

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILE 8672
1774 SCOMM 71: JOINT COMMITTEE ON SCHOOL PERFORMANCE, 1989-90 1342

APPENDIX E

ALASKA TAXABLE

CHAPTER 1

THE ALASKA PROPERTY TAX, 1989

CHAPTER 1

THE ALASKA PROPERTY TAX

The Power to Tax

The power to tax is an essential power of state sovereignty, not depending on a grant of authority from its constitution. However, constitutional provisions define and restrict a state's power to tax. Three important restrictions set out in the Alaska State Constitution are:

- "No tax shall be levied except for a public purpose."
(Article IX, Section 6)
- "Standards for appraisal of all property assessed by the State or its political subdivisions shall be prescribed by law."
(Article IX, Section 3)
- "The State may delegate taxing powers to organized boroughs and cities only."
(Article X, Section 2)

Unlike the state, boroughs and cities don't have inherent powers of taxation, though some power was granted by the State Constitution and statutes. The power of taxation is extraordinary; administration can't be left to implication or inference. For that reason, Alaska Statutes and some Attorney General's opinions and court decisions, define the authority of municipalities in assessing, levying, and collecting property taxes.

Uniform Measures

"Taxes are said to be 'equal and uniform' when no person or class of persons in the taxing district, whether it be state, county, or city, is taxed at a different rate than are other persons in the same thing, and where the objects of taxation are the same, by whomsoever owned or whatsoever they may be." (Weatherly Independent School Dist. V. Hughes, Tex Civ. App. 41 S.W. 2nd 445, 447.)

**ALASKA TAXABLE
1989**

The first step in establishing uniform assessment procedures in Alaska was taken in 1961-62 when the Legislature passed House Concurrent Resolution No. 14 (HCR 14). This resolution required the Local Affairs Agency (now the Division of Municipal & Regional Assistance in the Department of Community & Regional Affairs) to prepare:

- a study of assessment problems and procedures in Alaska,
- a manual for assessors, and
- a report recommending legislation "to assure a uniform, equalized, and realistic assessment of property throughout the state."

The resolution also authorized the Agency to inspect records of equalization, hire an assessor, and hold hearings to prepare the study, manual, and report.

The Local Affairs Agency and the Alaska Association of Assessing Officers published the manual for assessors in 1963 and updated it in 1967. It's no longer used except as historical reference. There are no plans to update the manual as there is no need for it anymore.

Several reports and studies have since been done by the local government agency; the most recent was "An Examination of Property Tax Exemptions," in 1980.

In 1962, the Legislature also adopted AS 14.17.140 stating the Department of Community and Regional Affairs, in consultation with the assessor for each district, shall determine the full and true value of the taxable real and personal property in each district."

Table 4 shows the full and true value estimate of taxable property and is used as the standard measure of community wealth for many state programs.

Definition of Full and True Value

Full and true value is "...the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels." (AS 29.45.110) Full and true value determinations are made annually according to standards in Attorney General Opinion No.18, 1962.

The Full Value Determination

Local control is a basic assumption in Alaska's local government structure. As a result, municipalities have a unique amount of flexibility in property tax administration. Numerous optional exemptions may be adopted (AS 29.45.050). In addition, municipalities reassess property values at different times, ranging from every year to every four or five years.

Because local systems vary widely, a common unit to measure local values is needed. The full value determination prepared by the Department of Community and Regional Affairs is that measure.

Sales studies, described in Chapter 2, and local assessors help the State assessor adjust locally generated values to offset for optional exemptions and varying reassessment cycles.

Program Uses

The major uses of full and true value estimates are:

- The State revenue sharing program's formula to compute a municipality's State revenue sharing entitlement is based on relative wealth and locally generated revenues,
- The public school foundation's funding formula uses full value determination as one component,
- The local match portion of cultural facilities grants partially uses the full value determination,
- Some grants for senior citizen programs use the full value determination, and
- The bonding ability for local public facilities is affected by full value determination.

**ALASKA TAXABLE
1989****Property Tax Limitations**

There are four statutory tax limitations in Alaska applying in varying degrees and circumstances. The limitations apply only to taxes for operating costs of local government; there's no limit on taxation to pay bonded indebtedness.

1. Second Class Cities can't levy property taxes exceeding one half of one percent (.5%) of the assessed value of property in the municipality in any one year. (AS 29.45.590)
2. No municipality can levy taxes exceeding three percent (3%) of the assessed value of property in the municipality in any one year. (AS 29.45.090)
3. No municipality, or combination of municipalities occupying the same geographic area, may levy taxes exceeding \$1500 per resident in a year. * (AS 29.45.090)
4. No municipality, or combination of municipalities occupying the same geographic area, may levy taxes on the value of property exceeding the product of 225% of the average per capita full and true value of property in the state multiplied by the number of residents of the taxing municipality. (AS 29.45.090)

Errors In Municipal Assessment, Valuation, or Taxation Records

Alaska Statutes, 29.45.103-105, were amended to provide review of municipal assessments, valuation, or taxation records and provide notice of major errors. The State assessor's office, using AS 29.45.103-105 and 19 AAC 39, investigates errors and notifies the municipality. The municipality corrects the error or appeals the assessor's determination.

APPENDIX F

**ALASKA ASSOCIATION OF SCHOOL ADMINISTRATORS
EDUCATION FOUNDATION FUNDING FORMULA PROPOSAL**



ALASKA ASSOCIATION OF SCHOOL ADMINISTRATORS

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LEADERSHIP
FOR LEARNING

AASA FUNDING PROPOSAL

The Alaska Association of School Administrators' strongly supports the following changes in the Education Foundation Formula to address the needs of all Alaskan School Districts.

- 1) We recommend increasing the instructional unit value from \$60,000 to \$63,000.
- 2) We recommend the following formula change to address small school site funding.

Change the schedule in AS 14. 17. 041 to:

a)	ADM	Units
	1 - 10	2
	11 - 20	$2 + (\text{ADM} - 10) / 5$
	21 - 60	$4 + (\text{ADM} - 20) / 8$
	61 - 240	$9 + (\text{ADM} - 60) / 12$
	241 - 525	$24 + (\text{ADM} - 240) / 14$
b)	Elementary:	$\text{units} = 16 + (\text{ADM} - 200) / 17$
	Secondary:	$\text{units} = 19 + (\text{ADM} - 200) / 13$

The changes above affect all school districts with over 120 in ADM in a given funding community.

3. We recommend House Bill 185 (attached) to resolve the single dual site issue.

Introduced: 2/17/89
 Referred: Health, Education &
 Social Services and Finance

6-0789A

1 IN THE HOUSE

BY WALLIS AND JACKO

2

HOUSE BILL NO. 185

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to state aid for education; and
 7 providing for an effective date."

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

9 * Section 1. AS 14.17.041 is amended by adding new subsections to read:

10 (e) A district with an ADM of 3,000 or less that consists of one
 11 funding community shall increase the elementary and secondary instruc-
 12 tional units received under (a) or (b) of this section by multiplying
 13 the instructional units by a percentage determined under the following
 14 table:

15	District ADM	Percentage
16	1 - 250	1.12
17	251 - 525	1.08
18	526 - 1000	1.06
19	1001 - 2000	1.04
20	2001 - 3000	1.03

21 (f) A district with an ADM of 1,000 or less that consists of two
 22 funding communities shall increase the elementary and secondary in-
 23 structional units received under (a) or (b) of this section by multi-
 24 plying the instructional units by a percentage determined under the
 25 following table:

26	District ADM	Percentage
27	1 - 250	1.08
28	251 - 525	1.04
29	526 - 1000	1.02

AASA Funding Proposal
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4. We recommend the following formula change to assist those districts who will be adversely impacted by rising property values.

HOLD HARMLESS

- 1) Amend Sec. 14.17. 025(a) (1) to read:

(1) The equivalent of a four (six) mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1, 1990 or as of January 1 of the second preceding fiscal year if lower than January 1, 1990, as determined by the Department of community and Regional Affairs under AS 29.45.110 and AS 14.17.140; or

5. We recommend a supplemental appropriation for full entitlement of foundation funds due to increased FY-91 enrollment, and the reinstatement of all funds vetoed by Governor Cowper in the FY-91 budget.

GENERAL RATIONALE

- * Unified effort
- * Enhances equity
- * Benefits all districts
- * Benefits all students
- * Addresses immediate needs
- * First step toward improved formula
- * Addresses increased costs of:

Employee benefit programs
State & federal compliance requirements
Maintenance and operation
Mandated programs

APPENDIX G**EDUCATION LEGISLATION**

**(A REVIEW FROM THE STATES) "REFORM AND
ACCOUNTABILITY and EDUCATION FINANCE AND
GOVERNANCE"**

Education Legislation (Note)

Education reform and finance have been among the most prominent issues facing states in recent years. A variety of factors—declining student academic performance; increasing competition in the international economy, as well as the American job market; the quest for economic development; and decreasing federal activity in education—have spurred officials to take significant strides toward improving their states' primary and secondary public education systems. In doing so, they have not merely sought to enhance conventional modes of education and funding sources; they have attempted to restructure school systems and employ innovative teaching and administrative techniques.

During the past year, the Committee on Suggested State Legislation reviewed several pieces of state legislation dealing with education reform and funding. In lieu of offering a single item, however, the Committee chose to give policymakers an overview of some of the actions states have taken in response to these issues.

The following review of state legislative action in education is divided into two sections: **Education Reform and Accountability** and **Education Finance and Governance**. The reader will note, however, that several states have undertaken comprehensive reform initiatives that will be discussed in both sections. Kentucky, Mississippi, Ohio, Oklahoma and South Carolina, for example, enacted particularly extensive and detailed education reform measures during the past two years and will be prominently featured throughout.

Education Reform and Accountability

Curriculum

Several states have changed their public school curricula, including what children are taught and how they are taught. The Kentucky Education Reform Act of 1990 (HB 940), for example, establishes seven areas of knowledge that public education will help students develop, including communication skills, understanding of governmental processes, understanding of mental and physical wellness, and skills to help students become competitive in the job market. It also creates a council for education technology which will develop a five-year plan for putting advanced technology, including computers, into the classroom.

However, the act's most striking innovation is the elimination of kindergarten and the first, second and third grades, and the merger of these classes into a single grade level called the primary school program (to be in place by the 1992-93 school year). Children will remain in this program until they are determined to be ready for the fourth grade. The change is designed to help remove the stigma of failure for children who do not advance in early grades, as well as prevent promotion for students who are not ready to move to higher grades. Currently, about 10 percent of the state's school children fail in the first grade.

Ohio's Education Accountability and School Reform Act of 1989 (SB

140) authorizes the state's board of education to formulate and prescribe minimum standards requiring the use of phonics in reading classes for kindergarten, as well as grades one, two and three. In addition, the state board is to provide in-service training for teachers concerning the use of phonics as a technique in the teaching of reading at these levels. The act also authorizes the board to adopt an approved list of standardized tests for district boards of education to use in assessing students in four grade levels — grades four, six, eight and 10.

Each local board of education in Ohio is required to implement a competency-based education program for composition, mathematics and reading in grades one through 12. Such programs will feature pupil performance objectives for each grade level, curricula and instruction methods designed to achieve these objectives, assessment of student performance through written standardized tests, and services for students who are not making satisfactory progress. The state board is required to develop a model competency-based program for local school districts to emulate. Also, the state board must prepare a plan accelerating the modernization of the vocational education curriculum to give students a better background in science, English, mathematics and technological skills to help them compete in the workforce of the future. Finally, the act establishes a mandatory kindergarten program.

South Carolina's 1989 school reform act, known as "Target 2000" (R 295, S 321), is unique in that it emphasizes "higher order thinking skills." Higher order thinking and problem solving skills involve pupil synthesis, analysis, evaluation and utilization of information, instead of sole reliance on more traditional modes of education consisting of memorization and recitation with little emphasis on reading and writing. Higher order thinking and problem solving skills can make the application and importance of basic skills clearer to students. Techniques for teaching these skills might include pupil discussions and essay writing about problems or issues.

The South Carolina act requires the state's board of education to establish a committee made up of personnel from the state department of education, school districts and institutions of higher education to assist the board in identifying the characteristics of higher order thinking and problem solving. By 1991-92, students pursuing teacher preparation or education administration degrees at the state's colleges and universities will be required to complete training for teacher higher order thinking skills. By the 1993-94 school year, the state board of education must develop an observational instrument to be used by local school districts in evaluating new teachers. Colleges and universities also are required to develop evaluation instruments to be used by the institutions in evaluating all student teachers.

The state's board of education also will select textbooks and standardized tests promoting higher order thinking and problem solving skills, and design in-service training programs for teachers and school staff to help them learn about instruction in these skills as part of the existing curriculum.

Indiana's Education Reform Act of 1990 (HB 1290) provides for a

pilot program to examine innovative testing methods (including techniques for measuring higher order thinking skills), as well as expanded use of writing samples. The act establishes the Education Technology Program to provide and extend educational technologies to elementary and secondary schools. This may include computers in the homes of students; technology laboratories for instruction in reading, writing and mathematics; and use of laboratories for remedial work. It also establishes the Twenty-first Century Schools Pilot Program, which will create pilot programs in several areas, including school-based management models, parent involvement strategies, innovative curricula, non-standard courses or textbook selections, and teacher and school administrator training.

Oklahoma's 1990 Common Education Reform Act (HB 1017) establishes a 22-member Curriculum Committee, which will remain in existence until July 1, 1992. The committee is required to determine and prescribe desired levels of competencies of public school students, as well as the core curriculum needed to support effective instruction of these competencies. The committee also must provide for a career exploration program for students in grades six through 10.

The Oklahoma state board of education must adopt a new core curriculum by February 1, 1991 for implementation by the 1993-94 school year. The curriculum will be designed to attain desired levels of competency in a variety of areas, including language, social sciences and communication, as well as math, science, literature and the arts. All students must attain literacy through the core curriculum. The state board is required to provide an option for graduation based on attainment of specified levels of competency in each core curriculum area. The act also gives school districts the option of establishing an extended school year consisting of 11 or 12 months in which school is offered in excess of 200 days with at least six hours of instruction per day.

A number of states are experimenting with innovative testing methods, often called "performance-based testing," as alternatives to standardized tests. California has begun using open-ended problems as part of its mathematics test for 12th graders. Connecticut is introducing new testing methods for science and mathematics problems. New York requires all fourth graders to conduct science experiments and write reports on the results. Under Kentucky's reform act, performance-based testing will be implemented in all grades by 1995. Approximately 30 states now include essay writing in their testing programs.

Dropout Prevention and At-Risk Students

South Carolina's Target 2000 program requires all school districts to write and implement plans for dropout prevention and retrieval over the next three years. State funds will be allocated to dropout prevention programs which target students below the 10th grade.

In 1990, as part of its education reform act (HB 1523), Mississippi enacted a program to reduce the state's high school dropout rate. The plan includes a data collection system to determine why students drop

Suggested State Legislation

out of school and assess the dropout rate for each school district; a public awareness program to publicize dropout data, consisting of public service announcements and a media campaign; and the development of programs such as teacher support teams for at-risk students, family involvement plans, and coordinated efforts to prevent drug abuse and teen pregnancy.

Indiana legislation enacted in 1990 (HR 1290) authorizes mentoring programs for at-risk students. The act also requires schools to conduct orientation sessions for parents of students participating in at-risk programs, and requires the state department of education to establish at least 10 measures to be used by schools to determine the effectiveness of their at-risk programs. **Kentucky, Mississippi and West Virginia** also joined the growing list of states denying drivers' licenses to students who drop out of school.

Early Childhood Education

Early intervention through early childhood education and child care programs has become a vital part of the effort in many states to improve education. **Kentucky's** education reform act initiates half-day preschool programs for under-privileged four-year-olds in each school district beginning in 1990-91, while districts with facilities deemed inadequate will be permitted to delay the initiation of the program until the 1992-93 school year.

Arkansas has established an Early Childhood Commission (SB 71, Act 202), a 17-member body to administer a loan trust fund for child care facilities and the promotion of early childhood programs throughout the state. **Indiana** legislation (HB 1290) requires schools to develop child care programs for children attending kindergarten through grade six, as well as establishes a pilot program encouraging schools and communities to develop early childhood, preschool and latch-key children's programs. **Mississippi** has authorized school districts to use school facilities to provide child care services for pre-kindergarten-aged children, and to use school facilities to provide before and after school child care services for school-age children.

Oklahoma's new education reform act includes revising the compulsory school age-range requirement from seven to under 18 to five to 18, and beginning in 1990-91, it requires all four-year-old children to attend an early childhood program if they have not attended a public school kindergarten. The act also establishes full-day (six hour) kindergarten classes to be implemented by the 1993-94 school year. **New Mexico** has created an office of child development (HB 32, Chapter 290) to promulgate licensing requirements for people working with children under eight years of age in schools and other child care settings. **South Carolina's** 1989 school reform act requires school districts to provide at least one half-day of early childhood development programs for four-year-old children who demonstrate educational readiness deficiencies.

Open Enrollment

Open enrollment or "school choice" plans have become a much-discussed proposal for improving public schools in many states. Such plans allow students to attend high school outside of the district in which they reside. Most include restrictions concerning class space and desegregation laws, as well as funding student travel. At least four states enacted school choice plans during 1989, and at least 20 states have some type of school choice program.

In 1987, Minnesota became one of the first states to enact an open enrollment program. The act (Minn. Stat. 123.3515) allows students to enroll in schools in participating districts other than the one in which the students live. Nonresident districts must adopt criteria for admission and may refuse admission because of a lack of space. A school with a desegregation plan may restrict the number of students who transfer in or out of the district.

Nebraska is permitting a one-time choice of schools with the enactment of its open enrollment legislation in 1989 (LB 183, Chapter 79). After the plan is implemented, students will have one school year to determine whether they should return to their district of residence or remain in another district until graduation. The plan has a four-year implementation schedule: in 1990-91, open enrollment implementation will be optional for all districts; in 1991-92, resident districts must allow 5 percent of students to opt out; in 1992-93, resident districts must allow 10 percent of students to opt out; in 1993-94, there must be full open enrollment with receiving and resident districts participating.

Ohio's 1989 Education Accountability and School Reform Act requires each school district to develop an open enrollment policy by July 1993. Districts choosing to implement their policy at an earlier date will have their implementation plan evaluated by the state board of education. The legislation includes guidelines for district plans, including preventing districts from granting admittance on a student's abilities, such as athletic talent, or denying admittance because of a handicap.

At least 20 states, including Arkansas, Hawaii, Iowa and New Jersey, have adopted limited school choice programs. Illinois has established a choice plan for Chicago and Washington state has a program designed specifically for dropouts.

Post-Secondary Enrollment Options

In some states, 11th and 12th grade students may enroll in colleges on a full- or part-time basis to do nonsectarian work. Two of those states, Minnesota (Minn. Stat. 123.3514) and Ohio (SB 140), allow students to apply to any public or private university in the state to gain credit for nonsectarian courses. Students may choose to earn secondary or post-secondary credit. If the student chooses to take a course for post-secondary credit, the institution will require tuition payment from the student. States are to reimburse colleges for tuition fees and materials for courses taken for high school credit.

Social Services and Parental Involvement

Many educational experts believe that if pupils are ill or distracted, their capacity to learn is greatly reduced. Consequently, two states are striving to provide services to youngsters to help make them more receptive in the classroom, even though such services are not part of the traditional role of education.

By 1991, under Kentucky's education reform act (HB 940), social service centers located in or near schools must be established in schools where at least one-fifth of the students qualify for the federal school lunch program. Elementary schools will have "family resource centers" serving parents as well as children, including those not yet in kindergarten. Services will include year-round care for needy children between the ages of two and 12, and health care and literacy programs for the entire family. Expectant parents will receive advice on child care development, and day care providers can receive training at the centers.

Middle schools and high schools will establish "youth service centers" to offer teen-age students a wide range of counseling services concerning drugs, alcohol, family crises, mental health, and job training and placement.

Districts with eligible schools will apply for grant funding from the state's cabinet for human resources, which will oversee the program. School districts may contract with local agencies for the provision of services. Approximately 40 percent of the state's schools are expected to be eligible.

In 1989, under authorization from a 1987 appropriations bill, New Jersey's department of human services established a network of 29 youth centers to counsel teen-agers about drugs, mental health and employment issues. The centers, located in or near secondary schools, also offer recreational activities to help lure dropouts back to school. The state plans to expand the program to some elementary schools. New Jersey's program served as a model for the Kentucky effort.

Some state reform acts include provisions encouraging parental involvement in education. Ohio's education reform act (SB 140) requires the state department of education to promote innovative school-parent relationships which actively involve parents in school decisions, as well as encourage school-business relationships to provide students with work experiences. South Carolina's Target 2000 program features parent education programs for parents with young children. Indiana's new act (HB 1290) features a Twenty-first Century Schools Pilot Program which includes parent involvement strategies.

Teacher Qualifications

Several states face teacher shortages, especially in the areas of science and mathematics. Teachers usually are required to have an education college diploma before teaching, but some states have waived these requirements, allowing professionals from other fields to undertake some teacher training and then enter the classroom. New Jersey's program,

which was established by regulation rather than by statute in the mid-1980s, has helped relieve a shortage of science and mathematics instructors by allowing experienced mathematicians, physicists and experts in other disciplines to teach. State officials reportedly have been pleased with the performance of the 1,500 new teachers hired to date.

In Kentucky, candidates for teacher certification may complete a state-approved local district training program as an alternative to college teacher preparation programs (HB 940). Such programs must consist of 250 hours of formal instruction, including a full-time seminar, and a period of classroom supervision with evaluations by members of a professional support team.

In Mississippi (HB 1523), after July 1, 1993, preparation to teach grades seven through 12 will require a college degree in a major other than education. The required program of study in preparation for teaching in kindergarten through grade six must involve one, two or three minors, including language arts, reading, social studies, mathematics, foreign language and science. The act also amends teacher recertification requirements to require that teachers successfully complete prescribed in-service training programs, coursework for credit or programs developed to instruct teachers in dropout prevention and non-traditional instructional techniques. Finally, the act allows business or professional persons in each school district to teach a maximum of three periods each day with the approval of the local school district and the submission of a transcript or other record of educational qualification for teaching a particular subject.

In South Carolina, the state's commission on higher education, in consultation with the state board of education, must establish a center for the advancement of teaching and school leadership at a selected public college or university (R 295, S 321). The center is to provide a program for school improvement consisting of intensive short-term institutes for teams of teachers and administrators who are committed to creating innovative programs in their schools. The act also makes available training for school administrators with an emphasis on effective instructional leadership at the state department of education's leadership academy, which is provided in cooperation with state universities.

In Ohio, the new education reform act requires the state board of education to adopt standards and procedures for granting teaching internship certificates, valid for one year and renewable for one additional year (SB 140). An individual may apply for an initial internship or renewal only if the superintendent of the local school district has offered the applicant a one-year limited contract contingent upon the applicant's successful completion of certain requirements. Applicant requirements include: a bachelor's degree in the subject area for which the certification is being sought; three years' experience deemed essential to effective teaching; passing an examination measuring the applicant's knowledge of reading, writing and mathematics; and a test measuring the applicant's knowledge of the subject for which certification is sought. Applicants also must complete six hours of pre-service coursework in education.

Oklahoma legislation (HB 1017) establishes a procedure for the state board of education to grant alternative program teaching certificates to persons with a baccalaureate degree who wish to teach foreign languages, math or science. It requires the person to indicate an intention to seek full certification for the specialization he or she will teach. Such teachers must have five years of work experience outside of education and file a plan with a director of teacher education to meet all certification requirements for a standard certificate within five years, except for student teaching.

Teacher testing has become an increasingly common method for states to ensure that their teachers have a basic knowledge of the subject areas they teach. Since 1980, the number of states requiring teacher competency testing has increased from 10 to 44.

Accountability

As new educational programs are created, state legislators are developing means to monitor those programs and to hold accountable professionals at the district and school levels. **Kentucky's** massive education reform bill, which considerably alters the state's educational system, establishes a comprehensive accountability system. The act creates a state monitoring agency, the office of educational accountability, under the direction of the legislative research commission. The office is to investigate allegations of wrongdoing, waste or mismanagement in local school districts, as well as monitor implementation of the new school system.

A council on school performance standards will frame goals in measurable terms and define what is expected of students and schools. By July 1, 1993, the state board for elementary and secondary education must disseminate a model curriculum framework based on the goals, outcomes and assessment strategies developed by the council.

By the 1995-96 school year, the state board will implement a performance-based assessment program to ensure school accountability. Beginning in 1991-92, the board will administer an interim student testing program to assess student skills in reading, mathematics, science and social studies in grades four, eight, and 12. Local school boards are required to publish annual performance reports. The state board must develop a system to determine which schools demonstrate improved student performance and to distribute rewards to them. School staff will determine the general areas in which reward funds will be spent. Schools showing improvement will be required to develop a school improvement plan. A school determined to be a "school in crisis" will have certified staff placed on probation, with students permitted to transfer to a successful school. The act also creates a commonwealth school improvement fund to provide grants to schools in educationally deficient districts to improve instruction or management.

By January 1, 1991, the state board will establish standards for school district performance. Failure of an educationally deficient school district to meet the goals in its improvement plan is grounds for the removal

of its superintendent and local school board members. The state board may select replacements, and elections may resume after the school has met performance standards. Educationally deficient districts must work with the state department of education to develop improvement plans.

The state board will provide professional development programs for certified personnel and establish criteria for designating distinguished educators. The act lists several responsibilities and benefits of distinguished educators, including accepting assignments in schools which need improvements and receiving salary supplements while serving as a distinguished educator.

Other states have undertaken significant efforts in the area of accountability. For example, North Carolina enacted legislation in 1989 (SB 2, Ch. 778) which authorizes the state board of education to develop and implement a performance-based educational accountability program. Local school districts which elect to participate must submit a school improvement plan to the state superintendent of public instruction. Such plans must outline student performance goals and the strategy for attaining them. Participating districts will be exempt from certain state requirements.

The act further authorizes the state board of education to adopt procedures and guidelines through which local school administrative units may participate in the program, beginning in the 1990-91 fiscal year. These measures include guidelines for the development of local school improvement plans with three-to-five year student performance goals and a set of student performance indicators for measuring and assessing student performance in participating local school administrative districts. Indicators may include attendance and dropout rates, standardized test scores, parental involvement and post-secondary outcomes.

Oklahoma's school reform act denies state accreditation to schools which do not meet the state's standards for minimum salary, curriculum and class size standards. The state board of education must adopt accreditation standards for public schools by February 1, 1991. The standards will be implemented with the 1993-94 school year, but school districts will not lose or be denied accreditation solely for failure to meet the standards prior to the 1997-98 school year. Also, all schools must reduce their class sizes to no more than 20 for grades one through six by 1993-94 or risk loss of accreditation. Teachers in grades seven through 12 must not be responsible for the instruction of more than 140 pupils per day by 1993-94 or 120 pupils per day by 1997-98, or their schools will risk loss of accreditation. Finally, the act creates an educational oversight board and an office of accountability.

Arkansas' School Report Cards Act of 1989 (SB 293, Act 668) establishes an office of accountability in the department of education. The office of accountability will publish an annual assessment of schools, grouping them according to socio-economic factors. The Massachusetts School Takeover Plan (1989 SB 5639, Chapter 133) permitted Boston University to negotiate a takeover agreement with the school committee of the district of Chelsea which suffered from a high dropout rate,

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low achievement test scores and the highest teen pregnancy rate in the commonwealth. Under the agreement, the university will assume the district management powers of the school board and oversee the school district for 10 years. The university will be charged with improving curriculum and test scores, decreasing the dropout rate, increasing parental involvement, and other improvements.

Nevada's Accountability Initiative of 1989 (SB 74, Ch. 868) requires county school boards to adopt accountability programs for each district in cooperation with teachers' unions. County school boards must have a method in place for informing residents about school quality and student achievement. New Mexico's District Reports Act of 1989 (Chapter 308) requires school districts to publish annual accountability reports, including information such as budget data, dropout rates and student achievement test scores. The legislation is designed to encourage community involvement.

Ohio's Education Accountability and School Reform Act requires the state board of education to establish indicators of schools and school district performance based on such factors as graduation rates, dropout rates and student academic achievement levels. The state board is required to take action if a school district is not making satisfactory progress toward the elimination of educational deficiencies, such as the assignment of educational experts to such districts to assist in the development of corrective action plans.

Education Finance and Governance

While education reform has been a major concern for state governments over the past decade, the problem of financing those reforms has been particularly troublesome. At the time of publication, for example, there was uncertainty as to how Mississippi's reform package (described in this note) would be financed. In several states, school finance systems have been challenged in court by poor districts claiming that the systems are inequitable. In four states, Kentucky, Montana, New Jersey and Texas, courts struck down public school financing programs as inequitable, and at the time of publication, education finance lawsuits were pending in 12 states and under consideration in nine others.

Revenue

Kentucky enacted comprehensive education reform legislation to help alleviate some of the problems that plagued the state's public school system for generations. This act, more than 900 pages in length, is a response to a Kentucky Supreme Court ruling which declared the public school system to be unconstitutional in the case of *Rose vs. Council for Better Education, Inc.* The court ruled that the public school system was inequitable because of the disparity in per pupil expenditures among school districts, which ranged from \$4,200 to \$1,800 per year, thus violating the state constitution's requirement that Kentucky establish an efficient system of common schools. The education reform act

Education Legislation (Note)

guarantees each district a base amount of \$2,305 per pupil the first year.

The reform act increases the state's revenue by \$1.3 billion per year by increasing the sales tax from 5 to 6 percent; conforming the state income tax code to the federal code; eliminating the deductibility of federal income tax from state income tax; and increasing by 1 percent the corporate income tax. Most of the new revenue will be allocated for education reform.

The Texas General Assembly passed legislation calling for a 10 percent increase in education expenditures (approximately \$500 million), along with various reforms aimed at improving the quality of education in the state. Separate legislation will increase the sales tax by a quarter-cent and raise taxes on tobacco and alcohol.

Less than a month after its school funding system was ruled unconstitutional, New Jersey adopted a \$2.8 billion tax package, increasing the state sales tax by 1 percent, placing new taxes on alcohol and tobacco, and doubling personal income tax rates for the higher income brackets.

Other states are seeking to empower localities to raise revenues for education. For example, Ohio enacted a school district income tax measure in 1989 (SB 28) which will authorize school districts to impose income taxes on residents and on estates of decedents of each school district, provided they are approved by voters in a referendum. The proceeds for such a tax may be used for any one of a number of purposes, including current school expenses, the support of a public library and recreational expenses. Under SB 140, enacted in 1989, Ohio permitted local boards of education to submit a tax levy to the voters, provided that the purpose of the levy is for current school expenses and permanent improvements for special education and other specified education programs.

Another approach was adopted by Tennessee in its Volunteer Public Education Trust Fund Act of 1985 (Chapter 351). This measure authorizes the state treasurer to accept donations from any person, organization or corporation willing to contribute voluntarily to the trust fund. Interest income from the trust fund will be appropriated by the legislature for primary and secondary education as well as vocational education.

In Oklahoma, a statewide shutdown of the public school system led to a \$230 million revenue package which increased some taxes and redistributed property tax receipts to reduce funding inequities among school districts (the wealthiest district spends four times as much per pupil as the poorest). Effective May 1, 1990, the sales tax was increased from 4 to 4.5 percent. Increases in personal income and corporate income taxes retroactive to January 1, 1990 also were enacted.

Financial Incentives

Some states have set up systems providing financial rewards to schools showing improvement in their students' performance. Under Kentucky's school reform act, by the 1994-95 school year, the state board of education must establish a rewards program based on student per-

formance goals. An interim testing program will be in place until that time. Communications and mathematical skills, comprehension of science, social studies, arts and humanities, and problem-solving skills will be measured and taken into consideration. Schools are expected to increase attendance rates and reduce dropout rates.

The state's department of education will establish a method for determining cash rewards, which will go directly to the schools. School staff members will determine how the reward money will be spent. Schools failing to improve for two consecutive years will be declared "schools in crisis." In such cases, the state will assume control of the school through a "distinguished educator." Such schools also will be eligible for special state grants.

South Carolina's "Target 2000" act includes a competitive school-wide innovation grants program. The act enables the state board of education to establish a competitive grants program with cash awards to schools wishing to implement exemplary programs designed to improve instruction. A separate competitive grants program to encourage public schools to implement innovative and comprehensive approaches for improving student development, performance and attendance also is mandated under the act. Reduction of student dropout rates or retention of low dropout rates, as well as exceptional or improved performance in higher order thinking and problem solving skills, are required to qualify for school incentive grants. Grant awards are funded under the annual state appropriation act and schools may receive a maximum award of \$90,000 over a three-year period.

The South Carolina act also authorizes compensatory or remedial funding to school districts for students who score below the 25th percentile on standardized tests. This portion of the act pertains to all elementary and secondary students.

In Kansas, the 1989 legislature established the Education Excellence Program (Ch. 213), which will provide matching incentive grants for districts desiring to create at-risk pupil assistance plans. The program will enable schools to provide such services as remedial instruction, parental and work skills education, and guidance and counseling services. Proposals must include a description of the methods a district will employ to identify at-risk students, and an outline of the plan and evaluation process.

Financial incentives also may be given directly to teachers. Oklahoma increased minimum salary schedules for teachers, and allows school districts to develop teacher incentive pay plans. Districts will be required to establish such plans if 25 percent of the districts' teachers petition for it (HB 1017).

Governance

The Kentucky Education Reform Act makes a number of dramatic changes in the way the state's school system is governed. The act replaces the elected state superintendent of public instruction with an appointed

commissioner of education. At first, the new commissioner will be selected by a committee appointed by the governor and legislative leaders in 1991. The state board for elementary and secondary education will choose the commissioner thereafter. Commissioners will serve at the discretion of the board.

Perhaps the most significant changes will come in the area of local school politics. Teachers will be prohibited from working in school board election campaigns in order to protect them from political pressure. The measure also makes it illegal for any school board member to solicit contributions or campaign work from school employees. It will be illegal for school boards to influence hiring and firing of school employees, with the exception of the superintendent and school board attorney. School boards also will set general educational policy for their districts, but superintendents will hire school employees after consulting with local school councils (which will consist of two parents of pupils, three teachers and the principal). No one who has a relative working for the school district may serve on a local school board. This does not apply to current members whose relatives were hired before they were elected, but such members will not be able to run for re-election. Superintendents also will not be able to promote the relatives of school board members.

Many other state education acts do not restructure the educational governance structure as much as they enhance the powers of existing structures. For example, Ohio's Education Accountability and Reform Act gives new powers to the state board of education to prescribe new curriculum standards, promote an open enrollment program, and develop a teaching internship certificate program. Mississippi's school reform measure requires that local school board members and principals receive a minimum orientation and training exposure to strengthen their professional skills and to familiarize them with new ideas concerning school restructuring (HB 1523). The provision mandates a minimum of 12 hours of education and training through the education and training institute, as well as continuing education of eight hours per year.

APPENDIX H

**AN ESSAY BY BOB ARNOLD, DIRECTOR OF THE SENATE'S
SPECIAL COMMITTEE ON SCHOOL PERFORMANCE:
"PROSPECTIVE IMPORTANCE OF A DECLARED PURPOSE OF
EDUCATION" (REFLECTIONS ON THE STATEMENT OF PURPOSES
OF EDUCATION ENACTED BY THE SIXTEENTH LEGISLATURE)**

5

PROSPECTIVE IMPORTANCE OF A DECLARED PURPOSE OF EDUCATION

by

Bob Arnold*

One of the little heralded provisions of the school improvement legislation enacted by the Alaska Legislature in 1990 is -- or can be -- one of the most important. It is important because in declaring what purpose lies behind the requirement that all children and youth attend school, it can be an exceedingly valuable stimulus to improving schools and student performance.

The legislated statement of purpose, which the Special Senate Committee developed on the basis of its hearings in 1987, was the Committee's attempt to describe what they believed parents aspire their children to increasingly become as they progress through school. The purpose of education in Alaska, in the words of the statute, "is to help ensure that all students will succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them."

If the foregoing words are seen simply as a preface to the other prescriptive provisions of the school improvement legislation, they will have but little effect on what schools do and how they do it, and certainly but little effect upon students. They will have consequences only as parents and students affirm such a purpose (or an adaptation of it) to be a reflection of their aspirations for their children, and require that their schools take steps to help them realize that purpose.

Whatever purpose adopted by a community must be a community's own. In my community, I think I would urge that the first element of the purpose be revised to read "become accomplished in ways important to themselves and their communities," because I think it says the same thing and more. If I were in northwest Alaska, I think I would urge that the third element be revised to read, "exemplify the best values and traditions of the Inupiaq and of humankind." And in any community, I think I would urge changing the fourth element to read "be effective in improving the character and quality of the world they share."

There is also a broader and more consequential revision that I would propose. As framed, the purpose describes attributes as though they

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might be judged at a single fixed moment in time. Since education is a continuing, lifelong process, and doesn't end when one leaves school, I think the statement of purpose might be recast to reflect that process, and thereby read as follows:

The purpose of education in Alaska is to help ensure that all are:

becoming accomplished in ways important to themselves and their communities,

shaping worthwhile and satisfying lives themselves,

exemplifying the best values of humankind, and

becoming increasingly effective in improving the character and quality of the world they share.

Once a community has agreed upon its statement of purpose consonant with the legislation, there are two sets of tasks it should undertake.

The first of these is to inaugurate a process of reviewing whatever list of goals it has adopted to determine whether the goals need to be modified to more nearly reflect the community's declared purpose. And it would mean, among other things, rethinking, the whole process of schooling as it is conducted. Although these are important tasks, they require little elaboration here.

The task -- which is my principal concern in this paper -- is for a community to use its statement of purpose to further motivate students to care about learning. Specifically, the community should require that each teacher begin each school year with an exploration with students of what each element of the purpose means to them, and, as a occasioned by what is being studied in a given class, to show connections with that purpose.

In this exploration, the students -- whatever their grade level -- will be asked, for instance, to describe what they believe to be the "best values" of their society. The chalkboard will soon be filled with values ranging from "punctuality" to "integrity." Being schoolchildren, they will have learned repeatedly about the importance of punctuality (an important, but not profound value), but some will have never learned about the importance of integrity in a person's life; they may not have even encountered the word.

Following the same pattern, the class would be summoned to reflect upon and amplify each of the elements of the community's declared purpose. Consideration of what kind of life is "worthwhile and satisfying" can be counted upon to be one of the most profitable and memorable discussions of the year. Consideration of the element, "becoming increasingly effective in improving the character and quality of the world they share," will likely lead some to conclude that it is a better formulation of the often-cited goal of being a "good

citizen" because, at the very least, it implies that one would study candidates and issues before voting and it implies that one would take newspapers, bottles, and cans to a recycling center: beyond that, however, it also encourages the citizen to participate actively in organizations, join in political campaigns, or run for office.

Incidentally, I hope it goes without saying that these discussions should not result in a list that students would agree to subscribe to in some formalized way. If I were the teacher, I would encourage students to write down only those values, attributes, or behaviors they individually seek for themselves.

Perhaps as important as the classroom discussions will be what takes place the night before: conversations between students and their parents. The homework assigned will have been to ask their parents for their views on the four-part purpose to be discussed on the following day.

The burden on the teacher is principally one of question-askers (and perhaps chalkboard recorder) in these explorations. Once they are done, there is another burden: to show the connections between what he or she is teaching and the community's declared purpose. This should be done not just at the beginning of the course, but with whatever frequency is required to make connections between that purpose and what is being taken up in the course.

These kinds of explorations and connections can do much to motivate students to care about learning by providing them a framework that gives meaning to a wide range of learning. They will continue to care about some courses more than others, but the whole enterprise of going to school will take on a kind of meaning it never had before. If schools are only preparation for jobs, well, one can always get some kind of job, even without much of a record of achievement in school. But if the purpose is larger and grander -- becoming more fully human day by day -- let us be explicit that it is, and not keep to ourselves our dreams for kinds of lives we want our children to lead.

Isn't it time we told our children and youth what we think schools are for and to make sure our schools are animated by that purpose? We'll perhaps learn that our perspectives are not all that different. And we just might be witness to the powerful, motivating role of ideas in young lives.