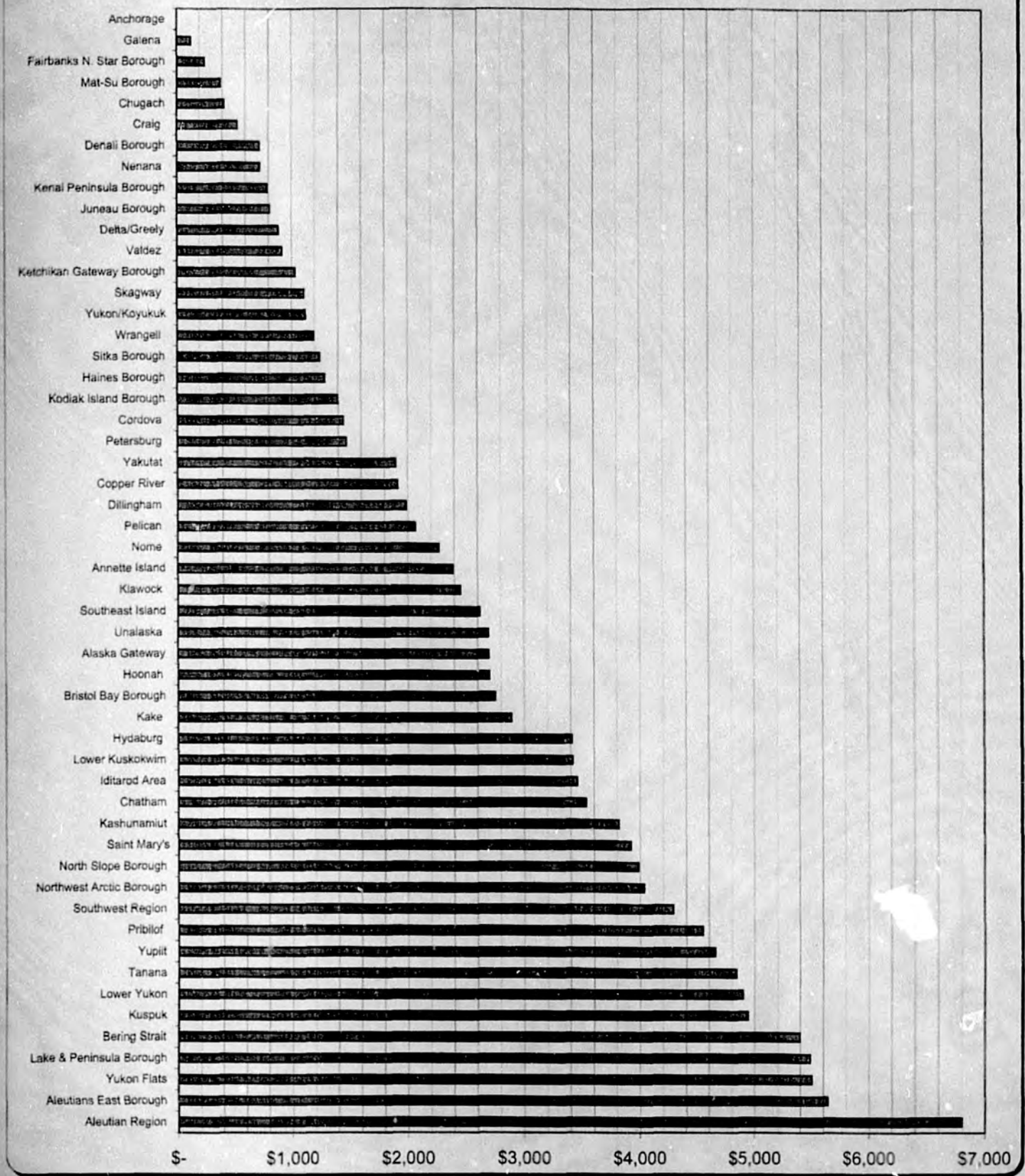
The Task Force proposes a statutory change that requires the Department of Education and Early Development to account separately, by each individual school district, the dollars generated as a result of the "teacher compensation component" of the district cost factor as identified by Ms. Lexi Hill, Institute of Social and Economic Research. The statutory change would further state that the funds in this separate account shall only be awarded as grants to the corresponding school district for the purpose of attracting and retaining qualified school teachers and administrators.

Discussion: At the request of the Task Force, Ms. Lexi Hill re-calculated the district cost factor proposed by ISER without the teacher compensation component. The difference between the original proposed district cost factor and the re-calculated factor highlights the dramatic impact the teacher compensation component has on ISER's district cost factor. The effect of the salary component

on each cost factor varies remarkably among the 53 school districts. This component compromises between 29 percent to 84 percent of ISER's district cost factors.

The teacher compensation component is one of eleven components of the cost factor and is intended to provide the necessary funds to attract and retain highly qualified teachers. The dollars generated by this component should be spent only for its intended purpose. By requiring the Department of Education and Early Development to account for these funds separately and award the dollars as grants to attract and retain qualified teachers and administrators will provide a mechanism to ensure that the funds are appropriated for its designated use.

ISER's DCF Teacher Compensation Component
Additional Dollars per Student
(Based on DEED FY08 Projected Data)



Prepared by Gary Wilken's Office

Governor's Select Panel
Alaska Schools' District Cost Factors
(Proposed by Gary Wilken)

Preface Statement: In the Moore, et. al. v. State of Alaska decision of June 21, 2007, Judge Sharon Gleason, Superior Court Judge, determined that the funding for Alaska's K-12 public education was adequate and that "the current formula was carefully considered and represents a rational approach to educational funding." (page 182, paragraph 26)

However, one aspect of the funding formula has been a constant source of aggravation, discourse, and contention within the legislature and the educational community: how to measure the relative geographic cost differences between school districts. If the proposed *Governor's Select Panel on Alaska Schools' District Cost Factors* can develop a cost factor model acceptable to the governor, legislature and the general public, the panel's finished work product will remove a perennial source of frustration for many. This Select Panel will remove the district cost factors (DCFs) from manipulation, negotiation, and aggravation for the next generation, a goal worthy of attainment.

The following proposal outlines a committee structure in which this important, yet divisive aspect of our funding formula, can be addressed and resolved:

Who: Governor's Select Panel on Alaska Schools' District Cost Factors

- Governor appoints panel members, based on recommendations submitted to the governor
- Governor selects the chair of the panel
- Governor informs the legislature by the 45th day of the 2008 session that the Select Panel has been appointed and has held its initial meeting
- Governor controls the panel's budget (dollars appropriated specifically for the panel's work)
- Make-up of the Select Panel shall be composed of the following:
    - One representative of Alaska Association of School Business Officials (ALASBO)
    - One representative of the Anchorage School District
    - One representative from the Governor's administration
    - One representative from the Alaska State Senate

- One representative from the Alaska House of Representatives
- One professionally trained statistician
- One certified public accountant
- One member of the general public with a statistical or numbers background
- One representative of Legislative Finance, serving as a non-voting member

What: Select Panel will develop a valid, durable model to calculate relative geographic district cost factors that are able to be accurately updated every four years

- Panel serves as a technical, specialized team to develop a model to measure actual geographic cost differences in providing a K-12 public education throughout Alaska
- Model includes a method to accurately measure and weight several components in a school district's budget, including, but not limited to,
  - Personal Services
  - Travel
  - Services (excluding utilities)
  - Commodities and Equipment (excluding utility and energy costs)
  - Energy and Utility Costs
  - Facility Maintenance
- Panel selects at least two vendors to draft a model to measure actual educational cost differences and submit the model without calculating individual factors
- Panel works closely with the selected vendors and frequently reviews the work products of the vendors and provides specific direction throughout the process
- Panel determines the best model or combination model that measures the actual relative geographic cost differences accurately and can be updated every four years
- Panel opens a public 60-day public comment period on the recommended model
- Panel considers all comments on the chosen model and modifies the model based on the submitted comments, if deemed appropriate
- Panel requests the vendor who developed the recommended model to collect, analyze, and compute the necessary data to calculate new district cost factors

- Panel recommends the chosen model and accompanied new district cost factors to the legislature for implementation
- Current district cost factors sunset the first day of the 2011 legislative session

Where: Select Panel serves under the Office of the Governor

- Panel is appointed by the governor and serves at her pleasure
- A different venue with a statewide view is necessary to foster statewide cooperation
- Support by the governor is necessary to achieve a final resolution
- Department of Education and Early Development provides the necessary administrative support

When: Select Panel exists from 2008 – 2010

- Panel holds its initial meeting prior to the 45th day of the 2008 legislative session
- Panel opens a 60-day public comment period on the suggested model no later than September 1, 2009
- Panel submits its final report to the governor and legislature by September 1, 2010
- Panel sunsets by December 31, 2010

Why: Select Panel's work will provide 53 school districts an assurance that the relative regional cost differences are measured correctly

- The current district cost factors were adopted by the legislature ten years ago
- Within the last 10 years the legislature has sponsored two DCF studies with disparate results
- Uncertainty regarding the validity of two proposals exists, fostering frustration and skepticism
- Since 1998, state law has required the Department of Education and Early Development to update the district cost factor, but the current district cost factor computations cannot be updated

Timeline for the Governor's Select Panel on DCFs

	2008	2009				2010				2011
Select Panel Tasks	**Mar 1**	**Mar 1**	**June**	**Sep 1**	**Nov 1**	**Mar 1**	**June**	**Sep 1**	**Dec 31**	**Jan**
Selects vendors & recommends model		12 - 18 months →								
Opens a 60-day public comment period on model			2 months (depends on public comment period) ····→							
DCFs decided, final report to gov & legis				10 – 16 months ····→						
Select Panel on District Cost Factors sunsets					2 years, 10 months →					
Repeal of the District Cost Factor statutes										★

Box 1753
Seward, AK 99664
907-224-4008 work
907-224-3252 home
Pat1027@hotmail.com
August 5, 2007

RE: Area Cost Differential and Seward's schools

Dear Members of the Joint Task Force for Education,

Thank you for giving your time and energy to this very crucial issue for Alaskan communities, Seward in particular.

As few as ten years ago, four Seward High students sang the National Anthem, a cappella, before playing in the girl's state basketball tournament. Their confident performance in both activities reflected hours of practice guided by professional teachers and involved parents and community.

Opportunities to learn music, drama and art along with a healthy dose of the core courses used to be the norm in Seward schools. We had excellent math teachers who not only provided the basic courses but trigonometry and calculus. Many of our students went on to major universities and reported back that they were adequately prepared, much the same as if they had spent their time in a larger school system.

Unfortunately, today many of our students and their parents search the internet for on-line courses to fulfill their requirements in order to graduate. Drama is sporadic at best, art programs are funded one year and cut the next and there is minimal music instruction, in spite of gallant efforts by community musicians and parents. Estimates of close to one hundred of school age children are enrolled in distance education within the Seward community. Parents who have the means and ability are seeking alternatives to traditional public school for their children; those who don't have to endure the consequences of lower enrollment.

For Seward, the State of Alaska's current funding of public education has produced and nurtured the inequity it was developed to prevent. How can this be fixed?

More equitable funding for all schools will certainly help. We shouldn't have to spend the $40 billion in the Permanent Fund on prisons and social welfare while our schools decay. Providing secure and consistent funding for education today will insure a well educated and healthy future for Alaska.

But money alone will not improve our ability to educate our children. Provisions and standards should be developed that benefit a community that strives to enhance their local school programs beyond what the state can provide. Local innovations should not only be considered but encouraged. Community based educational programs could be supported with matching grants. Such programs would not only provide better educational opportunities but strengthen community ties and partnerships.

If these ideas are considered and implemented we can once again experience the delight at hearing young voices sing with clarity and passion at a community event, attended by all.

Good luck in your deliberations.

Patricia Linville

Patricia Linville

Alaska Association of School Administrators
LEADERSHIP FOR LEARNING
326 Fourth St., Suite 404 • Juneau, AK 99801-1101
Phone: (907) 586-9702 (800) 478-9702 • Fax: (907) 586-5879

Champions for Children

10 August 2007

Representative Mike Hawker, Chair
Joint Legislative Education Funding Task Force

Dear Chair Hawker and members of the Task Force:

Thank you for the opportunity to testify on the draft recommendations developed at the last Task Force meeting. I am unable to attend in person, thus submit this letter for the record. AASA members discussed the recommendations at our recent AASA summer meeting, but it was not an official membership meeting, so no formal position was taken.

However, I speak for the organization in commending the Task Force for its due diligence in arriving at these recommendations. I personally attended your discussions and am greatly impressed with the process. Given the many disparate views among Task Force members, achieving consensus on several thorny issues was no small task! As a long-time observer of the legislative process, this committee's work ranks at the very top.

Perhaps the greatest challenge now is to convince the administration and other legislators that you did the heavy lifting, and that additional second-guessing could upset a very delicate balance achieved. I believe the end result is a fair and consistent immediate resolution to the funding issue for Alaska's school districts.

My association and I stand ready to assist you in advancing your work product to a final implementation.

Respectfully,

Mary A. Francis

Mary A. Francis, Ph.D.
Executive Director

cc. AASA Board of Directors

From: Anne Kilkenny [annekilkenny@hotmail.com]
Sent: Wednesday, August 15, 2007 9:33 AM
To: Joint Leg Ed Task Force
Subject: Education task force

Sirs,

For a couple of years ago in the late 1980's I was a regular sub in the Mat-Su School District. I have not been a school district employee since.
I am just a parent, a concerned citizen, who has payed close attention to education funding in Alaska since about 4 months before SB36 was enacted.

MY BIGGEST PROBLEM WITH THE FUNDING FORMULA is that it provides no mechanism, incentive or funding to encourage districts to address the issue of dropouts and to improve education/graduation requirements. What do I mean?

If a district wants to increase graduation requirements, it will require additional funding since students will have to take more classes. But there is no increase in funding to accommodate such an increase in cost. Example:
the Mat-Su School District School Board has tried several times to increase graduation requirements by 1 credit (from 3.5 yrs of high school--21 credits--to 22), but has had to roll the back the increase because they couldn't afford it.

Simply put, we cannot afford to provide a 4 yr high school education for every student in the MSBSD. That borders on criminal, in my opinion.

THE FUNDING FORMULA NEEDS TO BE CHANGED TO ENCOURAGE DISTRICTS TO INCREASE GRADUATION REQUIREMENTS, RETENTION OF STUDENTS, AND LEARNING.

The funding formula needs to be changed to FUND increased graduation requirements to 4 FULL years of high school for EVERY student.

I note the following other problems with the current education funding formula.

- It makes no adjustment for the increase in overhead costs per student in districts with declining enrollments, like Kenai.
- It makes no adjustment for the increase in building maintenance costs in mature districts like Anchorage which have stable (or slightly declining
- enrollments) housed in aging buildings with high heating and maintenance costs.
- It doesn't adequately fund small schools in large districts, like Mat-Su and Kenai.
- It assumes that all large schools are equally efficient. When a school designed for 450 students has an enrollment of 630 or more, a significant amount of money has to be diverted into construction and maintenance of portables. With the dramatic population growth Mat-Su is experiencing it needs about 20 new portables this year alone.

The present formula reduces the funding when a school is crowded because it assumes that this is "efficient", but the reality is that it is very expensive to operate such schools because of the cost of constructing and heating portables. How are you going to fund the higher cost of construction and heating of portables without actually encouraging their construction?

- It doesn't take into consideration that unfunded mandates impact each district differently.
- It doesn't respond to differential increases in costs. For example, when the cost of heating oil goes up, the districts which have the highest percent of their budget spent on heating will experience the a proportionately greater increase in expenses, but the formula doesn't take that into consideration.
- Intensive needs funding is RIDICULOUSLY inadequate! There is a total disconnect between funding and costs. Some districts have a far higher percentage of special needs students, so using a flat % of enrollment isn't fair.
- When a particular intensive needs student shows improvement, they lose the services which made that improvement possible, and then fall back; this is counter-productive.
- Mechanism for funding fixed costs is flawed. Funding for overhead is directly linked with enrollment, but overhead fluctuates far less than enrollment. It assumes that utility costs increase with increased enrollment, when actually, the reverse may be true. A decline in enrollment directly equates to a funding decrease while overhead costs may remain constant or even increase due to increases in fuel costs, insurance, etc.
- Area cost differentials are TOTALLY out-of-date.
- PRS/TRS funding is linked to enrollment, but the expense is not.
- high schoool buses are nearly empty. Something needs to be done to reduce the number of nearly empty busses running around the state! This is grossly inefficient.
- funding--the BSA--is not automatically adjusted for inflation.

In short: not all expenses are linked to enrollment, so funding shouldn't be, either. Fixed costs should be direct-funded. Adjustments need to be made for inflation and other costs.

IF I RULED THE WORLD . . .

- the following educational expenses would be direct-funded by the State or reimbursed at 100%: utilities (heat, light), PRS/TRS, liability insurance & transportation, all freight expenses for furniture & supplies.
- Consider issuance of transportation vouchers good for either a guaranteed seat on the bus or 10% of the cost of transporting 1 student (value based on 100% ridership). This would save money, reduce number of busses & routes needed and increase efficiency. The value of the vouchers would change annually.
- Funding for the majority of students shouldn't be shorted to make up for shortfalls in funding for the few. Funding for intensive & special needs would be based on AUDITED assessments. A student's needs determination would be for an indefinite period, but could be re-evaluated annually, and could not be reduced for 3 years. Most special & intensive needs students would be classified by degree of need which would translate into a multiple of the BSA. Districts could apply for exemption from this formula for individual students whose needs exceeded 10x BSA, and get funding for actual costs for that particular student.

- there would be a grant program for major maintenance expenses and the construction of portables, which would be funded at 100%.
- the funding for high school student enrollment would be up to 1.125 x BSA for districts which increased their graduation requirements to 4 full years.
- grants would be available for districts with proposals to increase graduation rates and compliance with NCLB. These grants would be automatically renewed at 100% + inflation if the graduation rate &/or test scores improved and was maintained.
- the BSA would adjust automatically for inflation.
- the State would enter into purchasing agreements for some basic supplies (copy paper, desks, chairs, tables) so that small districts could have the advantage of the cost savings of large scale orders. Districts would not be obligated to purchase through these contracts, however.
- Area cost differentials would change annually based on self-reported costs by districts for a specific set of expenses.

Thank you for considering my opinions,

Anne Kilkenny

P. O. Box 870163
Wasilla, AK 99687-0163
907 376-6225

Trying to help

Alaska PTA

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Alaska PTA Testimony for the Joint Legislative Education Task Force
Al Tamagni, Jr, Alaska PTA President, 2007-09

Representative Hawker and members of the Legislative Education Task Force, we appreciate the time and effort the members have spent gathering information and discussions of difficult subjects. We agree with the Legislative Resolution statement "Alaskans clearly believe in the value of the equality of education for our children."

In 1920, National PTA recognized the first Alaskan PTA unit organized at Tenagee on Chichagof (Chichikof)Island near Juneau and Ketchikan became the second Alaskan PTA in 1921. As a state, Alaska organized as the fifty-first branch of the National Congress of Parents and Teachers in 1957 with 32 local individual units. Now we are 50 years old as of April 26, 2007 with approximately 9000 members and 157 individual units from Nome to Ketchikan.
School funding and equal education for all children has been a priority of the Alaska PTA for these many years.

1958: " We urge the Territorial legislature to enact specific laws providing for broad educational programs which meet the needs of all children in our schools, whether they be normal, handicapped, especially talented or gifted, or emotionally disturbed."

In **1989** we began advocating for "Full and Early Funding for Public Education" and the 1990's were filled with discussions on funding for schools, using slogans like "Taking a Bite Out of Education" and "Education Cuts Don't Heal". Senator Wilken and Eddy Jeans made many trips to the Alaska PTA Issues Legislative conference educating parents on the Foundation formula, transportation costs and debt reimbursement for renovation and repair of existing facilities. PTA members valued their expertise and time. In the past the Alaska PTA representatives have served on committees and task forces including 2001 Governors Education Funding Task Force.

Parents and PTAs truly understand funding gaps, as a matter of fact, PTAs funding requests received veto's in the 2008 budget that would have been used for books, printers, video cameras, landscaping, training classes for teachers new to advanced placement classes, textbooks and supplies to support advanced placement classes, opaque windows in the library, after school programs, audio visual equipment, projector installation, computers and software, ice rink walls and repairs, desks, upgrades for multiple computer labs in multiple

schools, stage renovations, and I didn't even list the non-PTAs that are requesting capital budget money. We know that the only money being asked for that would actually go to a PTA was the amount the Alaska PTA requested to fund a parent involvement training project to meet the requirements of NCLB and to facilitate a military summit. While we appreciate legislative support for all of the monies requested we know that many PTAs spend a huge amount of effort raising money to fill the gaps between what is provided and what children need. Although we recommend that PTAs provide 3 enrichment activities for every fund raiser the reality is that parents will move mountains to make sure that their children have what they need.

We believe that many of the issues that faced this special task force will need additional study, discussion and buy in from stakeholders. For instance, Representative Joule suggested that one of the discussions we need to have is the same one parents have every year: "What does an equal education really look like? The ability to deliver the same curriculum opportunities doesn't even work from one end of town to the other. Can a student get the same quality of education from district to district?" The cost of providing an equal education across this vast state is a challenge but we also need to know what our children are learning no matter where they choose to live.

We support the creation of a Blue Ribbon Commission and respectively request representation on such commission as a primary stakeholder. Alaska PTA truly does work for all of the children of Alaska as a state wide organization.

We also support the creation of a separate Education Standing Committee to address issues related to education and education funding that need follow up, investigation and legislative action now and in the future.

The Alaska PTA also recognizes there may be 'other' sources of funding and passed resolutions both at the state and the national level to seek the reconstitution of the Alaska Public School Lands Trust. We believe these needs to be investigated thoroughly to make certain the lands are correctly and properly identified and fiscally managed in a matter that maximizes the return from the lands for our children and their children as promised by Congress in 1915.

Alaska PTA also has a history of working for meaningful parent involvement training for all parents and teachers, supporting vocational technical training (part of our legislative program in 1958) and working for safe transportation solutions since the early 1960's. Alaska PTA reaffirms our commitment to partnering with any future legislative committees and the Department of Education and Early Development to ensure a quality education for ALL children within the state of Alaska.

Alaska PTA

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2007-2008 Legislative Platform

The Alaska PTA will support legislation and regulations, which promote the Purpose of the PTA cited as follows:

a. To promote the welfare of children and youth in home, school, community and place of worship.
b. To raise the standards of home life
c. To secure adequate laws for the care and protection of children and youth
d. To bring into closer relation the home and the school, that parents and teachers may cooperate intelligently in the education of children and youth
e. To develop between educators and the general public such united efforts as will secure for all children and youth the highest advantages in physical, mental, social, and spiritual education.

This legislative platform is the authority for selecting those areas of legislation to be addressed by the Alaska PTA. Positions taken on state and federal legislation will conform to policies adopted in this basic platform, priorities approved at the Legislative Issues Conference, resolutions adopted at Convention and positions adopted by Alaska PTA Board.

A. SCHOOL GOVERNANCE

The Alaska PTA supports legislation and regulations that will:

1. Maintain local school district self-governance; require financial accountability, timely and effective communications between all parties regarding school performance records and local control of all public schools.
2. Require bargaining unit within School Districts to give a three-day strike notice.

B. FUNDING FOR PUBLIC EDUCATION

The Alaska PTA supports legislation and regulations for state and local funding for public education, that is adequate, equitable, stable and accountable. To achieve this, Alaska PTA supports the following concepts:

1. Public education is primarily a responsibility of both state and local governments and must be a top funding priority.
2. The Alaska Legislature must consider new, stable sources of revenue to fund education and initiate forward funding for education. This would enable school districts to initiate, improve upon and maintain educational programs that show results in achieving high academic and or life skills performance by students according to their abilities. These programs will allow students to pass all appropriate and required tests while maintaining a safe and sound environment that promotes and facilitates learning.
3. The Department of Education and Early Development should annually compile data on the finances of all School Districts and make this information readily available to the public in a comprehensible and relevant format. Uniform accounting procedures should be required by the State in order that district expenditures for programs and administrative costs can be computed equitably, while showing number of participants within the program for the fiscal period reported.

4. State and federal funds for education should be appropriated only for public schools and in amounts that will ensure compliance with all laws governing education and guaranteeing to all groups of students equitable and adequate educational opportunities.

C. EDUCATION ISSUES

The Alaska PTA supports legislation and regulations, which will:

1. Support mastering basic skills and developing every child's individual potential to the highest level possible in an environment that is conducive to high achievement by all. This would be a full partnership between Teachers, Parents/Guardians, Students and appropriate support staff.
2. Support provision for special educational opportunities, including but not limited to early childhood intervention when appropriate for any child with a disability that creates an educational disadvantage in a school environment.
3. Support access to vocational-technical programs for all secondary students.[i]
4. Support access to accredited public correspondence programs.
5. Require every district to provide a kindergarten program.
6. Encourage a "highly qualified" professional staff at all levels of public education to meet the requirements of No Child Left Behind.
7. Continue to prohibit the use of corporal punishment in schools. Encourage school districts to establish supportive behavior-management procedures for all school personnel to provide viable alternatives to the use of corporal punishment. The use of reasonable and necessary physical restraint to protect persons or property from harm should not be considered corporal punishment and should be permitted.
8. Provide appropriate opportunities in Alaska for post-secondary academic, vocational, and technical education.
9. Provide programs and transportation comparable to other school activities or programs for students who are at risk of dropping out of school.
10. Encourage all Alaska school districts to adopt and provide programs implementing the Alaska Content Standards (broad statements of what our students should know and be able to do) in English/language arts, mathematics, science, geography, government and citizenship, history, skills for a healthy life, arts, world languages, technology, employability and library information/literacy.

D. HEALTH, SAFETY, AND JUVENILE JUSTICE

The Alaska PTA supports legislation and regulations that will:

1. Ensure comprehensive and continuous health education programs.
2. Strengthen school nutrition programs that meet or exceed federal guidelines and promote good nutritional habits.
3. Promote the use of appropriate safety equipment and the proper education in the use of and licensing of any motorized or non-motorized equipment.
4. Ensure Programs, facilities, or institutions designed for the protection of child welfare and prevention of youth delinquency are to be operated in such a way to secure the highest advantages in physical, mental, social, and spiritual education and welfare for all children.
5. Ensure all public school children that are provided transportation by the school district or their contractual designee will be safely transported and the occupancy of busses will not be exceeded.
6. Provide notification programs that require local school districts to establish policies for expedient parent notification when children are absent.

7. Ensure any environment, in which a child is placed, is safe and adequately staffed, and encourage efforts to remove children from adult jails and lockups, in order to place children in more appropriate facilities
8. Encourage cooperation at all levels of government with comprehensive emergency management services, and support sponsorship of emergency preparedness programs in cooperation with the appropriate local school governing bodies.
9. Require 60 minutes of daily physical education by accredited professional instructors for every primary and secondary school.
10. Support Denali kid care to ensure that children, teens (through age 18) and pregnant women of both working and non-working families who meet the current) income guidelines have access to affordable health insurance.
11. Require confidential reporting to the state where every child is receiving their 1-12th grade education be it public, private or home schooling.

E. EARLY CHILDHOOD EDUCATION AND CHILD CARE

The Alaska PTA supports legislation and regulations, which will:

1. Support a comprehensive program to provide training for parents of all children from birth to age 5.
2. Provide high-quality, developmentally appropriate preschool programs, for all children age 3-5
3. Improve licensing for day care, preschool programs, and foster home parents to ensure high standards.
4. Provide day care assistance to families in need to allow them to pay for quality programs.
5. Support a statewide system of resource and referral centers to help parents find accessible, affordable, quality childcare.

F. PUBLIC INVOLVEMENT

The Alaska PTA supports legislation and regulations, which will:

1. Provide opportunities for parent and community participation in all aspects of education, including input to the classified/certified employee's evaluation process.
2. Allow volunteers to deduct from their federal tax return volunteer miles driven at the same rate as business usage.
3. Include parents, community members, and educational professionals in all aspects of student performance standards.
4. Alaska PTA strongly supports and advocates for the development and implementation of the parental involvement policies of NCLB that will:

- Train Teachers and staff to apply the six standards of parent involvement:
    1. Communicating
    2. Parenting
    3. Student Learning
    4. Volunteering
    5. School decision making and advocacy
    6. Collaborating with the community
- Engage parents
- Provide parents with clear and timely information about NCLB
- Develop effective advocates

---

[i] Approved by the Delegates of the Alaska PTA 2007 Annual Convention

Alaska PTA

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2007-2008 Legislative Priorities

Alaska PTA strongly supports the reconstitution and active management of the Alaska Public School Land Trust. In addition, Alaska PTA seeks a delegate seat to assist the state in the management of the School Trust Lands.

Alaska PTA strongly supports:

- Modifying the foundation formula to provide equitable educational programs statewide without reducing funding to any school district;
- Biennial education funding to allow continuity of programs; and
- Increasing funding to offset escalation of fixed costs to at least maintain existing programs and facilities.

Alaska PTA strongly supports and advocates for the development and implementation of the parental involvement policies of NCLB that will:

- Train Teachers and staff to apply the six standards of parent involvement:
    1. Communicating
    2. Parenting
    3. Student Learning
    4. Volunteering
    5. School decision making and advocacy
    6. Collaborating with the community
- Engage parents
- Provide parents with clear and timely information about NCLB
- Develop effective advocates

Alaska PTA strongly advocates that every school district in Alaska adopts and implements a wellness policy that incorporates:

- Nutrition standards that exceed the federal minimum requirements for school meals and foods available for general consumption.
- Assurance of daily physical activity for every student K-12 of at least 45 minutes.
- The implementation of a health curriculum K-12 that emphasizes the physical, mental and emotional benefits of good nutrition and physical activity.
- Parent education on the obesity problem and the importance of adults and children developing life-long habits for good health.
- A school employee wellness component

Alaska PTA strongly supports legislation requiring school safety programs that comply with the intent of NCLB regulations. These programs must address local needs as determined by objective data and will include prevention activities. All school safety programs must include staff, students, parents and community. These programs must be measured and evaluated annually.[1]

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[1] Adopted at the Legislative Issues Conference October 21, 2006

School Trust Lands and Funds

Adopted by Alaska PTA Convention, April 29, 2005

Whereas; Early in our nations history the import and support of public education was established by the granting of school trust lands in every state and the establishment of corresponding permanent school funds; and

Whereas; In 1915, 106,000 acres were transferred by the Alaska School Lands Bill to the Alaska Public School Lands Trust in the original school trust land grant; and

Whereas; In 1978, The Alaska State Legislature converted the school trust land to "state lands" to be compensated by .5% of all of the income generated by all general state lands; and

Whereas; The conversion was made without the beneficiaries or representative of the beneficiaries consent; and

Whereas; The income derived from these lands must be used to support the public school children of Alaska as the beneficiaries of the trust; and

Resolved; That Alaska PTA shall provide information to parents, educators, policy makers and the public about school and institutional trust lands and permanent school funds; and be it further

Resolved; That Alaska PTA shall support management of the Alaska Public School Lands Trust that is consistent with legally recognized trust principles of sound financial management to provide maximum benefit to the children in public schools who are the beneficiaries of that trust; and be it further

Resolved; That Alaska PTA supports compensation for unfulfilled legally binding commitments made by state and federal governments to the Alaska Public School Lands Trust; and be it further

Resolved; That Alaska PTA urges state and federal lawmakers to support public schools by ensuring that the historic trusts are allowed to fulfill the purpose for which they were originally created.

National PTA Resolution

School Trust Lands and Funds

Whereas, Our nation's founding fathers recognized the importance of supporting public education, so they established school trust lands in every state, as well as corresponding permanent school funds to be provided by either Congress or the states themselves; and

Whereas, Federal laws regulated territorial expansion and entrance into statehood, allowing all states to enter the union on equal footing; recognizing that some states would have vast acreages of untaxable federal lands, federal laws granted trust lands and funds to states to support public schools and to compensate for untaxed federal lands; and

Whereas, Additional grants were provided to create a revenue stream for educating children with special needs, including deaf and blind children and at-risk populations; and

Whereas, States have lost a portion—or all—of the granted lands and resulting perpetual revenue stream due to lack of awareness on the part of parents and community members, and due to lack of diligence on the part of education leaders and policy makers regarding these trust lands and funds; and

Whereas, Many school trusts have lands to which they are still entitled from the federal government since statehood; and

Whereas, Changes in the management of lands and funds initiated and promoted by schools and parents have either brought about increased annual revenue streams for public schools or protected the given revenue stream; therefore be it

Resolved, That National PTA and its constituent organizations shall provide information to parents, educators, policy makers, and the public about school and institutional trust lands and permanent school funds, including the compensation or grant entitlements that states have been denied since their entrance into statehood; and be it further

Resolved, That National PTA and its constituent organizations shall advocate for sound financial management of the school trusts to provide the maximum benefit to the children in public education who are the beneficiaries of those trusts, and shall work to ensure that these funds do not supplant existing education funding; and be it further

Resolved, That National PTA and its constituent organizations urge state and federal lawmakers to support public schools by ensuring that the historic trusts are allowed to fulfill the purpose for which they were originally created. [1]

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[1] The delegates of the 2006 National PTA Convention approved this resolution at the Annual Convention in Phoenix. AZ in June, 2006.

From: PAUL KENDALL [pauldkendall@yahoo.com]
Sent: Wednesday, August 15, 2007 5:01 PM
To: Joint Leg Ed Task Force
Subject: Re: Additional Materials for tomorrow's meeting

well, ladies and gentlemen, it aint pretty, but it is a search for the truth... i just regret that i have to be the one to say and write these questions, comments, thougts, --i can feel the pain already! As nutty as it is, many of the peices are applicable!

I think we need some hard, frank, open, on camera (our cameras) contentous and emotional arguments or "get things straight" talks..
I dont remember too many problems that got settled without some pain or accountability!

Thank You, for what has to be a tough position in many ways besides political.

Paul D. Kendall
907-222-7882

Attachments: **4279460877-8-14-07school task.doc**

You are not PLUGING the problem—money out and no return
ENERGY & TAXES with --comming soon;
WATER AND SECURITY/PRISONS

Federal Testing Results ? In comparison to Alaska testing ?

Remember - Its all a struggle between competing good, bad, or evil thoughts;
And only in open and honorable dialogue will you know which is which !
The bigger the struggle, the bigger the open, honorable dialouge and participation has to be in proportion. The bigger the collective view the more clarity and review to find the truth between competing good, bad, and evil thoughts
AND--
Remember my 3 Cs – Converted, -Confuse-flicted- or *Corrupted!
(or out to lunch) ha ha
*** Corrupted comes in many forms- not just money!**
You can only hold one C position at a time!

This cognitive disconnection = professing one position or thought while really believing another in opposition to the one being expressed --a duality of true thoughts cannot be sustained.

I thought we called that lying ! A big lie or a little white lie !

>>>> Energy continues to surge everything .. you have to address this <<<
>>>Mayor and his new gross tax is an expanded minning for revenue >>>>

<<<<<Feds just pumped in 136 Billion dollars <<<<<
<<<<EOC BILLIONS >>>>
School DIstict, prs and trs --- romans --other cultures, warriors, leaders >>

Water buffalo calf and herd "Battle at Krugger"—U-tube
Society problems – greater collective against predatory capitalism and new world order corporations-no vision, no quality of life, family disentigration, unwarented child birthing, breeding, propogating offspring—CHINESE POPULATION
Marriage should be a 3 or 5 year lisence which expires automaticly without both parties renewing—
Marriage with children require successful 3 year lisence and a 21 year contract of terms and conditions before you can have children...

Minor with child – parent pay for
Marriage is becoming a misrepresented implied contract of obligations
the state is acting and intervening without "actual contract of obligations"
Unwed mother – soley responsible for children until contract of terms
And conditions are arranged.

**(Water, Food, Shelter, = a family (1or more) + Property = 1 home + 2 or more neighbor homeowners = formation of a community –From here you begin shared essential servicesIII

You have to do something about "conflict of interest" inside the loop testimony declaration – perhaps a kind of first up and get it over with for those conflicted and rewarded by child or income or association----
Then last for the general public non conflict of interest testimony !

Where are our priorities –Secure and protect the general welfare of the public – shelter = home Energy= water /electricity –Family (individual liberty)
FOOD and SHELTER

8-14-07 school task
IS it just me ? Do i need Medications ? Or do i just need a good job with the school district, State, Burough, City, Utilities, police, fire

How can i buy a house if:

THE PRICE ---- ----------200,000 dollars in price
THE VALUATION PROCESS ----------state and local -- & mills
THE PROPERTY TAXES ---------- ----For more city services
----------School costs gone wild
THE UTILITIES ---------- ----Oil companies profits
THE WATER AND SEWER ---------- -----now a revenue for city
ILLEGAL IMMIGRATION ---------- ---- downward Low wages and my jobs

HOW CAN I BUY A HOUSE, PAY FOR IT AND RETIRE; AND BE A FREE MAN TO LIVE IN IT; IF EVERYONE KEEPS COMING AFTER THE HOME PROPERTY FOR MORE MONEY?

TAXES,
ENERGY
SCHOOL BONDS
NEGATIVE CORPORATIONS

==========

8-14-07 Schools – task force for the 15 th

Cameras so that they look at face –they do that everyelse in the world "except with the legislature of Alaska"
I want to go last – Please

Rather than salt the testimony – lets go for and against in some uniform way

I want to look at this institution without children – period – take the kids out of this totaly !!

I want to look at a cash view ... Who are you What is your title What was your last year tax filing
Your mate or partner with a school ??

THis is not about kids .. its about product and manipulating a public to squeeze money to a few consolidated individuals – were mugged as children are used as hostages or front end diversions

I think we will see a different story or at least a different way to look at it..
let me explain what i mean ===

1) single family home @ 0 property tax and 0 utilities you would think me a nut case in worst
Well, we really are giving a few in our society just that. Ya see, in the old days public service was the worst wages (i think when i was a kid) and you drove old vehicles, few hours, and the job was only temporary do to low wages
Now, with cost of living and you guaranteeing them $-- it is a form of communism—
Breed and a job at school district and your set for life !

You heard it—they intend to take them all in ! -- no matter what their challenge is!!
They were giddy with the cash infusion and no fiscal responsibility or product accountability----

You have to take one school and begin to fill it up !!
You have to fill it up one student at a time – like a lego set –
to see what is happening in cost going out

Are there Time Clock Systems check in cards for diseminating information and use ? NO ? WHY NOT ?
IF yes , what do they tell you – the software ?

IS their book keeping the same as the rest of the State ??? WHy not ?
SURE should be, in my opinion
All govt entities should have same book keeping system – Uniform

Where are these children coming from?
What kind of homes,
How many parents?
What nationality are these or the parent ?
IS it the native children ?
Which Parent in house with them?

The female drive and awareness of financial security ---permanent fund raid
Every mean, ugly, man hating, female –
With children (many)

With Children injured
With Children special needs
With Children – of ?

The Men that will follow
The Women of the ones above who will follow ?

Illegal Immigration impacts are in multiple areas – Children, Wages, crime, Communication

permanent fund-
infrastructure of community
day care
english lessons
lunches and buses
jobs
occupy services and jobs
money out of state

ALL MONIES OUT –

WALL MART
HOME DEPOT
ALL BIG BOX – total revenue out annually ?

If they keep printing money – Then it is all an illusion – The illusion is that capitalism maintains a better society

They are in essence recruiting – more students, dis-functional, special ed for more money

It is some form of unfair distribution of wealth

If you take the children out of the picture – and just hand out the money

We are in essence guarantee some in our society a free ride

Military,

Federal
State
Burroughs
City

Combined with Negative -- New world order Corporations

Negative Corporations –

Tobacco
Hard Drugs
Alcohol
COAL
Oil and Gas
Automobile

New World Finances – Federal Reserve

You are taking the money that belongs to all of us and giving it to a few who are forming alliances against the general public

This is more like a Ron L Hubbard positive thinking presentation
This has become an amway piramid presentation
Some multi-level marketing scheme

I want my money in gas !! Because the money never gets to me in fair proportions. Like a river running into the desert, it dissapears before it gets to me

From: Stephanie Allison [slacpa@acsalaska.net]

Sent: Thursday, August 16, 2007 7:33 AM

To: Joint Leg Ed Task Force

Cc: Rep. Beth Kerttula; Rep. Andrea Doll; Sen. Kim Elton; Andi Story; 'Bill Peters'; Margo Waring; Mark Choate; Mary Becker; 'Phyllis Carson'; Sean O'Brien

Subject: Comments on Draft Proposal - Juneau Resident

Dear Task Force Members;

The draft report from your efforts is impressive and thoughtful. Thank you for you time and effort on this important topic.

My only comment would be on pupil transportation. While the most recent audited financial costs is a logical starting point and an economic boost to school districts, it does not consider contractual increases for the districts. Beginning with fiscal year 2009 school districts would be using general fund dollars to pay for transportation. In a few years time, without any increases from the state, districts would once again be transferring large sums from the general fund to the transportation fund.

Please consider recalibrating the contract amounts on an annual basis.

Thank you,

Stephanie L. Allison, CPA
slacpa@acsalaska.net
723-3092 (wk)
790-6407 (fax)



Alaska Association of Secondary School Principals
PO Box 2889
Palmer, AK 99645
Phone: (907) 746-9300 Fax: (907) 746-9301
Email: aassp@alaskaprincipal.org
Website: www.alaskaprincipal.org

August 16, 2007

Representative Mike Hawker, Chair
Joint Legislative Education Funding Task Force

Dear Chair Hawker and members of the Task Force:

My name is Michael Perkins. I'm the Principal at Mears Middle School and President of the Alaska Association of Secondary School Principals (AASSP). I'm here today to testify on behalf of rural and urban K-12 principals across the state. Thank you for giving me this opportunity. Our organization is poised to assist in any way we can to support you with this important work. We appreciate the challenge you faced to reach consensus, and look forward to the final recommendations. In representing the board of AASSP, I would now like to offer our feedback on your recommendation bullet list.

- AASSP supports the 50% ISER implementations in statue for FY09 as long as statewide equity is assured and larger districts are not penalized.

- As instructional leaders entrusted with the education of Alaska's children, we wish to participate in the "Blue Ribbon Commission" recommended to develop a durable and dynamic model for education funding.

- We support categorical funding for voc-tech programs.

- Federal mandates require that our intensive needs students educational plans are fulfilled. We support your proposal to increase the funding on an annual basis for intensive needs students for the next two years. While I do not understand your bullet of no extraordinary relief provisions, as a building principal, I will give you an idea of what an extraordinary intensive needs situation means to me. (example).

- While we recognize the need to consider alternatives for taxpayer relief, it is imperative that we annually fund schools on a predictable and reliable long-term fiscal plan.

- The AASSP board finds it commendable that you have come up with a plan to document Alaska's efforts to attract, train, and retain qualified teachers. HOWEVER, a glaring shortcoming in your recommendations is what will be done to attract, train, and retain qualified Principals to Alaska. And finally, documenting the efforts is not the same as making it happen. National studies, including those of Robert Marzano, clearly show that strong teachers led by effective school principals, are the two biggest factors for school success.

- We fully support early/forward funding for education. Many of us now are still looking for qualified teachers as the late staffing has made it difficult to be in the hunt for top candidates. With our current retirement system, it is becoming increasingly more difficult to attract and retain qualified teachers. That is in Anchorage. You can just imagine how difficult it is in rural Alaska.

- Finally, we appreciate the recommendations of increasing the BSA over the next three years. We are, however, concerned that the recommended increase of one hundred dollars will fall short of what is needed. It is obvious to all of us in observing the work that you are doing, the Joint Legislative Task Force is interested in providing an excellent education for the children of Alaska.

The Alaska Association of Secondary School Principals is ready to assist you in bringing your recommendations forward. We appreciate your willingness to listen to our feedback and look forward to your final report. Should you need any additional information you may contact me at Mears Middle School (907) 742-6410 or AASSP Carol G. Kane, Executive Director at (907) 746-9300

Respectfully,

Michael S. Perkins
President

cc. AASSP Board

Anchorage School District

5530 E. Northern Lights Blvd.
Anchorage, Alaska 99504-3135
(907) 742-4000

SCHOOL BOARD

Tim Steele
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SUPERINTENDENT

Carol Comeau

August 16. 2007

Representative Hawker and
Members of the Funding Task Force:

On behalf of the Anchorage School Board, I want to thank you for the hard work you did this summer. You have proposed important recommendations for improving the foundation formula, and you identified several topics that need long range study by standing committees in the Senate and the House. We support the basic framework established in your draft recommendations. We have concerns about the proposed funding levels.

Over the last few years, the Anchorage School District has targeted education dollars into programs that increase student success. As our latest AYP report shows, we are making solid progress. To continue that progress, we will need to continue the programs that are working. With anticipated inflation, this will cost more each year.

Based on previous Task Force discussions, we calculated that your recommendations would result in serious budget shortfalls for the Anchorage School District. The draft report released this week provides even less money for Anchorage. Under this proposal, the large increase in purchasing power that we received for this current year will be gone in FY 2010. Based on current projections for inflation and property assessment values, this recommendation will provide the Anchorage School District with less purchasing power in 2011 than we had in FY 2007.

Based on the increase we did receive for this current year, and because of the need to implement improved District Cost Factors, Anchorage did not expect to receive any increases in purchasing power over the next three years. We could even accept a small reduction in return for stability and a more equitable statewide funding scheme. However, in all fairness to our students and our community, we cannot put our stamp of approval on a proposal that reduces our purchasing power by $70 million over three years.

The basic structure of your recommendation is sound. At page 6, the report calls for a fair and equitable funding formula that properly funds school districts without the need of additional grants. At page 8, the report states that implementation of the costs factors "will require an adjustment to the base student allocation so that the amount received by Anchorage will not be diluted by the increased factors for other school districts." We agree with those statements. The basic framework is correct, but underestimates what it

will cost to properly fund school districts through a fair and equitable funding formula.

The following chart sets out the Base Student Allocation needed each year to keep our purchasing power the same as we have for FY 2008:

	FY 2008	FY 2009	FY 2010	FY 2011
BSA	$ 5,380	$ 5,575	$ 5,770	$ 5,960
$ Increase from prior year		$ 195	$ 195	$ 190
% Increase from prior year		3.50%	3.38%	3.19%

We believe these numbers are reasonable given recent inflationary trends. Of course, we also understand that declining production will some day lead to reduced revenues for the State. At that point, finding money to fully fund education will be difficult. It is because of the risk of declining revenue that we believe it is important to implement an adequate funding formula first. When revenue subsequently declines, the Legislature may not be able to fully fund the formula. If the formula is fair to begin with, then any reduction from full funding will be felt equally around the state.

Thank you again for your hard work and careful consideration of these important issues.

Sincerely,

Jeff Friedman

Jeff Friedman

Chair
Anchorage School Board Legislative Committee

ANCHORAGE SCHOOL DISTRICT
JOINT LEGISLATIVE EDUCATION FUNDING TASK FORCE
IMPACT ON ASD OF WORK DRAFT REPORT DATED AUGUST 14, 2007

	Estimated Revenue Increase/(Decrease) Over Prior Year		
	FY 2008-09	FY 2009-10	FY 2010-11
IMPACT RELATED TO TASK FORCE RECOMMENDATIONS (item numbers correspond to 8/2/07 Task Force Recommendation Bullet List)			
3) District Cost Factors Issues - adopts 50% in FY 08-09 with remaining 50% over four subsequent years	**0**	**0**	**0**
4) Special Needs 20% Block Grant Issues - No change recommended	No change	No change	No change
5) Intensive Needs Student Issues - 9 times, 11 times, 13 times, respectively (Based on the Base Student Allocation recommended for that year and impact on Quality Schools grant funding)	**14,677,120**	**7,474,560**	**7,610,560**
6) Required Local Effort Issues - No change recommended (see A) below for impact of current formula)	No change	No change	No change
7) Declining Enrollment Issues - step down mechanism	Impact unknown	Impact unknown	Impact unknown
8) Pupil Transportation Issues - Re-calibrate based on FY07 audit costs (Based on estimated $364 re-calibration and no subsequent increases)	**331,931**	**0**	**0**
10) Other Issues			
b) Grants (SIGS/LOGS/Quality Schools)			
i) Quality Schools - No change recommended	No change	No change	No change
ii) No special grants - Loss of School Improvement Grant Funding	**(7,890,604)**	**0**	**0**
13) PERS/TRS Issue - Assumptions based on SB 125 passing	**0**	**0**	**0**
14) Base Student Allocation - Increase $100 each year beginning FY09-10 ($5,380, $5,480, $5,580, $5,680 (FY11-12 not shown), respectively)	**0**	**6,912,184**	**7,034,316**
Total Impact of Task Force Recommendations	**$ 7,118,447**	**$ 14,386,744**	**$ 14,644,876**
(Does not reflect impact of other factors listed below that adjust actual funding received)			
IMPACT OF OTHER FACTORS ON REVENUES			
A) Impact of Projected Increased Assessed Valuation	$ (6,239,938)	$ (6,915,133)	$ (7,663,316)
B) Projected Enrollment Reductions - Foundation (include impact on Quality Schools) (FY08-09 = -387 ADM, FY09-10 = -163 ADM, FY10-11 = -341 ADM)	$ (2,021,180)	$ (762,406)	$ (1,846,904)
C) Projected Enrollment Reductions - Pupil Transportation	$ (135,660)	$ (59,332)	$ (114,649)
D) Amount under Local Tax Cap that is unavailable due to Foundation maximum contribution limitation	$ (1,021,129)	$ (3,941,893)	$ (6,856,732)
OTHER INFORMATION			
General Fund - Based on Task Force recommendations			
Projected Revenues			
Local Revenues	$ 187,240,000	$ 197,185,000	$ 207,845,000
State Revenues	290,660,000	297,290,000	302,270,000
Federal Revenues	14,500,000	14,525,000	14,585,000
Projected Total Revenues	492,400,000	509,000,000	524,700,000
Projected Total Expenditures	506,900,000	533,100,000	558,000,000
Projected fiscal gap for General Fund with Task Force recommendations	**$ (14,500,000)**	**$ (24,100,000)**	**$ (33,300,000)**
Base Student Allocation required to eliminate General Fund fiscal gap	**$ 5,575**	**$ 5,770**	**$ 5,960**
Projected Intensive Needs shortfall with Task Force recommendation	$ (18,313,000)	$ (12,934,000)	$ (7,436,000)
Projected Pupil Transportation shortfall with Task Force recommendation	$ (1,184,500)	$ (1,743,500)	$ (2,447,500)

8/15/07

ANCHORAGE SCHOOL DISTRICT
JOINT LEGISLATIVE EDUCATION FUNDING TASK FORCE
IMPACT ON ASD OF PROPOSED RECOMMENDATIONS MADE AT AUGUST 2, 2007 MEETING
BASED ON RECOMMENDATIONS BULLET LIST

	Estimated Revenue Increase/(Decrease) Over Prior Year		
	FY 2008-09	FY 2009-10	FY 2010-11
IMPACT RELATED TO TASK FORCE RECOMMENDATIONS (item numbers correspond to 8/2/07 Task Force Recommendation Bullet List)			
3) District Cost Factors Issues - adopts 50% in FY 08-09 with remaining 50% over four subsequent years	**0**	**0**	**0**
4) Special Needs 20% Block Grant Issues - No change recommended	No change	No change	No change
5) Intensive Needs Student Issues - 9 times, 11 times, 13 times, respectively (Based on the Base Student Allocation recommended for that year and impact on Quality Schools grant funding)	**14,949,120**	**7,610,560**	**7,746,560**
6) Required Local Effort Issues - No change recommended (see A) below for impact of current formula)	No change	No change	No change
7) Declining Enrollment Issues - step down mechanism	Impact unknown	Impact unknown	Impact unknown
8) Pupil Transportation Issues - Re-calibrate based on FY07 audit costs (Based on estimated $364 re-calibration for FY06-07 & 3% inflationary adj. each year beginning in FY08-09 = $375, FY09-10 = $386, FY10-11 = $398)	**853,538**	**519,813**	**563,289**
10) Other Issues			
b) Grants (SIGS/LOGS/Quality Schools)			
i) Quality Schools - No change recommended	No change	No change	No change
ii) No special grants - Loss of School Improvement Grant Funding	**(7,890,604)**	**0**	**0**
13) PERS/TRS Issue - Assumptions based on SB 125 passing	**0**	**0**	**0**
14) Base Student Allocation - Increase $100 each of next three years ($5,480, $5,580, $5,680, respectively)	**6,677,648**	**6,912,184**	**7,034,316**
Total Impact of Task Force Recommendations (Does not reflect impact of other factors listed below that adjust actual funding received)	**$ 14,589,702**	**$ 15,042,557**	**$ 15,344,165**
IMPACT OF OTHER FACTORS ON REVENUES			
A) Impact of Projected Increased Assessed Valuation	$ (6,239,938)	$ (6,915,133)	$ (7,663,316)
B) Projected Enrollment Reductions - Foundation (include impact on Quality Schools) (FY08-09 = -387 ADM, FY09-10 = -163 ADM, FY10-11 = -341 ADM)	$ (2,059,021)	$ (776,053)	$ (1,883,952)
C) Projected Enrollment Reductions - Pupil Transportation	$ (135,660)	$ (61,125)	$ (121,578)
D) Amount under Local Tax Cap that is unavailable due to Foundation maximum contribution limitation	$ -	$ (2,324,037)	$ (5,216,110)
OTHER INFORMATION			
General Fund - Based on Task Force recommendations			
Projected Revenues			
Local Revenues	$ 188,205,000	$ 198,810,000	$ 209,415,000
State Revenues	298,095,000	305,365,000	311,000,000
Federal Revenues	14,500,000	14,525,000	14,585,000
Projected Total Revenues	500,800,000	518,700,000	535,000,000
Projected Total Expenditures	506,900,000	533,100,000	558,000,000
Projected fiscal gap for General Fund with Task Force recommendations	**$ (6,100,000)**	**$ (14,400,000)**	**$ (23,000,000)**
Base Student Allocation required to eliminate General Fund fiscal gap	**$ 5,570**	**$ 5,755**	**$ 5,945**
Projected Intensive Needs shortfall with Task Force recommendation	$ (17,700,000)	$ (12,185,000)	$ (6,550,000)
Projected Pupil Transportation shortfall with Task Force recommendation	$ (665,000)	$ (705,000)	$ (850,000)

8/14/07



ALASKA ASSOCIATION
OF
SCHOOL BUSINESS OFFICIALS



August 16, 2007

Representative Mike Hawker, Chair
Joint Legislative Education Funding Task Force

Dear Chair Hawker and members of the Joint Legislative Task Force:

My name is Duane Guiley. I am the Executive Director of Alaska Association of School Business Officials (ALASBO). This letter has been prepared on behalf of our Board and Legislative Committee.

A majority of the ALASBO Board members and a few association committee members had an opportunity to meet in July to review the work to date of the Joint Legislative Education Funding Task Force. The ALASBO members are appreciative of the draft list of issues that the task force had identified and the commitment of the task force members to resolve school funding issues. Specifically, the Board is in favor of increases to the base student allocation for the benefit of all districts and increases for intensive needs students. The Board supports increases in individual components of the funding formula provided that component increases are funded with new dollars to avoid any district gaining at the expense of another district.

The Board requests that when a new working group is created to review the make up of the educational market basket in support of district cost factors or to consider formula re-writes, ALASBO be an active participant in that process. In addition, the Board would like to see the role of the "blue ribbon commission" expanded to include review of other funding issues deferred to the long term list, rather than be limited to district cost factors.

The short term results of the joint legislative task force include a compromise list of significant issues related to funding public schools with proposed partial legislative solutions and a renewed focus on school funding within both bodies of the legislature, the executive branch, and the educational community. We recognize the potential benefits of continuation of your collaborative effort now, rather than later, and suggest that within the context of a limited special session, the state may be able to resolve the PERS/TRS issue and achieve early and increased funding for education, benefiting all students.

Members of our association are interested in helping others better understand the benefits of your proposal and are prepared to participate in developing both short and long term solutions to public school funding. We thank you for your past and current commitment to support public education and the opportunity to share our views.

Respectfully,

Duane F. Guiley
Executive Director, ALASBO

Sarah Palin, Governor
State of Alaska

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

P.O. Box 240249 • Anchorage, Alaska 99524-0249 • Phone: 907-269-8990 • Fax: 907-269-8995 • Toll Free 888-269-8990

PUBLIC COMMENT

DATE: August 13, 2007

TO: Joint Legislative Education Task Force
Cc: jletf@akleg.org

The Governor's Council on Disabilities and Special Education (the Council) is the state's Special Education Advisory Panel under both federal Individuals with Disabilities in Education Act (IDEA) and state statute. In that capacity, one of our duties is to advise the state on matters pertaining to the needs of students with disabilities.

The Council is very grateful for the public process and serious consideration given to the many aspects of education funding in Alaska by the Task Force, and we appreciate the opportunity to review and comment on the issues and recommendations.

Regarding the Intensive Needs Student issues, we support the recommendation of the 9 x BSA with incremental increases in the future, as it will assist the school districts in providing supports and services to students with intensive needs and obviates the need for extraordinary relief provisions.

The Task Force discussion and analysis of the Special Needs twenty percent block grant issue clearly recognized the need for improvement and increases in the area of vocational technical programs. The Council supports the House and Senate establishing a standing committee on education funding to further delve into this and other issues, and can play a role in providing data and/or input in future proceedings.

Thank you again for your commitment to Alaska's children and their future.

August 15, 2007

Representative Mike Hawker, Chair Education Funding Task Force
716 W 4th Ave.
Anchorage AK 99501-2133

Mike:

I urge you to support the education area cost differential.

Every time the topic of funding education arises, it's met with frustration among my educator friends (including my wife). There is inadequate funding of nearly all education programs - from custodial to class variety.

My understanding is that funding the area cost differential will help to increase our secretarial staff, travel expenses, tutors and custodial staff.

Fifteen years ago hundreds of applicants sought jobs in our state. Now its a constant battle to retain good teachers. And every year, every policy maker commits to education as the number one priority. It is frustrating to see so little progress occur over the years. Though I have no children, I fully support an educated Alaska.

The task force met this summer and I thank them all for their commitment to education.

Mark Luttrell

Box 511
Seward, AK 99664



Kodiak Island Borough School District
(KIBSD)
Business Department
722 Mill Bay Road
Kodiak, AK 99615
Telephone: (907) 481-6105 / Fax (907) 481-6108

8/16/07

Representative Mike Hawker, Chair
Joint Legislative Education Funding Task Force

Dear Chair Hawker and members of the Task Force:

My name is Dave Jones and I am the Director of Finance for the Kodiak Island Borough School District. First of all I want to thank all of the members of the task force and your staffs for dedicating so much of your time this summer to education funding. It has been very encouraging for me to see how much can be accomplished when education is the only item on the table and it receives the time that is needed to consider this key issue.

I wholeheartedly support this committee's recommendations on District Cost Factors, Intensive needs Student Funding, Declining Enrollment Step-Down, Base Student Allocation increases starting in FY 09 and Pupil Transportation Recalibration. I believe these changes will result in great advancements in student achievement across the state.

I also support the creation of a "Blue Ribbon Commission", but would recommend that this commission consider additional areas of concern beyond District Cost factors such as Charter and Correspondence Schools, Special Needs Block Grants and Vocational Technology Programs.

And with all due respect, I believe and recommend that a Special Session should be called to consider and implement this committee's afore mentioned educational recommendations, as well as Senate Bill 125 (SB 125) on PERS/TRS Cost Sharing.

I am concerned with the first 90 day session that is approaching, and the loss of 30 working days. In the last two 120 day sessions, there has been a general legislative consensus that education would be funded early, but each time education was lost in the myriad of issues before the legislature and funding was delayed until the last days of the session. I believe with the work performed by this committee this summer, the issues have been clarified and worked out to the point that only a short special session would be needed. This would take two major issues off of the table for the 90 day session, and would ease the learning curve in the transition to 90 days.

I also support a special session because I believe it will result in an example of early funding that district's have been requesting. An October 07 Special Session would mean that when districts started the FY 09 budget process in November of 07, they would be dealing with real dollars, and could make long range plans for educational improvements. One year only funding has allowed for one year only planning in the last couple of years. As an example, it is not financially responsible to address multiple year salary schedules with one year only money. I believe that districts across the state will impress you with the long term educational plans they will be able to create with the ability to plan on a long term basis. More importantly, I believe this will also result in impressive student achievement increases.

Thank you again for taking the time to address education this summer.

Respectfully,

Dave Jones
Director of Finance
Kodiak Island Borough School District

Ann Glicadus
Box 511
Seward, AK 99664

23 AUG 2007 PM 1 T
USA FIRST-CLASS MAIL

Dear Legislator, Aug 8, 2007

I would like to urge you to fund the Area Cost Differential on the Kenai Peninsula to help our students get the education they deserve.

Our schools here in Seward are losing teachers, classes are getting larger, courses are being dropped. It is heartbreaking.

A retired teacher from Seward who now works as a Mentor Teacher for the state sees some huge differences between Seward and Chevak and Dillingham. The schools are similar in size, but Dillingham and Chevak have classes that are half the size of Seward's, each classroom has a para-professional - Seward has none. Tutors are non-existent, we get new teachers each year, even custodial and secretarial services are cut back each year.

We need inflation proofing for the foundation formula. Adding $100 per student every few years does not work.

Our students are suffering.

Thank you for working on this this summer!

Sincerely,

Ann Glicadus

Kindergarten teacher / Seward Elem

August 8, 2007

Dear Legislator,

I would like to take this opportunity to thank you for being a part of the Education Task Force. I applaud your efforts to provide equitable funding for the children of Alaska.

I am a teacher in the Kenai Peninsula Borough School District. Each year we are faced with lay-offs, cutbacks and loss of programs for our children. This year, at Seward Elementary School we have lost teaching positions, our Title 1 and our Title 9 programs. I am looking forward to a first/second grade multi-age class with 26 students, no

paraprofessional & no support programs!

Please help me do the best for "our" children by fully funding education. Four more years of getting less is unthinkable. Please implement 100% of Area Cost Differential.

Thank you very much for devoting your time to this invaluable resource - our children.

Katy Turnbull
PO Box 2431
Seward, AK 99664

FREE PAPER

MAT-SU TITLE INSURANCE AGENCY, INC.

"The Valley's only locally owned and operated title company"

Deen Rep Hawker,

Thanks for chairing the Educational taskforce.

Seward has been at the low end of the funding for years. We have had to cut and cut at our children's expense. My son and daughter have already graduated and I work at the school. I am a custodian & we have 2.5 people for all of the HighSchool. It is impossible to keep up with the messes. When I started we had

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5 custodians for the same area and about the same number of kids.

The funding formula has some big problems. The worst being that Seward does not get the correct amount. It cost up to 40% more to live here and the funding is almost the same as if we lived in Anchorage.

Anchorage, also, has more resources because of it's size.

Please help equal it out.

Make change to the foundation formula now.

Thank you.

Penny Duncan

P. Duncan
POBox 654
SEWARD, AK. 99664

ANCHORAGE AK 995
AUG 2007 PM 1 L

Rep Mike Hawker

Aug 8, 2001

Dear Rep Mike Hawker,

Well, here we are again begging for enough money for our schools and a fair and equitable cost differential.

Sadly, the Kenai Peninsula Borough School District has become the poster child for the "dumbing down of America." The Kenai District Schools are beyond hurting - we are hemmoraging! Besides overcrowded classes, textbook shortages, staff cuts, dirty schools, and no tutors etc., we don't even have sufficient office/secretarial staff to adequately operate our schools

We need you to please vote for education funding increases in real terms - not just adding $100.00 per student and calling

it good. We need to have funding separate from PERS/TERS expenditures.

Please make education your legislative priority. After all, our children are our future.

Thank you for your consideration.

Sincerely,

Cathy S Malcolm-Byars

Ms. Catherine M Byars
PO Box 1528
Seward AK 99664-1528

LAURA B. BECK
P.O. Box 2524
Seward. AK 99664
becksathome@GCI.net

August 8, 2007

Dear Rep. Mikl Hawker,

I am writing to you from Seward, Alaska as a parent and a teacher. I began teaching in Seward thirteen years ago at the middle school with 8 middle school teachers. We had about 130 to 140 kids then. Currently we have 3 full-time teachers and 2 half-time teachers. <u>NO</u> librarian, <u>NO</u> music teacher, NO art teacher and a half-time principal as our administrator. Our enrollment has fluctuated between 10 and 15 students, certainly not enough to eliminate 5 teaching positions! We have half a secretary, who is <u>not</u> full-time, a custodial staff that is split between 2 schools. I can't understand as a teacher why our funding formula is so off base. As a parent, I am thank-ful that

my youngest graduated in 2007 and won't be a student in such a poorly run system. My three children lost out in music and art, programs that were my foundation growing up.

My three children, graduates in 2003, 2004, and 2007, never knew who would be on staff the next school year because of being rifted, ie; pink slipped. Great teachers left Seward because they needed the security of a job.

Our costs continue to be the same, or higher for bussing athletes to other schools. Our budgets have been slashed and our kids pay a high price; two coaches instead of 3, higher fee's, less student involvement.

Please, please, please do what you can to implement the other 50% of area cost differential. I can't speak for my own kids, but I can stand up

for our children of Seward !! You must stand for them too! Our education formula for funding is WRONG!! We Continue to do the best that we can as educators, but I have seen better years and our Students deserve your Support!

I have lived in Alaska for twenty-five years. My three Children were born and raised in Alaska. I remember the "oil" years and see how far our schools have fallen.

I personally would not want to have my children go to KPBSD Schools now with 30 kids in the Kindergarten and 50 kids in a high School history Class!

You can make a difference! Please support your District the Peninsula and our Students.

Sincerely, Laura L. Beck Sams

Aug 9, 2007

Dear Rep. Hawker,

Thank you for working for our children and heading the Educational Taskforce.

I am from Seward and have two children in the public schools here. The schools have worked hard to give every student what they need but are running out of resources.

There are times when there are no secretaries in the office at the middle school. Students sometimes have to field emergencies from the front desk. There is no nurse and very little training for emergencies.

The high school has lost many courses over the years. Spanish is the only foreign language, there is no band or choir, home ec or health / leadership. The higher classes are on a rotating schedule and

seeem to be the first thing cut.

My son has been in classes of 25-35 throughout his school career. There are few or no tutors or para professionals in our Seward class. We need help.

We are at the end of the road & do not have anything close to Kodiak, Matsu or Anchorage.

Please help inflation proof the educational funding formula. Change the formula to help the Kenai Peninsula (especially the smaller schools there) fund second 50% of ICEE.

Thank you for all your hard work-

Martha Fleming
P.O. Box 1854
Seward AK 99664

Aug. 8, 2007

Holly S. Pendergast
P.O. Box 3041
Seward, AK 99664

Rep. Paul Seaton,
Sen. Gary Stevens,
Rep. Mike Hawker,

Dear Sirs,

I am the parent of three talented, intelligent children enrolled in Seward schools. Because I am an involved parent my kids are succeeding. However, their interests in arts, music, and hard science have to be supplemented outside the school day. What about the families that don't have the time & money to provide those things for their kids? It isn't fair. If those things are provided to kids in Anchorage, why aren't they also in Seward? Please fund the Area Cost Differential.

Thank you for your work. Holly S Pendergast

Aug 8, 2007

Dear Legislator,

Thank you for working on the issues of school funding.

As a parent of 4 children, three of whom have attended Seward schools, I know that we are in desperate need of additional funding. Our schools are being cut to bare bones - loseing teachers and courses. My children have been negatively effected by these cuts.

Please go to bat for us here in Seward. Don't the children of the Kenai deserve the same educational opportunities as others in the State?

Thank You for your attention on this matter.

Sincerely,

Elaine Hutchison
P.O. Box 131
Seward, AK 99664

Tel #
907-224-7653

Aug 8, 2007

Rep Mike Huckabee
Rep Paul Seaton
Sen Gary Stevens
Joint Education
Legislature Task Force

As a mom of four kids soon to be child free for the first time in 28 years (youngest son is going on foreign exchange), we need your support to finally make a difference & adjust the cost differential!

I hear sadly what each child's educational program has been less than that offered their older siblings. This while

borough residents have consistently supported our local schools by funding to the cap, passing bonds for "extras" that aren't really "extra" (music, art, sports & other educational items ~~not~~ parents want for all Alaska kids.

Fix the cost differential now in this next legislative session. Do not leave this to the Blue Ribbon Commission with a new recommendation in another year or two!

Every year we delay is lost opportunities for our kids.

Thanks! Lynn Hoh
Box 333 Seward,

KUSPUK SCHOOL DISTRICT

P.O. Box 49
Aniak, Alaska 99557
(907) 675-4250
Fax (907) 675-4305

Dr. Martin Laster
SUPERINTENDENT OF SCHOOLS
(907) 675-4250, Ext. #103

August 16, 2007

Representative Mike Hawker, Chair
Joint Legislative Education Funding Task Force

Dear Chair Hawker and members of the Task Force:

My name is Dr. Marty Laster and I am the Superintendent of the Kuspuk School District. I wanted to reinforce testimony that I have provided earlier in this process. I offer my sincere thanks for being willing to dedicate your time and expertise to this critical set of issues.

- Implementation of 50% of the ISER recommendation in statute for FY09 is essential as are the incrementally phased steps to arrive at 100% of equalizing the cost of doing business across Alaska.

- The Task Force proposal to increase the funding for intensive needs students for the next two years is critical relief for providing programs for our highest needs students. Again, this is a thoughtful approach to increasing financial support to meet those needs across Alaska.

- In that same manner, statewide, districts with the highest numbers of Limited English Proficient students appear to be the least able to make Adequate Yearly Progress as districts, regardless of urban or rural setting. I respectfully request that this potential correlation be researched and considered for future funding support.

- Please consider extending the retire/rehire legislation in order to not exacerbate the increasing number of unfilled positions in the coming years.

- The Task Force support for increasing the BSA over the next three years is of the utmost importance, again statewide. It may not be sufficient but it is certainly greatly appreciated. It is certainly a complex issue to balance all of Alaska's financial needs.

Again thanks for the opportunity to testify and your sincere efforts to meet the needs of Alaska's students across our state.

Respectfully,

Dr. Marty Laster/sm

Dr. Marty Laster
Superintendent, KSD