

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 86/2

2395 SHESS ○ HB 251 (FILE 2) ○ 25

Mortimer  
J. Adler  
ON BEHALF OF THE MEMBERS  
OF THE PAIDEIA GROUP

The  
Paideia  
Proposal  
AN EDUCATIONAL  
MANIFESTO

## To School Boards and School Administrators:

**YOU ASK:** *What should we do next Monday morning to get started on the Paideia reform of basic schooling?*

**WE ANSWER:**

1. *Be sure that in every school—from grade one to grade twelve—there are the three kinds of learning and the three kinds of teaching represented by the Three Columns and see that they interact with one another.*
2. *In all Three Columns—the acquirement of organized knowledge, the development of intellectual skills (skills of learning), and the enlargement of the understanding of basic ideas and values—set standards of accomplishment that challenge both students and teachers to fulfill the high expectations you have for them.*
3. *Eliminate all the nonessentials from the school day, or, if retained, make them extracurricular activities.*
4. *Eliminate from the curriculum all training for specific jobs.*
5. *Introduce the study of a second language for a sufficient period of time to assure competence in its use.*

*Beyond Basic Schooling*

6. *Eliminate all electives from the course of study except the choice of the second language to be studied.*
7. *Use as much as possible of the school day's time for learning and teaching.*
8. *Restore homework, and home projects in the arts and sciences, in increasing amounts from grade one to grade twelve.*
9. *Devise, in your community, appropriate ways of ensuring adequate preschool preparation for those who need it.*
10. *Institute remedial instruction (in the Paideia sense of that term) for those who need it, either individually or in very small groups.*

*Do these ten things in a manner that suits the population of your school, both teachers and students; do these things by making your own choice of the materials to be used and your own organization of the course of study from grade to grade; do them with the three fundamental objectives of basic schooling always in mind, and you will have started on its way the reform of basic schooling upon which the prosperity of this country and the happiness of its citizens depends.*

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A M E N D M E N T

Offered in the SENATE

By Ziegler

TO: SCS CSHB 251(Fin)

Page 2, following line 7, insert a new section to read:

"\* Sec. 3. AS 43.18.100(1)(1) is amended to read:

(1) an indebtedness for bonds is incurred on the date the bonds are put on the market for sale [AFTER THE BONDS ARE SOLD];"

Renumber remaining sections accordingly.

Page 3, line 2, following "secs.":

Delete "5 and 7"

Page 3, line 2, following "secs.":

Insert "6 and 8"

# MEMORANDUM

# State of Alaska

TO: The Honorable Joe Josephson  
Chair, Senate HESS Committee

DATE: May 24, 1983

FILE NO:

TELEPHONE NO: 465-2800

FROM: Ron Reynolds, Commissioner  
Department of Education

SUBJECT: Radio Interview

I heard your reasoned and informed responses to an interviewer on Juneau public radio over the weekend. Your approach impressed me because you asked serious questions and raised important concerns about education without the familiar rancor and castigation so often heaped on schools by public officials.

Your concern for the condition of public education in Alaska is constructive. I believe the State Board of Education would be interested in sharing ideas and responsibilities for your proposed statewide conference. I will discuss the idea with Ernestine Griffin, President, and other members of the State Board next week.

The Department of Education is ready to assist in any way we can. Mortimer Adler's Paideia Proposal is a stimulating challenge to all concerned with education. There are others who can provide similar stimulation in case he cannot attend. Diane Ravitch of Teachers College, Columbia University, is another such person.

I would be pleased to join you and others for a planning session for such a conference. Our extensive communication network could be used to collect the views of many Alaskan citizens. The agenda should be carefully drawn and the program developed to avoid extensive gripe sessions about sad experiences from the past.

We could concentrate our attention on such studies as the Report of the Secretary's Commission on Excellence with an eye to the outcomes of the conference. We should attempt to identify goals for education. I am enthusiastic about the possibilities.

cc: Senator Jay Kerttula  
Ernestine Griffin, President  
State Board Members

RECEIVED

MAY 26 1983

Josephson,



Official Business

# Alaska State Legislature

## Senate

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

May 26, 1983

Honorable Ron Raynolds  
Commissioner  
Department of Education  
State of Alaska  
Juneau

Dear Commissioner Raynolds:

Your memorandum to me was extremely kind and thoughtful. I appreciate your comments very much.

Perhaps, on the subject of the statewide conference, we could have lunch together and discuss the matter following your meetings with the State Board of Education.

I will be in Juneau through Thursday, June 2, and am excused from the Senate on Friday, June 3, when I must be in Anchorage. I will be back in Juneau, of course, on the following Monday.

If lunch does not suit -- as a jogger, you may not indulge -- we could meet at a time convenient to you for a work-session on the proposed conference.

It's been my real pleasure to meet you and I am very enthusiastic about the contributions you will be making to the lives of Alaska's kids.

With best wishes,

Sincerely,

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

MSG 88-00019718 PRY 1 05/23/88 14:53:21 ORIG: LNJH IN# 0004 OUT# 0001  
FROM BONNIE/KETCHIKAN TO JUNEAQ INFORMATION  
TARGET: LNJH SUBJ: POM

TO: LANDA KROSSA (SENATOR ZIEGLER'S OFFICE)  
NANCY DIETRICH (SENATOR'S JOSEPHSON'S OFFICE)  
FROM: HAROLD M. BROWN, REPRESENTING KETCHIKAN SENATE BOROUGH SCHOOL DISTRICT  
307 BAWDEN STREET  
KETCHIKAN, AK 99901  
225-9401 (WORK) AND 247-2363 (HOME)

RE: SENATE CS FOR CS FOR ME 251...STATE SUPPORT FOR EDUCATION....

CONFIRMING OUR TELEPHONE CONVERSATION OF MAY 23, THE SCHOOL DISTRICT RECOMMENDS  
THAT THE CURRENT BILL BEFORE SENATOR JOSEPHSON BE AMENDED TO READ AS FOLLOWS:  
COMMENCING ON LINE 14, PAGE 1...ON OUTSTANDING BONDS, NOTES OR OTHER  
INDEBTEDNESS INCURRED AFTER DECEMBER 31, 1984 AND AUTHORIZED BY THE QUALIFIED  
VOTERS OF THE MUNICIPALITY PRIOR TO JULY 1, 1985 TO PAY COSTS OF SCHOOL  
CONSTRUCTION.....

IF THERE ARE ANY QUESTIONS ON THE LANGUAGE, PLEASE DO NOT HESITATE TO CONTACT  
ME,  
EOM/BONNIE

# MEMORANDUM

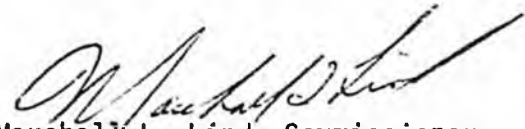
# State of Alaska

TO: Municipal Finance Officers  
School District Business Managers

DATE: April 22, 1983

FILE NO:

TELEPHONE NO: 465-2800

FROM:   
Marshall L. Lind, Commissioner  
Department of Education

SUBJECT: Debt Service Reimbursement

It now appears that our FY 84 rate of reimbursement for approved school construction debt service will be approximately 60% of the claims submitted. There is presently 59 million dollars for that purpose in our budget, and recent information substantiates approximately 95 million in eligible claims. There are, however, additional bond issue elections scheduled which may result in even more claims.

It is unfortunate that we just learned this information. However, under the provisions of AS 43.18.100(a)(4), that is, reimbursement in the same year payment is made, we have no way of knowing what claims will be until we are notified by districts or municipalities respecting recent indebtedness.

To overcome that problem, we will be discussing the issue with the State Board of Education at the next regularly scheduled meeting to explore possible solutions.

You will be notified of any change being contemplated.

cc: All Legislators

State Board of Education

Peter McDowell, Director  
Office of Management and Budget  
Office of the Governor

RECEIVED

APR 26 1983

Josephson,



John L. McKnight, Professor of Communication Studies and Urban Affairs; Associate Director, Center for Urban Affairs and Policy Research at Northwestern University in Illinois; and an advisory board member of the National Center on Institutions and Alternatives, appeared before the U.S. Senate Subcommittee on Aging, Family and Human Services on September 17, 1981. That follows are his comments concerning the survival of the family in America.

I appreciate this opportunity to appear before the Subcommittee on Aging, Family and Human Services. In the brief time available I would like to focus upon two views of the family and the policy implications of each. My particular emphasis will be upon lower income families residing in our large cities because it is these families and the neighborhoods where they reside that are the focus of much of the research of the Center for Urban Affairs and Policy Research where I am employed.

One hears, in the language of America, two views of the family. The first view is expressed by the voices from our major institutions in the profit, not-for-profit and governmental sectors. They speak of families as "markets," "producing baby boomers," "in need of being strengthened," and "having demographic patterns demonstrating various needs." This language is used by those who see families as small groups of related consumers and clients. One hears this language most frequently in the Board rooms of our major corporations, the staff meetings of our service agencies and the hearing rooms of legislatures. This common language demonstrates the uniformity of the institutional view of the family. Family is to buy. Family is to use. Family is to consume. Family is to be helped. Family is to be treated. And family is to provide effective workers and soldiers for the maintenance of the institutions.

The second view of the family is expressed in the voices we hear in the older neighborhoods of Chicago and our other great cities. There, families are the place where you are, from which you come, and to which you will return. Families are about survival. Families make, do, make-do, produce, solve, cele-

brate and, sometimes, fail. Families also exist in a special universe. They are surrounded by other bodies that make up the interrelated system necessary for the family to work. These bodies are the neighborhood organization, civic club, ethnic organization, local political club, family business, local union, church or temple and thousands of informal groups. It is this universe that gets much of the work of America done. It is this universe that provides the gravity that holds America on course as our great institutions and their systems increasingly fluctuate, wobble, veer, and fail. It is this universe that has inseparable parts. To injure one element is to injure all. It is also this universe, we would like to argue, that has been under systematic if unintentional assault for years as a result of the policies of Democratic and Republican administrations, conservative and liberal legislators.

The reason for this common assault is that in our country, the language, logic and legislation of our leaders reflects a debate about which institutional sector will have more power over the family and its universe. Will more power go to those who use families as markets for goods; more to those who use families as clients; more to those who use families as revenue producers or soldiers? Who will get to use the family and its universe. Which of them will have more power?

Viewed from our neighborhoods in Chicago, the family and its related organizations are the center of life. Large scale institutions could be supportive. Instead they generally dominate and take power away from the family center. Indeed, in some few areas they have been victorious. There, families have become almost nothing but clients and consumers without the money, tools or authority to survive. Family poverty is the direct result of the empowerment of the giant systems that compete in these halls over control of our lives and the universe in which we live. From the viewpoint of these systems, families are not the center of society - they are the end of a pipeline, at the bottom of some institution's organization chart of society.

As policymakers, your effect upon the family universe will be determined by your view of the world. If the family is at the end of a pipeline, if you serve only to empower those who control pipelines, you will inevitably weaken the family.

On the other hand, if you wish to support the family universe as the working center of America, there are three basic policy directions that are appropriate. First, eliminate policies that disempower the family universes. Second, insure a legitimate, protected space for the family universe so it has an opportunity to compete with the huge monopolistic corporate, service and bureaucratic structures. Third, affirmatively support the economy of family and neighborhood life.

We haven't the time to go into detail regarding the options these policies suggest. However, we would at least like to provide brief examples in each area.

#### 1) Policies that disempower the family universe.

Government policies are replete with programs that promote the division of families by age. This is most vivid in the case of the elderly where public programs encourage care by institutions rather than families. This process is described in detail in my paper titled "The Need for Oldness."

Many government programs are also injurious because they allocate massive resources to professionals who basically see the family as a client in need of treatment and therapy. The result has been disastrous in two ways. First, the service professionals have the increasing effect of convincing families that they are incompetent to know, care, teach, cure, make or do. Only certified experts can do that for you.

Second, the professional services take increasing proportions of public money, desperately needed by the poor, and consume it in the name of helping poor families. In one Chicago neighborhood, for example, for every \$1.60 received in cash income by a person forced on welfare, professional medical carers receive 50 cents. This is only one professional service financed by government to treat rather than empower the poor. We need a radical new policy that reexamines these services transfer payments in terms of their potential to promote new investment for competence. At the very least, poor families ought to have a choice of income or prepaid doctors equal to half their income.

#### 2) Insuring a legitimate space for the family universe.

There is a social and economic context that will insure the working capacity of the family universe. Our public policy is biased against that context by favoring large scale corporations to the disadvantage of small scale family and neighborhood enterprises as well as the small family farm. It appears that this administration, like its recent predecessor, sees the economy of the family as a trickle down beneficiary of large scale production. A Congress seriously concerned about family and production would begin to reexamine what we make and how we make it. Our cities are filled with desperate families unneeded by our corporate systems of production. But those families can make a life and renew our cities if you will allow and enable new tools and transfer authority so we can enfranchise families to produce rather than consume; to be the center of making rather than holding a cup to catch the trickles down from the great corporate and professional service systems. If you want to empower families, why not hold hearings on neighborhood economy, tools for community production, legal authority to create local energy management corporations?

#### 3) Supporting the economy of family life.

In our older, inner city neighborhoods, families are the survival centers. If the entire universe around the family is strong, the family will do its job. But as the universe weakens, the family fights a losing battle. As the neighborhood savings institution begins to take all of the neighborhood savings and invest in the growth of suburbia, a part of the family universe dies. As the community schools become centralized and their purposes defined by professionals, a part of the family universe dies. As government advantages large corporations and the "uncompetitive" neighborhood enterprise collapses, a part of the family universe dies. As doctors, lawyers, social workers, teachers, counsellors and therapists are funded to provide more and more services, the functions of the local civic and ethnic associations and churches atrophy and representative neighborhood associations are often corrupted by becoming "end of the pipeline" vehicles for professionals who deliver services. A part of the family universe is dead. As television replaces the local political club as the vehicle for selecting our representatives, a part of the family universe dies. Finally, the family is alone - a sun with no planets, burning out.

The basis for an economy for family survival - the authority, tools, skill, capital - are being taken away. Now, the family in the inner city often stands alone. Therefore, there are two basic policy issues regarding those families.

First, are we, are you, prepared to remove the restraints and provide the protections to allow the family universe a central place in our society? To do so will require a new breed of elected representatives because we, the family and its constituent groups, have no real lobbies. Those who have taken our power and authority have loud voices here in Washington. They represent the great corporations, the great professions, the great bureaucracies. We wonder, out in Chicago, out in the neighborhoods, at the corner of Kedzie and Madison whether anyone here can even hear us.

Second, until you act, if you do act, to allow or enhance the universe and economy essential to families, many of us will stand alone and depend on government money to survive. We are good at surviving. That is the greatest skill of our families. We have eaten lots of rice to fill ourselves up. We know the taste of dog food. We've worn our old clothes for years. We stand in line for everything. We have time. It's often a very bad life - but with our family, we survive. Our family is strong.

What is new, what is absolutely outrageous is to hear our new government telling us we have to tighten our belt, accuse us of cheating, suggest we're lazy and then ask why the family isn't strong.

The survival of millions of low income American families in the heart of America's cities is the ultimate proof that the center, the strength, the reality of America is built on the family. There has been an assault on this family. Now, there is a full scale war hidden in euphemisms of "belt tightening" and calls for "across the board sacrifices". Many of our isolated families will be forced to take new measures to survive in the face of the current attack on the real income of the poor family. Therefore, in neighborhood after neighborhood, we see the economy of last resort developing - the drug industry building its market system in the vacuum created by a government that puts urban neighborhoods last, poor families at the end.

Families in our city neighborhoods are weakened because the professions want them as deficient clients, corporations want them as consumers while rejecting them as workers, and the government insists they live without a decent income. We are in desperate need of a pro-family policy, a policy that places the family universe at the center of our society.

Until you decide to become serious about our families, we can assure you of only one thing. We will survive in spite of you.

\*\*\*

GOVERNOR'S COUNCIL FOR  
THE HANDICAPPED & GIFTED  
University Plaza Offices West  
600 University Avenue - Suite C  
Fairbanks, Alaska 99701



# Creating a 'Learning Society'

MEG GREENFIELD

The best part of the report of the National Commission on Excellence in Education got the least attention in all the posturing and gloating and unconvincing lamentation that was set off by its publication. This was the report's suggestion that the value of learning is not contingent on any material public or private "payoff." The activity itself, pursued not just in school but rather throughout a lifetime, is the payoff. So the commission strongly implies, anyway, by its insistence that the principal object of our educational reform should be the creation of a "learning society," one devoted to the joys and rewards of continuous learning, as distinct from the one-shot passing of some exam or other.

True, this admirably uncommissionlike thought appears in the company of (no doubt justified) warnings about the perils we face as individuals and a nation by being such slobs about the quality of our schooling; and it may not be quite as unqualified as I would like and therefore have made it sound. But the thought is there. And—naturally—it was widely disregarded by the Axgrinders International when they took up the report. We were at once back to our usual national mode of discussing what is wanted from education: to keep ahead of the international competition, to maintain a strong defense, to get good jobs and keep them. We were also back in a cross fire of I-told-you-so's: the people who are against permissiveness felt vindicated, as, of course, did the people who are for the expenditure of more money, as did those (I am one) who do not find it inconsistent to hold both positions. In the melee, the part about the intrinsic value of learning got lost. It always does—when anyone is eccentric enough to bring it up at all, that is.

**Emergency:** I realize that there is a sense in which we have a real emergency in the schools, that there are classrooms in various places full of teen-agers who can't read or write and teachers who aren't a whole lot better, that we are at an increasing competitive disadvantage in many areas and that some of what is being taught is so junky and unimportant that it's probably no tragedy that it is not being learned. All this, God knows, needs work. My complaint is that the values we bring to the effort to right the situation are precisely the ones that got us in

trouble in the first place and are only likely to perpetuate our grief.

Education as an "investment," education as a way to beat the Russians and best the Japanese, education as a way to get ahead of the fellow down the street—it is true that generations of Americans have been brought together culturally by the great force of our public schools and that millions of them have rightly seen their schooling as a one-way ticket out of economic and social privation. But you really do not generate the educational values that count when you stress only these external, comparative advantages. People do not become educated or liberated so much as they become opportunistic in relation to such schooling. And

---

Education is not  
about getting ahead;  
it is about  
discovering the joy  
of learning itself.

---

anyway, on the great national-security issues, when was the last time you heard of a youngster doing his homework because he wanted to be better than the Russians in geometry?

You give a child nothing, I think, when you give him this joyless, driven concept of the meaning of learning. But alas, there are plenty among us who think this is just fine. Following the great cackles of the political antipermissiveness crowd when this report was released, I was struck again by how much such people, who claim to be champions of education, implicitly view education as a disagreeable thing. It is invariably discussed by them—and with relish!—as something between a medicine and a punishment that must be administered to its unwilling little subjects for their own good no matter how they howl. *It is not supposed to be fun*, they admonish, and children cannot be expected to like it—what ever happened to our moral fiber, and so forth.

Interestingly, this same conception of schooling as something essentially unpleasant that is ultimately vindicated by its bene-

fits seems to animate our occasional bursts of enthusiasm for intellectual pursuits. It is all there in the historic news photos of the quiz contestant Charles Van Doren, earphoned up in his "isolation booth" back in the late '50s, before the program's scam was revealed. I remember thinking the revelation, when it came, was no cruel national disillusion (as the wisdom of the time ran), but rather the most useful thing that could have happened. For the real scam had been the game itself and the idolization of the contestant for trained-seal tricks of memory. It was a mockery of the life of the mind which it pretended to exalt, and the implication of all the adulatory comment was really: look how lucrative this boring, long-hair stuff can be. I was glad when the program and its "hero" crashed.

**Values:** I am bound to say I sense something comparable in certain of those projects we hear about now for making infants preternaturally well informed—a physics instructor at seven months, an art critic at two, that sort of thing. Not all of it, but some of it strikes me as having nothing to do with teaching a child the joy of learning—of giving him that incomparable and invaluable gift. I see baby quiz-show winners, victims of the same fundamentally anti-intellectual values, people who want to acquire, to please, to show off—not to discover, to learn, to be surprised.

Schooling needs to be saved from these "friends"—the punishers, the opportunists and the exploiters who profess an undying devotion to the old-fashioned virtues and the life of the mind. But it will of course not be saved by the purveyors of "fun" whose idea of making education enjoyable is to gut it and teach things not worth knowing. There is a difference—night and day—between this kind of "fun" and the joy of learning, and everyone who has ever had one great teacher of a serious subject knows what it is. So do those kids in a handful of slum schools notoriously programmed to fail who instead thrive because they are in the care of people who know what teaching is about. If we could acquire, come to honor, this great value, if we could truly aspire to become a "learning society," the rest—the competitive and material benefits—would follow. But we keep trying to do it the other way around.

# Alaska MUNICIPAL League

TELEPHONES  
(907) 586-1325  
586-6526

204 N. FRANKLIN ST.  
JUNEAU, ALASKA 99801

May 24, 1983

to: Nancy Deitrick

from: Ginny Chitwood

re: School Bonds - Authorized, but Unsold

Fairbanks North Star Borough	\$13,300,000
City & Borough of Juneau	5,800,000
Ketchikan Gateway Borough	
already authorized	\$ 4,120,000
election today	<u>16,900,000</u>
	21,020,000
North Slope Borough	191,000
City of Petersburg	2,750,000
City of Valdez	2,400,000
	<hr/>
total	\$ 45,461,000
Kodiak Island Borough	<u>8,500,000</u>
	<u>53,961,000</u>

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JUNEAU, ALASKA 99801

May 24, 1983

to: Nancy Deitrick

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re: School Bonds - Authorized, but Unsold

*Joe -  
More info  
on Debt  
Retirement.*

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	<hr/>
total	\$ 45,461,000

*Kodiak*

*8,000,000*

There

Mr. Maxwell Thompson, Organ  
of Ketchikan, Alaska, called  
today and presented out about  
\$15.00.

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from the 30% clause.

He would like you  
to call him  
225-2118.

Nancy

# Alaska State Legislature

SENATOR  
ROBERT H. ZIEGLER, SR.  
307 BAWDEN STREET  
KETCHIKAN, ALASKA 99901

While in Juneau  
POUCH V  
JUNEAU, ALASKA 99811



Senate

VICE CHAIRMAN  
SENATE RESOURCES COMMITTEE  
MEMBER  
SENATE JUDICIARY COMMITTEE  
WESTERN STATES LEGISLATIVE  
FORESTRY TASK FORCE  
WESTERN CONFERENCE COUNCIL  
OF STATE GOVERNMENTS

May 25, 1983

Senator Joe Josephson,  
Chairman of the Senate  
Health, Education & Social Services Committee  
Alaska State Legislature  
Juneau, Alaska

Dear Senator Josephson:

We recently discussed an amendment to SCS CSHB 251 (Fin); it would be very much appreciated if you'd submit the following amendments to the Rules Committee:

Page 1, line 28, following "and"

Insert "authorized for sale by the qualified voters of the municipality"

Page 1, line 28, following "indebtedness"

Delete "incurred"

Page 1, Line 28, following "indebtedness"

Insert "authorized for sale by the qualified voters of the municipality"

Thanks again,

A handwritten signature in black ink, appearing to be "R. Ziegler".

Robert H. Ziegler, Sr.

RHZ:1k

SENATE AMENDMENT

By JOSEPHSON

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: SENATE CS FOR CS FOR HOUSE BILL No. 251 (FINANCE)

PAGE: 1      LINE: 15

DECEMBER 31, 1981, AND AUTHORIZED BY THE QUALIFIED VOTERS OF THE MUNICIPALITY PRIOR TO [BEFORE] JULY 1, 1983,

FROM: DARROLL HARGRAVES, REPRESENTING KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT  
POUCH Z, KETCHIKAN, ALASKA 99901  
PHONE (HOME) 225-3095 (WORK) 225-2118

RECEIVED

RE: SENATE CS FOR CSHB 251 - AN ACT RELATING TO STATE SUPPORT FOR EDUCATION  
AND PROVIDING FOR AN EFFECTIVE DATE.

MAY 2 1983

Josephson,

MESSAGE:

PLEASE BE ADVISED THAT THE ABOVE MENTIONED BILL, IF PASSED IN ITS PRESENT FORM WILL RESULT IN KETCHIKAN'S FAILURE TO QUALIFY FOR 90% REIMBURSEMENT FOR SCHOOL CONSTRUCTION COSTS. THE PROBLEM IS THAT IF LOCAL VOTERS APPROVE THE ISSUANCE OF 16.9 MILLION IN BONDS AT A BOND ELECTION SCHEDULED FOR MAY 24, IT IS UNLIKELY THAT THESE BONDS CAN BE SOLD PRIOR TO JUNE 30, 1983. (SEE SECTION 4 OF THE BILL) WE BELIEVE THIS PROBLEM IS UNIQUE TO KETCHIKAN INsofar AS IT IS THE ONLY SCHOOL DISTRICT WITH A BOND ISSUE PRESENTLY PENDING VOTER APPROVAL AND WILL RESULT IN GROSSLY DISPARATE TREATMENT IN REIMBURSEMENT FOR SCHOOL CONSTRUCTION COSTS. VOTER APPROVAL OF THE PROPOSED BOND ISSUE FOLLOWS ONE AND A HALF YEARS OF INTENSIVE PLANNING FOR LONG OVERDUE REPLACEMENT AND ENLARGEMENT OF AGEI, OVERCROWDED FACILITIES. THE BILL SHOULD BE AMENDED SO AS TO PROVIDE THAT BOND ISSUES APPROVED BY THE VOTERS OF A MUNICIPALITY PRIOR TO JULY 1, 1983 FOR COSTS THAT QUALIFY FOR REIMBURSEMENT UNDER A.L.C. 43.18.190 SHOULD BE SUBJECT TO REIMBURSEMENT AT THE 90% LEVEL. SUBSECTION 1 OF A.S. 43.18.190 SHOULD BE AMENDED SO AS TO PROVIDE FOR THE EXEMPTION REQUESTED ABOVE.

\*\*\*\*\*

NOTE: MR. HARGRAVES WANTED TO EMPHATICALLY STRESS ON THE WORD "APPROVED" IN THE FIFTH LINE FROM THE END OF MESSAGE. HADN'T FIGURED OUT WHAT TO SUBSTITUTE UNDER LINGUISH TO SHOW SPECIAL EMPHASIS.

SENATE AMENDMENT

By JOSEPHSON

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: SENATE CS FOR CS FOR HOUSE BILL No. 251 (FINANCE)

PAGE: 1      LINE: 28

..OTHER INDEBTEDNESS [INCURRED] AUTHORIZED FOR SALE BY THE  
QUALIFIED VOTERS OF THE MUNICIPALITY AFTER JUNE 30, 1983...

ZIEGLER, CLOUDY, KING, BROWN & PETERSON

MEMO            May 24, 1983  
FROM            Harold M. Brown  
TO                Landa Krossa, Senator Ziegler's Office  
                  Nancy Dietrich, Senator Josephson's Office  
RE                SCS-CSEB-251  
                  Our File 21-014.80

It appeared to this office following review of our communications over the last couple of days on SCS-CSEB-251 that Section 2 on Page 1, Line 28, should also be amended so as to avoid the possibility of conflict with our suggestions concerning Section 1. This amendment would require the insertion of the following language after the word INCURRED so that Section 5(A) commencing on Line 25, Page 1, would read in its entirety as follows:

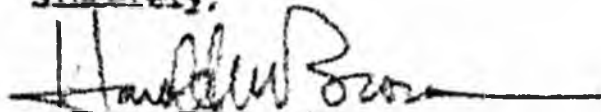
(5) Subject to (B) and (I) of this section, 50% of

(A) Payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred after December 31, 1981 but not authorized by the qualified voters of a municipality before July 1, 1983 to pay costs of school construction, additions to schools and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11), and

(B) . . . .

We apologize for the inconvenience, if any, created by this suggestion and will await your further advice.

Sincerely,



Harold M. Brown  
Ziegler, Cloudy, King, Brown &  
Peterson  
Attorneys for the Ketchikan  
Gateway Borough School  
District

VIA TELECOPIER

HMB:kh

K24/YI

ANALYSIS OF  
PROPOSED FINANCE CS  
FOR CS HB 251 (HESS)

SYNOPSIS: SECTIONS 1 through 3 of the bill relate to school debt retirement, while sections 4 through 7 relate to the school foundation formula, with section 8 being the immediate effective date.

SCHOOL DEBT RETIREMENT

PURPOSE: To control the amount the state pays each year for the reimbursement of municipal school construction debt payments. Legislation passed last year, which increased the reimbursement rate from 80% to 90% and eliminated the two-year time lag, has dramatically increased the state's bill for school debt retirement. The total payback for FY 83 is approximately \$62 million, and is estimated to be over \$90 million in FY 84. These figures represent 100% of entitlement, although the actual payback is dependent on the amount appropriated yearly by the Legislature.

According to the draft, new debt would be reimbursed at 50% after it is incurred. All eligible projects must be approved by the Commissioner of the Department of Education prior to voter approval with total project costs listed on the bonding ballot. Other requirements are that the bond may not be redeemed before expiration and must be repaid over a period of at least fifteen (15) years, and that the municipality must demonstrate need for the project.

Nothing in this draft would affect debt incurred prior to 1982, and the intent is to provide sufficient funding for debt incurred prior to 1981 without pro rata distribution of available funds.

The draft provides that payments to the municipality for the retirement of principal and interest of outstanding bonds for the current year (on indebtedness incurred after Dec. 31, 1981 and before July 1, 1983), and payments made after July 30, 1982 and before July 1, 1983 by the municipality during the fiscal year two years earlier for construction, renovation, and additions will be paid by the state up to 90%.

FOUNDATION FORMULA

PURPOSE: The Act provides for the computation of instructional units for FY 84 while eliminating the junior high "loophole" in current statutes. The opening of new school sites and increases in enrollment are the only justification for alteration of the instructional units, as revised, for FY 84. The Act also provides for computation of FY 85 payments in state aid should the Department of Education be unable to report back to the Legislature on the Foundation Study by January of 1984.

## SECTION ANALYSIS

- Section 1: Provides for payments up to 90% for:
- (A) current year bond payments on indebtedness incurred after December 31, 1981 and before July 1, 1983 made by the municipality; and
  - (B) cash payments made after June 30, 1982 and before July 1, 1983 by the municipality during the fiscal year two years earlier (the two-year lag is due to receipt of audits by the Department).
- Section 2: Provides that 50% of debt payments will be reimbursed after they are incurred by the municipality. This discourages bonding of non-essential projects.
- Section 3: Provides that the state may not allocate money to a municipality for a school construction project that has not been approved by the Commissioner of Education.
- In approving the project, the Commissioner shall require full information on the bonding issue approved by the voters; no call back options; a minimum payback period of 15 years; and demonstration of need.
- Section 4: Sets the number of instructional units and supplemental equalization aid for each school district and correspondence study for FY 84 at the FY 83 revised figure.
- Section 5: Provides that junior high programs in a school district with a total average ADM of 250 or more may not be used separately to calculate the number of instructional units unless the program is housed in a separate facility and has an average ADM of 50 or more, or has a separate school administration which was in place before the 1983 school year. Includes reference to AS 14.17.031(d) to prevent financial catastrophe in a district.
- Section 6: Provides that, should the Commissioner of Education not report back to the Legislature on the foundation formula study by January 9, 1984, the amount of basic state aid paid, beginning in Fiscal Year 1985, shall be adjusted by the Consumer Price Index from the U.S. Department of Labor.
- Section 7: Provides that the only increase in instructional units shall be for the opening of new school sites and for increased enrollment. If the amount appropriated for FY 84 is insufficient to meet this need, the available funds will be distributed on a pro rata basis to all school districts.
- Section 8: Provides for an immediate effective date.

Based upon appropriation of 430 million

HB 251 Comparisons

	<u>FY83 Rev.</u> <u>296,928</u>	<u>Sen Bill</u>	<u>House Bill</u>	<u>NO Bill</u> <u>29598</u>
Anchorage	114,841,728	119,727,160	121,014,878	122,003,200
Fairbanks	34,701,037	35,819,637	35,678,357	35,465,643
Juneau	15,371,556	15,543,367	15,802,574	15,268,786
Kenai	26,267,780	27,684,006	28,267,380	28,633,233
Ketchikan	8,064,550	8,064,650	8,085,044	7,944,936
Kodiak	11,723,707	11,970,958	12,168,235	11,379,388
Mat-Su	19,470,369	20,927,253	21,569,265	21,610,376
Sitka	5,948,091	6,257,127	6,221,965	6,101,736
TOTAL	<u>236,383,918</u>	<u>246,064,158</u>	<u>248,807,698</u>	<u>248,413,298</u>

## ANALYSIS OF PROPOSED FINANCE CS FOR CS HB 251 (HESS)

SECTIONS 1 through 3 of the bill relate to school debt retirement while SECTIONS 4 through 7 relate to the school foundation formula with SECTION 8 being the immediate effective date.

### SCHOOL DEBT RETIREMENT

**PURPOSE:** To control the amount the state pays each year for the reimbursement of municipal school construction debt payments. Legislation passed last year, which increased the reimbursement rate from 80% to 90% and eliminated the two year time lag, has dramatically increased the state's bill for school debt retirement. The total payback for FY 83 is approximately \$62 million, and is estimated to be over \$90 million in FY 84. These figures represent 100% of entitlement, although the actual payback is dependent on the amount appropriated yearly by the Legislature.

According to the draft, new debt would be reimbursed at 50% two years after it is incurred. All eligible projects must be approved by the Commissioner of the Department of Education prior to voter approval with total project costs listed on the bonding ballot. Other requirements are that the bonds may not be redeemed before expiration and must be repaid over a period of at least fifteen years, and that the municipality must demonstrate need for the project.

Nothing in this draft would affect debt incurred prior to 1982, and the intent is to provide sufficient funding for debt incurred prior to 1981 without pro rata distribution of available funds.

The draft provides that payments to the municipality for the retirement of principal and interest of outstanding bonds for the current year (on indebtedness incurred after Dec. 31, 1981 and before July 1, 1983), and payments made after July 30, 1982 and before July 1, 1983 by the municipality during the fiscal year two years earlier for construction, renovation and additions will be paid by the state up to 90%.

### FOUNDATION FORMULA

**PURPOSE:** The Act provides for the computation of instructional units for FY 84 while eliminating the junior high "loophole" in current statute. The opening of new school sites and increases in enrollment are the only justification for alteration of the instructional units, as revised, for FY 84. The Act also provides for computation of FY 85 payments in state aid should the Department of Education be unable to report back to the Legislature on the Foundation Study by January of 1984.

### SECTION ANALYSIS

Section 1 Provides for payments up to 90% for:

(A) current year bond payments on indebtedness incurred after December 31, 1981 and before July 1, 1983 made by the municipality; and

(B) cash payments made after June 30, 1982 and before July 1, 1983 by the municipality during the fiscal year two years earlier (the two year lag is due to receipt of audits by the Department).

- Section 2 Provides that 50% of debt payments will be reimbursed two years after they are incurred by the municipality. This forces the municipality to find another source of funding during the early years of the debt retirement and discourages bonding of non-essential projects.
- Section 3 Provides that the state may not allocate money to a municipality for school construction project that has not been approved by the Commissioner of the Department of Education.
- In approving the project, the Commissioner shall require full information on the bonding issue approved by the voters, no call back options, a minimum payback period of 15 years, and demonstration of need.
- Section 4 Sets the number of instructional units for each school district and correspondence study for FY 84 at the FY 83 revised figure.
- Section 5 Provides that junior high programs in a school district with a total average ADM of 250 or more may not be used separately to calculate the number of instructional units unless the program is housed in a separate facility and has an average ADM of 50 or more, or has a separate school administration which was in place before the 1983 school year.
- Section 6 Provides that should the Commissioner of the Department of Education not report back to the legislature on the foundation formula study by January 9, 1984, that the amount of basic state aid paid, beginning in FY 85, shall be adjusted by the Consumer Price Index from the U.S. Department of Labor.
- Section 7 Provides that the only increase in instructional units shall be for the opening of new school sites and for increased enrollment. If the amount appropriated for FY 84 is insufficient to meet this need, the available funds will be distributed on a pro rata basis to all school districts.
- Section 8 Provides for an immediate effective date.

PROPOSED DRAFT

118,000,000

\$122,443,283

1,100,000 more than HB 251

FOR HOUSE BILL 251

\* Section 1. AS 14.17.031 is amended by adding a new subsection to read:

(f) Notwithstanding AS 14.17 the number of instructional units which may be paid to a district for fiscal year 1984 shall be its fiscal year 1983 revised instructional units adjusted by the fiscal year 1984 revised instructional units as provided by Section 4. These units shall be distributed in the manner prescribed in this ~~section~~ ACT.

\* Sec. 2. AS 14.17.056 is amended by adding a new subsection to read:

(b) If the Department has not made recommendations to the legislature for changes in the foundation support system by January 9, 1984, the base instructional unit value for fiscal years beginning on or after July 1, 1984 shall be 105 per cent of the amount paid under Chapter 14.17 for fiscal year 1984. *virtually commit 5% to → greater inflation rate.*

*promise to be made*

\* Sec. 3. Notwithstanding AS 14.17 the difference between the total amount paid under that chapter for fiscal year 1983 and fiscal year 1984 shall only be increased as a result of increased enrollment or the opening of new school sites. If the amount appropriated for fiscal year 1984 is insufficient to meet the operating costs associated with the opening of new school sites, the available funds shall be distributed on a pro rata basis among the school districts which have opened new school sites.

\* Sec. 4. Notwithstanding the provisions of 14.17.250(9) the only junior high programs which may be counted separately during fiscal year 1984 for purposes of instructional units are those housed in a separate facility or with an ADM of 50 or more.

*effective date July 1, 1984*

\* Sec. 5. This Act takes effect immediately in accordance with AS 01.-10.070(c).

*Local Effort Ed Com. resp. fund response to changes*

*Sec. 4 effective date July 1, 1984 fiscal rate from HESS \$448 level*

P R O P O S E D   D R A F T

FOR HOUSE BILL 251

\* Section 1. AS 14.17.031 is amended by adding a new subsection to read:

(f) Notwithstanding AS 14.17 the number of instructional units which may be paid to a district for fiscal year 1984 shall be its fiscal year 1983 revised instructional units adjusted by the fiscal year 1984 revised instructional units as provided by Section 4. These units shall be distributed in the manner prescribed in this section.

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\* Sec. 3. Notwithstanding AS 14.17 the difference between the total amount paid under that chapter for fiscal year 1983 and fiscal year 1984 shall only be increased as a result of increased enrollment or the opening of new school sites. If the amount appropriated for fiscal year 1984 is insufficient to meet the operating costs associated with the opening of new school sites, the available funds shall be distributed on a pro rata basis among the school districts which have opened new school sites.

\* Sec. 4. Notwithstanding the provisions of 14.17.250(9) the only junior high programs which may be counted separately during fiscal year 1984 for purposes of instructional units are those housed in a separate facility or with an ADM of 50 or more. Notwithstanding the provisions of this section, any state aid which would otherwise be reduced as the result of this section, shall be distributed on a pro rata basis among school districts in accordance with AS 14.17.225(b).

\* Sec. 5. This Act takes effect immediately in accordance with AS 01.-10.070(c).

A STATEMENT

Regarding

FOUNDATION FUNDING FOR PUBLIC SCHOOLS

by Darroll Hargraves, Superintendent

Ketchikan Gateway Borough School District

It has been said that the State cannot afford the rapid increases in school foundation funding which has been the method of funding over the past few years. The foundation program has grown over the past few years but so has the number of school districts, the number of schools, and the level of programming in some of the required specialized areas. However, many of these things have been imposed upon local school districts. For example, the creation of the R.F.A.A.'s was the State's response to

a challenge that the State live up to its constitutional responsibilities which requires the establishment and maintenance of a system of public schools open to all children of the State. In the rural districts, the number of high schools and elementary schools has about doubled during the period of time in which we have been concerned about the growth of the foundation program.

Mandates to provide Special Education have proliferated. It has required paperwork which does not lend itself directly to instruction. But again, local school districts have had no choice in this matter. Foundation revenues expended to meet the requirements of statute and regulations have more than doubled in the past five or six years.

Individual school districts have not doubled the amount of revenue received from the State for regular instruction. In Ketchikan, the history of receipt of foundation funds shows that during the past six years of relatively stable student populations, the school district has received a 68 percent increase in foundation funding for regular instruction. During this same period of time, the cost of living index rose 46 percent.

In many of the larger population areas of the State, there has been a considerable increase in the number of students in the public schools. These new students are eligible and required to generate the foundation monies provided by the State for public school students. Therefore, one of the big factors in the increase in the State foundation program has simply been new students. The State is in no position to neglect its interest or

responsibility for providing public school education to all newly enrolled students.

#### STUDY OF THE FOUNDATION PROGRAM

The legislature and State administration should continue in its efforts to do a thorough study of the State foundation program. There are many weightings in that formula which cause expensive inequities, however, the State must for the long term, commit itself to a foundation formula which provides equity in education.

It is questionable how long the State can afford to fund on an ADM basis. The State's funding of public schools must include weights based on educational need, i.e., education of the handicapped, disadvantaged students, etc. The State must allow weightings which are needed to provide fairness and equity of educational opportunity to students in different sections of the State.

It is an established precept in school finance that it is necessary to provide weightings in a formula to assure that the differing cost of education, which is based on such things in Alaska as the cost of doing business, is a part of the funding formula. The educational system possibly can get by with one year of ADM funding but the State should protect itself in the future by assuring that the study will be accomplished and implemented.

I would recommend that the foundation program be maintained. I think the foundation formula can help the State track the funds which are expended through the foundation program. The formula is the State's way of assuring that certain programs get attention should the State in its wisdom choose to give additional emphasis by funding specific programs. The collapse of the formula and the implementation of the ADM approach to funding hides from view how the money is expended. In some people's estimation this is good. I view it with caution, realizing that the State gives up its capability of applying encouragement to bring about some of the State's objectives for the public school programs.

The inclusion in H.B. 251 and S.B. 176 of a list of the ADM amounts appropriated by the legislature to different school districts across the State has highlighted the wide disparity between the funding levels of schools. However, equality of educational opportunity must be provided by the State to all students. It is an accepted principle in public school funding that equality in educational opportunity does not mean spending exactly the same amount of money for each pupil. Only a foundation formula, with various weights in it, can provide for the differences.

#### EFFECT ON LOCAL MUNICIPALITIES

It has to be a concern of the State, and certainly it is of

the local first class cities and boroughs which sponsor public school districts, that if the legislature does not provide for the funding of education or if there is a decrease in the level of funding from the State, there is a corresponding increase in requirements upon the local tax base. The significance of this can be seen across Alaska as you review the proposed budgets of first class cities and boroughs. We are seeing unprecedented increases required in the budgets of these local communities. For example, Anchorage is anticipating that there will be a requirement for a budget increase of the local appropriation by approximately 48 percent. Fairbanks has announced that its request to the local tax base could be as much as a 47 percent increase over the present appropriation. Juneau's increase and demand on the local tax base is 36 percent. Sitka's increase and request is 20 percent. Ketchikan is requiring 18 percent and does not have any salary increases for staff in the proposed budget. In the Ketchikan budget, all salaries of district-wide administrators and certificated staff across the District have been frozen at the FY-83 level.

The bottom line is that an inordinate requirement and demand will be placed upon local taxes to fund the schools. A general rule of thumb seems to be that for every one (1%) percent which the State decreases the level of funding, or doesn't increase in order to take care of inflationary costs, the local municipality has to increase the local contribution by 3-5 percent. In several instances, it appears that five percentage points is needed to make up for one percent loss at the State level.

It is ironic that at a time when the State has been attempting to return monies to municipalities through revenue sharing programs, that school districts would be short funded. Full funding of the foundation formula is a logical way to provide revenue sharing to municipalities.

### PRIORITIES FOR EDUCATION

In times like this, it is appropriate to speak to the priorities. Education has been described by some and abhorred by others as a "motherhood-apple pie" issue. Public schools are a responsibility and trust of the government. It has long been established that education is an investment in its citizens rather than a necessary evil for State government.

It may be necessary for the State legislature to set priorities and decide what trade offs are required to meet the needs of a system of public education which is its prime responsibility. The legislature needs to determine if, in fact, there were programs mandated over the past five or six years on which the "sun should set". What funding responsibilities has the State assumed which now should be discontinued? I can specifically relate to some of the requirements which have been mandated by State and Federal statutes, and regulations. In the area of Special Education, the paper flow is bordering on the ridiculous.

It is interesting that your Legislative Audit Review Committee

found discrepancies in some of the school districts regarding what they were eligible to receive in school foundation programs and what they actually received. It is interesting that most of these discrepancies were in the area of bilingual education, special education and vocational education. School districts try to be conservative and have as few personnel for the central office as possible, but when the Legislative Audit and Review comes up, the school district finds itself deficient in paperwork to prove eligibility of students. I submit that there is a potential cost savings if schools are allowed to operate in a different manner.

#### CONCLUSION

The State of Alaska has the primary constitutional responsibility for public education. The legislature has the responsibility to develop the system for funding. This is not contradictory with the idea of local control. It is not contradictory to the precept that the State yields to local boards and municipalities the prime responsibility for administering and operating the local schools.

The State has a formula by which foundation funds can be distributed. That formula needs study and the State is to be encouraged to see that such a study takes place in the immediate months ahead. In the meantime, the formula can serve the State by providing the mechanism to distribute State funds to the local school districts.

School districts need increases over the current year's funding level. The funding made available by the State needs to take into account the new students which will be enrolled next year. It appears that full funding of the foundation formula could reach \$448 million, and some are indicating that it could go higher, perhaps up to \$468-470 million. It is appropriate to deal with the concept of making a commitment to fund the present foundation formula at the 100 percent level. This commitment will provide funds for new students next fall.

The State and school districts are at a crossroads. School district administrators and boards should be encouraged to work with the legislature to make the foundation formula work in the future. Local districts can recommend ways to cut out some of the costly items which have been imposed by the State and Federal levels. We have no problem with providing sound, basic educational programs at a cost which the State and local communities can afford.

# # # # #

Original sponsors: Tischer, Adams,  
Fuller and Lindauer

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 251 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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

7

8

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

9

\* Section 1. The provisions of AS 14.17 notwithstanding, the number of  
10 instructional units within each school district, <sup>and ~~instructional~~ correspondence study</sup> for the purpose of cal-  
11 culating the amount of ~~basic~~ state aid for the public school foundation

12 program for fiscal year 1984 is equal to the revised number of instruc-  
13 tional units within each school district, <sup>and correspondence study</sup> for fiscal year 1983, subject to  
14 the exception provided in sec. 2 of this Act, <sup>and supplemental equalization aid</sup>

15 \* Sec. 2. The provisions of AS 14.17.250(9) notwithstanding, <sup>in school districts with more than 250</sup> a junior  
16 high school program may not be used separately to calculate the number of  
17 instructional units within a school district for fiscal year 1984 unless  
18 the junior high school program is <sup>1</sup> housed in its own separate facility <sup>2</sup> and  
19 ~~unless it~~ has an average daily membership of 50 or more, <sup>or 2) has a separate</sup>

20 \* Sec. 3. The commissioner of education shall recommend to the legisla-  
21 ture a method of revising and improving the public school foundation pro-  
22 gram no later than January 9, 1984. If the commissioner of education has  
23 not made recommendations to the legislature by January 9, 1984, the pro-  
24 visions of AS 14.17 notwithstanding, the amount of basic state aid to each  
25 school district <sup>and correspondence study</sup> ~~and regional educational attendance area~~ under the public  
26 school foundation program, beginning in fiscal year 1985, shall be adjusted  
27 in January 1984 to reflect the changes in the Consumer Price Index for all  
28 Urban Consumers for the Anchorage Metropolitan Area compiled by the Bureau  
29 of Labor Statistics, United States Department of Labor in January 1984, for

1 the preceding twelve-month period. The index for January 1983 is the  
2 reference base index.

3 \* Sec. 4. The provisions of AS 14.17 notwithstanding, the amount of  
4 ~~basic state aid paid~~ <sup>for which a district or correspondence study is eligible</sup> under the public school foundation program for fiscal  
5 year 1984 may be increased over the amount of <sup>state</sup> aid paid to a school district  
6 for fiscal year 1983 only for increases in enrollment or the opening of new  
7 school sites. If the amount ~~r~~ <sup>allocated</sup> for the public school foundation  
8 program for fiscal year 1984 is insufficient to meet the operating costs  
9 associated with the opening of new school sites, the available funds shall  
10 be distributed on a pro rata basis, ~~among school districts with new school~~  
11 ~~sites.~~

12 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.-  
13 10.070(c).

# Alaska State Legislature

Advisory Council Members  
Senator Kerttula, Chairman  
Senator Bennett  
Senator Vic Fischer  
Senator Fahrenkamp



Pouch V  
State Capital  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## SENATE ADVISORY COUNCIL

### MEMORANDUM

TO: Senator Josephson

FROM: Frank Seuffert *FS*  
Researcher

RE: State Aid for Retirement of School Construction Debt,  
as provided under AS 43.18.100

DATE: April 26, 1983

---

The Department of Education receives under the category of debt service a direct appropriation from the legislature as part of its operating budget. In FY83, this amount was \$43,780,962. A supplemental appropriation is being requested. In FY82, the amount paid out was \$38,262,156. (Figures obtained from Norma Peterson - DOE).

Regarding your suggestion of transferring funding to the capital budget, I posed the question to Deputy Commissioner Bob Van Slyke, "Is it more appropriate for this allocation to be part of the capital budget?". He responded that it is the recommendation of the Department of Education to the Board of Education that this be changed, moving the funding from the operating budget to the capital budget. Mr. Van Slyke stated that he would bring this before the Board in the very near future, possibly as early as next week. He did not anticipate that the Board would object to this change.

Mr. Van Slyke felt this practice may have been initiated when capital monies were scarce, and again noted that it needed to be changed.

In addition to this response from DOE, you may want to send a copy of this memo to Bill Berrier in Legal Services for his opinion. Please contact me if I can be of any further assistance.

FS;lal

ANALYSIS OF THE PROPOSED SENATE FINANCE CS FOR CS HB 251 (HESS)

SECTIONS 1 through 4 and SECTION 9 of the bill relate to school debt retirement.

PURPOSE: To control the amount the state pays each year for reimbursement of municipal school construction debt payments. Legislation passed last year, which increased state reimbursement to 90% and reduced the time lag from 2 years to 1 year, has dramatically increased the state's bill for school debt retirement. The total payback for FY 83 is approximately \$62.8 million, and for FY 84 is currently estimated at \$95 million and rising weekly. These figures represent 100% entitlement, although the actual payback is dependent on the amount appropriated yearly by the legislature.

The legislation would essentially "grandfather" existing debt by providing that the debt incurred under AS 43.18.100(a)(4) before the effective date of the act is not affected by changes made in the act. No changes are made to sections regarding other types of school construction debt, thus, the limit would apply to construction debt incurred in the future. Of course, the actual amount of payback is always subject to legislative appropriation.

New debt would be reimbursed two years after it is incurred at 50%. The legislature could appropriate a maximum of \$10 million annually for the new debt. All eligible projects must be approved by the commissioner of the Department of Education conditioned on voter approval, no call options, a minimum payback term of 15 years, and demonstration of need such as increased enrollment, health and safety of students, local priorities, emergency requirements, and new programs needing more space.

SECTIONS 5 through 8 of the bill deal with payment through the foundation formula.

PURPOSE: The act provides for the computation of instructional units for FY 84 while eliminating the junior high school "loophole" in current statute. The opening of new school sites and increases in enrollments are the only causes for alteration of the instructional units, as revised, for FY 84. The act also provides for computation of FY 85 payments in state aid should the Department of Education be unable to report back to the legislature on findings of the foundation formula study.

SECTION ANALYSIS

Section 1 Provides that 50% of debt payments will be reimbursed two years after they are made by the municipality. This forces municipalities to find another source of funding during the early years of debt retirement and discourages bonding of non-essential projects.

- Section 2 Provides a separate account, "the school construction and rehabilitation account", for legislative appropriations for reimbursement of the new debt payback plan provided for in the bill. Provides that no more than \$10 million can be appropriated to the account in a single year.
- Section 3 Adds "school construction and rehabilitation account" to AS 43.18.100(d)
- Section 4 Provides that the Commissioner of the Department of Education must approve the project before the state will provide reimbursement. Projects are conditioned on voter approval, no call back options, minimum payback period of 15 years, and demonstration of need.
- Section 5 Sets the number of instructional units within each school district for FY 84 at the FY 83 revised figure.
- Section 6 Provides that junior high programs in a school district with a total average ADM of 250 or more may not be used separately to calculate the number of instructional units unless the facility is housed in a separate facility and has an average ADM of 50 or more, or has a separate school administration which was in place before the 1983 school year.
- Section 7 Provides that should the Commissioner of the Department of Education not report back to the legislature on the foundation formula study by January 9, 1984, that the amount of basic state aid, beginning in FY 85, shall be adjusted by the Consumer Price Index from the U.S. Department of Labor.
- Section 8 Provides that the only increases in instructional units shall be for the opening of new school sites and for increased enrollment. If the amount appropriated for FY 84 is insufficient to meet this need, the available funds will be distributed on a pro rata basis to all school districts.
- Section 9 Provides that the changes made in sections 1-4 do not apply to the state's obligations incurred before the effective date of the bill.
- Section 10 Provides for an immediate effective date.

## ANALYSIS OF PROPOSED SCHOOL CONSTRUCTION DEBT LEGISLATION

Purpose: To control amount that state pays each year for reimbursement of municipal school construction debt payments. Legislation passed last year, which provided for greater state reimbursement, has dramatically increased the state's bill for school debt reimbursement. The total payback for FY 83 is approximately \$48 million, and is estimated to be approximately \$80 million for FY , though this figure increases every few weeks. These figures represent 100% entitlement; actual payback is based on amount appropriated by the legislature each year.

Summary: The legislation would essentially "grandfather" existing debt by providing that the debt incurred under AS 43.18.100(a)(4) before the effective date of the act is not affected by the changes made in the act. No changes are made to sections regarding other kinds of school construction debt. Thus, the controls would apply to all debt incurred in the future. Of course the actual amount of payback for old debt as well as the new debt would be subject to legislative appropriation.

New debt would be reimbursed two years after it is incurred at 50%. The legislature could appropriate a maximum of \$10 million annually for the new debt. All projects eligible for debt reimbursement must be approved by the Commissioner of DOE before reimbursement is made. Approval is conditioned upon voter approval, no call options, a minimum payback term of 15 years, and demonstration of needs such as increased enrollment, health and safety of students, local priorities, emergency requirements, and new programs requiring more space.

### Section-by-section analysis:

Section 1: Provides that 50% of debt payments will be reimbursed two years after they are made by the municipality. This forces municipalities to find another source of funding to make debt payments in the early years of bond payback. This discourages bonding of projects that are not essential.

Section 2: Provides a separate account, "the school construction and rehabilitation account", for legislative appropriations for reimbursement of the new debt payback scheme provided for in the bill. Provides that no more than \$10 million can be appropriated to the account in a single year.

Section 3: Technical.

Section 4: Provides that DOE Commissioner must approve project before the state will reimbursement. Approval is conditioned upon voter approval, no call options, minimum payback period of 15 years, and demonstration of need. Need is demonstrated by increased enrollment, health and safety requirements and factors listed in AS 14.11.010(c). These factors are: local priorities,

emergency requirements, number of students without classroom space, new programs requiring more space, condition of existing facilities, and the "economic and social stability of the municipality or region".

Section 5. Provides that changes made do not apply to state's obligations incurred before effective date of bill.

Section 6. Provides for an immediate effective date.

(LWC: 4/9/83)

DEBT RETIREMENT

<u>FY 83 AUTH</u>	<u>FY84 GOV</u>	<u>FY84 GOVam</u>	<u>HOUSE</u>	<u>SENATE</u>
49,669.7 79%	49,669.7 52.2%	59,887.8 63%	59,887.8 63%	59,887.8 63%
				70,394.7 74%
				71,346.0 75%
				75,151.1 79%
				95,128.0 100%

1973-74

Form M-585

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	W-R-T Service @ 101.90 Prior 7-1-77	W-R-T Service @ 90.70 After 7-1-77	% of W-R-T Service	Cash Payments 1981-82	% of Cash Payments	W-R-T Service Pfr Cash Payments	Taxes Cig Tax 1981-82	Tax Abatement 1981-82			
Anchorage	7175121	1603503	1142053	1084043	977438	1154812	1061923	1052909			
Barrow	-	1251115	382603	-	-	382603	10990	347613			
Cordova	121177	-	-	-	-	121177	21496	99681			
Craig	-	-	-	-	-	-	10673	-			
Dillingham	-	-	-	1869	1682	1682	19252	-			
Fairbanks	4731853	1549	1394	592737	533463	5264710	294517	4970192			
Galena	-	-	-	63384	56957	56957	10957	45998			
Haines	-	711748	82753	35000	31500	114253	20565	93688			
Noonah	-	-	-	-	-	-	13013	-			
Hydaburg	-	-	-	-	-	-	7589	-			
Juneau	726992	165796	149014	711591	440432	1516640	139083	1377557			
Kaktovik	-	-	-	-	-	-	12037	-			
Kenai	2547238	2589760	2336794	1593104	433794	6311816	201646	6087100			
Ketchikan	527051	-	-	601048	540943	1047971	27606	980388			
Kiing Cove	-	-	-	-	-	-	7112	-			
Klawns	-	-	-	-	-	-	7149	-			
Kodiak	136183	1474729	1327356	10191	7172	1762611	75326	483285			
Matanuska	2471433	349533	3699590	175000	157500	5349013	157747	5191266			
Nenana	21500	-	-	-	-	21500	11544	9956			
Nome	-	-	-	-	-	-	31287	-			
North Slope	2172375	7166663	6929997	-	-	4242372	58679	4203693			
Pelican	-	-	-	-	-	-	5000	-			
Quilting	376255	-	-	100890	110601	506856	25493	481373			
Sand Point	-	-	-	-	-	-	7064	-			
Sitka	380570	-	-	780806	703725	1083245	43214	1019581			
Skagway	32832	-	-	-	-	32832	11302	21530			
St. Marys	-	-	-	-	-	-	9522	-			
Tosona	-	-	-	-	-	-	-	-			
Unalakleet	-	101735	109741	51037	115933	155674	114991	144183			
Valdez	1425325	1852050	1006845	176667	62479	3154869	36891	3117975			
Wasilla	-	146829	132144	-	-	132144	20630	111516			
Yakutat	-	-	-	65388	58819	58849	7426	47423			
<b>Totals</b>	<b>30526105</b>	<b>9238110</b>	<b>12241567</b>	<b>3929655</b>	<b>3363688</b>	<b>598441</b>	<b>2500000</b>	<b>53570572</b>			

Entitlement for debt retirement (A5.43, 18.100) at 90%

	1	2	3	4	5	6
	FY-84	FY-85	FY-86	FY-87	FY-88	
District						
Anchorage	8209495	- 8709020	- 8715657	- 9461757	- 9494495	-
Mat-Su	2077920	- 2071800	- 2061360	- 2051100	- 2040300	-
North Slope	3952618	- 3952619	- 8175828	- 7575885	- 6966936	-
Juneau	2717528	- 2796998	- 2785388	- 2791857	- 2797200	-
Kodiak	22695508	- 1197000	- 1197000	- 1197000	- 1197000	-
Kenai	11227375	- 11218895	- 11268395	- 11284820	- 11335670	-
Fairbanks	3894075	- 5424075	- 5750100	- 6015375	- 6050025	-

Totals 34782482 - 35372207 - 39955528 - 40179594 - 39883426 -

MAT Su	2900000					
Juneau	2155465					
Kenai	18112173					
Fairbanks	2160000					

1004,58

44,815,210

Revised 4-25-83



Official Business

# Alaska State Legislature

## Senate

Pouch V  
State Capitol  
Juneau, Alaska 99811

5 May 1983

Honorable Bill Sheffield  
Governor  
State of Alaska

Dear Governor Sheffield:

This week, the Senate Finance Committee adopted a motion transferring school debt service funding from the state operating budget to the state capital budget.

In our judgment, this change is conceptually correct. The budget item pays for the acquisition and construction of school sites and school improvements of a long-range beneficial nature.

Coincidentally, the Alaska Housing Finance Corporation has reported that approximately 60 million dollars of unanticipated surplus receipts, not pledged to any bondholders, are available for its program. This amount was not expected, or if expected, was not previously revealed to the Legislature by the Corporation. The amount of funds required by AHFC as part of the state capital budget for FY 1984, can be reduced by 60 million dollars.

We recommend that the school debt service program be fully funded for FY 1984, and that the reduction in the AHFC requirements be utilized to meet the requirements of the debt service program. We have received many communications on this subject. (See, e.g., letter from Mayor Thompson of the Kenai Peninsula Borough, which we have attached.) Clearly, some other moneys will be needed in FY 1984 for the school debt service program as well, but full funding is now achievable.

Looking prospectively, we are prepared to work with the administration to encourage prudence in school construction not yet underway or bonded for, but we believe that good faith with local taxpayers who approved bonds expecting that the state would participate to 90%, as to previously authorized bonds, requires that this funding opportunity be used.

Sincerely yours,

Sen. Joe Josephson, Chairman  
Health, Education & Social Services

Sen. Vic Fischer, Chairman  
State Affairs

Attch.

3:19 TC to Pete - he wants letter requesting...  
4.25.83

To: Senate Advisory Council  
Attn: Pete Leone

I would appreciate receiving

at the earliest, a one page

conceptual memo on moving

School Best Construction from

the Operating Budget to the

Capital Budget. I favor this  
if conceptually appropriate.

*[Signature]*

4:45 Delivered to Pete Leone

Page 1, line 16, after "program", insert:

"in a school district with a total ADM of over 250".

Page 1, line 18-19, delete ",or unless", and insert "and".  
After "more" insert:

", or has a separate administration which was in place prior to the 1983 school year."

Page 1, line 20, delete present Section 3 and insert:

\* Sec. 3. The commissioner of education shall recommend to the legislature a method of revising and improving the public school foundation program no later than January 9, 1984. If the commissioner of education has not made recommendations to the legislature by January 9, 1984, the provisions of AS 14.17 notwithstanding, the amount of basic state aid paid to each school district and regional educational attendance area under the foundation support program as computed by fiscal year 1984 revised instructional unit computations, beginning in fiscal year 1985, shall be adjusted and identified in January 1984 to reflect the changes in the Consumer Price Index for all Urban Consumers for the Anchorage Metropolitan Area compiled by the Bureau of Labor Statistics, United States Department of Labor in January 1984, for the preceding twelve-month period. The index for January 1983 is the reference base index.

Page 2, lines 8-9, delete "operating costs associated with the opening of new school sites", and insert:

"amounts permitted by this Act".

Page 2, lines 10-11, after "among", insert "all". After "districts", insert "." and delete the remainder of lines 10-11.



Official Business

# Alaska State Legislature

## Senate

### Office of the President

Pouch V  
State Capitol  
Juneau, Alaska 99811

April 18, 1983

TO: Senate Health, Education and Social Service Committee  
Senator Joe Josephson  
Chairman

FROM: Senator Jay Kerttula  
Senate President

A handwritten signature in black ink, appearing to read "Jay Kerttula".

SUBJECT: HB 251/SB 176

House Bill 251 (SB 176) if enacted into law will severely impact the Matanuska-Susitna Borough School District in the coming school year. Even with an assurance that there will be a supplemental appropriation in early 1984 from the Legislature for the Foundation Program, the shortfall for Mat-Su will not be ameliorated by it. The Mat-Su School Administration has predicted they will need an additional 40 teachers in the 1983-84 school year. However, these teachers cannot be hired if there is such a funding shortfall at the outset of the academic year.

As passed by the House, HB 251 is totally unacceptable. I am in active and hostile opposition to it or the companion SB 176's passage by the Senate. ~~██████████~~

Page 1, line 16, after "program", insert:

"in a school district with a total ADM of over 250".

Page 1, line 18-19, delete ",or unless", and insert "and".

Page 1, line 20, delete present Section 3 and insert:

\* Sec. 3. The commissioner of education shall recommend to the legislature a method of revising and improving the public school foundation program no later than January 9, 1984. If the commissioner of education has not made recommendations to the legislature by January 9, 1984, the provisions of AS 14.17 notwithstanding, the amount of basic state aid paid to each school district and regional educational attendance area under the foundation support program as computed by fiscal year 1984 revised instructional unit computations, beginning in fiscal year 1985, shall be adjusted and identified in January 1984 to reflect the changes in the Consumer Price Index for all Urban Consumers for the Anchorage Metropolitan Area compiled by the Bureau of Labor Statistics, United States Department of Labor in January 1984, for the preceding twelve-month period. The index for January 1983 is the reference base index.

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"amounts permitted by this Act".

Page 2, lines 10-11, after "among", insert "all". After "districts", insert "." and delete the remainder of lines 10-11.

# ALASKA STATE SENATE

JOE P. JOSEPHSON  
DISTRICT G ANCHORAGE  
1526 F STREET  
ANCHORAGE, ALASKA 99501  
(907) 277-4419

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4907  
(907) 465-4525



COMMITTEES  
HEALTH, EDUCATION & SOCIAL SERVICES (CHAIR)  
JUDICIARY (VICE CHAIR)  
FINANCE  
MAJORITY CAUCUS (CHAIR)

## M E M O R A N D U M

April 21, 1983

TO: Senate Finance Committee Members  
FROM: Senator Joe P. Josephson *JPJ*  
SUBJECT: Senate CS for CSHB 251

The above noted bill, relating to school foundation funding, has been assigned to me for presentation to the Finance Committee.

In order to facilitate preparation of a Committee Substitute, I would appreciate hearing your comments and concerns in the next few days.

JPJ:t1

# ALASKA STATE SENATE

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JPJ:t1

	AUDITED FY-82 ELIGIBILITY	ELIGIBILITY ON DEBT ISSUED AFTER 12/31/81	TOTAL FY-84 ELIGIBILITY
Anchorage	\$10,532,909	\$ 8,207,495	\$18,740,404
Bristol Bay Bor.	369,613		369,613
Cordova	99,681		99,681
Fbks N. Star Bor.	4,970,192	6,054,075	11,024,267
Galena	45,998		45,998
Haines Borough	93,688		93,688
C & B Juneau	1,377,557	5,872,993*	7,250,550
Kenai I. Bor.	6,087,170	<i>8,907,716</i>	<i>15,118,197</i>
Ketchikan Gate. B.	980,388		980,388
Kodiak I. Bor	1,683,285	1,512,900	3,196,185
Mat-Su Borough	5,191,205	5,007,420*	10,198,686
Nenana	9,956		9,956
North Slope Bor.	14,203,693	3,952,619	18,156,312
Petersburg	481,373	495,000*	976,373
C & B Sitka	1,019,581		1,019,581
Skagway	21,530		21,530
Unalaska	144,183		144,183
Valdez	3,117,975		3,117,975
Wrangell	111,516		111,516
Yakutat	49,423		49,423
	<hr/>	<hr/>	<hr/>
totals	\$50,590,977	<i>\$ 40,213,529</i>	<i>\$90,804,506</i>

\* Estimates of payments on authorized but as yet unsold issues.

## ANALYSIS OF PROPOSED FINANCE CS FOR CS HB 251 (HESS)

SECTIONS 1 through 3 of the bill relate to school debt retirement while SECTIONS 4 through 7 relate to the school foundation formula with SECTION 8 being the immediate effective date.

### SCHOOL DEBT RETIREMENT

PURPOSE: To control the amount the state pays each year for the reimbursement of municipal school construction debt payments. Legislation passed last year, which increased the reimbursement rate from 80% to 90% and eliminated the two year time lag, has dramatically increased the state's bill for school debt retirement. The total payback for FY 83 is approximately \$62 million, and is estimated to be over \$90 million in FY 84. These figures represent 100% of entitlement, although the actual payback is dependent on the amount appropriated yearly by the Legislature.

According to the draft, new debt would be reimbursed at 50% two years after it is incurred. All eligible projects must be approved by the Commissioner of the Department of Education prior to voter approval with total project costs listed on the bonding ballot. Other requirements are that the bonds may not be redeemed before expiration and must be repaid over a period of at least fifteen years, and that the municipality must demonstrate need for the project.

Nothing in this draft would affect debt incurred prior to 1982, and the intent is to provide sufficient funding for debt incurred prior to 1981 without pro rata distribution of available funds.

The draft provides that payments to the municipality for the retirement of principal and interest of outstanding bonds for the current year (on indebtedness incurred after Dec. 31, 1981 and before July 1, 1983), and payments made after July 30, 1982 and before July 1, 1983 by the municipality during the fiscal year two years earlier for construction, renovation and additions will be paid by the state up to 90%.

### FOUNDATION FORMULA

PURPOSE: The Act provides for the computation of instructional units for FY 84 while eliminating the junior high "loophole" in current statute. The opening of new school sites and increases in enrollment are the only justification for alteration of the instructional units, as revised, for FY 84. The Act also provides for computation of FY 85 payments in state aid should the Department of Education be unable to report back to the Legislature on the Foundation Study by January of 1984.

### SECTION ANALYSIS

Section 1 Provides for payments up to 90% for:

(A) current year bond payments on indebtedness incurred after December 31, 1981 and before July 1, 1983 made by the municipality, and

(B) cash payments made after June 30, 1982 and before July 1, 1983 by the municipality during the fiscal year two years earlier (the two year lag is due to receipt of audits by the Department).

- Section 2 Provides that 50% of debt payments will be reimbursed two years after they are incurred by the municipality. This forces the municipality to find another source of funding during the early years of the debt retirement and discourages bonding of non-essential projects.
- Section 3 Provides that the state may not allocate money to a municipality for school construction project that has not been approved by the Commissioner of the Department of Education.
- In approving the project, the Commissioner shall require full information on the bonding issue approved by the voters, no call back options, a minimum payback period of 15 years, and demonstration of need.
- Section 4 Sets the number of instructional units for each school district and correspondence study for FY 84 at the FY 83 revised figure.
- Section 5 Provides that junior high programs in a school district with a total average ADM of 250 or more may not be used separately to calculate the number of instructional units unless the program is housed in a separate facility and has an average ADM of 50 or more, or has a separate school administration which was in place before the 1983 school year.
- Section 6 Provides that should the Commissioner of the Department of Education not report back to the legislature on the foundation formula study by January 9, 1984, that the amount of basic state aid paid, beginning in FY 85, shall be adjusted by the Consumer Price Index from the U.S. Department of Labor.
- Section 7 Provides that the only increase in instructional units shall be for the opening of new school sites and for increased enrollment. If the amount appropriated for FY 84 is insufficient to meet this need, the available funds will be distributed on a pro rata basis to all school districts.
- Section 8 Provides for an immediate effective date.

Chapter 18. State Aid to Local Governments.

Article

- 1. Aid for Miscellaneous Municipal Purposes (Repealed)
- 2. Aid for School Construction (§§ 43.18.100 — 43.18.135)
- 5. Cultural Facilities (§ 43.18.500)

Article 1. Aid for Miscellaneous Municipal Purposes.

Section

10—45. [Repealed]

Secs. 43.18.010 — 43.18.045.

Repealed by § 11 ch 155 SLA 1980.

Cross references. — For programs of municipal assistance, see AS 29.88.010 — 29.88.045, 29.89.010 — 29.89.100, 29.90.010 — 29.90.030 and 29.95.010 — 29.95.030.

Editor's notes. — The repealed article derived from § 10, ch. 95, SLA 1969; §§ 1 — 5, ch. 194, SLA 1970, § 3, ch. 84, SLA 1971; §§ 1, 2, ch. 127, SLA 1971; § 43, ch. 11, SLA 1972; §§ 3, 4, ch. 200, SLA 1972; § 6, ch. 32, SLA 1973; §§ 1, 2, ch. 87, SLA 1973; §§ 1, 2, ch. 43, SLA 1974; § 1, ch. 95, SLA 1974; §§ 44, 45, ch. 127, SLA 1974; § 1, ch. 45, SLA 1975; § 1, ch. 100, SLA 1975; §§ 1, 2, ch. 208, SLA 1976; §§ 1, 2, ch. 265, SLA 1976; §§ 4, 5, ch. 120, SLA 1977; § 24, ch. 168, SLA 1978; § 3, ch. 173, SLA 1978.

Article 2. Aid for School Construction.

Section

- 100. State aid for retirement of school construction debt
- 105. Public school facilities construction advance account
- 110. Eligibility

Section

- 115. State aid
- 120. Application for aid
- 125. Conditions of state aid
- 130. Construction and implementation
- 135. Definitions

Sec. 43.18.100. State aid for retirement of school construction debt. (a) During each fiscal year, the state shall allocate to a municipality that is a school district, the following sums:

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

(2) 90 percent of

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

(B) cash payments made after June 30, 1976 and before July 1, 1973 by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) paymer years earlier outstanding b 1978 and bef projects appr

(B) cash pa by the municip of school cons (4) subject

(A) paymer year for the re notes or other costs of school tion projects 14.07.020(11);

(B) cash pa during the fi struction, add exceed \$25,00

(b) The c reimburseme regulation for proof of costs other regulati sioner shall ex district all sta provided unde tions for reim

(1) offset a amount of an; preceding fisc;

(2) Repeale

(c) The scho the provisions legislature to the purpose of under this sec pro rata anor

(d) Money i fiscal year for required for t general fund.

(e) The com ture on alloca not limited to student basis; municipality

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

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

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

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

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

(b) The commissioner shall administer the program of reimbursement authorized under this section and shall provide by regulation for the filing of applications for reimbursement, the form of proof of costs for which application for reimbursement is made, and other regulations necessary to administer the program. The commissioner shall exclude from the total school construction cost of the local district all state and federal funds included in these costs except funds provided under this section and AS 43.50.140. In approving applications for reimbursement, the commissioner shall

(1) offset against the amount of reimbursement authorized the amount of any funds distributed to the borough or city in the second preceding fiscal year from the school fund provided for in AS 43.50.140;

(2) Repealed by § 10 ch 92 SLA 1982.

(c) The school construction account is established. Funds to carry out the provisions of this section may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of providing a share to which a borough or city is entitled under this section, those funds that are available shall be distributed pro rata among the eligible local governments.

(d) Money in the school construction account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this section reverts to the general fund.

(e) The commissioner shall annually provide a report to the legislature on allocations of state aid made under this section, including but not limited to, the amount of state aid paid on a per capita and per student basis and the resultant effect on the rate of levy of taxes by the municipality for educational purposes.

(f) Repealed by § 17 ch 147 SLA 1978.

(g) In this section, unless the context requires otherwise,

(1) "commissioner" means the commissioner of education;

(2) "costs of school construction" means the cost of acquiring, constructing, enlarging, repairing, remodeling, equipping or furnishing of public elementary and secondary school buildings and includes the sum total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary.

(h) An allocation under (a)(4) of this section for school construction begun after July 1, 1982, shall be reduced by the amount of money used for the construction of residential space, hockey rinks, planetariums, saunas, and other facilities for single purpose sporting or recreational uses that are not suitable for other activities. An allocation under (a)(4) of this section may not be reduced by the amount of money used for construction of a small swimming pool, tank, or water storage facility used for water sports. However, an allocation shall be reduced by the difference between the amount of money used to construct a swimming pool that is competition size or larger and the amount of money that would have been used to construct a small swimming pool, tank, or water storage facility, as determined by the commissioner.

(i) For the purposes of (a)(4) of this section

(1) an indebtedness for bonds is incurred after the bonds are sold;

(2) reimbursement for a cash payment may only be made after the payment is made to a vendor; and

(3) payments may not be made for costs that are incurred under a contract after the contract has been released. (§ 1 ch 249 SLA 1970; am § 1 ch 93 SLA 1971; am § 2 ch 137 SLA 1972; am § 1 ch 28 SLA 1973; am § 47 ch 127 SLA 1974; am §§ 1 — 3 ch 120 SLA 1977; am §§ 12, 17 ch 147 SLA 1978; am § 25 ch 168 SLA 1978; am §§ 8 — 10 ch 92 SLA 1982)

Effect of amendments. — The 1977 amendment rewrote subsection (a), inserted the paragraph (1) designation and added paragraph (2) in the third sentence of subsection (b), and added the language

beginning "including but not limited to" to the end of subsection (e).

The first 1978 amendment, in subsection (a), deleted "and cash payments made by the borough or city before July 1, 1976

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to pay the cost of school construction" from the end of paragraph (1), substituted "80 per cent" for "50 per cent" at the beginning of paragraph (2), substituted "June 30, 1976 and before June 30, 1978" for "July 1, 1977" in subparagraphs (A) and (B) of paragraph (2), and added paragraph (3). The amendment also repealed subsection (f), which read "The provisions of (a)(2) of this section apply only to payments made before July 1, 1971. The provisions of (a)(3) of this section apply to payments made after June 30, 1971."

The second 1978 amendment, in paragraph (2) of subsection (g), substituted "the sum total of all costs of financing and carrying out the project" for "but is not limited to the costs of acquisition of sites, legal, engineering, fiscal, architectural and other fees of specialists or consultants, costs of labor, materials, equipment and supplies, costs of authorization, issuance and sale of bonds, notes, or other evidences of debt" at the end of the first sentence and added the second sentence.

The 1982 amendment, effective July 1, 1982, substituted "a municipality that" for "an organized borough or a city which" in the introductory language of subsection (a), substituted "the municipality" for "the borough or city" in paragraphs (1), (2)(A) and (B), and (3)(A) and (B), substituted "90 percent" for "80 percent" in the introductory language of paragraphs (2) and (3), inserted "and before January 1, 1982" in paragraph (3)(A) and (B), and added paragraph (4). The amendment also repealed paragraph (2) of subsection (b), which read "required the borough or city to provide, with its application, a certified copy of the notice to taxpayers required by AS 43.18.030," and added subsections (h) and (i).

Editor's notes. — AS 43.18.030, referred to in paragraph (2) of subsection (b), was repealed by § 11, ch. 155, SLA 1980. For programs of municipal assistance, see AS 29.88.010 — 29.95.030.

**Sec. 43.18.105. Public school facilities construction advance account.** The public school facilities construction advance account is established. The account consists of appropriations for distribution under AS 43.18.105 — 43.18.135 to boroughs and cities which are school districts to assist in paying the costs of public school facilities projects approved under AS 14.07.020(10) for which construction is commenced after June 30, 1978 and for which no bonding, notes, or other indebtedness was incurred before July 1, 1978. (§ 13 ch 147 SLA 1978)

**Sec. 43.18.110. Eligibility.** Eligibility of a proposed construction project for funding assistance under AS 43.18.105 — 43.18.135 shall be determined by the department based on standards and criteria established by regulation. The standards and criteria to be considered in determining eligibility include the following:

- (1) emergency requirements;
- (2) number of unhoused students;
- (3) new elementary, or secondary programs;
- (4) existing community and school facilities and their condition; and
- (5) economic and social stability of the community. (§ 13 ch 147 SLA 1978)

**Sec. 43.18.115. State aid.** (a) The amount of state aid payable in advance under AS 43.18.105 — 43.18.135 is the amount by which the cost of construction of the approved school construction project would cause the debt-to-valuation ratio of the municipality to exceed 12 per cent.

(b) A payment under (a) of this section is limited to an amount which, when combined with estimated payments to the school district for the retirement of the principal and interest on bonds, notes or other indebtedness or reimbursement of cash payments for a school construction project for which payment is made under AS 43.18.100(a)(1) or (2) or for an approved school construction project for which payment is made under AS 43.18.100(a)(3), does not exceed 80 per cent of the cost of the school construction project.

(c) For purposes of this section,

(1) "debt" means the principal amount of the direct and general obligation indebtedness of the municipality for which all taxable property is subject to taxation to pay the bond, note or other evidence of the debt, determined and reported in accordance with AS 14.17.140(c);

(2) "valuation" means the full and true value of the real and personal property of the municipality determined in accordance with AS 14.17.140(a). (§ 13 ch 147 SLA 1978)

**Sec. 43.18.120. Application for aid.** (a) The commissioner shall prescribe the necessary forms and procedures to be used in applying for construction cost assistance under AS 43.18.105 — 43.18.135.

(b) A borough or city which is a school district seeking construction cost aid shall apply to the department by October 15 of the prior fiscal year.

(c) Based on his review of applications and his determination of project eligibility, the commissioner shall recommend to the governor an appropriation of funds for state aid for those projects under AS 43.18.105 — 43.18.135. (§ 13 ch 147 SLA 1978)

**Sec. 43.18.125. Conditions of state aid.** (a) Funds distributed to a borough or city which is a school district during a school year under AS 43.18.105 — 43.18.135 shall be received, held, and expended by the district in accordance with the applicable provisions of law and of regulations adopted by the department. Funds provided under AS 43.18.105 — 43.18.135, but which are not required for the project for which they were granted or which are in excess of that borough's or city which is a district's entitlement for aid under AS 43.18.115 shall be returned to the department and deposited in the general fund.

(b) Each borough or city which is a school district shall maintain financial records of the receipt and disbursement of state funds received under AS 43.18.105 — 43.18.135 and money provided toward local effort. The records shall be in the form prescribed by the department and are subject to audit by it at any time.

(c) Upon completion of the construction project, the chief school administrator of the district shall report the total cost of the project and means of financing it to the commissioner.

(d) Boroughs and cities that are school districts shall secure and maintain in full force and effect adequate property loss insurance for

the replacement for which state SLA 1978)

**Sec. 43.18.130.105 —** the state.

(b) Funds may be approved for facilities construction insufficient to meet the requirements under AS 43.18.105 — 43.18.135. Funds shall be distributed per school district based on the number of students.

**Sec. 43.18.130.110 —** the context of

(1) "approved school or an approved project" means the extent to which the project is approved under AS 14.07.020

(2) "communities" means

(3) "department" means the department of education (SLA 1978)

**Section 300. Civic, community, and recreation centers.**

**Sec. 43.18.130.115 —** centers. (a) For the purpose of this section, the purpose of the centers is to provide their nonprofit organizations with the non-profitable costs of their civic, convention, and other facilities. The cost of facilities shall be paid with the proceeds of the sale of the facilities.

(b) Grants to local government shall be made in a form that is allotted according to the agreement on behalf of the community. The agreement shall include the following:

(1) estimate of the cost of the works; the commission shall include the cost of the works;

the replacement cost of all facilities constructed after July 1, 1978 and for which state funds are available under this chapter. (§ 13 ch 147 SLA 1978)

**Sec. 43.18.130. Construction and implementation.** (a) AS 43.18.105 — 43.18.135 may not be construed so as to create a debt to the state.

(b) Funds to carry out the provisions of AS 43.18.105 — 43.18.135 may be appropriated annually by the legislature into the public school facilities construction advance account. If amounts in the account are insufficient to meet the allocations authorized by the commissioner under AS 43.18.105 — 43.18.135, such funds as are available shall be distributed pro rata among each borough and city which is a school district based upon its computed entitlement. (§ 13 ch 147 SLA 1978)

**Sec. 43.18.135. Definitions.** In AS 43.18.100 — 43.18.135, unless the context requires otherwise,

(1) "approved school construction project" means the plan for a new school or an addition to or major rehabilitation of an existing school to the extent to which approved by the commissioner in accordance with AS 14.07.020(10);

(2) "commissioner" means the commissioner of education;

(3) "department" means the Department of Education. (§ 13 ch 147 SLA 1978)

### Article 3. Community Facilities Grants.

#### Section

#### 300. Civic, convention and community recreation centers

**Sec. 43.18.300. Civic, convention and community recreation centers.** (a) Within the limits of legislative appropriations for the purpose, the state shall make matching grants to local governments or their nonprofit designee equal to 50 per cent of the estimated reasonable costs of land acquisition, planning, and construction of municipal civic, convention and community recreation centers and 50 per cent of the cost of feasibility studies relating to these facilities, in accordance with the provisions of this section.

(b) Grants for only one study and one project may be awarded to a local government under this section. Applications for grants shall be made in a form prescribed by the commissioner. A grant shall be allotted according to an agreement made between the commissioner on behalf of the state and the local government receiving the grant. The agreement may include any provision agreed upon by the parties and shall include in substance the following provisions:

(1) estimates of reasonable costs of a study or project as approved by the commissioner after consultation with the Department of Public Works;

## Section

58 Alaska School Activities Association  
59 Alaska school activities fund

## Section

60. Regulations  
70. Withholding state funds

Collateral references. — 68 Am. Jur.  
23 Schools, §§ 5-7, 37-55.  
75 C.J.S. Schools and School Districts,  
¶ 83-91.

Modern status of doctrine of sovereign  
immunity as applied to public schools and  
institutions of higher learning. 33 ALR3d  
703.

**Sec. 14.07.010. Department of Education.** The Department of Education includes the commissioner of education, the state Board of Education, and the staff necessary to carry out the functions of the department. (§ 1 ch 98 SLA 1966)

## NOTES TO DECISIONS

Quoted in *Begich v. Jefferson*, Sup. Ct. Anchorage School Dist., Sup. Ct. Op. No.  
Op. No. 481 (File No. 894), 441 P.2d 27 2160 (File Nos. 4796, 4797, 4826), 617 P.2d  
(1968). 490 (1980).

Cited in *Tunley v. Municipality of*


**Sec. 14.07.020. Duties of the department.** The department shall

- (1) exercise general supervision over the public schools of the state except the University of Alaska;
- (2) study the conditions and needs of the public schools of the state and adopt or recommend plans for the improvement of the public schools;
- (3) provide advisory and consultative services to all public school governing bodies and personnel;
- (4) prescribe by regulation a minimum course of study for the public schools;
- (5) establish, in coordination with the Department of Health and Social Services, a program for the continuing education of children who are held in detention facilities in the state during the period of detention;
- (6) accredit those public schools which meet accreditation standards prescribed by regulation by the department; these regulations shall be adopted by the department and presented to the legislature during the first 10 days of any regular session, and become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house;
- (7) prescribe by regulation, after consultation with the Department of Health and Social Services, standards that will assure healthful and safe conditions in the public and private schools of the state; the standards for private schools may not be more stringent than those for public schools;

(8) in cooperation with the Department of Health and Social Services, exercise general supervision over public and private pre-elementary schools and over the educational component of nurseries as defined in AS 47.35.080(4); pre-elementary schools in this paragraph means schools for children ages three through five years when the schools' primary function is educational;

(9) provide accredited elementary and secondary correspondence study programs available to any Alaskan through a centralized office of correspondence study;

(10) accredit private elementary and secondary schools which request accreditation and which meet accreditation standards prescribed by regulation by the department;

 (11) review plans for construction of new public elementary and secondary schools and for additions to and major rehabilitation of existing public elementary and secondary schools and, in accordance with regulations adopted by the department, determine and approve the extent of eligibility for state aid of a school construction project begun after July 1, 1978; for the purposes of this paragraph, "plans" include educational specifications, schematic designs, and final contract documents;

(12) provide educational opportunities in the areas of vocational education and training, basic education, and fire-service training to individuals over 16 years of age who are no longer attending school;

(13) administer the grants awarded under AS 14.11.020. (§ 1 ch 98 SLA 1966; am § 2 ch 69 SLA 1971; am § 6 ch 104 SLA 1971; am § 1 ch 190 SLA 1975; am § 6 ch 50 SLA 1977; am §§ 1-3 ch 126 SLA 1978; am § 10 ch 147 SLA 1978; am § 1 ch 86 SLA 1979; am § 24 ch 59 SLA 1982; §§ 1, 2 ch 92 SLA 1982)

*Revisor's notes.* — A reference to AS 14.11.020 was substituted for a reference to AS 14.07.190 in paragraph (13) by the revisor of statutes under AS 01.05.031 to conform to the renumbering of that section.

*Effect of amendments.* — The first 1978 amendment deleted "private, and denominational" preceding "schools" near the beginning of paragraph (6), inserted "and private" preceding "schools" in paragraph (7), added the language beginning "the standards for private schools" to the end of paragraph (7), and added paragraph (10).

The second 1978 amendment added paragraph (11).

The 1979 amendment added paragraph (12).

The first 1982 amendment substituted "of" for "and" preceding "new public elementary" in paragraph (11).

The second 1982 amendment substituted "'plans' include" for "a 'plan' includes" in paragraph (11), inserted "and approve" and "the" preceding "purposes of this paragraph" in that same paragraph, and added paragraph (13).

*Stated in Tunley v. Municipality of Anchorage School Dist., Sup.*

*Collateral references.* — require construction or repair of buildings. 1 ALR 1559.

Power of school authorities to employ physicians, nurses, oculists, etc. 12 ALR 922.

Extent of legislative power over school attendance and curriculum. 477; 53 ALR 832.

Kindergartens or specializ

**Sec. 14.07.030. Power**

(1) establish, maintain, and improve area, regional, and special

(2) Repealed by § 34 c

(3) Repealed by § 34 c

(4) Repealed by § 34 c

(5) enter into contracts with the State or with a school district for the education of school students;

(6) provide for citizens

(7) provide for the sale of school buildings and other state property;

(8) prescribe a classification

(9) acquire and transfer real property and political subdivisions;

(10) enter into contracts to provide more efficient or economical

(11) provide for the issuance of bonds to persons not in school work or twelfth grade education as established by the department;

(12) exercise disapproval. 1966; am § 1 ch 66 SLA 1966; am § 1 ch 66 SLA 1975)

children attending public schools are transported. The commissioner shall administer this nonpublic school student transportation program, integrating it into existing systems as much as feasible, and the cost of the program shall be paid from funds appropriated for that purpose by the legislature. (§ 1 ch 157 SLA 1972)

**Collateral references.** — constitutional provision forbidding financial aid to religious sects, of public school bus service for pupils of parochial or private schools. 168 ALR 1434. provision of school bus service for private school pupils. 41 ALR3d 344.  
Constitutionality, under state

### Chapter 11. Construction, Rehabilitation, and Improvement of Schools and Education-Related Facilities.

**Section**

- 10. Recommendations and evaluations of projects
- 20. Assumption of responsibilities

**Sec. 14.11.010. Recommendations and evaluations of projects.**

(a) The assembly or council of a municipality that is a school district or a regional school board may submit a request to the department for a school or education-related facility construction, rehabilitation, or improvement project together with a report evaluating the condition of school or education-related facilities in the municipality or regional educational attendance area and a determination of the need for the project.

(b) With regard to projects requested under (a) of this section the department shall

(1) rank each project in the order of priority that serves the best interests of the state;

(2) prepare an estimate of the amount of money needed to finance each project approved by the department and recommend to the governor appropriations for projects to be included in the budget submitted to the legislature;

(3) provide the governor with a copy of the report of the assembly, council, or regional school board that requested each project approved by the department;

(4) provide to the legislature within the first 10 days of each regular session a summary of the projects requested by each assembly, council, or regional school board.

(c) In establishing priorities among requested projects the department shall evaluate at least the following factors:

(1) priorities assigned by the assembly, council, or school board to the projects requested;

THE 15 ELECTORS

- (2) emergency requirements;
  - (3) the number of students without classroom space;
  - (4) new local elementary or secondary programs;
  - (5) existing regional, community, and school facilities and the condition of the facilities;
  - (6) the economic and social stability of the municipality or region.
- (d) The provisions of this section do not affect a municipality's eligibility for reimbursement under AS 43.18.100. (§ 3 ch 92 SLA 1982; AS 14.07.180)

Revisor's notes. — This section was renumbered by the revisor of statutes enacted as AS 14.07.180 and was under AS 01.05.031.

**Sec. 14.11.020. Assumption of responsibilities.** (a) The assembly or council of a municipality that is a school district or a regional school board may, by resolution or majority vote of the body, assume the responsibilities relating to the planning, design, and construction of a school or an education-related facility located within the boundaries or operating area of the municipality or regional educational attendance area. After receipt of a request by an assembly or council under this subsection, the department shall provide for the assumption of the responsibilities requested. After receipt of a request by a regional school board under this subsection, the department may provide for the assumption of the responsibilities requested.

(b) If a municipality that is a school district or a regional educational attendance area assumes the responsibilities under this section, the department shall grant to the municipality or regional educational attendance area money appropriated for the school or education-related facility. The department may transfer the appropriations to a special construction account in the state treasury. Under the fiscal control of the department, a municipality or regional educational attendance area that assumes responsibilities for the project as provided in this section may draw on the account for costs of the project.

(c) The construction management costs of a project assumed under this section may not exceed four percent of the amount of appropriations for the facility if the amount of appropriations is \$500,000 or less. The construction management costs of a project assumed under this section may not exceed three percent of the amount of appropriations for the facility if the amount of appropriations is over \$500,000 but less than \$5,000,000. The construction management costs of a project assumed under this section may not exceed two percent of the amount of appropriations for the facility if the amount of appropriations is \$5,000,000 or more. For purposes of this subsection "construction management" means management of the project's schedule, quality, and budget during any phase of the planning, design, and construction of the facility by a private contractor engaged by the municipality or regional educational attendance area.

(d) The commissioner implementing this section agreements between the d educational attendance are ipality or regional educatio the planning, design, and 1982; AS 14.07.190)

Revisor's notes. — This sec enacted as AS 14.07.190 a

Chapter 12. Orga  
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Article

- 1. Districts (§§ 14.12.010—14.12
- 2. School Boards (§§ 14.12.030—
- 3. Regional Resource Centers (§§

Section

- 10. Districts of state public scho
- 20. Support, management, and

Collateral references. — 68 2d Schools, §§ 14-36.

78 C.J.S. Schools and School

46 ALR Grounds for ousting educatio  
1394. Incorporated educational bo  
institution belonging to the stat

Discretion of administrative  
to changing boundaries of scho  
65 ALR 1523; 135 ALR 1096.

Sec. 14.12.010. Distri  
tricts of the state public

(1) each first class city  
district;

(2) each organized bor

(3) the area outside org  
is divided into regional c  
1966; am § 3 ch 124 SLA

d) The commissioner shall adopt necessary regulations implementing this section, and setting out the requirements for agreements between the department and a municipality or regional educational attendance area relating to the assumption by the municipality or regional educational attendance area of responsibilities for the planning, design, and construction of a project. (§ 3 ch 92 SLA 1962; AS 14.07.190)

Revisor's notes. — This section was renumbered by the revisor of statutes enacted as AS 14.07.190 and was under AS 01.05.031.

## Chapter 12. Organization and Government of School System.

### Article

- 1 Districts (§§ 14.12.010—14.12.020)
- 2 School Boards (§§ 14.12.030 — 14.12.120)
- 3 Regional Resource Centers (§§ 14.12.150 — 14.12.180)

### Article 1. Districts.

#### Section

- 10 Districts of state public school system
- 20 Support, management, and control

Collateral references. -- 68 Am. Jur. 2d Schools, §§ 14-36.

78 C.J.S. Schools and School Districts, 11 23-81.

Grounds for ousting educational corporation of its franchise. 46 ALR 1478.

Incorporated educational body as an institution belonging to the state. 65 ALR 1194.

Discretion of administrative officers as to changing boundaries of school district. 65 ALR 1523; 135 ALR 1096.

Constitutionality and construction of statute which leaves to determination of private individuals the boundaries of territory to be erected into a school district or other political subdivision, or to be added to or detached from an existing district or subdivision. 70 ALR 1062.

Unionization, centralization, or consolidation of school districts as affecting indebtedness and property of the individual districts. 121 ALR 826.

Sec. 14.12.010. Districts of state public school system. The districts of the state public school system are as follows:

- (1) each first class city in the unorganized borough is a city school district;
- (2) each organized borough is a borough school district;
- (3) the area outside organized boroughs and outside first class cities is divided into regional educational attendance areas. (§ 1 ch 98 SLA 1966; am § 3 ch 124 SLA 1975; am § 7 ch 208 SLA 1975)

Title 15  
Elections

Rules Committee Letter of Intent

ANCHORAGE SCHOOL PROJECTS SB 18

Health, Safety, Emergency Repairs & Other Projects:

Abbott Loop	240,000
Aurora	125,000
Baxter	65,000
Birchwood ABC	3,000
Chester Valley	4,500
Chugach Optional	45,000
College Gate	67,600
Creek Side Park	4,000
Eagle River	120,000
Early Childhood Programs	17,800
Government Hill	777,160
Homestead	56,000
John F. Kennedy	116,000
Lake Otis	91,500
Mt. Iliamna	55,500
Mt. Spurr	52,500
Mountain View	229,000
Muldoon	60,000
Northern Lights ABC	5,000
Northwood	13,000
Nunaka Valley	34,000
Orion	20,000
Rabbit Creek	9,600
Rigel	4,000
Russian Jack	118,320
Sand Lake (less \$86,000 in SB 162)	6,000
Susitna	38,650
Tudor	5,800
Turnagain	94,000
Ursa Major	255,490
Ursa Minor	46,000
Williwaw	19,100
Wonder Park	80,000
Glacys Wood	45,000
Central ABC	180,000
Clark (less \$50,000 in SB 162)	582,590
Romig	204,650
Wendler	1,629,600
Bartlett	130,000
Inlet View	351,370
Chugiak	206,500
Dimond (less \$76,500 in SB 162)	104,000
East	69,000
Service	179,000
West	645,150

Districtwide Emergency Maintenance	30,500
Pupil Transportation (improvements, bus center)	540,400
West High Auditorium	78,000
Vocational Educational Facilities (district-wide)	2,981,530
Food Educational and Service Center	2,000,000
Computer Output Microfilm Library Conversion	<u>130,000</u>

TOTAL . \$12,965,810

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Official Business

# Alaska State Legislature

## Senate

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

TO: Rep. Mae Tischner, Chair  
House HESS Committee

DATE: April 5, 1983

FROM: Senator Ferguson

SUBJ: CSHB 251

Following is a comparison of CSHB 251(HESS) as it passed the House, and my proposed draft of a Senate Committee Substitute for the bill.

#### I. Differences

1. CSHB 251(HESS) creates a Foundation Funding Policy Council which is not contained in my proposed draft.

2. My proposed draft requires the Department to make recommendations for changes in the foundation support system by the beginning of the next session. If they do not do this, the fiscal impact would be in excess of \$21 million. In addition, if the Department does not comply with this section, districts would be given a mechanism for forward funding, which they have said is essential for budget planning.

3. My proposed draft tightens up instructional units available for junior high school programs during FY 84. This draft would only allow units for programs housed in a separate facility or with an ADM of 50 or more. This negates some of the provisions of 14.17.250(9) which relate to units available for junior high programs.

This will save the State an amount of money which has yet to be determined by the Department, but which will be included in a fiscal note. I feel that a political decision regarding the dispersal of these funds has to be made by the Chairman of the Finance Committee. One possibility would be to add language to my version of the bill to distribute them on a pro rata basis to all the districts within the State.

4. My proposed draft makes provision for funding for exceptional operating costs associated with the opening of new school sites. The fiscal note will reflect this cost, which is estimated by the Department to be \$650,000.

NOTE: In response to your question regarding how this money would be distributed on a pro rata basis - AS 14.17.225(b) establishes such a distribution.

5. My version has an immediate effective date, whereas the House version became effective on July 1, 1983. I included an immediate effective date at the request of a school district, which felt that this would allow them the luxury of additional planning time.

## II. Similarities

1. Both versions of HB 251 would distribute essentially the same amount of money to school districts for FY 84 which they have received for FY 83. Although the mechanics of doing it by ADM [as in CSHB 251(HESS)] are different than by instructional unit (as in my version), the Department has informed me that the amounts of money each district will receive for FY 84 would be the same under each version. The exception would be the \$650,000 available for new school sites under my version as noted above.

2. CSHB 251(HESS) suspends several statutes within Section 4. My version would have the same effect in the first sentence of Section 3.

CC: Senator Josephson

P R O P O S E D   D R A F T

FOR HOUSE BILL 251

\* Section 1. AS 14.17.031 is amended by adding a new subsection to read:

(f) Notwithstanding AS 14.17 the number of instructional units which may be paid to a district for fiscal year 1984 shall be its fiscal year 1983 revised instructional units adjusted by the fiscal year 1984 revised instructional units as provided by Section 4. These units shall be distributed in the manner prescribed in this section.

\* Sec. 2. AS 14.17.056 is amended by adding a new subsection to read:

(b) If the Department has not made recommendations to the legislature for changes in the foundation support system by January 9, 1984, the base instructional unit value for fiscal years beginning on or after July 1, 1984 shall be 105 per cent of the amount paid under Chapter 14.17 for fiscal year 1984.

\* Sec. 3. Notwithstanding AS 14.17 the difference between the total amount paid under that chapter for fiscal year 1983 and fiscal year 1984 shall only be increased as a result of increased enrollment or the opening of new school sites. If the amount appropriated for fiscal year 1984 is insufficient to meet the operating costs associated with the opening of new school sites, the available funds shall be distributed on a pro rata basis among the school districts which have opened new school sites.

\* Sec. 4. Notwithstanding the provisions of 14.17.250(9) the only junior high programs which may be counted separately during fiscal year 1984 for purposes of instructional units are those housed in a separate facility and At ADM of 50 or more. Notwithstanding the provisions of this section, any state aid which would otherwise be reduced as the result of this section, shall be distributed on a pro rata basis among school districts in accordance with AS 14.17.225(b).

\* Sec. 5. This Act takes effect immediately in accordance with AS 01.-10.070(c).

DEPARTMENT OF EDUCATION  
REVIEW FOR SENATE HESS  
USING FY84 ADM

SCHOOL DISTRICT	\$ PER ADM			XXXXX	TOTAL \$		
	100% Entitlement Current	97.2% Entitlement Current	HB 251		100% Entitlement Current	97.2% Entitlement Current	HB 251
Anchorage	3467	3372	3310	XXXXX	127,119.4	123,599.5	121,354.5
Bristol Bay	9816	9523	9732	XXXXX	2,125.2	2,066.4	2,111.8
Cordova	5238	5094	5029	XXXXX	2,294.4	2,230.9	2,202.7
Craig	7659	7447	6734	XXXXX	1,133.5	1,102.1	996.6
Dillingham	9043	8782	8673	XXXXX	3,666.8	3,565.2	3,521.2
Fairbanks	3805	3700	3688	XXXXX	36,941.7	35,918.8	35,806.8
Galena	10876	10576	9995	XXXXX	1,479.2	1,438.2	1,359.3
Haines	6031	5865	6345	XXXXX	2,382.4	2,316.4	2,506.3
Hoonah	6511	6331	6224	XXXXX	1,556.1	1,513.0	1,487.5
Hydaburg	9186	9220	9163	XXXXX	881.8	857.4	852.2
Juneau	3635	3534	3622	XXXXX	15,908.3	15,467.8	15,853.5
Kake	7715	7502	7109	XXXXX	1,504.4	1,462.7	1,386.3
Kenai	4096	3983	3900	XXXXX	29,786.6	28,961.9	28,364.7
Ketchikan	3485	3389	3399	XXXXX	8,277.8	8,048.5	8,072.6
King Cove	8790	8547	9376	XXXXX	1,160.2	1,128.1	1,237.6
Klawock	8834	8590	7417	XXXXX	1,086.6	1,056.5	912.3
Kodiak	5336	5188	5488	XXXXX	11,856.0	11,527.7	12,194.3
Mat-Su	3657	3556	3504	XXXXX	22,515.5	21,892.0	21,574.1
Nenana	9978	9702	10507	XXXXX	1,297.1	1,261.2	1,365.9
Nome	7617	7406	7165	XXXXX	5,803.9	5,643.2	5,459.7
North Slope	9138	8886	9202	XXXXX	9,869.6	9,596.3	9,938.2
Pelican	11,858	11,530	12438	XXXXX	664.0	645.7	696.5
Petersburg	4,149	4034	4049	XXXXX	2,381.4	2,315.5	2,324.1
Sand Point	8738	8496	8283	XXXXX	1,144.6	1,112.9	1,085.1
Sitka	3782	3678	3711	XXXXX	6,357.3	6,181.3	6,238.2
Skagway	5507	5361	5379	XXXXX	975.9	948.9	952.1
St. Mary's	15027	14612	14946	XXXXX	2,088.8	2,030.9	2,077.5
Tanana	15350	14925	13361	XXXXX	1,335.4	1,298.5	1,162.4
Unalaska	8558	8322	8210	XXXXX	1,591.9	1,547.8	1,527.1
Valdez	4887	4752	4786	XXXXX	4,491.2	4,366.8	4,398.3
Wrangell	4887	4753	4726	XXXXX	2,067.4	2,010.1	1,999.1
Yakutat	8390	8159	7749	XXXXX	1,392.8	1,354.2	1,286.3
TOTALS	4.024	3.913	3885	XXXXX	313,137.2	304,466.4	302,304.8
Centralized Corres.	2.588	2.517	2580*	XXXXX	2,1225	2,063.7	2,115.6*

\*correction

REAA	\$ PER ADM			XXXXX	TOTAL \$			HB 251 DL-874 Reductions
	100% Entitlement Current	97.2% Entitlement Current	HB 251		100% Entitlement Current	97.2% Entitlement Current	HB 251	
Adak	5834	5573	5,483	XXXXX	3,500.6	3,403.7	3289.8	708.5
Alaska Gateway	8472	8238	8,066	XXXXX	3,990.3	3,879.8	3799.1	278.8
Aleutian Region	15538	15100	15,606	XXXXX	2,097.7	2,039.6	2106.8	141.8
Annette Island	5278	5132	4,914	XXXXX	1,783.8	1,734.5	1660.9	573.1
Bering Strait	13138	12774	11,445	XXXXX	12,507.0	12,160.7	10895.6	710.9
Chatham	8542	8297	7,943	XXXXX	2,303.7	2,239.9	2144.6	207.0
Chugach	11352	11038	11,354	XXXXX	1,135.2	1,103.8	1135.4	31.2
Copper River	7093	6897	6,849	XXXXX	4,057.3	3,945.0	3917.6	197.6
Delta Greely	5536	5383	5,453	XXXXX	5,696.3	5,538.6	5611.1	451.5
Iditarod	13984	13597	13,894	XXXXX	4,712.6	4,582.1	4682.3	362.8
Kuspuk	15185	14765	15,059	XXXXX	5,026.3	4,887.1	4984.6	438.9
Lake & Peninsula	16242	15793	14,140	XXXXX	5,424.9	5,274.7	4722.8	499.2
Lower kuskokwim	10722	10424	10,171	XXXXX	26,060.0	25,338.4	24725.7	2,142.5
Lower Yukon	9331	9071	8,614	XXXXX	12,995.4	12,635.6	11999.3	1,790.5
Northwest Arctic	9265	9009	9,325	XXXXX	14,573.7	14,170.1	14668.3	1,639.8
Pribilof	9888	9615	9,954	XXXXX	1,849.1	1,797.9	1861.4	262.9
Railbelt	9623	9357	9,357	XXXXX	3,098.5	3,012.7	3012.9	65.5
Southeast Island	8853	8608	8,720	XXXXX	3,877.4	3,770.1	3819.4	422.2
Southwest Region	12991	12632	11,954	XXXXX	6,898.1	6,707.1	6347.6	739.5
Yukon Flats	14686	14280	14,376	XXXXX	4,758.3	4,626.6	4657.9	364.8
Yukon Koyukuk	12247	11908	11,867	XXXXX	6,540.0	6,358.9	6337.0	757.1
TOTALS	10,066	9787	214,544	XXXXX	132,886.2	129,206.9	126380.1	
STATE TOTAL	4880	4745		XXXXX	448,145.9	435,737.0	430,800.5	12,786.1

Less: PL-874 (Impact Aid Offset) for REAA's

PROJ. CONTROL #  
016.00007

REVISED

PRORATA PROJECTION SUMMARY

*Final*  
*97.22*

DISTRICT NAME	PROJ. ADM	INSTR. UNITS	INSTR. UNIT ALLOTMENT	BASIC NEED	AS 14.17.180	SUPPLEMENTAL EQUALIZATION AID	PL874	PRELIMINARY ENTITLEMENT	PRORATED ENTITLEMENT 0.9723102460	PER ACH
ANCHORAGE	34,797	2,627	42,450	111,516,150	0	6,922,194	0	118,438,344	115,158,815	3,310
BRISTOL BAY	211	28	65,797	1,842,315	0	259,436	0	2,111,752	2,053,278	9,732
CORDOVA	438	46	48,817	2,245,582	0	19,592	0	2,265,174	2,202,452	5,029
CRAIG	153	19	45,846	871,074	0	188,553	0	1,059,627	1,030,286	6,734
WILLINGHAM	378	43	65,797	2,829,271	0	542,188	0	3,371,459	3,278,104	8,673
FAIRBANKS (N.STAR)	9,441	753	47,544	35,800,632	0	0	0	35,800,632	31,809,321	3,888
GALENA	142	19	65,797	1,250,143	0	209,543	0	1,459,686	1,419,268	9,995
HAINES	389	52	48,817	2,538,484	0	0	0	2,538,484	2,468,194	6,345
HOQUAM	239	27	47,544	1,283,188	0	246,083	0	1,529,271	1,487,112	6,224
HYDABURG	93	17	45,846	779,382	0	0	0	779,382	852,147	9,163
JUNEAU	4,258	372	42,450	15,791,400	0	0	0	15,858,645	15,419,523	3,622
KAKE	208	29	45,846	1,329,534	0	191,097	0	1,520,631	1,478,525	7,109
KENAI	6,256	591	45,846	27,024,986	0	0	0	27,024,986	26,344,233	3,900
KETCHIKAN GATEWAY	2,368	195	42,450	8,277,750	0	0	0	8,277,750	8,048,541	3,399
KING COVE	121	16	63,675	1,018,800	0	147,916	0	1,166,716	1,134,410	9,376
KLAWOCK	152	23	45,846	1,054,458	0	104,967	0	1,159,425	1,127,321	7,417
KODIAK	2,143	216	49,242	10,636,272	0	1,458,909	0	12,095,181	11,760,268	5,488
HATANUSKA-SUSITNA	5,562	454	44,148	20,043,192	0	0	0	20,043,192	19,488,201	3,504
NENANA	128	23	50,940	1,171,620	0	211,484	0	1,383,104	1,344,806	10,507
NOME	758	73	65,797	4,803,181	0	781,933	0	5,585,114	5,430,464	7,165
NORTH SLOPE	1,022	142	65,797	9,672,159	0	0	0	9,672,159	9,404,339	9,202
PELICAN	52	13	47,544	618,072	0	47,089	0	665,161	646,743	12,438
PETERSBURG	574	50	44,148	2,207,400	0	182,683	0	2,390,083	2,323,902	4,049
SAND POINT	123	14	63,675	891,450	0	156,334	0	1,047,784	1,018,771	8,283
SITKA	1,608	139	44,148	6,136,572	0	0	0	6,136,572	5,966,652	3,711
SKAGWAY	177	18	45,846	825,228	0	153,820	0	979,048	951,938	5,379
ST. MARY'S	112	24	65,797	1,579,128	0	142,425	0	1,721,553	1,673,884	14,946
TANANA	92	17	65,797	1,118,549	0	145,590	0	1,264,139	1,229,135	13,361
UNALASKA	181	24	63,675	1,528,200	0	0	0	1,528,200	1,485,885	8,210
VALDEZ	863	87	48,817	4,247,079	0	0	0	4,247,079	4,129,478	4,786
WRANGELL	485	48	44,148	2,119,104	0	237,835	0	2,356,939	2,291,676	4,726
YAKUTAT	160	22	50,940	1,120,680	0	154,305	0	1,274,985	1,239,681	7,749
ADAK	594	54	59,430	3,209,220	0	842,039	708,163	3,349,628	3,256,878	5,483
ALASKA GATEWAY	473	71	50,940	3,616,740	0	585,628	278,754	3,923,614	3,814,970	8,066
ALEUTIAN	129	32	63,675	2,037,600	0	174,586	141,794	2,070,392	2,013,063	15,606
ANNETTE	336	43	44,148	1,898,364	0	372,695	573,066	1,697,993	1,650,976	4,914
BERING STRAIT	218	161	65,797	10,593,317	0	922,599	710,916	10,805,000	10,505,812	11,445
CHATHAM	272	48	45,846	2,200,608	0	228,348	207,005	2,221,851	2,160,328	7,943
CHUGACH	75	16	50,940	815,040	0	91,887	31,161	875,766	851,516	11,354
COPPER RIVER	582	71	50,940	3,616,740	0	679,966	197,564	4,099,142	3,985,638	6,849
DELTA/GREELEY	949	92	50,940	4,686,480	0	1,086,720	451,513	5,321,687	5,174,331	5,453
IDITAROD	327	69	65,797	4,539,993	0	495,324	362,753	4,672,564	4,543,182	13,894
KUSPUK	324	75	65,797	4,934,775	0	522,226	438,956	5,018,045	4,879,097	15,059
LAKE & PENINSULA	363	80	65,797	5,263,760	0	514,314	499,163	5,278,911	5,132,739	14,140
LOWER KUSKOKWIM	2,416	372	65,292	24,426,484	0	2,932,126	2,142,535	25,271,075	24,571,325	10,171
LOWER YUKON	1,392	186	65,797	12,238,242	0	1,883,179	1,790,533	12,330,888	11,989,449	8,614
NORTHWEST ARCTIC	1,500	208	65,797	13,685,776	0	2,338,940	1,639,750	14,384,966	13,986,650	9,325
FRIDLOF	168	27	63,675	1,719,225	0	263,410	262,897	1,719,738	1,672,119	9,954
RAILBELT	327	55	50,940	2,801,200	0	410,430	65,449	3,146,681	3,059,550	9,357
SOUTHEAST	434	84	45,846	3,851,064	0	463,112	432,156	3,892,020	3,784,251	8,720

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STATE OF ALASKA

22-Feb-83

DEPARTMENT OF EDUCATION

PAGE 2

PROJ. CONTROL #  
016.00007

REVISED

PRORATA PROJECTION SUMMARY

DISTRICT NAME	PROJ. ADM	INSTR. UNITS	INSTR. UNIT ALLOTMENT	BASIC NEED	AS 14,17,180	SUPPLEMENTAL EQUALIZATION AID	PLB74	PRELIMINARY ENTITLEMENT	PRORATED		PER ADM
									0.9723102460	102460	
SOUTHWEST	532	99	65,797	4,513,903	0	765,932	239,531	4,540,304	6,359,205		11,954
YUKON FLATS	316	69	65,797	4,539,993	0	496,906	364,798	4,672,101	4,542,732		14,376
YUKON KOYUKUK	556	101	65,797	6,645,497	0	897,279	757,128	6,785,648	6,597,755		11,867
CENTRAL CORRESPOND	790	48	42,450	2,037,600	0	0	0	2,037,600	1,981,179		2,508
CITY/BOR. TOTAL:	74,184	6,226		284,241,536	0	12,678,254	0	296,919,790	288,698,153		3,892
R.E.A.A. TOTAL:	12,983	2,013		123,884,521	0	16,979,546	12,786,053	128,078,014	124,531,566		9,592
CENTRAL CORRES.:	790	48		2,037,600	0	0	0	2,037,600	1,981,179		2,508
GRAND TOTALS:	87,957	8,287		410,163,657	0	29,657,800	12,786,053	427,035,404	415,210,898		4,721



## Average Salary Reports

		Special Education		Elementary/Secondary	
		Bachelors	Masters	Bachelors	Masters
REGION 1	1980-81	12,086	12,850	11,885	12,850
	1981-82	12,651	13,750	12,410	13,417
	1982-83	13,275	14,500	13,038	14,250
REGION 2	1980-81	11,612	12,537	11,612	12,537
	1981-82	12,505	13,510	12,505	13,510
	1982-83	13,000	14,922	13,707	14,772
REGION 3	1980-81	13,106	14,854	12,733	14,361
	1981-82	14,157	15,389	13,742	15,475
	1982-83	15,061	16,550	14,421	15,700
REGION 4	1980-81	11,424	13,981	11,224	13,032
	1981-82	13,291	15,438	12,758	14,883
	1982-83	12,789	—	12,051	—
REGION 5	1980-81	11,040	11,688	10,275	10,950
	1981-82	11,792	12,503	11,175	11,725
	1982-83	12,903	13,813	12,642	13,302
REGION 6	1980-81	11,524	12,450	11,014	12,425
	1981-82	12,078	13,396	11,496	12,567
	1982-83	11,750	12,750	12,000	12,750
REGION 7	1980-81	11,896	12,947	11,583	12,930
	1981-82	12,503	13,958	12,090	14,040
	1982-83	13,213	15,477	12,890	15,054
REGION 8	1980-81	11,000	11,750	11,000	11,750
	1981-82	11,875	12,500	11,875	12,500
	1982-83	12,875	13,875	12,875	13,875
REGION 9	1980-81	9,500	10,500	9,354	10,500
	1981-82	10,000	11,100	10,332	11,100
	1982-83	10,500	11,750	10,365	11,000
ALASKA	1980-81	21,000	24,000	21,000	24,000
	1981-82	22,000	25,000	22,000	25,000
	1982-83	22,000	25,000	22,000	25,000
HAWAII	1980-81	—	—	—	—
	1981-82	13,271	14,245	13,271	14,245
	1982-83	14,598	15,669	14,598	15,669

The above average salary reports for beginning teachers are from data furnished by survey respondents. The averages in some cases are based upon limited salary input, thus reliability is not assured.

Regions are coded as follows: Alaska, Hawaii, 1-Northwest, 2-West, 3-Flock, Mountain, 4-Great Plains Midwest, 5-South Central, 6-Southeast, 7-Great Lakes, 8-Middle Atlantic, 9-Northeast.

— indicates data were not available

SOURCE: Association for School, College and University Staffing—James N. Akin

Field	REGION											Continental United States						
	Alaska	Hawaii	1	2	3	4	5	6	7	8	9	1983	1982	1981	1980	1979	1978	1976
Agriculture	1.00	4.00	4.00	3.50	4.33	4.00	4.25	4.50	4.66	3.75	3.00	4.02	4.36	4.46	4.73	4.67	4.69	4.06
Art	1.00	1.00	1.14	1.33	1.85	2.85	2.92	1.80	1.83	1.66	1.60	1.92	1.84	2.00	2.45	2.06	1.72	2.14
Bilingual Education	3.00	3.00	3.83	4.66	4.00	4.60	4.00	5.00	2.50	3.16	3.00	3.83	4.13	4.10	4.21	4.32	—	—
Business Education	4.00	4.00	3.33	5.00	3.00	3.16	2.68	3.00	3.16	3.80	3.00	3.24	3.47	3.50	3.80	3.65	3.52	3.10
Counselor-El.	3.00	4.00	2.83	3.40	3.20	3.60	4.41	3.00	2.50	2.00	2.33	3.03	2.72	3.05	3.38	2.96	3.00	3.15
Counselor-Sec.	3.00	4.00	2.80	2.83	3.20	3.50	2.81	3.50	2.66	2.00	2.33	2.83	2.79	3.13	3.76	3.03	3.31	2.59
Data Processing	2.50	—	4.00	4.00	4.50	4.50	4.66	4.40	4.25	4.40	4.50	4.36	3.86	4.35	—	—	—	—
Driver's Ed.	1.00	3.00	2.50	3.00	2.83	2.60	3.85	3.66	2.60	1.50	3.00	2.94	2.77	2.87	2.98	3.06	2.63	2.44
Elementary-Primary	1.00	1.00	2.00	2.66	2.11	1.85	3.43	1.60	1.66	1.83	1.33	2.11	2.02	2.24	2.77	2.19	2.84	1.78
Elementary-Inter.	1.00	1.00	1.79	2.66	2.20	2.28	3.35	1.80	1.83	1.83	1.00	2.11	2.26	2.56	2.84	2.33	1.97	1.90
English	1.00	3.00	2.36	3.00	2.10	3.71	3.62	2.80	2.66	3.00	2.60	2.90	3.21	3.37	3.51	2.78	2.30	2.05
Health Ed.	4.00	2.00	1.57	1.25	1.82	2.00	1.91	1.40	1.80	2.16	1.75	1.76	1.90	2.24	2.17	2.16	2.38	2.27
Home Economics	4.00	2.00	2.50	2.00	2.50	2.60	2.58	2.25	2.33	2.75	2.33	2.44	2.43	2.54	2.85	2.67	2.37	2.62
Industrial Arts	3.00	4.00	3.50	3.33	4.00	3.60	3.91	4.66	4.00	4.60	4.00	3.96	4.36	4.72	4.77	4.68	4.65	4.22
Journalism	3.00	1.00	2.50	1.75	2.25	3.16	3.50	2.40	2.66	2.66	1.50	2.63	2.61	2.77	2.98	2.50	2.54	2.86
Language-French	3.00	2.00	2.28	2.00	2.20	3.00	2.80	3.25	3.33	2.50	2.00	2.59	2.49	2.58	2.68	2.49	2.15	2.15
Language-German	3.00	2.00	2.14	1.83	2.16	3.14	2.50	3.66	3.16	2.33	1.66	2.51	2.48	2.58	2.70	2.17	2.28	2.03
Language-Spanish	3.00	2.00	2.85	2.33	2.71	3.00	2.83	3.50	3.16	2.40	2.20	2.77	2.68	2.95	3.34	2.88	2.84	2.47
Library Science	3.00	3.00	3.00	3.66	2.74	3.33	3.33	3.75	3.20	2.00	2.00	3.09	3.12	3.31	3.58	4.26	—	—
Mathematics	3.00	4.00	4.42	4.66	4.85	5.00	4.71	5.00	4.83	4.83	4.50	4.75	4.81	4.79	4.80	4.68	4.40	3.86
Music-Instr.	2.00	2.00	3.18	3.16	3.42	3.71	2.71	2.40	3.33	2.33	2.16	2.97	3.28	3.33	3.65	3.33	3.30	3.03
Music-Vocal	1.00	—	3.42	2.83	3.28	3.57	2.66	2.40	3.16	2.33	2.00	2.89	2.95	3.06	3.32	2.97	3.03	3.00
Physical Education	2.00	1.00	1.14	1.33	1.50	1.42	2.00	1.80	1.33	2.00	1.20	1.54	1.72	1.70	1.82	1.67	1.86	1.74
Psychologist (school)	1.00	—	3.25	3.40	3.60	3.80	2.80	3.00	3.00	3.00	2.75	3.19	3.56	3.70	3.87	3.43	3.68	3.09
Science-Biology	1.00	5.00	3.14	3.33	2.71	3.57	3.87	3.20	4.16	4.16	3.60	4.10	3.66	3.89	3.50	3.49	3.11	2.97
Science-Chemistry	1.00	5.00	3.71	3.83	3.85	4.57	4.50	4.00	5.00	4.83	4.40	4.30	4.13	4.42	4.18	4.09	3.97	3.72
Science-Earth	1.00	5.00	3.37	3.33	3.71	4.00	4.00	3.80	4.00	4.16	4.00	3.80	3.89	4.08	3.64	3.82	3.50	3.44
Science-Physics	1.00	5.00	3.85	3.83	4.28	5.00	4.42	4.40	5.00	4.83	4.60	4.46	4.41	4.56	4.28	4.36	3.91	4.04
Social Science	1.00	1.00	1.16	1.40	1.42	2.00	2.87	2.00	2.00	1.50	1.00	1.75	2.11	2.05	1.98	1.83	1.51	1.51
Social Worker (school)	4.00	—	2.25	1.66	3.00	3.00	2.00	1.50	2.00	2.33	3.00	2.27	2.34	—	—	—	—	—
Speech	3.00	1.00	2.00	2.50	2.40	2.57	3.14	2.33	2.00	3.20	1.00	2.51	2.76	2.65	2.50	2.47	2.48	2.46
Special-ED (PSA)	3.00	5.00	3.66	3.60	4.25	4.42	4.42	4.60	4.33	3.50	3.60	4.08	3.98	4.22	4.36	4.22	3.96	3.42
Special-Gifted	3.00	—	3.33	3.80	4.33	4.00	4.00	4.25	3.75	3.25	3.50	3.80	3.81	4.10	4.33	4.56	3.95	3.85
Special-LD	3.00	5.00	3.66	3.50	4.67	4.28	4.50	4.80	3.83	3.00	4.50	4.09	4.20	4.47	4.48	4.50	4.45	4.00
Special-MR	3.00	5.00	3.66	3.63	3.80	3.71	4.37	3.60	3.33	3.50	3.25	3.71	3.84	4.14	4.23	4.39	3.52	2.87
Special-Multi. Handl.	3.00	5.00	3.50	3.75	3.50	4.33	4.50	4.00	3.60	3.50	3.25	3.82	3.93	4.13	3.87	3.24	—	—
Special-Reading	3.00	—	3.28	3.33	3.91	3.33	4.14	4.00	2.83	3.16	2.50	3.39	3.73	4.21	4.23	4.27	4.09	3.96
Speech Path/Audiology	5.00	3.00	2.66	4.20	4.00	4.00	3.50	5.00	4.16	3.20	4.00	3.62	3.95	4.27	4.17	3.83	3.83	3.68
COMPOSITE	2.36	3.13	2.93	3.02	3.09	3.37	3.52	3.11	3.14	3.01	2.73	3.14	3.20	3.39	—	—	—	—

Regions are coded as follows: Alaska, Hawaii, 1-Northwest, 2-West, 3-Rocky Mountain, 4-Great Plains/Midwest, 5-South Central, 6-Southeast, 7-Great Lakes, 8-Middle Atlantic, 9-Northeast. Alaska and Hawaii are not included in the Continental United States totals.

5 = Considerable Shortage, 4 = Slight Shortage, 3 = Balanced, 2 = Slight Surplus, 1 = Considerable Surplus

— indicates data were not available

SOURCE: Association for School, College and University Staffing—James N. Akin

March 1, 1983

Rep. Tischer

Attached is the complete composite audit report put out by DOE on all school district audits.

Two sheets are marked relative to fund balances. These need some explaining and I will be happy to do so at your convenience.

CITY AND BOROUGH SCHOOL DISTRICTS  
SCHOOL OPERATING FUND BALANCES  
FISCAL YEAR 1982 AUDITED

School District	Fiscal Year 1981					Fiscal Year 1982				
	Reserved for Encumbrs	Reserved Other	Designated for School Year Expend	Undesignated	Total FY 81 Op Fund Balance	Reserved for Encumbrs	Reserved Other	Designated for School Year Expend	Undesignated	Total FY 82 Op Fund Balance
Anchorage	1,336,031	-0-	2,884,161	3,313,988	7,534,180	2,219,053	-0-	5,583,988	383,256	8,186,297
Bristol Bay	21,502	-0-	73,477	122,760	217,739	-0-	821	250,000	79,268	330,050
Cordova	-0-	2,706	-0-	128,570	131,276	7,851	-0-	129,232	78,470	215,703
Craig	-0-	-0-	-0-	(9,237)	(9,237)	-0-	-0-	-0-	(168,036)	(168,036)
Dillingham	24,926	24,083	120,678	285,194	454,881	24,926	23,029	-0-	412,996	460,950
Fairbanks	284,723	-0-	-0-	-0-	284,723	425,776	-0-	-0-	-0-	425,776
Galena	-0-	178,448	-0-	471,375	649,823	-0-	478,305	-0-	148,399	626,130
Haines	-0-	200,000	274,994	350,832	825,826	37,240	-0-	270,307	327,070	634,587
Hoonah	-0-	-0-	-0-	75,963	75,963	-0-	-0-	-0-	(19,290)	(19,290)
Hydaburg	-0-	-0-	-0-	36,423	36,423	-0-	-0-	-0-	121,624	121,624
Juneau	-0-	-0-	-0-	(170,661)	(170,661)	-0-	-0-	-0-	(502,222)	(502,222)
Kake	-0-	-0-	-0-	74,068	74,068	-0-	-0-	-0-	24,727	24,727
Kenai	-0-	-0-	1,394,770	-0-	1,394,770	-0-	-0-	302,208	-0-	302,208
Ketchikan	128,971	255,989	-0-	109,631	494,591	63,423	109,631	24,563	-0-	197,617
King Cove	-0-	-0-	188,526	519,793	708,319	-0-	-0-	488,526	370,802	859,330
Klawock	-0-	-0-	-0-	196,993	196,993	-0-	-0-	-0-	297,003	297,003
Kodiak	39,063	-0-	-0-	-0-	39,063	84,822	-0-	-0-	-0-	84,822
Mat-Su	-0-	700	-0-	-0-	700	-0-	700	-0-	-0-	700
Nenana	7,928	40,000	66,206	209,306	323,440	10,233	-0-	148,336	-0-	158,569
Nome	25,686	-0-	295,502	(3,706)	317,482	115,108	22,288	295,502	7,361	440,259
North Slope	-0-	66,500	-0-	(175,545)	(109,045)	-0-	446,398	-0-	-0-	446,398
Pelican	-0-	-0-	-0-	30,566	30,566	-0-	-0-	-0-	40,898	40,898
Petersburg	-0-	-0-	-0-	(103,910)	(103,910)	-0-	-0-	-0-	(170,387)	(170,387)
Sand Point	-0-	2,861	-0-	(13,227)	(10,366)	-0-	-0-	-0-	54,168	54,168
Sitka	-0-	11,933	-0-	286,163	298,096	-0-	6,042	-0-	445,381	451,423
Skagway	12,671	-0-	107,085	-0-	119,756	-0-	-0-	133,000	13,618	146,618
St. Mary's	-0-	163,541	-0-	110,792	274,333	-0-	153,400	500,000	61,243	714,643
Unalaska	8,517	16,181	100,000	201,013	325,711	670	6,533	132,054	185,457	324,660
Valdez	-0-	757,072	590,530	460,619	1,808,221	-0-	828,388	1,051,149	430,233	2,309,770
Wrangell	13,985	18,269	68,000	22,952	123,206	-0-	12,280	68,000	59,938	140,224
Yakutat	-0-	2,876	-0-	1,216	4,092	-0-	1,727	-0-	(56,416)	(56,416)
<b>TOTALS</b>	<b>1,904,003</b>	<b>1,741,159</b>	<b>6,163,929</b>	<b>6,531,931</b>	<b>16,341,022</b>	<b>2,989,102</b>	<b>2,089,542</b>	<b>9,376,865</b>	<b>2,625,561</b>	<b>17,081,009</b>

RURAL EDUCATION ATTENDANCE AREAS REVENUE  
SCHOOL OPERATING FUND  
FISCAL YEAR 1982 AUDITED

REAA	Earnings on Investm'ts	Other Local Revenue	Regular Foundatn	Voc Ed Foundatn	Spec Ed Foundatn	Correspd Foundatn	811/81c Foundatn	Supplcm'tl Equaliz'tn Aid	State Transp	Other State Revenue	Federal PL 874	Other Federal Revenue	Total Revenue	Final ADH 1981-82	Revenue Per ADH
Adak	280,284	4,600	2,431,164	162,079	216,104	-0-	-0-	795,374	112,786	-0-	204,388	-0-	4,206,779	594	7,082
Alaska Gateway	159,858	5,360	2,500,534	231,540	231,540	185,232	138,924	522,601	244,518	-0-	81,328	-0-	4,301,535	478	8,999
Aleutian Region	8,200	63,344	1,505,010	57,885	115,770	-0-	57,885	151,177	-0-	-0-	41,104	-0-	2,000,303	114	17,547
Annette Island	142,567	979	1,324,422	120,602	160,536	-0-	-0-	338,488	9,033	-0-	165,818	-0-	2,262,245	351	6,445
Bering Strait	147,629	115,928	5,502,980	777,595	358,890	179,445	418,705	616,266	36,373	-0-	205,705	77,827	8,437,343	583	14,472
Chatham	111,241	80,138	1,208,633	83,354	83,354	125,031	-0-	184,741	-0-	-0-	189,384	4,021	2,069,897	207	9,999
Chugach	23,544	2,808	602,720	-0-	-0-	-0-	-0-	58,806	-0-	-0-	4,458	-0-	602,336	75	9,231
Copper River	140,016	21,826	2,546,940	185,232	231,540	277,848	46,308	650,200	425,624	708	64,913	-0-	4,591,155	555	8,272
Delta/Greely	156,451	1,758	2,782,054	185,232	509,388	277,848	-0-	934,246	384,589	-0-	139,928	12,710	5,386,204	887	6,072
Iditarod	121,871	27,090	3,110,380	239,260	119,630	179,445	119,630	444,285	-0-	2,096	105,265	20,676	4,489,628	313	14,344
Kuspuk	81,472	23,874	3,807,975	239,260	119,630	179,445	179,445	503,045	20,861	-0-	127,013	-0-	5,362,020	330	16,248
Lake & Peninsula	95,698	10,552	4,007,605	239,260	179,445	179,445	179,445	470,080	36,647	-0-	151,152	-0-	5,549,329	325	17,075
Lower Kuskokwim	632,578	23,166	12,381,705	1,734,635	1,076,670	-0-	2,153,340	2,558,220	140,793	-0-	635,366	-0-	21,336,473	1,856	11,496
Lower Yukon	434,447	1,147,552	8,100,027	706,365	423,739	-0-	518,001	1,625,222	-0-	-0-	518,095	43,782	13,517,230	1,190	11,359
Northwest Arctic	910,949	681,277	7,568,751	796,711	547,739	199,178	348,561	2,035,111	-0-	-0-	1,898,236	-0-	14,986,513	1,478	10,140
Pribilof	148,108	8,513	1,041,930	57,885	173,655	-0-	115,770	227,459	-0-	-0-	76,070	-0-	1,849,390	172	10,752
Railbelt	120,499	5,365	1,883,221	175,183	131,388	131,388	-0-	363,934	220,207	-0-	133,144	-0-	3,172,329	335	9,470
Southeast Island	156,517	10,931	3,000,744	83,354	166,708	333,416	-0-	412,422	15,671	-0-	82,780	-0-	4,262,543	420	10,119
Southwest Region	552,638	67,319	4,545,940	299,075	299,075	-0-	717,780	643,496	3,398	18,523	167,361	28,586	7,343,191	484	15,172
Yukon Flats	64,703	14,126	3,289,825	179,445	179,445	179,445	179,445	408,455	20,976	13,466	105,902	-0-	4,635,233	314	14,762
Yukon/Koyukuk	114,068	5,776	4,126,235	573,008	286,544	401,162	171,926	844,141	-0-	-0-	108,522	-0-	6,711,522	567	11,837
<b>TOTALS</b>	<b>4,611,346</b>	<b>2,324,282</b>	<b>77,348,895</b>	<b>7,126,840</b>	<b>5,610,790</b>	<b>2,828,328</b>	<b>5,345,165</b>	<b>14,787,769</b>	<b>1,671,476</b>	<b>34,793</b>	<b>5,285,992</b>	<b>187,602</b>	<b>127,163,278</b>	<b>11,620</b>	<b>10,936</b>