

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984/2

2313 SHESSE EO 54 - SB 16

JUVENILE CORRECTIONS

Following completion of the Correctional Master Plan for the State of Alaska in 1979, the previous Commissioner of the Department of Health and Social Services moved the juvenile corrections segment of the Division of Corrections to the Division of Family and Children's Services. The argument for this move was primarily that the juvenile side of the corrections organization always would receive secondary prioritization in relationship to the demands of adult confinement. The benefits were to be that greater attention to juvenile needs would be the result of the transfer of juvenile institutions and probation supervision services to the family services division.

We have heard ample and persuasive testimony that all persons who have been adjudicated as delinquent or criminal should be managed organizationally within the same governmental unit. We are convinced that the age of the offender separates juvenile crime from adult crime and that many of the most serious crimes are being committed by young offenders.

We have also found duplication of effort within the Department of Health and Social Services. Where previously

a probation officer in Nome, Barrow or Haines, for example, could supervise and direct both adults and juveniles, it now seems that these services may require both adult and juvenile specialists.

It is also clear that serious juvenile offenders require strong and decisive management by both the courts and corrections. Violent juvenile offenders require secure supervision and incarceration.

Related to the preceding discussion, we make the following recommendations.

Recommendation 31:

The entire present organization of youth corrections should be moved as a Division of Juvenile Corrections, to the new Department of Corrections when reorganization is completed and functional. Management of this division should be decentralized to fit the regional organization of the Department. For example, the juvenile institution in Fairbanks and the juvenile probation and field services operations should be accountable to the regional director of corrections in Fairbanks. There is no apparent need to add additional staff to juvenile corrections as a result of this transfer, although there may be a need for additional juvenile staff for other reasons to be defined at a later date.

REHABILITATION AND ALTERNATIVES
TO INCARCERATION

The public has a right to demand a positive return for its investment in corrections. While protection of the public from the offenders who are sent to jail or prison is reasonably assured, that protection exists primarily during the length of the prisoner's incarceration. Long term protection can only be brought about by the reformation of the offender as mandated by the Constitution of the State of Alaska. Prisoners can return to the state's population as better persons or more bitter as a result of their prison experiences.

Idleness in our prison system, mixed with overcrowding can and will produce chaos and perhaps result in violence to both property and persons. There is a dearth of meaningful work opportunities for the prison population. Make-work institutional maintenance is the routine alternative for even a minority of prisoners. Prison industries and public works projects should be implemented in all long term correctional centers. Restitution and community services opportunities for individual prisoners who are not security risks should be made available and taken into consideration by parole authorities for those prisoners who are eligible.

A system of relatively inexpensive community treatment halfway houses should be available within the Department of Corrections range of institutions. Offenders who fail or who are not yet ready for release should not be eligible for these lesser security facilities. However, all offenders nearing eventual release should be placed under the carefully coordinated and supervised system of halfway house resources. A full range of maximum to halfway house security level institutions is essential to the reformation of offenders and the efficient management of offender populations. We recommend the following:

Recommendation 32:

The prisoner population in the State of Alaska should be put to work. While the unemployment rate in Alaska is seasonally and regionally high, the citizens of the state can no longer endure an idle segment of otherwise able bodied prisoners. Prison industries and public works projects have been adequately addressed in the Correctional Master Plan. It is not our intent here to review those already voluminous plans. We intend to emphasize the need for a halt to planning and the commencement of activity. Corrections must be given the resources to provide meaningful work opportunities for the offender population. Cutting and clearing of land, stream rehabilitation, trail building, and parks maintenance and construction are but a few examples of public works projects which would benefit

the citizens of the state as well as the non-violent offender population. Eight hour a day work habits can be learned and law abiding skills can be developed. Adequate pay to prisoners can and should be permitted with the responsibility that the working offender repay the state and/or the victim for at least the partial cost of his crime. His or her family can be partially supported as a result of prison labor, board and room can be at least partially paid, and small amounts can be set aside in savings toward release. The non-working offender should not be entitled to the same privileges granted to the working population.

Recommendation 33:

We agree with current correctional policy that any offender who does not possess a high school diploma or its equivalent should be required to complete a G.E.D. program if feasible within the length of his or her incarceration.

We feel strongly however, that these offenders and those who already possess a high school diploma and who wish to take part in educational and recreational programs should do so in their non-working hours - the same as working citizens of the state outside of the prison system. Higher education courses, arts and crafts and other culturally oriented programs should be encouraged and funded. But prisoners pursuing college educations should seek out and apply for Alaska Student Loans the same as "freeworld"

students. The Department of Corrections should coordinate and contract with local school districts, the Department of Education, and the University of Alaska Statewide Systems for teaching resources.

Recommendation 34:

This Task Force has learned that there are approximately 150 parole eligible offenders within the corrections' institutional population. These offenders apparently meet all of the current qualifications for eligibility for parole consideration but have not applied. In relationship to the very high cost of prison bed space and the current crisis in overcrowding, we strongly recommend that a systematic evaluation of these offender eligibles be conducted immediately.

Recommendation 35:

The Department of Corrections should provide the opportunity to every offender the resources of a halfway house program for those about to be released. Offenders should be encouraged to be self-sufficient, apply for jobs, seek out community treatment resources and renew the ties with the law abiding community including family and friends. Close coordination and carefully organized transitions should be mandatory as the offender moves from secure institutions to halfway houses and finally to the community. Probation and parole field staffs should develop community resources and a system of community volunteers to assist

offenders in making the transition. Community service halfway houses should also be available to probationers, parolees, and ex-offenders who are in need of assistance. The use of university and community college interns should be encouraged in these facilities. Finally, the Department of Corrections should assure that alcohol, mental health and vocational rehabilitation services provided through other departments and divisions of state and local governments are heavily utilized. These offenders should not receive treatment not otherwise available to "ordinary" citizens. However, corrections must correct.

GOVERNOR'S TASK FORCE ON CORRECTIONS
ACKNOWLEDGEMENTS
INTERVIEWEES BY GEOGRAPHIC AREA

Anchorage

Fred McGinnis
Dep. Comm.
DHSS

Bob Hatrack
Dir., Div. of Adult
Corrections

Brian Porter
Chief of Anch. Police

Mark Rowland
Pres. Judge
Superior Court
3rd District

Jim Vaden, Lt. Col.
AK State Troopers

Jerry Watkins, Design Mgr.
Richard Armstrong,
Dir., DOT/PF

Dave Arnold
Youth Svcs, Div. of Family
and Youth Services

Dick Schoffel, Meadow-
creek Women's Corr. Ctr.

Frank Sauser
Supt., Hiland Mtn. Corr.
Ctr.

Charles Moses, Supt.
Judy Levar and Mr. Gage,
Baugh Const., Cook Inlet
Corr. Ctr.

Ted Corey
Div. of Corr., Carcage
House

Terry Jorgenson
Chair., Cit. Adv. Group,
Hiland Mtn. Corr. Ctr.

Natalie Brooks
Member, Cit. Adv. Group
Hiland Mtn. Corr. Ctr.

Walt Jones
Prob./Parole,
Prog. and Svcs, Asst. Dir.
AK Div. of Adult Corr.

Art Snowden
Dir., AK Court System

Phil Briggs
Asst. Supt., 3rd Ave. Corr.
Ctr., and Messrs. Phillips
and Schaffer

Tony Knowles, Mayor, Muni.
of Anchorage and Ray Mann,
John Franklin.

Ray Clements, Chair.
Anch. Crime Comm.
Comm. on Corrections
Bob Swanson, Pres.
August Corp.

John Havelock, Justice
Ctr., UAA

John Angell, Dir.
Justice Ctr., UAA

Vern Caulkins
Supt., 3rd Ave. Corr. Ctr.

Russ Moody, Supt., Corr.
Ctr. Annex

Bernie Segal, Dir.
Ctr for Alc. & Drug Abuse,
UAA

Dana Fabe, Pub. Def.

Barrow

John Winjum, Dir.
No. Slope Bor., Dept.
of Public Safety

Mike Jeffery, Judge
Sup. Ct. 2nd Dist.

Jeanne Cross
Magistrate

Eugene Brower, Mayor
No. Slope Borough

Elise Patkotak, Dir.
Dept. of H & SS, No.
Slope Bor.

Tom Drake, Supt. Corr.,
Dept. of Pub. Safety, No.
Slope Borough

Fairbanks

Mathew Kiernan, Chief
Fbx Police Dept.

Gene Schaefer, Reg. Admin.
Youth Corr.

Larry Calderone
Supt., and Vern Oxandine,
Asst. Supt., Fbx Corr. Ctr.

John Cain, Reg. Admin.
Prob./Parole Field Svcs,
Div. of Corrections

Harry Davis, Dist. Atty.,
Dept. of Law

Gerald Van Hoomisen, Pres.
Judge, Sup. Ct., 4th Dist.

Bethel

Dan Carothers, Prob. Off.
Div. Adult Corr.

Mary Triebers, Asst.
Pub. Def.

Christopher Cooke, Judge
Sup. Ct.

Dale Curda, Magistrate

Laurie Otto
Dist. Atty.

Bob Buttane
Juv. Corr., Prob. Officer
Youth Corrections

Glen Godfrey, Lt. Comdr.
West. Det., AK St. Troop.

Joe Hildreth, 1st Sgt.,
Bethel, Detach., AST

Tom Varnelli, Chief
Bethel Police Dept.

Dillingham

Lewis Reith, Outpost Supv.
Ak State Troopers

Glenallen

Sheldon Sprecker, Magistrate
Corp. Bachman, AST

Juneau

Wally Roman, Corr.
Ind., Adult Corr.

Joe Ciraulo
Chief, Jnu Police Dept.

Sheila Nickerson, formerly
Univ. Within Walls project

Margaret Pugh
Admin., Johnson Ctr

Terry Hanson
Spec. Asst. to Comm. of
Public Safety

Dan Hickey
Chief Pros., Dept. of
Law, Pat Conheady, Asst. AG

Bill Huston
Supt., Jnu Corr. Ctr.,
former Dir. AK Div. of Corr.

Sam Trivette, Exec. Dir.
Parole Board

Lew Reece
Reg. Admin., Youth Corr.
Div. of Fam. & Youth Svcs.

William Ladwig, Adult
Corr.

Keith Stell, Reg. Admin.
Adult Corr.

John Pugh, Dir.
Fam. & Youth Svcs.

Dick Branton
Dept. Dir., Div. of
Mental Health & DD

Norman Gorsuch, Atty.
Gen., Dept. of Law

Allen Korhonen
Acting Comm., H & SS

Bob Sundberg, Comm. of
Pub. Safety

John Scribner, Dep. Comm.
DOTPP

Janice Cole, Div. of
Policy Dev. & Planning,
Office of Governor

Kenai Peninsula

Wm. Kaufman, Lt. Dep.
Cmdr., C Det., AST

C. E. Swackhammer, Det. Cmdr.
Det. C, AST

Lou Bencardino, Chief
Seward Police Dept.

Duane Udland, Chief
Soldotna Police Dept.

Walt Koenol, Corr. Supv.
City of Kenai

Rick Ross, Chief
Kenai Police Dept.

Mike Daugherty, Chief
Homer Police Dept.

Ketchikan

Robert Andrews
Asst. Supt. Corr. Ctr

Nome

Bob Lewis, Dist. Atty.

Gail Frank, Supt.
Nome Corr. Ctr.

Charles Tunley, Pres. Judge
2nd Jud. Dist.

Valdez

Don Wagner, Valdez
Police Dept.

Kodiak

Ed Martin, Chief
Kodiak Police Dept.

Palmer

Dick Giles, Asst. Supt.
Pgms. and Dennis Vincent,
Asst. Supt., Security,
Palmer Corr. Ctr.

Stan Zaborac, Supt.
Palmer Corr. Ctr.

Red Henderson, Chief
Palmer Police Dept. and
Pres., Ak Chiefs of Pol.
Assn.

Beverly Cutler, Judge
Sup. Ct., 3rd Dist.

Correctional Center Site Visits

Anchorage, 3rd Avenue
Ridgeview
Cook Inlet (under const.;
Meadow Creek (Eagle River,
women)
Palmer Med. Security
Palmer Jail - new (under
const.)
Fairbanks Youth Facility
Bethel
Juneau Johnson Center

Anchorage, 6th Avenue
Careage House
Hiland Mountain (Eagle
River, men)
Palmer Min. Security
Palmer Jail - Police
Dept. (old)
Fairbanks Corr. Ctr.
Barrow
Kenai City Jail

Bill
Shelton
was on the parole board

Exec Order 54

JOINT MTG. SENATE/HOUSE. JAN. 26, 1983.

Roger ~~Exley~~ - Div. of Corrections, Director
Management:

presumptive sentencing code
public demand - tough on crime.
1500 prisoners / space for 900.

Create a Department:

- Comm. will have status of others in criminal justice system
- executive level management.
- demand on Division interferes with HSS (budget etc)

Juveniles ??

ORGANIZATION

Regionalized

Comm

1. Bureau ass't - admin
2. Arch ass't - S.C. operations head.

6 positions
exemptor

partially-exempt

Training
Classification
Prison Industries

Three regional directors ^{all programs in Reg}

Interior - FBIS

SE - Bureau

Rural -

local contract jails

(from Pub Sec.)

Coord w/ judges, police, DA etc.

Juveniles (Endell opinion)

Keep intact until Dept ready,
then move to Departmental.

Art Peterson AB.

could be done by Exec. Order
or by BUDGET

title 47 would need amending
as far as juveniles.

OMB - timing

(Endell) 10 new positions

Prison industry tested - in Corrections, Law
have expertise in rec/pt. programming
will contract services. Lack MH expertise.

long term max. security prison.

Parole - no interest in influencing Board
decisions, wants to make sure they function
properly. Must have independence

partial settlement in Cleary case:

halted settlement and re-evaluated the case. Impossible to change major thrust and movement through court system.

Major issues in case still to be settled:

med. care

rehab. programs

phone calls
clothing
exercise

"trivial" issues
settled.

EO 55

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

| | | |
|--|--|----------------------------------|
| REQUEST | Executive | FISCAL DETAIL |
| Bill/Resolution No.: <u>Order No. 55</u> | Agency Affected: <u>Adult Corrections Agency</u> | Program Category Affected: _____ |
| Title: <u>Creating a Department of Corrections</u> | BRU, Program or Subprogram(s) Affected: _____ | |
| Sponsor: <u>Governor</u> | Requestor: _____ | |
| Date of Request: _____ | Date of Request: _____ | |

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 |
|------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 SUPPLIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS | | | | | | |
| 800 MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | * | | | | |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | | | | | |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis - See attached page

| | |
|---|------------------------|
| Prepared By: <u>James L. Scoles</u> ^{PS.} | Phone: <u>465-3370</u> |
| Division: <u>Division of Mental Health & Developmental Disabilities</u> | Date: <u>12/29/83</u> |
| Approved by Commissioner: <u>[Signature]</u> | Date: <u>12/29/83</u> |
| Agency: <u>DHS</u> | |

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

* The sections in the proposed draft Executive Order No. 55 that pertain to prisoners that have been found guilty but mentally ill may have a fiscal impact on the Adult Corrections Agency. However, even though this verdict has been legally possible since Chapter 143, SLA 1983 became effective on October 1, 1983, the Adult Corrections Agency has not received any prisoners that were found guilty but mentally ill and sentenced to serve a term of imprisonment. Thus, we have no historical antecedents upon which to base a prospective fiscal impact on either the Adult Corrections Agency or the Division of Mental Health and Developmental Disabilities.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: January 4, 1984

REQUEST:

Bill/Resolution No.: E.O. 55
 Title: Executive Order Creating
Department of Corrections
 Sponsor: Governor Sheffield
 Requestor: Governor Sheffield
 Date of Request: December 15, 1983

FISCAL DETAIL:

Agency Affected: DEPT. OF CORRECTIONS
 Program Category Affected: _____
 Administration of Justice
 BRU, Program or Subprogram(s) Affected:
Northern, Southcentral & Southeastern
Regional Corrections, Admin. & Support
Statewide Programs, Data Processing

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY84 | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 |
|--------------------------|------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| 800 MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| CAPITAL | -0- | -0- | -0- | -0- | -0- | -0- |
|---------|-----|-----|-----|-----|-----|-----|

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |
|---------|-----|-----|-----|-----|-----|-----|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|------------------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Source) | | | | | | |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

| | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not applicable

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: William W. Ladwig
 Division: Administrative Services

Phone: 465-3376
 Date: January 4, 1984

Approved by Commissioner: Roger W. Endell for William W. Ladwig
 Department: ADULT CORRECTIONS AGENCY

Date: January 4, 1984

Distribution:

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency (ies)



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1984

The Honorable Jalmar Kerttula
President of the Senate
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.30.130(b), I am transmitting an executive order that creates a Department of Corrections. I am submitting the executive order with some hesitation because HB 103 is currently before the Legislature. It is my hope that you will use HB 103 as the vehicle to create the Department of Corrections. My Administration will be available to facilitate its enactment.

Because the law requires submittal of executive orders on the first day of the session, and given the urgency of our corrections problems, I feel compelled to provide this alternative should these efforts fail. This executive order will be withdrawn promptly upon passage of a mutually acceptable version of HB 103.

The new department is being created from the division of corrections which is currently located in the Department of Health and Social Services.

Article I, sec. 12, of the Alaska Constitution requires that penal administration be based on protection of the public and reformation of the offender. Given the unprecedented increases in the prison population in the state, I believe that elevating the division of corrections to departmental status is necessary to achieve these twin goals and is in the best interests of efficient administration.

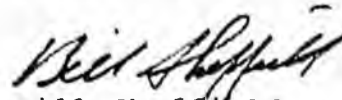
The problem of increasing crime in Alaska and how best to deal with those who are convicted of violations of the criminal law was the focus of an inquiry by a corrections task force that I created. In its January 3, 1983 report, the task force recommended the immediate elevation of the division of corrections to departmental status. According to members of the task force, this recommendation is strongly supported by all segments of the criminal justice system. I continue to believe that the legislature supports this reorganization.

This order is based on last year's order and includes some incidental amendments from HB 103. It transfers responsibility for the Board of Parole and for offenders who are found guilty but mentally ill. However, it does not transfer the responsibility for juvenile corrections matters nor for persons who are found not guilty by reason of insanity under AS 12.47. Because I have taken action to make the existing division of corrections more autonomous (see Administrative Order No. 77), this order can be made effective immediately after the expiration of the period for legislative action under art. III, sec. 23, of the Alaska Constitution.

Section 37 of the order creates the new department, provides that the commissioner is the principal executive officer, and sets out some basic duties and powers. The duties prescribed in proposed AS 44.28.020 are based on existing AS 44.29.020(9) (amended in sec. 38 of the order) and AS 44.29.020(17) (repealed in sec. 39), prescribing the duties and powers of the Department of Health and Social Services; an express reference to extraditions and detainers is included. Similarly, the proposed AS 44.28.030 is based on existing AS 18.05.040(13).

Some responsibilities of the commissioner of public safety, principally the transportation of prisoners, have not been addressed in this order. The decision on whether or when to transfer these responsibilities will be made later.

Sincerely,



Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST

Bill/Resolution No.: _____
Title: Executive Order #55 & #58

Sponsor: _____
Requestor: Office of the Governor
Date of Request: _____

FISCAL DETAIL

Agency Affected: Department of Military Affairs
Program Category Affected: _____
Public Protection
BRU, Program or Subprogram(s) Affected: _____
Life & Property Protection

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 |
|------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| 100 PERSONAL SERVICES | | 86.5 | | | | |
| 200 TRAVEL | | 6.0 | | | | |
| 300 CONTRACTUAL | | 28.4 | | | | |
| 400 SUPPLIES | | 4.0 | | | | |
| 500 EQUIPMENT | | 20.4 | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS | | | | | | |
| 800 MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | 145.3 | | | | |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|-------|--|--|--|--|
| GENERAL FUND | | 145.3 | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | | | | | |

POSITIONS:

| | | | | | | |
|-----------|--|---|--|--|--|--|
| FULL-TIME | | 2 | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

State Operating Budget

The attached fiscal note from Commerce & Economic Development in the amount of \$442.1 represents the costs of transferring to DMA.
ANALYSIS: Attach a separate page for analysis

Prepared By: Richard T. Rountree Director Phone: 465-4600
Division: Admin. & Support Services Division Date: 1/5/84

Approved by Commissioner: M. G. Edward G. Paqano Date: 1/5/84
Agency: Department of Military Affairs

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

ANALYSIS

This fiscal note is tempered with the assumption that funding to operate the Veterans' programs at their present level of service will be transferred to the Department of Military & Veterans' Affairs along with the responsibilities.

Therefore this fiscal note only addresses funding needed to provide an increased level of service.

| | | | | | | | | | | | |
|---------------------|--|-----------------------|-----------|------------|--------------------|-----------------|--|-----------|------|---------|---------|
| 1. | POSITION TITLE Special Assistant to the Commissioner II | | | | RANGE/STEP 23 A | BARG. UNIT | FORM 12 | PAGE/LINE | GOV. | APPROV. | DISAPP. |
| 2. | TYPE OF POSITION PX | STAFF MONTHS 12 | RP NUMBER | PCN NUMBER | BRU PRIORITY | LOCATION EBA | ELECTION DISTRICT | | LEG. | | |
| 3. | CONTINUATION LEVEL | | | | ADDITION | 1 | JUSTIFICATION | | | | |
| 4. | TYPE OF EXPENDITURE | | | | AMOUNT | | | | | | |
| | 1 | | | | 2 | | 3 | | | | |
| | PERSONAL SERVICES | | | | | | | | | | |
| 5. | Salary | | 50.0 | | | | | | | | |
| 6. | Benefits | | 4.1 | | | | | | | | |
| 7. | Supplemental Benefits | | 3.1 | | | | | | | | |
| 8. | Fixed Benefits | | 2.6 | | | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | | 01 | | 59.8 | | <p>This position will be responsible for the administration of the State Division of Veterans Affairs within the Department of Military and Veterans' Affairs. The position will be tasked with the coordination of all Veterans' programs within the State of Alaska. It will also be tasked with the coordination between the State and Federal Veterans' Administration as well as Veterans' Organizations. The position will cooperate with the federal government in matters of mutual concern pertaining to the welfare of Alaskan veterans, including establishing, extending, or strengthening services for veterans, in Alaska.</p> | | | | |
| 10. | Travel | | 02 | | 6.0 | | | | | | |
| 11. | Contractual | | 03 | | 28.4 | | | | | | |
| 12. | Commodities | | 04 | | 4.0 | | | | | | |
| 13. | Equipment | | 05 | | 10.6 | | | | | | |
| 14. | Other | | | | | | | | | | |
| 15. | TOTAL COST | | | | 108.8 | | | | | | |
| | RECEIPT CODE | FUNDING SOURCE | | | | | | | | | |
| 16. | | Federal Receipts 1002 | | | | | | | | | |
| 17. | | G.F. Match 1003 | | | | | | | | | |
| 18. | | General Funds 1004 | | 108.8 | | | | | | | |
| 19. | | I-A Receipts 1005 | | | | | | | | | |
| 20. | | Program Receipts 1028 | | | | | | | | | |
| 21. | | Other | | | | | | | | | |
| FOR B&M USE ONLY | | | | | | | | | | | |
| 4A KEY NUMBER _____ | | | | | | | | | | | |

13 REQUEST FOR
NEW POSITION

AGENCY Department of Military and Veterans' Affairs
PROGRAM Life and Property Protection
BRU Veterans' Affairs
COMPONENT Administration

Page _____ of _____
Revised Date _____

FY 85

| | | | | | | | | | |
|-----------------------------------|-------------------------------|--------------------|-----------|-------------------|-------------------|-------------------|-------------------|---------|---------|
| 1. | POSITION TITLE Secretary I | | | RANGE/STEP 10A | BARG. UNIT GGU | FORM 12 PAGE/LINE | GOV. | APPROV. | DISAPP. |
| 2. | TYPE OF POSITION GGU | STAFF MONTHS 12 | RP NUMBER | PCN NUMBER | BRU PRIORITY | LOCATION ERA | ELECTION DISTRICT | LEC. | |
| 3. | CONTINUATION LEVEL | | | ADDITION | JUSTIFICATION | | | | |
| 4. | TYPE OF EXPENDITURE | | | AMOUNT | | | | | |
| | 1 | 2 | 3 | | | | | | |
| | PERSONAL SERVICES | | | | | | | | |
| 5. | Salary | 21.0 | | | | | | | |
| 6. | Benefits | 1.7 | | | | | | | |
| 7. | Supplemental Benefits | 1.3 | | | | | | | |
| 8. | Fixed Benefits | 2.7 | | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | 01 | 26.7 | | | | | | |
| 10. | Travel | 02 | 0 | | | | | | |
| 11. | Contractual | 03 | 0 | | | | | | |
| 12. | Commodities | 04 | 0 | | | | | | |
| 13. | Equipment | 05 | 9.8 | | | | | | |
| 14. | Other | | | | | | | | |
| 15. | TOTAL COST | | 36.5 | | | | | | |
| | RECEIPT CODE | FUNDING SOURCE | | | | | | | |
| 16. | | Federal Receipts | 1002 | | | | | | |
| 17. | | G.F. Match | 1003 | | | | | | |
| 18. | | General Funds | 1004 | 36.5 | | | | | |
| 19. | | I-A Receipts | 1005 | | | | | | |
| 20. | | Program Receipts | 1028 | | | | | | |
| 21. | | Other | | | | | | | |
| FOR B&M USE ONLY 4A KEY NUMBER | | | | | | | | | |

This position will provide the clerical and technical support for the Division of Veterans' Affairs. As clerical support to the Administrator of the Division, the position will maintain all files, type, respond to routine correspondence, and act as receptionist for the Division.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Military and Veterans' Affairs

PROGRAM Life and Property Protection

BRU Veterans' Affairs

COMPONENT Administration

FY 85

Page of

Revised Date

S

B

16

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT

Introduced: 1/19/83
Referred: Health, Education &
Social Services & Finance

Funding Information
General Fund \$33,746,700
Other Funds -0-
\$33,746,700

BY FURNACE, UEHLING, PESTINGER, ABOOD,
ADAMS, COWDERY, FLOOD, FRITZ, FULLER,
GRUSSENDORF, HERRMANN, HURLBERT,
LACHER, LINDAUER, LISKA, MARTIN,
M.W.MILLER, PHILLIPS, RINGSTAD,
M.M.MILLER, MALONE, DUNCAN, ZHAROFF,
CLOCKSIN, VASKA, DAVIS, GOLL, KOPONEN,
LARSON, MCBRIDE, SZYMANSKI AND WENDTE

1 IN THE HOUSE

2 HOUSE BILL NO. 73

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Education for payments to school dis-
8 tricts under the public school foundation program
9 (AS 14.17); and providing for an effective date."

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

11 * Section 1. The sum of \$33,746,700 is appropriated from the general
12 fund to the Department of Education for payments to school districts
13 the public school foundation program (AS 14.17) for the fiscal year ending
14 June 30, 1983.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

PRELIMINARY

CSHB 73 (Finance)

| | |
|-------------------------------|---------------|
| Enrollment | 6407.7 |
| BIA Schools | 7901.6 (FBIF) |
| Tanana City School District | 855.4 |
| Separate Count - Junior High | 1808.4 |
| Special Education | 2558.5 |
| Adjustment for 97.25% funding | 6010.7 |
| | <hr/> |
| | 25,542.3 |

Letter of Intent regarding 7901.6 for BIA Schools shall be allocated from the Federal Budget Impact Fund

| | |
|---------------|----------|
| General Fund: | 17,640.7 |
| FBIF: | 7,901.6 |

PROPOSED LANGUAGE FOR A LETTER OF INTENT FOR CH HB 73 (FINANCE)

IT IS THE INTENT OF THE HOUSE FINANCE COMMITTEE THAT IN ADDITION TO THE \$ _____ APPROPRIATED IN CS HB 73 (FINANCE) IN GENERAL FUNDS FOR PAYMENTS TO SCHOOL DISTRICTS UNDER THE PUBLIC SCHOOL FOUNDATION PROGRAM (AS 14.17), THAT \$ 7,901,600 BE ALLOCATED FROM THE FEDERAL BUDGET IMPACT FUND ESTABLISHED IN CHAPTER 125, SLA 1982, TO COVER THE COST OF TRANSFER OF ALASKAN BIA DAY SCHOOLS FROM THE FEDERAL GOVERNMENT TO THE STATE GOVERNMENT. BOTH AMOUNTS SHALL BE FOR PAYMENTS TO SCHOOL DISTRICTS UNDER THE PUBLIC SCHOOL FOUNDATION PROGRAM (AS 14.17).

COMPARISON OF FOUNDATION PROGRAM AMOUNTS
(IN MILLIONS)

| <u>DISTRICT</u> | <u>FY 82</u> | <u>FY 83</u> | <u>FY 83 + HESS SUPP.</u> | <u>FY 83 + FINANCE SUPP.</u> |
|-----------------|--------------|--------------|-------------------------------|----------------------------------|
| Anchorage | 93,338.9 | 108,074.7 | 114,281.9 | 115,158.8 |
| Cordova | 2,067.3 | 2,067.0 | 2,185.7 | 2,202.5 |
| Craig | 1,174.8 | 967.0 | 1,022.4 | 1,030.3 |
| Fairbanks | 28,093.7 | 32,668.0 | 34,544.3 | 34,809.3 |
| Haines | 1,997.1 | 2,316.4 | 2,448.4 | 2,468.2 |
| Hoonah | 1,295.9 | 1,395.9 | 1,476.1 | 1,487.4 |
| Hydaburg | 709.0 | 799.7 | 845.7 | 852.1 |
| Juneau | 12,310.2 | 14,471.0 | 15,302.1 | 15,419.5 |
| Kake | 1,165.8 | 1,387.6 | 1,467.3 | 1,478.5 |
| Ketchikan | 7,444.7 | 7,553.4 | 7,987.3 | 8,048.5 |
| King Cove | 1,093.4 | 1,064.0 | 1,125.8 | 1,134.4 |
| Klawock | 600.9 | 1,058.0 | 1,113.7 | 1,127.3 |
| Kodiak | 9,844.5 | 11,036.8 | 11,670.7 | 11,760.3 |
| Nenana | 1,434.0 | 1,262.1 | 1,334.6 | 1,344.8 |
| Nome | 4,934.2 | 5,096.4 | 5,389.1 | 5,430.5 |
| Mat Su | 15,339.1 | 18,289.4 | 19,339.8 | 19,488.2 |
| Pelican | 378.1 | 607.0 | 641.8 | 646.7 |
| Petersburg | 2,099.3 | 2,181.0 | 2,306.2 | 2,323.9 |
| Sand Point | 1,013.5 | 956.1 | 1,011.0 | 1,018.8 |
| Sitka | 5,530.5 | 5,599.6 | 5,921.2 | 5,966.7 |
| Skagway | 958.4 | 893.4 | 944.7 | 951.9 |
| Unalaska | 1,447.1 | 1,394.5 | 1,474.6 | 1,485.9 |
| Valdez | 3,861.0 | 3,875.4 | 4,098.1 | 4,129.5 |
| Wrangell | 2,075.5 | 2,150.7 | 2,274.2 | 2,291.7 |
| Yakutat | 1,054.0 | 1,163.4 | 1,230.2 | 1,239.7 |
| Galena | 1,456.9 | 1,332.0 | 1,408.5 | 1,419.3 |
| N. Slope | 8,613.4 | 8,825.8 | 9,332.7 | 9,404.3 |
| Bristol Bay | 1,860.3 | 1,927.0 | 2,037.6 | 2,053.3 |
| Dillingham | 2,946.2 | 3,076.4 | 3,253.1 | 3,278.1 |
| Kenai | 21,380.3 | 24,724.1 | 26,144.1 | 26,344.7 |
| Tanana | N/A | 1,153.5 | 1,219.8 | 1,229.1 |
| St. Mary's | 1,506.2 | 1,570.9 | 1,661.1 | 1,673.9 |
| N.W. Artic | 11,496.1 | 13,126.2 | 13,880.1 | 13,986.7 |
| Bering St. | 7,029.4 | 9,859.5 | 10,425.8 | 10,505.8 |
| Low Yukon | 9,301.0 | 11,251.9 | 11,898.2 | 11,989.4 |
| Low Kuskokwim | 17,363.1 | 23,059.8 | 24,384.2 | 24,571.3 |
| Kuspuk | 4,600.7 | 4,579.0 | 4,841.9 | 4,879.1 |
| Southwest | 5,602.8 | 5,968.0 | 6,310.8 | 6,359.2 |
| Lake & Penin. | 4,650.7 | 4,817.0 | 5,093.7 | 5,132.7 |
| Aleutian | 1,723.3 | 1,889.2 | 1,997.7 | 2,013.1 |
| Pribilof | 1,312.4 | 1,569.3 | 1,659.4 | 1,672.1 |
| Adak | 2,761.2 | 3,056.5 | 3,232.0 | 3,256.9 |
| Iditarod | 3,791.6 | 4,263.7 | 4,508.6 | 4,543.2 |
| Yukon Koy | 5,648.8 | 6,191.9 | 6,547.5 | 6,597.8 |
| Yukon Flats | 3,992.5 | 4,263.3 | 4,508.1 | 4,542.7 |
| Railbelt | 2,685.1 | 2,871.3 | 3,036.3 | 3,059.6 |

| | | | | |
|--------------|------------------|------------------|------------------|------------------|
| Delta/Greely | 4,131.1 | 4,856.0 | 5,134.9 | 5,174.3 |
| Ak. Gateway | 3,485.2 | 3,580.3 | 3,785.9 | 3,815.0 |
| Copper River | 3,678.4 | 3,740.5 | 3,955.3 | 3,985.6 |
| Chatham | 1,440.2 | 2,027.4 | 2,143.9 | 2,160.3 |
| Southeast | 3,506.5 | 3,551.5 | 3,755.4 | 3,784.3 |
| Annette | 1,280.6 | 1,549.4 | 1,638.4 | 1,651.0 |
| Chugach | 623.9 | 799.1 | 845.0 | 851.5 |
| Central | | | | |
| Corresp. | 1,698.0 | 1,859.3 | 1,966.1 | 1,981.2 |
| TOTAL | <u>340,826.4</u> | <u>389,668.6</u> | <u>412,049.2</u> | <u>415,210.9</u> |

SOURCE: Department of Education

STATE OF ALASKA

Tom JAN 17 1983

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

Date: January 19, 1983

To: Representative Sam Pestinger
Chairman, Education Subcommittee

From: Alison Elgee, Fiscal Analyst *Alison M. Elgee*
Division of Legislative Finance

Subject: Supplemental Appropriation for FY 83 School Foundation Program

The Department of Education has estimated a fiscal year 1983 shortfall in foundation support to the districts of \$33,746,700. Title 14 of the Alaskan statutes governing Public Education provides that when a shortfall exists in the foundation funding, it is the commissioner of Education's responsibility to notify the Governor of the shortfall and to prorate the available funding to the districts. In considering funding of a FY 83 supplemental, the following needs to be addressed:

- 1) The 1982 Legislature was aware that the federal government was going to begin a phased transfer of the BIA schools in Alaska to the state. However, at the time the Education budget was under consideration the number of schools to be transferred to the state was unknown. Therefore, the legislature included the following intent statement in the 1983 general appropriations act: "This appropriation does not provide for student adm support for BIA schools which may transfer to school districts or new schools or programs which may be established during FY 83. It is the intent of the legislature that the Department of Education fund any such transfers or additions out of this appropriation and present to the legislature a request for a supplemental appropriation to accommodate the costs of any BIA transfers or establishment of new schools or programs, no later than the 15th day of the 1983 legislative session." Essentially, consideration of a supplemental for this need was promised. As one legislature cannot bind another legislature, consideration was all that could be promised. The BIA school transfer affects only a few districts. The cost of the school transfer is borne by all districts because any shortfall in funding is prorated statewide. Further increases for BIA school transfers should be anticipated in the Governor's FY 84 foundation request.
- 2) The existing foundation statutes provides districts the ability to separately count junior high school students for purposes of generating instructional units whether or not those students were housed in a separate facility. The Department of Education was aware of the potential fiscal impact of this "loophole" in the law and proposed corrective legislation during the 1982 legislative session. The legislation was amended during the course of the

session to become a substitute for the foundation formula while the entire formula was reviewed through a major financing study. The bill failed in the House during the final days of the session, so the Department is continuing to operate under the existing statutes. Again the impact of the organizational changes which generate the additional instructional units to some districts is felt by all because of proration. While it benefits a district which was not previously counting junior highs separately because of added instructional units (even if the extra dollars generated are reduced somewhat by the proration affect), it tends to hurt those districts without the flexibility to make "paper changes" in their reporting practices. Under the existing statutes, there is no way for the Department to choose not to recognize or not to fund the additional entitlements within the dollar limitations. In discussions with both House and Senate Finance Committees, the Department of Education emphasized the problems in anticipating and budgeting for this type of change. It was hoped at that time that an interim solution would be handled through the legislation then under consideration suspending the foundation formula. Until some determination is made as to the future of the existing foundation formula, this unanticipated increase in entitlements due to organizational changes will continue to be a problem in budgeting.

- 3) Districts must anticipate enrollments for budget consideration a full year in advance of the start of the school year. Alaskan school districts have been experiencing increases in enrollment over the past several years. However, the growth has been slow and projections have been fairly accurate. It became apparent during the spring of 1982 that enrollment projections for FY 83 had been underestimated by the districts when revised reports began coming into the Department for the 1981-82 school year. The Department and the State Board of Education chose at that time to make no attempt to acquire any additional funding for FY 83 based upon increasing enrollments. Therefore, the 1982 legislature made their decision to underfund the foundation formula without the knowledge that a potential underfunding situation already existed, due to an increase in projected enrollments.
- 4) The 1982 legislature chose to reduce the appropriation request for the foundation formula by \$14,431,800. This reduction was made as part of an overall effort to reduce the size of the state's general fund operating budget. It was the feeling of the legislature that the school districts should have to bear a portion of the reduction that was to be felt by all of state government. The school districts were informed in a letter from Representative Montgomery and Senator Terry Stimson in March, 1982, not to anticipate full funding of the foundation request, so they would have sufficient lead time to revise their FY 83 operating budgets at the district level. While the reduction was significant, two important factors need to be kept in mind to keep the reduction in perspective:
 - a) A 10% increase in the dollar value of the instructional unit became effective in FY 83 generating additional funds to the school districts for the same number of students and ongoing operations. In addition, the 1981 legislature revised the statutes relating to computation of instructional units for special education, almost doubling the amount of funds available to districts in the special education component in FY 83.

- b) The Governor and the Division of Budget and Management prepared an amended budget and presented it for consideration to the Senate Finance Committee. The Governor's amended recommendation for the school foundation formula was \$8,000,000 less than the figure finally appropriated for FY 83.

The school districts should have had sufficient time to build their budgets around a reduced level of funding from their original request. Even with the reduction the district budgets were increased almost 7% over FY 82 plus any additional funds generated by the special education component change. Districts did not experience a real reduction in FY 83, but an increase in dollars available for operations.

The foundation formula was not changed between FY 83 and FY 84. Because there was no change in the dollar value of the instructional unit, all things being the same, the dollars available to the districts in FY 84 will be the same as FY 83 (were FY 83 fully funded). The districts will have to absorb within those dollars any inflationary increases they are experiencing. Should the legislature choose to fully fund FY 83 and then find there are not enough dollars available, given the constraints of the spending limitation and other state needs, to fully fund FY 84, the school districts will be in a position of having to absorb not only inflationary increases but an actual reduction in total dollars available for FY 84 operations. Should the legislature decide not to fund a FY 83 supplemental, or to fund only a portion of the supplemental, and then fully fund FY 84, there will be some increase in dollars available to the school districts.

It is my opinion that the worst possible thing that could happen would be for the legislature to fully fund FY 83 through a supplemental and then find that it is not possible to fully fund the FY 84 request. For that reason, I would urge that the two budgets (FY 83 supplemental and FY 84 request) not be considered as independent from each other but one decision. The school districts are already being asked to absorb inflationary increases in FY 84. This alone will cause them difficulties. To raise expectations, to provide districts with new funds to begin new programs, add additional personnel, etcetera, and then to take away the dollars necessary to make those things ongoing would create a great deal more hardship to the districts than if they never had the dollars and the associated expectations in the first place.

cc: Al Adams, Chairman
House Finance Committee

John Sackett, Co-Chairman
Senate Finance Committee

AE/ck

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AS A UNIT IN THE ORIGINAL DOCUMENT.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB-73

Title An Act...Supplemental appropriation to the Department of Education

Requested by House HESS Date 1/24/83

II. FISCAL DETAIL

Agency Affected Education

Program Category Affected Elementary & Secondary

BRU, Program, Or Subprogram(s) Affected Foundation Support Districts

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

| | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|--------------------------|----------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | 33,746.7 | | | | | |
| TOTAL | | | | | | |

FUNDING (Thousands of Dollars)

| | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|------------------------|----------|-------|-------|-------|-------|-------|
| GENERAL FUND | 33,746.7 | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Source) | | | | | | |

POSITIONS

N/A

| | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See Attached

DATE 1-27-83 PREPARED BY Steve Able
 AGENCY Department of Education
 Final: Legislative Finance PHONE 465-2865
 Budget and Management
 Prime Sponsor (First Legislator Named)

Analysis of FY-83 Foundation Supplemental

| | |
|--------------------------|------------|
| FY-83 Request (estimate) | 406,089.5 |
| FY-83 Appropriation | 391,753.3 |
| FY-83 Shortfall | (14,431.8) |

\$389,000 (actual)

FY-83 Revised Reports Increases by Categories:

| | |
|--|-----------------|
| 1. Enrollment Increases (estimate) | 6,407.7 |
| 2. New Secondary Programs | 1,808.4 |
| 3. BIA School Transfers | 7,901.6 |
| 4. New Tanana City School District | 855.4 |
| 5. Special Education Program Increases | 2,558.5 |
| Total Increases | 19,531.6 |
| Add Original Shortfall | <u>14,431.8</u> |
| Total Shortfall | 33,964.4* |

Out of seven Department supplemental requests transmitted to the Governor, the State Board of Education has prioritized the \$19,531.6 request first, and the \$14,431.8 portion of this supplemental sixth.

*For the record, a January 7, 1983, hearing officer's recommended decision on the way the Department calculates supplemental equalization aid under AS 14.17.023 has resulted in an additional shortfall of of \$1,106.2. We have been advised by the Attorney General to accept the hearing officer's recommended decision.

31,176

YEAS

NAYS

Sam Kito
William Eubank
Don Gray
Mary Schaeffer
Barney Gottstein
Sue Hull
Ernestine Griffin

MOTION CARRIED 7-0.

The audioconference was scheduled for Monday, January 10, 1983, at 6:30 p.m. Anchorage time, and the Board directed the department to advise the members of the Screening Committee regarding the time and place in their individual communities to enable members of the State Board to seek further information regarding the selection process.

Don Gray moved and Sue Hull seconded the motion to list the Commissioner Selection Process as an action item for the next regular meeting.

MOTION CARRIED UNANIMOUSLY.

83-89 REVIEW OF FOUNDATION PROGRAM SUPPLEMENTAL REQUEST

Commissioner Lind addressed the Board regarding the Supplemental Request for Foundation Support for FY-83 to cover the shortfall resulting from the decision of the Legislature to not fund full entitlement for the school districts, and asked Steve Hole to explain 83-89.1, Debt Retirement Supplemental Request for pre December 31, 1981, Indebtedness; 83-89.2, post December 31, 1981, Indebtedness; and 83-89.3, Miscellaneous FY-83 Supplemental Appropriation Requests.

The Board recessed for lunch at 12:05 p.m. and returned at 1:35 p.m. with the exception of Mr. Kito, who was delayed and arrived at 1:45 p.m.

President Griffin called for continuance of the explanation and discussion of the foundation program, and the Board listed the items in order of priority.

Sue Hull moved and Don Gray seconded the motion to list the supplemental requests by priority as follows:

- (1) Foundation support in the sum of \$19,314.9;
- (2) Prior year claims in the amount of \$7.0;

- (3) Health insurance costs in the amount of \$253.7;
- (4) School Activities Association for student travel in the amount of \$300.0;
- (5) Debt retirement in the amounts of \$5,522.0 and \$7,577.7
- (6) 4% Foundation support in the sum of \$14,431.8;
- (7) Capital project fund balance transfer of \$253.6.

Roll call vote was taken:

YEAS

NAYS

Sam Kito
Mary Schaeffer
Ernestine Griffin
Barney Gottstein
Don Gray
William Eubank
Sue Hull

MOTION CARRIED 7-0.

83-88 COMMISSIONER SELECTION PROCESS

Diane LeResche explained the operation of the audioconference equipment to the Board in preparation for its conference with members of the Commissioner Selection Screening Committee on Monday, January 10, 1983.

83-90 REVIEW OF EDUCATION FINANCE STUDY

Laraine Glenn, Project Director for the Finance Study, reviewed the process for the study used thus far in the school finance study. This study was put on hold by request of Governor Sheffield pending the appointment of a new State Board of Education.

Dr. Van Slyke explained that policy issues will need to be addressed that will impact school finance, and suggested some options available to the Board. He stated that it is important for the Board to consider the composition of the policy group and the department would have some additional recommendations at a subsequent meeting.

Following discussion by the Board, it was suggested that the department develop internally an alternative plan that could replace the current study.

Don Gray moved and Sue Hull seconded the motion to place the Finance Study on the agenda as an action item at the next meeting.

MOTION CARRIED UNANIMOUSLY.

Adjusted Entitlements - Pro-Rata; Supplemental Appropriation Distribution
 DWE 1-24-83

C. H. WHITE

| | 1 | 2 | 3 | 4 | 5 | 6 |
|----------|---------------------|------------|-----------|-----------|---|---|
| | AS14.17.170 | PRO RATA | Estimated | | | |
| DISTRICT | Adjusted | Reduction | Shortfall | | | |
| | State Aid | @ 8.19585% | | | | |
| 1 | ANCHORAGE | 18486794 | 168770304 | 971105310 | | |
| 2 | BRISTOL BAY | 11117512 | 1938676 | 173076 | | |
| 3 | CORDOVA | 1265174 | 2079523 | 1851651 | | |
| 4 | CRAIG | 1059627 | 972781 | 16846 | | |
| 5 | DILLINGHAM | 3371459 | 3095139 | 376320 | | |
| 6 | FAIRBANKS | 35800622 | 32866459 | 29341173 | | |
| 7 | GALENA | 1459686 | 1340052 | 119634 | | |
| 8 | HAINES | 2538484 | 330432 | 2080511 | | |
| 9 | HOONAH | 1529721 | 1404392 | 125378 | | |
| 10 | HYDABURG | 1764115 | 804585 | 171830 | | |
| 11 | JUNEAU | 1588645 | 1458891 | 1299754 | | |
| 12 | KAKE | 1520631 | 1396002 | 124629 | | |
| 13 | KENAI | 27142832 | 2496405 | 2224427 | | |
| 14 | KETCHIKAN | 2272750 | 2599317 | 478433 | | |
| 15 | KING COVE | 1166716 | 1071093 | 95623 | | |
| 16 | KLAWOCK | 1159425 | 1064400 | 95025 | | |
| 17 | KODIAK | 12055181 | 1103876 | 991305 | | |
| 18 | MAT-SU | 20043192 | 18400478 | 16427114 | | |
| 19 | NENANA | 12831014 | 1269747 | 113357 | | |
| 20 | NOME | 5585114 | 5127365 | 4571749 | | |
| 21 | NORTH SLOPE | 5803753 | 500250 | 903503 | | |
| 22 | PELICAN | 665161 | 610645 | 54516 | | |
| 23 | PETERSBURG | 3290082 | 3194195 | 195888 | | |
| 24 | SANDPOINT | 10417754 | 961909 | 85875 | | |
| 25 | SITKA | 6126572 | 5022627 | 502945 | | |
| 26 | SKAGWAY | 979048 | 898807 | 80241 | | |
| 27 | ST. MARY'S | 1721553 | 1580457 | 141096 | | |
| 28 | UNALASKA | 1528200 | 1402951 | 125249 | | |
| 29 | VALDEZ | 4242079 | 3888994 | 348085 | | |
| 30 | WRANGELL | 3356939 | 2163767 | 193172 | | |
| 31 | YAKUTAT | 1274985 | 1170489 | 104496 | | |
| 32 | Tanana | 1264139 | 1160532 | 103607 | | |
| 34 | | 297189680 | 270786502 | 24353478 | | |
| 36 | CENT. CORRESP. SDY. | 2037600 | 1870601 | 166999 | | |

MEMORANDUM

State of Alaska

TO: Members, State Board of Education

DATE: December 30, 1982

FILE NO: 83-89.1

TELEPHONE NO: 465-2800

FROM: Office of the Commissioner

SUBJECT: FY 83 Debt Retirement
Supplemental Request for pre
December 31, 1981 Indebtedness

ABSTRACT

Funds appropriated by the last legislature are insufficient to cover all claims for reimbursement under AS 43.18.100 (school construction debt retirement payments).

ISSUE

The department requested \$44,103.3 for FY 83 debt retirement reimbursement claims under AS 43.18.100(a)(1)-(3), the two year lag reimbursement program. The legislature appropriated 36,203.3, assuming that that amount, in conjunction with the \$7,000.0 appropriated in the Cigarette Tax category, would comprise a total sufficient to meet all claims. Actual claims for reimbursement for FY 83 total \$43,781.0, and since the Cigarette Tax appropriation must be separate from the debt retirement appropriation, the debt retirement appropriation is \$7,577.7 short.

BACKGROUND AND/OR PERTINENT INFORMATION

Because Cigarette Tax revenues are dedicated for school rehabilitation and renovation projects, there is a tendency to confuse them with school construction debt service payments reimbursement. However, debt retirement reimbursement is made on the basis of claims for payment, and Cigarette Tax revenues are disbursed on an entitlement basis, e.g., not every city and borough district has bonds eligible for debt retirement reimbursement, but all city and borough districts are entitled to receive Cigarette Tax payments. Therefore, the two appropriations must be distributed separately. Because of this distinction, only the actual appropriation for debt retirement could be used to pay the claims for reimbursement leaving a shortfall of 7,577.7 in that account.

COMMISSIONER'S RECOMMENDATION

It is recommended that the Board concur with this request. 25

MEMORANDUM

State of Alaska

TO: Members, State Board of Education

[Handwritten signature]

FROM: Office of the Commissioner

DATE: December 30, 1982

FILE NO: 83-89.3

TELEPHONE NO: 465-2800

SUBJECT: Miscellaneous FY 83
Supplemental Appropriation
Requests

ABSTRACT

The department is requesting various supplemental appropriations, in addition to those covered by separate attached memos, totaling \$814.3.

ISSUE

1. Every year claims for payment are submitted after the close of the fiscal year, and after all fund balances have been lapsed to the general fund. To pay those claims, a supplemental appropriation must be secured because current year appropriations cannot be used to pay for prior year obligations. This year that total of prior year claims is \$7.0.
2. Health insurance costs for employees in the department were raised effective July 1, 1982, after the FY 83 budget had been signed. The cost associated with the increase is \$253.7, which was not appropriated for this year.
3. One of the school districts has a capital project fund balance of \$253.6 left over from an appropriation for roof repairs. The district would like to use the balance to purchase a building it is presently renting, but legislative concurrence is required.
4. For the past two years, either by special or supplemental appropriations, the Alaska School Activities Association has received \$300.0 for student travel to state championships at various locations throughout the state. That amount was not included in the FY 83 appropriation, and we are, therefore, requesting it in the form of a supplemental.

COMMISSIONER'S RECOMMENDATION

It is recommended that the Board concur with these requests.

MEMORANDUM

State of Alaska

TO: Members, State Board of Education

[Handwritten Signature]

FROM: Office of the Commissioner

DATE: December 30, 1982

FILE NO: 83-89.2

TELEPHONE NO: 465-2800

SUBJECT: FY 83 Debt Retirement
Supplemental Request for post
December 31, 1981 Indebtedness

ABSTRACT

Funds appropriated by the last legislature are insufficient to cover all claims for reimbursement under AS 43.18.100(a)(4), (current year reimbursement of school construction debt retirement payments).

ISSUE

Last year the legislature enacted legislation, (Chapter 92, SLA 1982), which provided for reimbursement to municipalities for school construction debt retirement payments in the same year in which they are made, rather than two years after they are made. The appropriation, based on the Alaska Municipal League estimate of FY 83 claims under this new program, was \$13,465.4. Actual claims total \$18,988.4, leaving the account \$5,522.0 short.

COMMISSIONER'S RECOMMENDATION

It is recommended that the Board concur with this request.

96

STATE OF ALASKA

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH F
STATE OFFICE BUILDING
JUNEAU, ALASKA 99811
PHONE:

December 23, 1982

Ron Lehr, Director
Division of Budget & Management
Office of the Governor
Pouch AM
Juneau, Alaska 99811

Dear Mr. Lehr:


The Department of Education requests a \$19,314.9 FY 83 general fund supplemental appropriation for Financial Support ERU. This supplemental will be used to fund Foundation Program requirements that exceed the FY 83 continuation level funding requested by the department.

| | |
|---------------------------------------|--------------------|
| FY 83 Foundation Program Requirements | \$425,500.0 |
| FY 83 Department Budget Request | 406,185.1 |
| This Supplemental Request | <u>\$ 19,314.9</u> |

Distribution by component of this supplemental appropriation is as follows:

| <u>Component</u> | <u>Amount</u> |
|-------------------------------|-----------------|
| Student ADM Support | 17,196.5 |
| Special Education Adjustment | 4,044.0 |
| Vocational Ed. Adjustment | (2,609.4) |
| Correspondence Study - DOE | (143.7) |
| Correspondence Study - Local | 830.3 |
| Bilingual Program Adjustment | 322.4 |
| Supplemental Equalization Aid | (325.2) |
| TOTAL | <u>19,314.9</u> |

Sincerely,


Marshall L. Lind
Commissioner



Alaska State Legislature

House of Representatives

Committee on

Health, Education & Social Services

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

February 1, 1983

MEMORANDUM

To: All House Members

From: Mae Tischer, Co-Chairperson, House HESS *MT*

RE: CS for HB 73, Supplemental Appropriations to D.O.E.

The new fiscal note of CS HB 73 reduces the amount of the original bill by approximately 11.4 million dollars. The attached documents are for your reference.

A brief history of the legislation shows that D.O.E. presented a fiscal note of 33.9 million with the original HB 73 requesting a supplemental in the amount of 33.7 million. Comparing D.O.E.'s fiscal note and breakdown with the 22.3 million requested in CSHB 73:

1. Last session, there was a deliberate shortfall from the requested full funding entitlement which totaled 14.4 million. The intent of this deliberate action taken by the Finance Committee and the Department was to send an urgent message to all school districts, asking them, as in all other state operated categories, to take necessary steps in cutting back costs due to a drastic reduction in State revenues.
2. As predicted, a 38.5% decrease in State revenues occurred from Dec. 81 to Dec. 82. Comparing revenues for the first six months of the current fiscal year with the revenues of the first six months of the previous year, the impact on the State has been a decrease of 21.17% thus far.
3. Consequently, the underfunding of last year's request was necessary. CS HB 73 protects the integrity of the '82 legislation.

4. The major validation for the supplemental request is to cover unforeseen costs, such as those earmarked specifically for enrollment increases.
5. Once again, the HESS Committee did not intend to provide additional funds for school district reorganization, as in the 1.8 million dollar category for new junior high schools (attachment B) or to enhance program expansion as in the special education program increases of 2.5 million dollars (attachment E and E-1).
6. These two categories were excluded from the CS for HB 73 because the revised figures produced by the school districts as mandated in AS 14.17.170 by November 1982 showed expanded adjustments and increases.
7. In review, the formula funding levels on which the school district budgets are based can be increased or decreased by various categories. For example, in the case of the 1.8 million category, a secondary (junior high) student allotment is higher than an elementary student allotment, thereby enhancing a district's revenue picture.
8. In regards to the newly created junior high levels cited in attachment B, there is little justification for the revised figures as no new secondary education buildings have been constructed to justify the new junior high levels requested in the FY 83 supplemental.
9. There is great concern over the deletion of special education in the appropriation and its impact on across the board cuts. There is no cause for concern. As testified to by a D.O.E. fiscal analyst, funding will continue at 96% of the full entitlement formula with the 22 million dollar supplemental, as has been the case since the beginning of FY 83, continuing the 4% decrease mandated by last year's Legislature and Finance Committee.
10. As with secondary students, special education students receive a greater allotment than general students. Revisions in this area can also increase a school district's revenue picture and entitlement. Attachment E-1 shows that revised figures impacted special education by 12 units.
11. An average cost of educating a child in the REAA areas (transferred from the BIA) is \$65,000. Therefore, 2.5 million is included in the BIA transfer request of 7.9 million dollars.

In responding to the school districts of our respective areas, these concerns can be laid to rest with the help of this explanation. It is certainly not the intent of the committee to force school districts to lay-off teachers or deny our children their rights to public education, nor will this be necessary under present funding formulas. For our children's future, we must be fiscally responsible immediately, and not pass the burden of cumulative debt to future generations.

This CS is an attempt to do just that, fill an immediate need based on increased enrollments and separate category and reorganization increases on their own merits.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

January 29, 1983

ANCHORAGE SCHOOL DISTRICT

1982-83

FOUNDATION PROGRAM:

| | |
|---|---------------|
| Statewide Foundation Entitlement (Comm. Memo) plus S.E.A. | \$426.7 |
| Statewide Foundation Appropriation (91.8%) plus S.E.A. | <u>391.7</u> |
| Statewide Shortfall | <u>\$35.0</u> |

| | |
|--|---------------|
| A.S.D. Entitlement (\$42,450 x 2,829) plus \$7.4 S.E.A. | \$127.5 |
| A.S.D. Est. Revenue from Appropriation (91.8%) plus S.E.A. | <u>117.0</u> |
| Anchorage Shortfall | <u>\$10.5</u> |

AID FOR SCHOOL CONSTRUCTION PROGRAM:

| | |
|-------------------------------------|---------------|
| Statewide Debt Reimbursement Claims | \$ 62.8 |
| Statewide Appropriations | <u>49.7</u> |
| Statewide Shortfall | <u>\$13.1</u> |

| | |
|-------------------------------|------------------------|
| A.S.D. Debt Retirement Claim | \$ 15.9 |
| A.S.D. Pro-rata Debt Payment | \$12.7 |
| A.S.D. One-Time Cigarette Tax | <u>1.7</u> <u>14.4</u> |
| Anchorage Debt Shortfall | <u>\$ 1.5</u> |

1983-84

FOUNDATION PROGRAM:

| | |
|--|----------------|
| Statewide Foundation Entitlement ($\$391.7 + \42.0) plus S.E.A. | \$433.7 (est.) |
| Governor's Budget (Entitlement plus 1% new students minus 5% general reduction) | <u>415.6</u> |
| Statewide Shortfall | <u>\$18.1</u> |

| | | |
|----------------------------|---|---------------|
| Gov's -5% Case | A.S.D. Foundation Entitlement (40,327 x 2,976) plus \$7.1 S.E.A. | \$127.1 |
| | A.S.D. Revenue based on Governor's budget | <u>127.1</u> |
| Last Yr's Case | A.S.D. Foundation Entitlement (42,450 x 2,976) plus \$7.1 S.E.A. | \$133.4 |
| | A.S.D. Estimated Revenue based on Governor's budget | <u>127.1</u> |
| | Anchorage Shortfall | <u>\$ 6.3</u> |
| +7.5% Inflation Case | A.S.D. Foundation Entitlement (45,634 x 2,976) plus \$7.1 S.E.A. | \$142.9 |
| | A.S.D. Estimated Revenue based on Governor's budget | <u>127.1</u> |
| | Anchorage Shortfall | <u>\$15.8</u> |

AID FOR SCHOOL CONSTRUCTION PROGRAM:

| | |
|-------------------------------------|---------------|
| Statewide Debt Reimbursement Claims | \$Unknown |
| Governor's Budget | 49.7 |
| A.S.D. Debt Retirement Claim | 18.7 |
| A.S.D. Pro-rata Debt Payment (est.) | <u>14.8</u> |
| Anchorage Debt Shortfall | <u>\$ 3.9</u> |

(Amounts Shown in \$1,000's)

*By the time
of the amount
the budget had already been
approved.*

FOUNDATION PROGRAM FUNDING
EFFECT ON THE ANCHORAGE TAXPAYER

| | <u>Found. Ent.</u> | <u>Found. Revenue</u> | <u>Local Taxes</u> | <u>Other State Revenue</u> | <u>Other Local Revenue</u> | <u>Federal Revenue</u> | <u>Short Fall</u> | <u>Mill Rate</u> | <u>\$100,000 Home Tax Amount</u> |
|-----------------------------|------------------------|---------------------------|------------------------|------------------------------------|------------------------------------|----------------------------|-----------------------|----------------------|--|
| <u>1982-83</u> | \$127.5 | \$117.0 | \$29.6 | \$27.8 | \$11.4 | \$5.0 | \$(10.5) | 3.24 M | \$324 |
| <hr/> | | | | | | | | | |
| <u>1983-84</u> | | | | | | | | | <u>\$110,000 Home</u> |
| Gov's -5% Case | \$127.1 | \$127.1 | \$45.2 | \$36.5 | \$ 9.1 | \$5.6 | -0- | 3.59 M | \$395 |
| Last Yr's Case | \$133.4 | \$127.1 | \$38.9 | \$36.5 | \$ 9.1 | \$5.6 | -0- | 3.29 M | \$362 |
| + 7.5% Inflation Case | \$142.9 | \$127.1 | \$29.4 | \$36.5 | \$ 9.1 | \$5.6 | -0- | 2.84 M | \$312 |

(Amounts shown in \$1,000's)

**PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT**

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB-73
 Title An Act...Supplemental appropriation to the Department of Education
 Requested by House HESS Date 1/24/83

II. FISCAL DETAIL
 Agency Affected Education
 Program Category Affected Elementary & Secondary
 BRU, Program, Or Subprogram(s) Affected Foundation Support Districts
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

| | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|--------------------------|----------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | 33,746.7 | | | | | |
| TOTAL | | | | | | |

FUNDING (Thousands of Dollars)

| | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|------------------------|----------|-------|-------|-------|-------|-------|
| GENERAL FUND | 33,746.7 | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Source) | | | | | | |

POSITIONS

N/A

| | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See Attached

DATE 1-24-83

PREPARED BY Steve Kelle
 AGENCY Department of Education
 PHONE 465-2865

Final: Legislative Finance
 Budget and Management
 Prime Sponsor (First Legislator Named)

*Individual
Recommendations*

Revised 1/24/83

Analysis of FY-83 Foundation Supplemental

| | |
|--------------------------|------------|
| FY-83 Request (estimate) | 406,089.5 |
| FY-83 Appropriation | 391,753.3 |
| FY-83 Shortfall | (14,431.8) |

389,000, 100

FY-83 Revised Reports Increases by Categories:

| | | |
|--|-----------------|-----------------------------|
| 1. Enrollment Increases (estimate) | G 6,407.7 | ✓ T |
| 2. New Secondary Programs | 1,808.4 | ✓ |
| 3. BIA School Transfers | 7,901.6 | ✓ I Fed Budget Impact Funds |
| 4. New Tanana City School District | 855.4 | ✓ |
| 5. Special Education Program Increases | 2,558.5 | ✓ |
| Total Increases | 19,531.6 | |
| Add Original Shortfall | <u>14,431.8</u> | |
| Total Shortfall | 33,964.4* | |

*Integrity of
the budget
process*

Out of seven Department supplemental requests transmitted to the Governor, the State Board of Education has prioritized the \$19,531.6 request first, and the \$14,431.8 portion of this supplemental sixth.

*For the record, a January 7, 1983, hearing officer's recommended decision on the way the Department calculates supplemental equalization aid under AS 14.17.023 has resulted in an additional shortfall of \$1,106.2. We have been advised by the Attorney General to accept the hearing officer's recommended decision.

*Will not
approval
may apply*

*No Tax Amos
In Some Districts*

9/9/83

YEAS

NAYS

Sam Kito
William Eubank
Don Gray
Mary Schaeffer
Barney Gottstein
Sue Hull
Ernestine Griffin

MOTION CARRIED 7-0.

The audioconference was scheduled for Monday, January 10, 1983, at 6:30 p.m. Anchorage time, and the Board directed the department to advise the members of the Screening Committee regarding the time and place in their individual communities to enable members of the State Board to seek further information regarding the selection process.

Don Gray moved and Sue Hull seconded the motion to list the Commissioner Selection Process as an action item for the next regular meeting.

MOTION CARRIED UNANIMOUSLY.

83-89 REVIEW OF FOUNDATION PROGRAM SUPPLEMENTAL REQUEST

Commissioner Lind addressed the Board regarding the Supplemental Request for Foundation Support for FY-83 to cover the shortfall resulting from the decision of the Legislature to not fund full entitlement for the school districts, and asked Steve Hole to explain 83-89.1, Debt Retirement Supplemental Request for pre December 31, 1981, Indebtedness; 83-89.2, post December 31, 1981, Indebtedness; and 83-89.3, Miscellaneous FY-83 Supplemental Appropriation Requests.

The Board recessed for lunch at 12:05 p.m. and returned at 1:35 p.m. with the exception of Mr. Kito, who was delayed and arrived at 1:45 p.m.

President Griffin called for continuance of the explanation and discussion of the foundation program, and the Board listed the items in order of priority.

Sue Hull moved and Don Gray seconded the motion to list the supplemental requests by priority as follows:

- (1) Foundation support in the sum of \$19,314.9;
- (2) Prior year claims in the amount of \$7.0;

- (3) Health insurance costs in the amount of \$253.7;
- (4) School Activities Association for student travel in the amount of \$300.0;
- (5) Debt retirement in the amounts of \$5,522.0 and \$7,577.7
- (6) 4% Foundation support in the sum of \$14,431.8;
- (7) Capital project fund balance transfer of \$253.6.

Roll call vote was taken:

YEAS

NAYS

Sam Kito
 Mary Schaeffer
 Ernestine Griffin
 Barney Gottstein
 Don Gray
 William Eubank
 Sue Hull

MOTION CARRIED 7-0.

83-88 COMMISSIONER SELECTION PROCESS

Diane LeResche explained the operation of the audioconference equipment to the Board in preparation for its conference with members of the Commissioner Selection Screening Committee on Monday, January 10, 1983.

83-90 REVIEW OF EDUCATION FINANCE STUDY

Laraine Glenn, Project Director for the Finance Study, reviewed the process for the study used thus far in the school finance study. This study was put on hold by request of Governor Sheffield pending the appointment of a new State Board of Education.

Dr. Van Slyke explained that policy issues will need to be addressed that will impact school finance, and suggested some options available to the Board. He stated that it is important for the Board to consider the composition of the policy group and the department would have some additional recommendations at a subsequent meeting.

Following discussion by the Board, it was suggested that the department develop internally an alternative plan that could replace the current study.

Don Gray moved and Sue Hull seconded the motion to place the Finance Study on the agenda as an action item at the next meeting.

MOTION CARRIED UNANIMOUSLY.

Adjusted Entitlements - Pro-Rata; Supplemental Appropriation Distribution
 DWE 1-24-83

| | 1 | 2 | 3 | 4 | 5 | 6 |
|----------|---------------------|------------|-----------|----------|---|---|
| | AS14.17.170 | PRO RATA | Estimated | | | |
| DISTRICT | Adjusted | Reduction | Shortfall | | | |
| | State Aid | @ 8.19585% | | | | |
| 1 | ANCHORAGE | 118480794 | 108778264 | 9710530 | | |
| 2 | BRISTOL BAY | 9111752 | 1938676 | 173076 | | |
| 3 | CORDOVA | 2265174 | 2079523 | 1851511 | | |
| 4 | CRAIG | 1059627 | 972781 | 86846 | | |
| 5 | DILLINGHAM | 5371459 | 3094139 | 276320 | | |
| 6 | FAIRBANKS | 35820627 | 32866459 | 29341173 | | |
| 7 | GALENA | 1459686 | 1340052 | 119634 | | |
| 8 | HAINES | 2528484 | 2320423 | 208051 | | |
| 9 | HOONAH | 1529771 | 1404393 | 125378 | | |
| 10 | HYDABURG | 876415 | 804585 | 71830 | | |
| 11 | JUNEAU | 4588645 | 4558891 | 1299754 | | |
| 12 | KAKE | 1520631 | 1296002 | 124629 | | |
| 13 | KENAI | 2740832 | 2491645 | 2224437 | | |
| 14 | KETCHIKAN | 2277750 | 7599317 | 678433 | | |
| 15 | KING COVE | 1166716 | 1071093 | 95623 | | |
| 16 | KLAWOCK | 1159425 | 1064400 | 95025 | | |
| 17 | KODIAK | 1205181 | 1102876 | 991305 | | |
| 18 | MAT-SU | 3004319 | 2400478 | 742714 | | |
| 19 | NENANA | 1283104 | 1269747 | 113357 | | |
| 20 | NOME | 5585114 | 5127365 | 457749 | | |
| 21 | NORTH SLOPE | 5803753 | 5002250 | 903503 | | |
| 22 | PELICAN | 665161 | 610645 | 54516 | | |
| 23 | PETERSBURG | 2290087 | 2194195 | 195888 | | |
| 24 | SANDPOINT | 1047784 | 961909 | 85875 | | |
| 25 | SITKA | 6126572 | 5022627 | 502945 | | |
| 26 | SKAGWAY | 979048 | 298807 | 80241 | | |
| 27 | ST. MARY'S | 1721553 | 1580457 | 141094 | | |
| 28 | UNALASKA | 1528200 | 1402951 | 125249 | | |
| 29 | VALDEZ | 4247079 | 3898994 | 348085 | | |
| 30 | WRANGELL | 3356939 | 2163767 | 193172 | | |
| 31 | YAKUTAT | 1224985 | 1170485 | 104494 | | |
| 32 | Tanana | 1264139 | 1160532 | 103607 | | |
| 34 | | 297139680 | 270780502 | 24353478 | | |
| 36 | CENT. CORRESP. SDY. | 20376110 | 1870601 | 166959 | | |

Adjusted Entitlements; Pro-Rata; Supplemental Appropriation Distribution
 D-FU 1-20-83

| | 1 | 2 | 3 | 4 | 5 | 6 |
|----------|-------------------|-------------|-------------|-------------|---|---|
| | As 14.17.77 | Pro-Rata | Estimated | | | |
| DISTRICT | Adjusted | Reduction | Shortfall | | | |
| | State A1 | @ 8.19585% | | | | |
| 1 | ADAK | 3,249,628 | 3,075,097 | 2,745,311 | | |
| 2 | ALASKA GATEWAY | 3,923,614 | 3,602,080 | 3,215,741 | | |
| 3 | ALEUTIAN CHAIN | 2,070,392 | 1,900,705 | 1,696,887 | | |
| 4 | ANNETIE ISLAND | 1,697,993 | 1,558,822 | 1,391,665 | | |
| 5 | BERING STRAITS | 1,803,390 | 1,691,795 | 1,854,322 | | |
| 6 | CHATHAM | 2,721,851 | 2,029,751 | 1,821,000 | | |
| 7 | CHUGACH | 9,757,666 | 8,039,889 | 7,177,777 | | |
| 8 | COPPER RIVER | 4,079,142 | 3,761,182 | 3,359,600 | | |
| 9 | DELTA/GREELY | 5,321,687 | 4,885,529 | 4,361,588 | | |
| 10 | IDITAROD | 6,672,564 | 4,789,607 | 3,829,577 | | |
| 11 | KUSPUK | 5,018,045 | 4,606,773 | 4,112,772 | | |
| 12 | LAKE & PENINSULA | 6,542,304 | 6,004,269 | 5,360,335 | | |
| 13 | LOWER KUSKOKWIM | 2,577,075 | 2,319,891 | 2,071,184 | | |
| 14 | LOWER YUKON | 11,804,512 | 10,837,032 | 9,674,822 | | |
| 15 | NORTHWEST ARCTIC | 4,384,916 | 4,205,993 | 1,789,973 | | |
| 16 | PRIBILOF | 1,719,738 | 1,570,791 | 1,409,477 | | |
| 17 | RAILBELT | 3,146,681 | 2,882,793 | 2,572,995 | | |
| 18 | SOUTHEAST ISLANDS | 3,832,027 | 3,572,035 | 3,189,985 | | |
| 19 | SOUTHWEST REGION | 6,540,304 | 6,004,269 | 5,360,335 | | |
| 20 | YUKON FLATS | 4,272,101 | 4,289,182 | 3,721,199 | | |
| 21 | YUKON/KOYUKUK | 6,785,048 | 6,229,505 | 5,561,413 | | |
| 22 | | | | | | |
| 23 | Sub-TOTAL | 128,511,421 | 117,954,207 | 108,572,141 | | |
| 24 | | | | | | |
| 25 | CITY & BOROUGH | 29,739,680 | 27,786,502 | 24,353,178 | | |
| 26 | CENT. CORPES | 2,037,607 | 1,872,601 | 1,669,999 | | |
| 27 | | | | | | |
| 28 | STATEWIDE TOTALS | 160,288,708 | 146,613,310 | 134,595,318 | | |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | | | | | | |
| 32 | | | | | | |
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| 39 | | | | | | |
| 40 | | | | | | |

MEMORANDUM

State of Alaska

TO: Members, State Board of Education

DATE: December 30, 1982

FILE NO: 83-89.1

TELEPHONE NO: 465-2800

FROM: Office of the Commissioner

SUBJECT: FY 83 Debt Retirement
Supplemental Request for pre
December 31, 1981 Indebtedness

ABSTRACT

Funds appropriated by the last legislature are insufficient to cover all claims for reimbursement under AS 43.18.100 (school construction debt retirement payments).

ISSUE

The department requested \$44,103.3 for FY 83 debt retirement reimbursement claims under AS 43.18.100(a)(1)-(3), the two year lag reimbursement program. The legislature appropriated 36,203.3, assuming that that amount, in conjunction with the \$7,000.0 appropriated in the Cigarette Tax category, would comprise a total sufficient to meet all claims. Actual claims for reimbursement for FY 83 total \$43,781.0, and since the Cigarette Tax appropriation must be separate from the debt retirement appropriation, the debt retirement appropriation is \$7,577.7 short.

BACKGROUND AND/OR PERTINENT INFORMATION

Because Cigarette Tax revenues are dedicated for school rehabilitation and renovation projects, there is a tendency to confuse them with school construction debt service payments reimbursement. However, debt retirement reimbursement is made on the basis of claims for payment, and Cigarette Tax revenues are disbursed on an entitlement basis, e.g., not every city and borough district has bonds eligible for debt retirement reimbursement, but all city and borough districts are entitled to receive Cigarette Tax payments. Therefore, the two appropriations must be distributed separately. Because of this distinction, only the actual appropriation for debt retirement could be used to pay the claims for reimbursement leaving a shortfall of 7,577.7 in that account.

COMMISSIONER'S RECOMMENDATION

It is recommended that the Board concur with this request. *ds*

MEMORANDUM

State of Alaska

TO: Members, State Board of Education

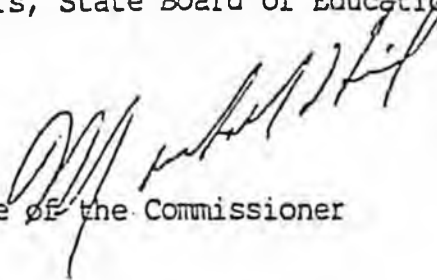
DATE: December 30, 1982

FILE NO: 83-89.3

TELEPHONE NO: 465-2800

FROM: Office of the Commissioner

SUBJECT: Miscellaneous FY 83
Supplemental Appropriation
Requests



ABSTRACT

The department is requesting various supplemental appropriations. in addition to those covered by separate attached memos, totaling \$814.3.

ISSUE

1. Every year claims for payment are submitted after the close of the fiscal year, and after all fund balances have been lapsed to the general fund. To pay those claims, a supplemental appropriation must be secured because current year appropriations cannot be used to pay for prior year obligations. This year that total of prior year claims is \$7.0.
2. Health insurance costs for employees in the department were raised effective July 1, 1982, after the FY 83 budget had been signed. The cost associated with the increase is \$253.7, which was not appropriated for this year.
3. One of the school districts has a capital project fund balance of \$253.6 left over from an appropriation for roof repairs. The district would like to use the balance to purchase a building it is presently renting, but legislative concurrence is required.
4. For the past two years, either by special or supplemental appropriations, the Alaska School Activities Association has received \$300.0 for student travel to state championships at various locations throughout the state. That amount was not included in the FY 83 appropriation, and we are, therefore, requesting it in the form of a supplemental.

COMMISSIONER'S RECOMMENDATION

It is recommended that the Board concur with these requests.

MEMORANDUM

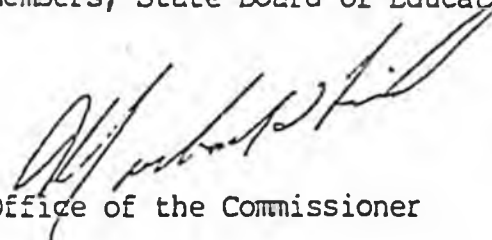
State of Alaska

TO: Members, State Board of Education

DATE: December 30, 1982

FILE NO: 83-89.2

TELEPHONE NO: 465-2800

FROM: 
Office of the Commissioner

SUBJECT: FY 83 Debt Retirement
Supplemental Request for post
December 31, 1981 Indebtedness

ABSTRACT

Funds appropriated by the last legislature are insufficient to cover all claims for reimbursement under AS 43.18.100(a)(4), (current year reimbursement of school construction debt retirement payments).

ISSUE

Last year the legislature enacted legislation, (Chapter 92, SLA 1982), which provided for reimbursement to municipalities for school construction debt retirement payments in the same year in which they are made, rather than two years after they are made. The appropriation, based on the Alaska Municipal League estimate of FY 83 claims under this new program, was \$13,466.4. Actual claims total \$18,988.4, leaving the account \$5,522.0 short.

COMMISSIONER'S RECOMMENDATION

It is recommended that the Board concur with this request.

9/6

STATE OF ALASKA

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH F
STATE OFFICE BUILDING
JUNEAU, ALASKA 99811
PHONE:

December 23, 1982

Rob Lehr, Director
Division of Budget & Management
Office of the Governor
Pouch AM
Juneau, Alaska 99811

Dear Mr. Lehr:


The Department of Education requests a \$19,314.9 FY 83 general fund supplemental appropriation for Financial Support ERU. This supplemental will be used to fund Foundation Program requirements that exceed the FY 83 continuation level funding requested by the department.

| | |
|---------------------------------------|--------------------|
| FY 83 Foundation Program Requirements | \$425,500.0 |
| FY 83 Department Budget Request | 406,185.1 |
| This Supplemental Request | <u>\$ 19,314.9</u> |

Distribution by component of this supplemental appropriation is as follows:

| <u>Component</u> | <u>Amount</u> |
|-------------------------------|-----------------|
| Student ADM Support | 17,196.5 |
| Special Education Adjustment | 4,044.0 |
| Vocational Ed. Adjustment | (2,609.4) |
| Correspondence Study - DOE | (143.7) |
| Correspondence Study - Local | 630.3 |
| Bilingual Program Adjustment | 322.4 |
| Supplemental Equalization Aid | (325.2) |
| TOTAL | <u>19,314.9</u> |

Sincerely,


Marshall L. Lind
Commissioner

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

note: Gov's budget for FY84 proposes
funding foundation formula at 95%

MEMORANDUM

TO: Joe

FROM: Nancy

RE: SB 16 - Supplemental funding for the Department of
Education

The foundation formula was deliberately underfunded last year, with the Department's knowledge and approval, to reflect the declining oil revenues.

Marshall Lind notified all school districts in June of the 1982 funding situation, recommending prudent management practices.

The foundation program has been funded at 96% for this entire fiscal year.

The supplemental request should cover unforeseen costs, such as increased enrollment and the new BIA school costs (enrollment increases are projected at \$6,407,700).

The supplemental request includes an increase of \$1,808,364 for the creation of seven new junior high schools (34 instructional units). These are merely paper transactions and do not include any new physical plants. The statute allowing reorganization of this type should be changed to prevent this loophole from being used.

Testimony received in the House HESS Committee indicated that the 12 Instructional Units in Special Education in the BIA schools were counted twice in preparation of the enclosed documents for an amount of \$2,562,203 (12 units at \$65,487 each).

* BIA school transfers including education and facility maintenance costs equal an amount of \$7,901,600.

The 1982 shortfall amount request of \$14,431,800 was cut in half by the House HESS Committee to \$7,215,900 to comply with 1982 legislative intent to fund the foundation program at a 96% level (a 4% cut).

Tanana City (New District) \$55,400

* Feb 2, 1983 1:00 - House Finance

it was stated by Al Adams that there is an "understanding" with the Gov. that 7,901,600 will be appropriated from Fed. Bud. Impact Fund. their subcommittee is keeping in jr. high and Sp. Ed. money. their compromise figure is \$25,542,300 (so far, subject to change at 4:30 meeting!!)

BIA Trans

Health, Education and
Social Services Committee



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811
465-4907
465-4908

January 24, 1983

Michael J. White
Resource Counselor
Career Center
2650 E. Northern Lights Blvd.
Anchorage, Alaska 99504

Dear Mr. White:

I wish to acknowledge your letter of January 11 pointing out the need to supplement funding for the public school foundation program.

Many of us in the House and Senate have co-sponsored measures which would provide supplemental funding, and in my capacity as chairman of the committee on Health, Education and Social Services, I intend to bring the issue up for public hearing and action in the near future.

I appreciate your courtesy in sharing these views with me.

With best wishes, I am

Sincerely,

A handwritten signature in cursive script that reads "Joe P. Josephson".

Joe P. Josephson



Career Center

2650 E. Northern Lights Blvd.
Anchorage, Alaska 99504
278-9631

January 10, 1982

Joe Josephson
State Senator
1526 F Street
Anchorage, AK 99501

Dear Senator Josephson:

As a resource counselor with the Anchorage School District for the last eight years and having spent thirteen years in education, I am very concerned about the lack of State funding to our schools.

I moved to Anchorage for a variety of reasons and one of the foremost reasons was to be part of a growing and dynamic educational system. Be assured that the Anchorage School System has a reputation as one of the finest in its total approach to education - from the traditional approach to more innovative concepts, from Vocational Education to Special Education, including programs for the gifted as well as very professional ancillary support programs like psychologist, therapists for speech and physical handicaps, and on and on.

Now is not the time to stop or disrupt the process by which Anchorage has become one of the finest educational systems in the country. Legislators tend to 'say' what people need to hear and education is very high on everyone's list. Now is the time to demonstrate your support for my children - your children; we need a quick supplemental appropriation to insure we do not take a devastating leap backwards.

I am thanking you in advance.

Sincerely,

A handwritten signature in cursive script that reads "Michael J. White".

Michael J. White
Resource Counselor
Career Center

MJW/bhm

Analysis of FY-83 Foundation Supplemental
Revised through CSHB 73

Fiscal Analysis

| <u>Funded through CSHB 73</u> | | <u>HB 73</u> |
|---|-------------------|---|
| 1. Enrollment Increases (estimate) <u>6,407.7</u> | | same..... <u>\$6,407.7</u> |
| See Attachment A & A-1 Comparison figures of 1st qtr '82 and '83, enrollment vs. ADM . | | |
| 2. New Secondary Programs... <u>.00</u> | | [<u>\$1,808,364</u>] |
| See Attachment B This item has been deleted as per the letter of intent regarding the new fiscal note attached to CSHB 73. | | |
| 3. BIA School Transfers..... <u>7,901.6</u> | | same..... <u>7,901.6</u> |
| See Attachment C & C-1 (C) is catagorized into the effected REAA's and C-1 is a list of the individual schools in transfer. | | |
| 4. New Tanana City School District.. <u>855.4</u> | | same..... <u>855.4</u> |
| See Attachment D New District funded @65,797 per instructional unit (13). | | |
| 5. Speical Education Program Increases..... <u>.00</u> | |[<u>\$2,558,5</u>] |
| See Attachment E & E-1 Amount included in BIA transfer impacting 4 districts (deleted in CS) | | |
| 6. Funding of reduction of FY 83 shortfall with respect to Legislative Intent at 50% level..... <u>7,215.9</u> | |[<u>14,431.8</u>] |
| See Attachment F \$14,431.8 cut by 50% | | |
| Total for CSHB 73 | <u>\$22,380.6</u> | Total,HB 73 <u>\$33,746.700</u> |
| | | Fiscal note total = \$33,963.4 (DOE) |



Official Business

Alaska State Legislature

House of Representatives

Office of The Majority Leader

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1983

Mr. E.E. Davis, Ed. D.
Superintendent
Anchorage School District
Pouch 6-614
Anchorage, Alaska 99502

Dear Dr. Davis:

This is in reference to your letter of December 29, 1982, and attachments, regarding school funding. I have read them with interest.

I wish to state, up front, there is no other issue introduced by the Legislature with which I am more deeply concerned, nor on which I place a higher priority than the education of our youth. They are indubitably our greatest natural resource.

There is no need in my giving you a dissertation on our deteriorating revenue picture, due to our dependence upon oil for over ninety percent of our revenues, and the present status of that economic entity. You are as well informed in these matters as any of us.

Obviously, you are also keenly aware of the many competing priorities for our diminished funds, and the critical needs in many other areas. I am certain you do not envy those of us who have to make these hard choices. I assure you that is a most onerous task.

Our situation, then, means we must effect economies in all of our public funded sectors. We simply do not have the number of dollars we have had in recent years.

Fortunately, as you pointed out in your letter and in your December 28 "Chalk Talk Extra", there are areas in which economies can be realized without having a seriously deleterious effect on the main core of instruction or necessary peripheral support. In my judgment, you were correct to implement the first phase of reductions as early as you did. You will doubtlessly recall that Representative Montgomery, then Chairman of the House Subcommittee on Education, advised you last March there would be a funding shortfall.

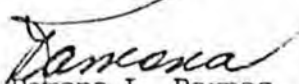
There are some other aspects that require comments. In paragraph four (4) of your December 29 letter, you noted a two-pronged attack on the problem of the funding shortfall: first, an orchestrated and coordinated statewide

lobbying effort, secondly, plans to implement spending reductions should additional funds not be forthcoming. I would suggest that you should have attacked in inverse order. While I have no objection to a concentrated effort by concerned individuals or groups on any topic, I have heard some ramblings of discontent in the Legislature about the current effort; saying it smacked of coercion of teachers and students to participate in a lobbying effort. It was also disconcerting to see teachers writing post cards with such grammatical errors as "legislatures" for "legislators" and "effect" in lieu of "affect."

regard to the plan to eliminate lighting of hockey rinks, I seriously recommend you reconsider. Frankly, I suggest it is only a symbolic gesture and it reflects poor judgment. The savings to be realized would be miniscule, while the students and communities would be deprived of the use of popular facilities in which we have a substantial investment. It appears particularly petty when viewed together with the fact you have recently spent some \$310,000 on rifle ranges. Of course, I am aware that those expenditures were planned and programmed long ago, but that does little to ease the public perception of the situation.

Dr. Davis, I know you carry a deep personal commitment to do the best job possible toward educating our youth. I know also that you are a realist, and you appreciate the position of us who have to weigh the other needs of the State and strike an equitable balance. I assure you that I will fight valiantly to obtain the necessary funds to operate our schools and to accommodate the rather significant increases in enrollment. Unfortunately, it appears at this time that there will not be sufficient funds to initiate any major new programs and I believe it would be prudent to plan accordingly.

Sincerely,


Ramona L. Barnes
House Majority Leader

RLB:jl



Alaska State Legislature

House of Representatives

COMMITTEE ON FINANCE

3/3/82

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

MEMORANDUM

TO: All School Superintendents
All School Board Presidents

FROM: Representative Albert P. Adams, Chairman
House Finance Committee *APA*

Representative Joe Montgomery, Vice-Chairman
House Finance Committee *JM*

Senator Terry Stimson, Chairman
Senate Finance Subcommittee on Education *TJ*

SUBJECT: FY 83 Education Budget

As the Legislature continues to work on an FY 83 operating budget, the projection for the state's revenues continues to fall. As a result, close scrutiny is required on all appropriations -- including education.

As we're sure all of you recall, SB 199 authorized an increase in the base instructional unit from \$38,590 in FY 82 to \$42,450 in FY 83. Any increase, of course, is contingent upon approval of sufficient funding which in turn, is dependent upon available revenues.

The Legislature is faced with difficult decisions and we wanted to take this opportunity to share our dilemma with you. The "fiscal fact of life" is that we are looking at over 50% less in revenues for next year than what we have for this current fiscal year. Because of this bleak picture, it is possible that funding for instructional units may be at a lower level than that authorized in SB 199. Every attempt is being made to preclude this action. However, we felt it important that you be advised of this possibility at the earliest possible date.

No decisions have yet been reached. It's tough being the ones who have to tighten the belt a few more notches but the state's financial picture dictates such. We would welcome each of your comments and suggestions on how we might accomplish this task.

MEMORANDUM


State of Alaska

TO: Ron Lehr, Director
Division of Budget and Management
Office of the Governor

DATE: March 9, 1982

FILE NO:

TELEPHONE NO: 465-2800

FROM: Marshall L. Lind,  Commissioner
Department of Education

SUBJECT: House Finance Budget Cuts

Unlike many agencies, the Department of Education did not receive a budget cut figure from the House Finance Committee. Thus, I did not prepare an analysis, per the governor's January 25, 1982, memo. However, the department now has received figures from the House Finance sub-committee. The major changes from the governor's budget are as follows. A detail by BRU is provided on the attached forms.

1. Foundation Program Components

The House sub-committee is recommending a \$15,951.3 or a 3.8% reduction from the governor's level of \$410,094.1. The cut is not spread equally among the various components of this BRU. While the major component of Student ADM, Special Education and Vocational Education are recommended for a 2.5% cut, other components such as Correspondence Study - Local (12.3%), Bilingual (12.3%) and Community Schools (32.2%) are recommended for greater cuts. Overall, the impact in local schools would be about a 4.0% decrease in anticipated state support for school year 1982-83; or, stated another way, the districts, overall, would receive about a 13% increase over FY 82 instead of the 17% increase which was scheduled as a result of SB 23.

2. Other District Financial Support Programs

The major change in these programs proposed by the House sub-committee is a change in fund service for debt retirement from GF to Cigarette Tax. It is our understanding that the Cigarette Tax fund has accumulated an excess of some \$4,900.0 which would be zeroed out with the proposed FY 83 appropriations. In other areas, the FY 83 appropriation is recommended at either FY 82 levels or at FY 81 actual expenditure levels. At this time, the department anticipates that the effect of these recommendations would be slight.

3. All BRUs - Underfunding Rate Change

A significant impact on our administrative operations is the sub-committee's recommendation to revise the underfunding rate to 8% for all BRUs. Although in a few components, the budgeted rate was higher than 8%, the overall impact was a reduction of approximately \$231.0 in our programs including \$103.0 in Vocational Rehabilitation, and \$27.4 in the Post Secondary Commission.

4. Educational Technology

The House sub-committee is recommending a 41.0% cut from the governor's level in Educational Technology and Telecommunications. The effect of this cut is to reduce our course development and grants activities by 50% in both computer assisted instruction and ITV.

5. Grant Programs

The House sub-committee is recommending significant decreases in the grant programs administered by:

- a. YES (46.9%)
- b. Historical Commission (50.0%)
- c. Arts Council (59.0%)
- d. Museums (78.2%)
- e. State Library (56.4%)

The total dollar reduction is \$4,255.9. These cuts will adversely impact a variety of clients from high school students in the railroad tourism programs to small museums and libraries around the state. Most adversely impacted are arts and cultural organizations.

6. Federal Fund Replacement

The House sub-committee is recommending deletion of all federal fund replacement allowed in the governor's budget. Most significant items in this category are:

- a. EMS line maintenance - \$60.0

- b. ACSIS career information - \$100.0
- c. Computer assisted instruction - \$200.0
- d. Vocational Rehabilitation Services to clients - \$300.0

The total \$660.0 deleted will cause some severe financial problems in FY 83 unless these funds can be picked up from the contingency funds which we understand will again be placed in the governor's office.

7. Personnel Reduction

A total of 28.5 positions (5.5 new) included in the governor's budget are recommended for deletion. These cuts will cause a strain on the department, particularly in the areas of program development and state library services.

Overall, the effect of the House sub-committee recommendations in the department is severe but not crippling. Most current programs would be able to continue operation but at reduced levels. The effect of a reduction in the foundation program is less easy to predict. It is not clear at this point if the department has the ability to prorate within the various components of the foundation program, or whether it must prorate across the entire program. If the latter, the effect on a district that did not participate in all of the categorical programs would be higher than the 3.8% overall reduction.

Attachments

Joe - overview of reasons for supplemental.

Don Gilman - sponsor.

- not attached to 33 mill figure.
- Must include enrollment increases.
- problems in found. program:
 - 1) advanced funding approval then changes occur. Several times they are not funded at the expected level - hard to plan; hard on Jan 1 Fy. areas (Anch/FBKS/Valdez/Ketch) must set mil rate April 15th. No mechanism to adjust tax rate
- legal opinion on funding? none. prop "may" can't dedicate funds by constitution.

Don McKinnon - Council of Sch. Admin.

- highest priority is a bill out early. before school districts must make a cut.
- support full funding of foundation prog.
- districts made long range contracts with bargaining units in 1981 and are committed to cut in other areas (equip., programs etc)
- many districts have no tax base to ~~be~~ make up any shortfalls (PEAF)

March 3, 1982 - notification from Senate finance to decrease funding because of revenue declines.

Mike Adams - Junior Superintendent

developed 3 scenarios in Oct. for different prorations 94-95-96% in preparation for oil revenue reductions.

w/ 90% can adjust programs to delete
some programs. Any further would
require positions cancelled with
classified staff.
time is critical.

Mae Tucker - House HESS process on HB 73

Bob Manners - NEA Alaska
support full funding of found. prog.
urgency.

SEA Amt. of state aid for low tax
base communities - applies
to every school dist. in
state.

Avg. amt. of local support
per student to create
statewide average.

Compare avg. to area and
~~add or sub. amt. of area.~~ State
aid is difference.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT

It is the intent of the House HESS Committee to provide for, with this supplemental appropriation, only those unanticipated contingencies occasioned by unanticipated enrollment increases, the BIA transfer of schools to Alaska school districts and unforeseen complications of the legislative mandate to scale down education spending because of reduced state revenues.

It is not the intent of the HESS Committee to provide additional funds to enhance program expansion, school district reorganizing and other programs or procedures designed primarily to enhance the school district revenue picture.

II. FISCAL DETAIL

Agency Affected Education
 Program Category Affected Elementary & Secondary
 BRU, Program, or Subprogram(s) Affected Foundation Support Districts

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

| | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 |
|--------------------------|-------|-------|----------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | 22,380.6 | | | |
| TOTAL | | | | | | |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|--|--|----------|--|--|--|
| GENERAL FUND | | | 22,380.6 | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |

POSITIONS N/A

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attached



IV. DATE January 26, 1983 PREPARED BY House HESS
 AGENCY Legislature

Original: Legislative Finance PHONE 465-3777
 cc: Budget and Management

Prime Sponsor (First Legislator Named)

TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: December 20, 1982

FILE NO:

TELEPHONE NO:

465-2875

FROM: Marshall L. Lind
Commissioner
Department of Education

SUBJECT:

Request for Restoration
of Budget Request

The Department of Education requests consideration be given by the Governor to support full funding of the \$406,185.1 FY 83 departmental budget request for Financial Support ERU by restoring the \$14,431.8 reduction appearing in the final FY 83 budget. Distribution by component of the restored appropriation is as follows:

| <u>Component</u> | <u>Amount</u> |
|-------------------------------|----------------|
| Student ADM Support | \$7,779.1 |
| Special Education Adjustment | 2,650.8 |
| Vocational Ed. Adjustment | 1,297.6 |
| Correspondence Study - DOE | 96.6 |
| Correspondence Study - Local | 299.8 |
| Bilingual Program Adjustment | 604.7 |
| Supplemental Equalization Aid | <u>1,703.2</u> |

TOTAL

$\$14,431.8 \times 50\% = 7,215.9$

Instructional Units - Special Education

| | 1 | 2 | 3 | 4 | 5 | 6 |
|----|---------------------|------|------|-----|---|------------|
| | FINAL | INIT | REV | | | CHANGES |
| | FY82 | FY83 | FY83 | | | INIT 83 TO |
| | | | | | | REV 83 |
| 1 | ANCHORAGE | 165 | 395 | 388 | | (424500) |
| 2 | BRISTOL BAY | 1 | 2 | 2 | | - |
| 3 | CORDOVA | 4 | 5 | 6 | | 48817 |
| 4 | CRAIG | 2 | 2 | 1 | | (45844) |
| 5 | DILLINGHAM | 4 | 4 | 4 | | - |
| 6 | FAIRBANKS | 55 | 135 | 129 | | (713160) |
| 7 | GALENA | 2 | 1 | 2 | | 65797 |
| 8 | HAINES | 5 | 3 | 8 | | 244085 |
| 9 | HOONAH | 3 | 3 | 3 | | - |
| 10 | HYDABURG | 2 | 2 | 3 | | 45844 |
| 11 | JUNEAU | 25 | 58 | 68 | | 424500 |
| 12 | KAKE | 3 | 4 | 4 | | - |
| 13 | KENAI | 36 | 90 | 94 | | 183384 |
| 14 | KETCHIKAN | 19 | 27 | 27 | | - |
| 15 | KING COVE | 2 | 1 | 2 | | 63675 |
| 16 | KLAWOCK | 2 | 3 | 3 | | - |
| 17 | KODIAK | 20 | 28 | 29 | | 49242 |
| 18 | MAT-SU | 29 | 67 | 64 | | (132444) |
| 19 | NENANA | 3 | 2 | 3 | | - |
| 20 | NOME | 7 | 8 | 8 | | - |
| 21 | NORTH SLOPE | 11 | 12 | 15 | | 197391 |
| 22 | PELICAN | 0 | 1 | 1 | | - |
| 23 | PETERSBURG | 6 | 9 | 3 | | (44145) |
| 24 | SANDPOINT | 1 | 1 | 1 | | - |
| 25 | SITKA | 13 | 22 | 24 | | 83276 |
| 26 | SKAGWAY | 2 | 2 | 2 | | - |
| 27 | ST. MARY'S | 3 | 2 | 4 | | 131594 |
| 28 | UNALASKA | 2 | 3 | 3 | | - |
| 29 | VALDEZ | 12 | 9 | 13 | | 195268 |
| 30 | WRANGELL | 4 | 2 | 5 | | 132444 |
| 31 | YAKUTAT | 2 | 3 | 3 | | - |
| 32 | TANANA | | | 2 | | 131594 |
| 34 | S.U. - Total | 471 | 919 | 929 | | 641835 |
| 36 | CENT. CORRESP. SDY. | | | | | |

[Handwritten signature/initials]
 [Handwritten date: 1/15/83]

I.U. CHANGES BY COMPONENT - FY82 FINAL to FY83 REVISED

Attachment D

| | ELEM | SEC | COMP/FS | VOED | SPED | BIL/DIC | Local CORRESP | TOTM I.U. INCREASE | Tot. Value | INCREASE |
|----|--------------------|-----|---------|------|------|---------|---------------|--------------------|------------|------------|
| 1 | ANCHORAGE | 72 | 73 | (1) | 2 | 203 | 2 | 301 | 42,450 | 7,117,180 |
| 2 | BRISTOL BAY | | | | | 1 | | 1 | 45,717 | 65,717 |
| 3 | CORDOVA | 1 | | (1) | 2 | | | 2 | 118,917 | 77,234 |
| 4 | CRAIG | 1 | (1) | (1) | (1) | | (3) | (5) | 45,246 | 227,230 |
| 5 | DILLINGHAM | | 1 | 1 | | | | 2 | 65,337 | 71,514 |
| 6 | FAIRBANKS | 7 | 23 | (3) | 71 | | 3 | 123 | 47,5144 | 8,171,1002 |
| 7 | GALENA | | | (1) | | | (1) | (2) | 65,717 | 1,311,574 |
| 8 | HAINES | 2 | (1) | | | 3 | | 3 | 48,217 | 312,717 |
| 9 | HOONAH | 1 | | 1 | | | | 2 | 42,544 | 75,2185 |
| 10 | HYDABURG | 1 | | | 1 | | | 2 | 45,246 | 71,212 |
| 11 | JUNEAU | 7 | 8 | 1 | 17 | 1 | (1) | 53 | 42,4502 | 2,97,850 |
| 12 | KAKE | 1 | 3 | | 1 | | | 5 | 45,246 | 227,230 |
| 13 | KENAI | 19 | 7 | (5) | 58 | | | 77 | 45,2463 | 227,230 |
| 14 | KETCHIKAN | 7 | (2) | (1) | 1 | 8 | 1 | 6 | 42,450 | 254,710 |
| 15 | KING COVE | (1) | | | | | | (2) | 23,235 | 23,235 |
| 16 | KLAWOCK | | 6 | 1 | 1 | | 3 | 11 | 37,217 | 501,306 |
| 17 | KODIAK | 3 | 3 | 1 | 7 | | 1 | 12 | 42,450 | 877,114 |
| 18 | KAT-SU | 25 | 17 | (1) | 35 | | (2) | 77 | 42,450 | 377,376 |
| 19 | KENAI | (2) | (2) | | | | | (1) | 50,710 | 220,240 |
| 20 | NOME | 1 | | 1 | 1 | (2) | 3 | 1 | 65,717 | 263,188 |
| 21 | NORTH SLOPE | 3 | 5 | (5) | 3 | (5) | | 5 | 45,717 | 324,785 |
| 22 | PELICAN | | 1 | | 1 | | | 2 | 47,514 | 237,720 |
| 23 | PETERSBURG | | | (1) | 2 | | | 1 | 44,184 | 49,114 |
| 24 | SANDPOINT | | | (1) | | | | (1) | 47,675 | 43,675 |
| 25 | SITKA | (1) | (1) | (1) | 12 | | | 2 | 21,231 | 87,236 |
| 26 | SKAGWAY | (1) | | (1) | | | | (5) | 47,944 | 71,692 |
| 27 | ST. MARY'S | | | 1 | 1 | (1) | | 1 | 65,717 | 26,717 |
| 28 | UNALASKA | | (2) | | 1 | | | (1) | 43,675 | 43,675 |
| 29 | VALDEZ | (1) | 3 | | 1 | | | | 49,117 | 0 |
| 30 | WIRANGELL | 1 | (1) | | 1 | | | 1 | 44,184 | 44,184 |
| 31 | YAKUTAT | | | 1 | 1 | | | 2 | 50,740 | 101,740 |
| 32 | TANANA | 7 | 6 | 1 | 2 | 1 | 3 | 12 | 65,717 | 1,165,187 |
| 33 | SUB-TOTALS | 58 | 146 | (9) | (1) | 788 | (5) | 11 | 670 | 10,245,312 |
| 34 | CENT. CORRESP. SDY | 1 | | | | | | 4 | 42,450 | 128,400 |
| 35 | | | | | | | | | | |
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Tanana = Total = 11.9(3) X Tot. Value = 855,361