

ALASKA LEGISLATURE COMMITTEE FILES 1905-1900 00/2

3931

SHEP

SB 147

807

CSSB 147 (HESS) \$20,536,144 for new students
 \$ 1,000,000 impact account

Doc # round 10. 1/2
Sundra

STATE OF ALASKA-DOE
 PUBLIC SCHOOL FOUNDATION PROGRAM

School District	Revised FY85 State Aid (1)	Revised FY 85 ADM (2)	Initial FY 86 ADM (3)	Col 2 Col 1 (4)	S/ADM SB 147 (5)	Col.2 Col.5 (6)	14.17.031d Adjust. (7)	Adjust PL874 Aid (8)	Col.6 +Col.7 -Col.8 (9)	Student Enroll. Incr. Acct. (10)	Est. FY86 State Aid Col.9+Col.10 (11)
Anchorage	\$128,472,650	37,325	39,063	1,738	\$3,473	\$129,629,725			\$129,629,725	\$6,595,270	\$136,224,995
Anchorage On Base	\$8,305,546	2,413	2,500	87	\$3,473	\$8,380,349			\$8,380,349	\$330,143	\$8,710,492
Bristol Bay	\$2,317,709	229	219	-10	\$10,121	\$2,317,709			\$2,317,709		\$2,317,709
Cordova	\$1,997,860	382	382		\$5,230	\$1,997,860			\$1,997,860		\$1,997,860
Craig	\$1,231,830	148	168	20	\$8,199	\$1,213,452			\$1,213,452	\$75,895	\$1,289,347
Dillingham	\$3,851,540	427	451	24	\$9,020	\$3,851,540			\$3,851,540	\$91,074	\$3,942,614
Fairbanks	\$39,744,796	10,361	10,796	435	\$4,089	\$42,366,129			\$42,366,129	\$1,650,715	\$44,016,844
Fairbanks On Base	\$8,654,016	2,256	2,300	44	\$4,089	\$9,224,784			\$9,224,784	\$166,969	\$9,391,753
Fbks Contract Fee	\$607,237										
Galena	\$1,517,670	146	144	-2	\$10,395	\$1,517,670			\$1,517,670		\$1,517,670
Haines	\$2,514,219	381	368	-13	\$6,599	\$2,514,219			\$2,514,219		\$2,514,219
Hoonaah	\$1,385,222	214	210	-4	\$6,473	\$1,385,222			\$1,385,222		\$1,385,222
Hydaburg	\$953,000	100	98	-2	\$9,530	\$953,000			\$953,000		\$953,000
Juneau	\$17,143,617	4,551	4,700	149	\$3,810	\$17,339,310			\$17,339,310	\$565,417	\$17,904,727
Kake	\$1,500,779	203	207	4	\$7,393	\$1,500,779			\$1,500,779	\$15,179	\$1,515,958
Kenai	\$31,543,512	7,777	8,340	563	\$4,056	\$31,543,512			\$31,543,512	\$2,136,443	\$33,679,955
Ketchikan	\$8,448,650	2,390	2,406	16	\$3,956	\$9,454,840			\$9,454,840	\$60,716	\$9,515,556
King Cove	\$1,116,489	109	106	-3	\$9,751	\$1,062,859	\$26,815		\$1,089,674		\$1,089,674
Klawock	\$1,203,384	156	156		\$7,714	\$1,203,384			\$1,203,384		\$1,203,384
Kodiak	\$12,791,628	2,241	2,250	9	\$5,708	\$12,791,628			\$12,791,628	\$34,153	\$12,825,781
Kat-Su	\$29,068,188	7,977	9,032	1,055	\$3,764	\$30,025,428			\$30,025,428	\$4,003,458	\$34,028,886
Nenana	\$1,300,313	119	138	19	\$10,927	\$1,300,313			\$1,300,313	\$72,100	\$1,372,413
Nome	\$5,849,820	785	815	30	\$7,452	\$5,849,820			\$5,849,820	\$113,842	\$5,963,662
North Slope	\$10,326,030	1,079	1,091	12	\$9,570	\$10,326,030			\$10,326,030	\$45,537	\$10,371,567
Pelican	\$675,806	44	49	5	\$12,936	\$569,184	\$71,081		\$640,265	\$18,974	\$659,239
Petersburg	\$2,568,073	601	601		\$4,446	\$2,672,046			\$2,672,046		\$2,672,046
Sand Point	\$951,847	98	97	-1	\$8,614	\$844,172	\$53,838		\$898,010		\$898,010
Sitka	\$6,124,233	1,587	1,386	-1	\$4,112	\$6,525,744			\$6,525,744		\$6,525,744
Skagway	\$872,664	145	130	-15	\$5,594	\$811,130			\$811,130		\$811,130
St Mary's	\$1,709,840	110	111	1	\$15,544	\$1,709,840			\$1,709,840	\$3,795	\$1,713,635
Tanana	\$1,132,442	71	84	13	\$13,895	\$986,545	\$72,949		\$1,059,494	\$49,332	\$1,108,826
Unalaska	\$1,370,349	140	139	-1	\$8,538	\$1,195,320	\$87,515		\$1,282,835		\$1,282,835
Valdez	\$3,981,600	800	800		\$4,977	\$3,981,600			\$3,981,600		\$3,981,600
Wrangell	\$2,221,580	452	471	19	\$4,915	\$2,221,580			\$2,221,580	\$72,100	\$2,293,680
Yakutat	\$1,353,912	168	165	-3	\$8,059	\$1,353,912			\$1,353,912		\$1,353,912
Subtotal(c & b)	\$344,808,051	85,985	90,173	4,183		\$350,620,635	\$312,198		\$350,932,833	\$16,101,111	\$367,033,944

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
49	Adak	\$2,460,227	577	575	-2	\$6,909	\$3,986,493			\$1,526,266	\$2,460,227			\$2,460,227
50	Alaska Gateway	\$3,805,198	490	493	3	\$8,985	\$4,402,650			\$597,452	\$3,805,198	\$11,384		\$3,816,582
51	Aleutian Region	\$1,798,180	99	118	19	\$17,341	\$1,716,759		\$199,431	\$217,700	\$1,698,490	\$72,100		\$1,770,590
52	Annette Island	\$1,421,568	383	383		\$6,835	\$2,617,805			\$1,196,237	\$1,421,568			\$1,421,568
53	Bering Strait	\$12,170,049	1,181	1,195	14	\$12,685	\$14,980,985			\$2,810,936	\$12,170,049	\$53,126		\$12,223,175
54	Chathaw	\$2,269,074	314	310	-4	\$9,029	\$2,835,106			\$566,032	\$2,269,074			\$2,269,074
55	Chugach	\$1,270,249	112	133	21	\$12,228	\$1,369,536			\$99,287	\$1,270,249	\$79,690		\$1,349,939
56	Copper River	\$4,181,362	570	556	-14	\$7,465	\$4,255,050			\$92,110	\$4,162,940			\$4,162,940
57	Delta Greely	\$5,071,587	980	1,061	81	\$6,152	\$6,028,960			\$957,373	\$5,071,587	\$307,374		\$5,378,961
58	Iditarod	\$5,471,649	388	404	16	\$15,571	\$6,041,548			\$569,899	\$5,471,649	\$60,716		\$5,532,365
59	Kuspuk	\$5,199,569	349	392	43	\$17,031	\$5,943,819			\$744,250	\$5,199,569	\$163,174		\$5,362,743
60	Lake & Peninsula	\$5,006,999	365	364	-1	\$16,095	\$5,874,675			\$867,676	\$5,006,999			\$5,006,999
61	Lower Kuskokwim	\$20,954,979	2,338	2,990	652	\$11,474	\$26,826,212			\$5,871,233	\$20,954,979	\$2,474,175		\$23,429,154
62	Lower Yukon	\$9,515,225	1,335	1,501	166	\$10,259	\$13,695,765			\$4,180,540	\$9,515,225	\$629,928		\$10,145,153
63	Northwest Arctic	\$13,197,994	1,480	1,511	31	\$10,802	\$15,986,960			\$2,788,966	\$13,197,994	\$117,637		\$13,315,631
64	Pribilof	\$1,339,757	158	163	5	\$11,934	\$1,885,577			\$545,815	\$1,339,757	\$18,974		\$1,358,731
65	Railbelt	\$3,362,937	345	356	11	\$9,933	\$3,426,885			\$63,948	\$3,362,937	\$41,742		\$3,404,679
66	Southeast Island	\$3,749,644	451	452	1	\$10,052	\$4,533,452			\$783,808	\$3,749,644	\$3,795		\$3,753,439
67	Southwest Region	\$5,333,605	490	490		\$13,837	\$6,780,130			\$1,446,525	\$5,333,605			\$5,333,605
68	Yukon Flats	\$5,620,321	372	389	17	\$16,118	\$5,995,896			\$375,575	\$5,620,321	\$64,511		\$5,684,832
69	Yukon Koyukuk	\$6,498,314	567	559	-8	\$13,719	\$7,778,673			\$1,280,359	\$6,498,314			\$6,498,314
70														
71	Subtotal (REAA'S)	\$119,698,487	13,344	14,395	1,052		\$146,962,931		\$199,431	\$27,581,987	\$119,580,375	\$4,098,327		\$123,678,702
72														
73	Cent Corr Study	\$2,362,848	906	1,000	94	\$2,608	\$2,362,848				\$2,362,848	\$356,706		\$2,719,554
74														
75	Total	\$466,869,386	100,235	105,568	5,333		\$499,946,414		\$511,629	\$27,581,987	\$472,876,056	\$20,556,144		\$493,432,200

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES

POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835



Senate Committee on Health, Education and Social Services

LETTER OF INTENT FOR CS SB 147 (HESS)

Since suspension of the school foundation formula in 1983, state aid to school districts has been calculated based on the number of students in average daily membership. Pending development of a revised foundation formula, CS SB 147 (HESS) provides for continuation of state aid on a per-student basis.

The Legislature recognizes that the existing funding rates have created hardships for some districts, and that current state budget restraints limit the increase in assistance that can be provided this fiscal year. To address these hardship cases, Section 5 of CS SB 147 (HESS) establishes an interim assistance account as a source of funds for school districts that experience unique or emergency circumstances that cannot be remedied using other funds available to the school district for FY 86.

It is the intent of the Legislature that the interim assistance account consist of monies appropriated by the Legislature and monies that become available from the student enrollment increase account established in Section 2 of the bill.

Under existing law, state aid for increased enrollment is provided based on estimated enrollments submitted to the Department by each school district during the preceding fiscal year. To validate enrollments and ensure that an accurate amount of funds is provided to school districts, Section 2 would require a monthly recomputation and reporting to the Department of new student populations. It is the intent of the Legislature that any excess funds available through an overestimate of new student population be distributed through the interim assistance account to eligible districts.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 26, 1985

SUBJECT: Legislative approval of disbursement of funds
(CSSB 147 (Finance))

TO: Senator Jan Faiks *KBL*
Chair, Senate Finance Committee

FROM: Keith B. Levy
Legislative Counsel

Section 5 of the CSSB 147 (Finance) sets up a special account in the Department of Education to meet the emergency needs of the school districts. An amendment to that section, added in committee to this version of the bill, requires approval of the Legislative Budget and Audit Committee before funds in the account may be disbursed. This provision is probably unconstitutional.

In State v. A.L.I.V.E. Voluntary, 606 P.2d (1980), the Alaska Supreme Court found unconstitutional a statutory provision that permitted the legislature to annul executive regulations by concurrent resolution. The Court's ruling was based on the finding that, while the legislature does have the power to annul or amend regulations, it may do so only by enacting a law, not by mere resolution. The Court's reasoning was that Article II of the State Constitution sets out a number of requirements for the passage of a law, including provisions that no bill may become law unless the governor has had the opportunity to veto it (Art. II, Sec. 15). Since the statute in A.L.I.V.E. permitted the legislature to annul regulations by resolution, without the governor's approval, it violated this portion of the constitution.

Like the statute struck down in A.L.I.V.E., the provision in CSSB 147 (Finance) gives the executive branch statutory authority, and then allows the legislature to withdraw that authority without enacting a law that the governor has an

Senator Jan Faiks
April 26, 1985
Page 2

opportunity to veto. Accordingly, the provision in CSSB 147 (Finance) is probably unconstitutional.

This problem could be avoided by allowing the Legislative Budget and Audit Committee to review proposed expenditures from the account without requiring the committee's approval. A similar approach is used in AS 37.07.080(h), a copy of which is attached. Under that section, before the governor may spend additional program receipts, a revised program must be submitted to the Legislative Budget and Audit Committee for review. No money may be spent for 45 days unless recommended by the committee within that time period. If the committee recommends within the 45 days that the money not be spent, and the governor decides to spend it anyway, the governor must submit a statement of the reasons to the committee. This procedure gives the Legislative Budget and Audit Committee an opportunity to review the expenditures, but avoids the constitutional problem because the committee does not actually have the power to stop the expenditure.

If I may be of further assistance please feel free to contact me.

KBL:ojb
J14/050

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finance committees only through the 60th legislative day. (§ 1 ch 188 SLA 1970; am § 1 ch 66 SLA 1977; am § 9 ch 168 SLA 1978; am § 6 ch 2 SLA 1982; am §§ 7, 8 ch 63 SLA 1983)

Effect of amendments. — The 1982 amendment rewrote this section. The 1983 amendment inserted "and capital" in paragraph (1) and substituted "30th" for "45th" in that paragraph and in paragraph (2) substituted "60th" for "75th."

Sec. 37.07.080. Program execution. (a) Except as limited by policy decisions of the governor, appropriations by the legislature, and other provisions of law, the several state agencies have full authority for administering their program service assignments and are responsible for their proper management.

(b) Each state agency shall prepare an annual plan for the operation of each of its assigned programs except for programs that are exempted from this requirement by the office. The operations plan shall be prepared in the form and content and be transmitted on the date prescribed by the office.

(c) The office shall

(1) review each operations plan to determine that it is consistent with the policy decisions of the governor and appropriations by the legislature, that it reflects proper planning and efficient management methods, that appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;

(2) approve the operations plan if satisfied that it meets the requirements under (1) of this subsection; otherwise, the office shall require revision of the operations plan in whole or in part.

(d) No state agency may increase the salaries of its employees, employ additional employees, or expend money or incur obligations except in accordance with law and properly approved operations plan.

(e) Transfers or changes between objects of expenditures or between allocations may be made by the head of a state agency upon approval of the office. No transfers may be made between appropriations except as provided in an act making the transfers between appropriations.

(f) The office shall report quarterly to the governor and the legislature on the operations of each state agency, relating actual accomplishments to those planned and modifying, if necessary, the operations plan of any agency for the balance of the fiscal year.

(g) The governor may direct the withholding or reduction of appropriations to a state agency at any time during the fiscal year only if the governor determines that

(1) the planned expenditures can no longer be made due to factors outside the control of the state which make the expenditure factually impossible; or

(2) estimated receipts and surpluses will be insufficient to provide for appropriations.

(h) The increase of an appropriation item based on additional federal or other program receipts not specifically appropriated by the full legislature may be expended in accordance with the following procedures:

(1) the governor shall submit a revised program to the Legislative Budget and Audit Committee for review;

(2) 45 days shall elapse before commencement of expenditures under the revised program unless the Legislative Budget and Audit Committee earlier recommends that the state take part in the federally or otherwise funded activity;

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the state not initiate the additional activity, the governor shall again review the revised program and if the governor determines to authorize the expenditure, the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons before commencement of expenditures under the revised program. (§ 1 ch 188 SLA 1970; am §§ 1—3 ch 26 SLA 1976; am §§ 2, 3 ch 74 SLA 1977; am §§ 4, 5 ch 60 SLA 1979; am §§ 9-12 ch 63 SLA 1983)

Effect of amendments. — The 1979 amendment substituted "an act making the transfers between appropriations" for "(h) of this section" at the end of the second sentence of subsection (e) and rewrote subsection (h).

The 1983 amendment substituted "office" for "division" in subsections (b), (c), (e), and (f).

Legislative history reports. — For report on ch. 26, SLA 1976 (HB 760 am S), see 1976 House Journal, p. 388.

Opinions of Attorney General. — Vesting authority in the Legislative Budget and Audit Committee to approve

transfers between appropriation items violates the separation of powers doctrine and is an improper delegation of a legislative function to an interim committee. July 22, 1976, Op. Att'y Gen.

Section 13(3) of the 1976 budget bill, which authorized the Budget and Audit Committee to supervise the governor's execution of the budget act, specifically over that portion of it which permitted him to transfer appropriation items, constituted an encroachment on executive power and offended the Alaska Constitution. July 22, 1976, Op. Att'y Gen.

NOTES TO DECISIONS

Budgetary system established by statutes implementing Constitution. — Statutory language implementing Alaska Const., art. IX, § 13, establishes a budgetary system in which all appropria-

tions are made by legislative act. Municipality of Anchorage v. Frohne, Sup. Ct. Op. No. 1477 (File Nos. 3050, 3104), 568 P.2d 3 (1977).

Sec. 37.07.090. Performance reporting. (a) Each state agency shall submit a performance report to the office no later than September 1 for the preceding fiscal year. These reports shall be in the form prescribed by the office after consultation with the legislative finance division, and shall include

(1) an identification of the objectives intended for the program and the problem or need which the activities and operations of the board, commission or program is intended to address:

Offered: 4/26/85
Referred: Rules

Original sponsors: Ferguson, Ahrenkamp,
Kerney, et al

Amended *Sandoz*

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 147 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH 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."

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

9 * Section 1. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
10 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056, 14.17.-
11 082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of 14.17.170
12 that requires the withholding of one-half of the June payment of state aid
13 pending a final determination of each school district's state aid is sus-
14 pended from July 1, 1985, through June 30, 1986. During the period of
15 suspension, the provisions of AS 14.17.031(d) remain in effect except that
16 the number of students in average daily membership in each school district
17 shall be used instead of instructional units to calculate reductions in
18 state aid. During the period of suspension, funding for the basic state
19 aid and supplemental equalization aid that otherwise would have been pro-
20 vided under the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023
21 shall be provided to school districts and for centralized correspondence
22 study in accordance with the provisions of sec. 2 of this Act.

23 * Sec. 2. (a) Except as provided in (b) of this section, for fiscal
24 year 1986 the amount of state aid for each school district and for cen-
25 tralized correspondence study is the following amount, subject to adjust-
26 ment under AS 14.17.021(b), for each pupil in average daily membership,
27 less any aid overpaid as determined by the commissioner of education:

28	Anchorage School District	\$ 3,473,342
29	Bristol Bay Borough School District	10,121

1	Yakutat City School District	8,059
2	Adak Regional School District	6,909
3	Alaska Gateway School District	8,985
4	Aleutian Chain School District	17,341
5	Annette Island School District	6,835
6	Bering Straits School District	12,685
7	Chatham School District	9,029
8	Chugach School District	12,228
9	Copper River School District	7,465
10	Delta School District	6,152
11	Iditarod Area School District	15,571
12	Kuspuk School District	17,031
13	Lake and Peninsula School District	16,095
14	Lower Kuskokwim School District	11,474
15	Lower Yukon School District	10,259
16	Northwest Arctic School District	10,802
17	Pribilof Islands School District	11,934
18	Upper Railbelt Regional School District	9,933
19	Southeast Island School District	10,052
20	Southwest Regional School District	13,837
21	Yukon Flats School District	16,118
22	Yukon Koyukuk School District	13,719
23	Central Correspondence	2,608

24 (b) The student enrollment increase account is established. The
25 Department of Education shall use funds appropriated to the account
26 for state aid for each pupil in average daily membership in fiscal
27 year 1986 exceeding the actual number of pupils in average daily
28 membership in fiscal year 1985. Funds in the account shall be dis-
29 tributed on a pro rata basis so that an equal amount is paid for each

Offered: 4/26/85
Referred: Rules

Original sponsors: Ferguson, Ahrenkamp,
Kerwin et al

Amended *Sandra*

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 147 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
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11 082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of 14.17.170
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17 shall be used instead of instructional units to calculate reductions in
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25 tralized correspondence study is the following amount, subject to adjust-
26 ment under AS 14.17.021(b), for each pupil in average daily membership,
27 less any aid overpaid as determined by the commissioner of education:

28 Anchorage School District \$ ~~3,473~~ 3442
29 Bristol Bay Borough School District 10,121

1	Cordova City School District		5,230
2	Craig City School District		7,581
3	Dillingham City School District		9,020
4	Fairbanks North Star Borough School District	3836	4,089
5	Galena City School District		10,395
6	Haines Borough School District		6,599
7	Hoonah City School District		6,473
8	Hydaburg City School District		9,530
9	City and Borough of Juneau School District	3767	3,810
10	Kake City School District		7,393
11	Kenai Peninsula Borough School District		4,056
12	Ketchikan Gateway Borough School District	3935	3,956
13	King Cove City School District		9,751
14	Klawock City School District		7,714
15	Kodiak Island School District		5,708
16	Matanuska-Susitna Borough School District	3644	3,764
17	Nenana City School District		10,927
18	Nome City School District		7,452
19	North Slope Borough School District		9,570
20	Pelican City School District		12,936
21	Petersburg City School District		4,446
22	Sand Point City School District		8,614
23	Sitka Borough School District	3859	4,112
24	Skagway City School District		5,594
25	St. Mary's City School District		15,544
26	Tanana School District		13,895
27	Unalaska City School District		8,538
28	Valdez City School District		4,977
29	Wrangell City School District		4,915

1	Yakutat City School District	8,059
2	Adak Regional School District	6,909
3	Alaska Gateway School District	8,985
4	Aleutian Chain School District	17,341
5	Annette Island School District	6,835
6	Bering Straits School District	12,685
7	Chatham School District	9,029
8	Chugach School District	12,228
9	Copper River School District	7,465
10	Delta School District	6,152
11	Iditarod Area School District	15,571
12	Kuspuk School District	17,031
13	Lake and Peninsula School District	16,095
14	Lower Kuskokwim School District	11,474
15	Lower Yukon School District	10,259
16	Northwest Arctic School District	10,802
17	Pribilof Islands School District	11,934
18	Upper Railbelt Regional School District	9,933
19	Southeast Island School District	10,052
20	Southwest Regional School District	13,837
21	Yukon Flats School District	16,118
22	Yukon Koyukuk School District	13,719
23	Central Correspondence	2,608

24 (b) The student enrollment increase account is established. The
 25 Department of Education shall use funds appropriated to the account
 26 for state aid for each pupil in average daily membership in fiscal
 27 year 1986 exceeding the actual number of pupils in average daily
 28 membership in fiscal year 1985. Funds in the account shall be dis-
 29 tributed on a pro rata basis so that an equal amount is paid for each

new student. Increases in enrollment shall be recomputed and reported
2 to the department each month during the school year and the department
3 shall adjust payments from the student enrollment increase account
4 accordingly.

5 * Sec. 3. During the period of suspension under sec. 1 of this Act, a
6 school district shall continue to provide services to students in programs
7 of bilingual, special, and vocational education commensurate with the needs
8 of the students and in strict accordance with applicable state and federal
9 laws and regulations.

10 * Sec. 4. If the appropriations for state aid to school districts are
11 insufficient to meet the allocations authorized under this Act for fiscal
12 year 1986, the available funds shall be distributed on a pro rata basis
13 among school districts.

14 * Sec. 5. The school district interim assistance account is estab-
15 lished. The Department of Education may use funds appropriated to the
16 account to help a school district remedy unique or emergency circumstances
17 that cannot be remedied using other funds available to the school district
18 for fiscal year 1986. During fiscal year 1986, a school district may apply
19 to the commissioner of education for financial assistance from the account.
20 The commissioner shall adopt regulations to establish standards of eligi-
21 bility for funds from the account. The disbursement of funds from the
22 interim assistance account must be approved by the Legislative Budget and
23 Audit Committee before funds are released to a school district.

24 * Sec. 6. This Act is repealed June 30, 1986.

25 * Sec. 7. This Act takes effect July 1, 1985.

Sandra - latest finance CS

5/1/85

to be found = 1/1/85

STATE OF ALASKA
PUBLIC SCHOOL FOUNDATION PROGRAM
CS SB147

School District	Revised FY85 State Aid (1)	Revised FY 85 ADM (2)	Initial FY 86 ADM (3)	Col 2 Col 1 (4)	S/ADM SB 147 (5)	Col.2 *Col.5 (6)	14.17.031d Adjust. (7)	Adjust PL874 Aid (8)	Col.6 Col.7 (9)	Enrol' Incr. Acct. #53300 (10)	Est FY86 Sta' id Col.9' (11)
Anchorage	\$128,472,650	37,325	39,063	1,738	\$5,442	\$128,472,650			\$128,472,650	\$5,735,400	\$134,208,050
Anchorage On Base	\$8,305,545	2,413	2,500	87	\$3,442	\$8,305,546			\$8,305,546	\$287,100	\$8,592,646
Bristol Bay	\$2,317,709	229	219	-10	\$10,121	\$2,317,709			\$2,317,709		\$2,317,709
Cordova	\$1,997,860	382	382		\$5,230	\$1,997,860			\$1,997,860		\$1,997,860
Craig	\$1,231,830	148	168	20	\$7,581	\$1,121,993			\$1,121,993	\$66,000	\$1,157,988
Dillingham	\$3,851,540	427	451	24	\$9,020	\$3,851,540			\$3,851,540	\$79,200	\$3,930,740
Fairbanks	\$39,744,796	10,361	10,796	435	\$3,836	\$39,744,796			\$39,744,796	\$1,435,500	\$41,180,296
Fairbanks On Base	\$8,654,016	2,256	2,300	44	\$3,836	\$8,654,016			\$8,654,016	\$145,200	\$8,799,216
Fbnks Contract Fee	\$607,237										
Galena	\$1,517,670	146	144	-2	\$10,395	\$1,517,670			\$1,517,670		\$1,517,670
Haines	\$2,514,219	381	368	-13	\$6,599	\$2,514,219			\$2,514,219		\$2,514,219
Hoonah	\$1,385,222	214	210	-4	\$6,473	\$1,385,222			\$1,385,222		\$1,385,222
Hydaburg	\$953,000	100	98	-2	\$9,530	\$953,000			\$953,000		\$953,000
Juneau	\$17,143,617	4,551	4,700	149	\$3,767	\$17,143,617			\$17,143,617	\$491,700	\$17,635,317
Kake	\$1,500,779	203	207	4	\$7,393	\$1,500,779			\$1,500,779	\$13,200	\$1,513,979
Kenai	\$31,543,512	7,777	8,340	563	\$4,056	\$31,543,512			\$31,543,512	\$1,857,900	\$33,401,412
Ketchikan	\$8,448,650	2,190	2,406	16	\$3,535	\$8,448,650			\$8,448,650	\$52,800	\$8,501,450
King Cove	\$1,116,489	109	106	-3	\$9,751	\$1,062,859	\$26,815		\$1,089,674		\$1,089,674
Klawock	\$1,203,384	156	156		\$7,714	\$1,203,384			\$1,203,384		\$1,203,384
Kodiak	\$12,791,628	2,241	2,250	9	\$5,708	\$12,791,628			\$12,791,628	\$29,700	\$12,821,328
Mat-Su	\$29,068,188	7,977	9,032	1,055	\$3,644	\$29,068,188			\$29,068,188	\$3,481,500	\$32,549,688
Nenana	\$1,300,313	119	138	19	\$10,927	\$1,300,313			\$1,300,313	\$62,700	\$1,363,013
Nome	\$5,849,820	785	815	30	\$7,452	\$5,849,820			\$5,849,820	\$99,000	\$5,948,820
North Slope	\$10,325,030	1,079	1,091	12	\$9,570	\$10,326,030			\$10,326,030	\$39,600	\$10,365,630
Pelican	\$675,806	44	49	5	\$12,936	\$569,184	\$71,081		\$640,265	\$16,500	\$656,765
Petersburg	\$2,568,073	601	601		\$4,446	\$2,672,046			\$2,672,046		\$2,672,046
Sand Point	\$951,847	98	97	-1	\$3,614	\$844,172	\$53,838		\$898,010		\$898,010
Sitka	\$6,124,233	1,587	1,586	-1	\$3,859	\$6,124,233			\$6,124,233		\$6,124,233
Skagway	\$872,664	145	130	-15	\$5,594	\$811,130			\$811,130		\$811,130
St Mary's	\$1,709,840	110	111	1	\$15,544	\$1,709,840			\$1,709,840	\$3,300	\$1,713,140
Tanana	\$1,132,442	71	84	13	\$13,895	\$986,545	\$72,949		\$1,059,494	\$42,900	\$1,102,394
Unalaska	\$1,370,349	140	139	-1	\$8,538	\$1,195,320	\$87,515		\$1,282,835		\$1,282,835
Valdez	\$3,981,600	800	800		\$4,977	\$3,981,600			\$3,981,600		\$3,981,600
Wrangell	\$2,221,580	452	471	19	\$4,915	\$2,221,580			\$2,221,580	\$62,700	\$2,284,280
Yakutat	\$1,353,912	168	165	-3	\$8,059	\$1,353,912			\$1,353,912		\$1,353,912
Subtotal (c & b)	\$344,808,051	85,985	90,173	4,188		\$343,544,558	\$312,198		\$343,856,756	\$14,001,900	\$357,858,656
Agak	\$2,460,227	577	575	-2	\$6,909	\$3,986,493		\$1,526,266	\$2,460,227		\$2,460,227
Alaska Gateway	\$3,805,198	490	493	3	\$8,985	\$4,402,650		\$597,452	\$3,805,198	\$9,900	\$3,815,098
Aleutian Region	\$1,798,180	99	118	19	\$17,341	\$1,716,759	\$199,431	\$217,700	\$1,698,198	\$62,700	\$1,761,190
Annette Island	\$1,421,568	383	383		\$6,835	\$2,617,805		\$1,196,237	\$1,421,568		\$1,421,568
Bering Strait	\$12,170,049	1,181	1,195	14	\$12,685	\$14,980,985		\$2,810,936	\$12,170,049	\$46,200	\$12,216,249
Chatham	\$2,269,074	314	310	-4	\$9,029	\$2,835,106		\$566,032	\$2,269,074		\$2,269,074
Chugach	\$1,270,249	112	133	21	\$12,228	\$1,369,536		\$99,287	\$1,270,249	\$69,300	\$1,339,549
Copper River	\$4,181,362	570	556	-14	\$7,465	\$4,255,050		\$92,110	\$4,162,940		\$4,162,940
Delta Greely	\$5,071,587	980	1,061	81	\$6,152	\$6,028,960		\$957,373	\$5,071,587	\$267,300	\$5,338,887
Iditarod	\$5,471,649	388	404	16	\$15,571	\$6,041,548		\$569,899	\$5,471,649	\$52,800	\$5,524,449
Kuspuk	\$5,199,569	349	392	43	\$17,031	\$5,943,819		\$744,250	\$5,199,569	\$141,900	\$5,341,469
Lake & Peninsul	\$5,006,999	365	364	-1	\$16,095	\$5,874,675		\$867,676	\$5,006,999		\$5,006,999
Lower Kuskokwim	\$20,954,979	2,338	2,990	652	\$11,474	\$26,826,212		\$5,871,233	\$20,954,979	\$2,151,600	\$23,106,579
Lower Yukon	\$9,515,225	1,335	1,501	166	\$10,259	\$13,695,765		\$4,180,540	\$9,515,225	\$547,800	\$10,063,025
Northwest Arctic	\$13,197,994	1,480	1,511	31	\$10,802	\$15,986,960		\$2,788,966	\$13,197,994	\$102,300	\$13,300,294
Pribilof	\$1,339,757	158	163	5	\$11,934	\$1,885,572		\$545,815	\$1,339,757	\$16,500	\$1,356,257
Railbelt	\$3,362,937	345	356	11	\$9,933	\$3,426,885		\$63,948	\$3,362,937	\$36,300	\$3,399,237
Southeast Island	\$3,749,644	451	452	1	\$10,052	\$4,533,452		\$783,808	\$3,749,644	\$3,300	\$3,752,944
Southwest Region	\$5,333,605	490	490		\$13,837	\$6,780,130		\$1,446,525	\$5,333,605		\$5,333,605
Yukon Flats	\$5,620,321	372	389	17	\$16,118	\$5,995,896		\$375,575	\$5,620,321	\$56,100	\$5,676,421
Yukon Koyukuk	\$6,498,314	567	559	-8	\$13,719	\$7,778,673		\$1,280,359	\$6,498,314		\$6,498,314
Subtotal (REAA'S)	\$119,698,487	13,344	14,395	1,051		\$146,962,931	\$199,431	\$27,581,987	\$119,580,375	\$3,564,000	\$123,144,375
Cent Corr Study	\$2,362,848	906	1,000	94	\$2,608	\$2,362,848			\$2,362,848	\$310,200	\$2,673,048
Total	\$466,869,386	100,235	105,568	5,333		\$492,870,337	\$511,629	\$27,581,987	\$465,759,979	\$4,876,100	\$483,676,079

Suppressed

\$ → locals, impact acct.

SB 147

February 26, 1985

MEMORANDUM

TO: All Superintendents

FROM: Harold Reynolds, Commissioner
Department of Education

Senator Bettye Fahrenkamp, on behalf of the co-chairs of the Senate Finance Committee, has asked me to inform all school superintendents that the Senate Finance Committee will recommend FY-86 funding under the Public School Foundation Program not to exceed the ADM amounts provided in FY-85.

At this point, we believe monies will be made available for new student population, but new funding for cost of living adjustments will not be forthcoming.

Accordingly, your FY-86 school budget planning should be based on the ADM level of funding received for this current (FY-85) school year.

Should you have questions, please call.

AMENDMENT TO
CSSB 147(Fin)

On Page 2, Line 11 delete 4,056, insert 4307.

Handwritten calculation:
377³ 77³ 77³
250

0000
30885
15554

\$1944,250 add'l.

check of same hole

Operation and Maintenance
of Kenai Peninsula Borough Schools

The Kenai Peninsula Borough provides funding for the operation and maintenance of Kenai Peninsula Borough School District. The borough decided to do this because it was felt that the schools were not being properly maintained by the school district.

The Kenai Peninsula Borough School District, in its reports to the Department of Education, is required to report the operation and maintenance figures when calculating its total budget. It is only reasonable that these operating and maintenance numbers should be included in the total local support per ADM figures. Should these numbers not be included, the Kenai Peninsula Borough School District will be unfairly excluded from its fair share of state revenues under this legislation.

Below are the figures used to calculate the local contribution per ADM:

Kenai Peninsula Borough School District(local contribution per ADM)	1592
Average statewide FY85 tax appropriation per ADM	<u>-1316</u>
Funds contributed above average local contribution	=276
	<u>x\$.91</u>
	=251
	<u>+4056</u>
	=4307

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1984

NOTE 1 - ACCOUNTING POLICIES

Pursuant to Alaska Statutes, Title 29-30-050, the Kenai Peninsula Borough has the responsibility of establishing, maintaining and operating a system of public schools. The Kenai Peninsula Borough has delegated the administrative responsibilities for compliance with the statutes to the School Board of the Kenai Peninsula Borough School District, while retaining the responsibility for the physical plant except furniture and equipment. Therefore, such physical plant, related bonded debt and school construction funds are reflected in the financial statements of the Kenai Peninsula Borough, included in the section of this annual report entitled, Additional Financial Information.

Basis of Financial Statements

The financial statements of the School District are presented on the modified accrual basis of accounting in accordance with generally accepted governmental accounting principles. Under this method of accounting, revenues are recognized in the accounting period in which they become available and measurable. All major revenue sources are considered susceptible to accrual. Expenditures other than interest on general long term debt are recorded at the time a liability is incurred.

Budgets

The Kenai Peninsula Borough Board of Education is required by law to adopt and submit their annual budget to the Kenai Peninsula Borough Assembly by April 1 of each year for approval by the Assembly of the total amount. Within 30 days after receipt of the School District budget, the Borough Assembly must determine the total amount of money to be made available from local sources for school purposes and must furnish the Board of Education with a statement of the sum to be made available. By May 31, the Assembly must appropriate the amount to be made available from local sources.

Unemployment Insurance

As a result of the passage by the United States Congress of Public Law 94-566 in October, 1976, teachers and other employees of state and local governments became universally eligible for unemployment benefits effective January 1, 1978. The School District finances its participation in the Unemployment Insurance program by reimbursing the program for the actual benefits paid to former employees. As of June 30, 1984, the School District had not recorded a liability for unemployment benefits for persons employed prior to that time as the amount is not currently subject to reasonable estimation. However, in the opinion of management, any unemployment insurance reimbursement claims based on wages paid prior to June 30, 1984, will not have a material effect on any of the financial statements included herein or on the overall financial position of the School District at June 30, 1984.

NOTE 6 - BUILDING MAINTENANCE COST

School building maintenance is recorded in the Kenai Peninsula Borough statements in the General Fund under Maintenance.

The detail for school building maintenance is:

	<u>1984</u>			<u>1983</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Building Maintenance:				
Personal Services	\$1,871,950	\$1,714,784	\$157,166	\$1,440,199
Maintenance & Operations	1,629,391	1,377,185	252,206	1,094,073
Capital Outlay	500	1,850	(1,350)	3,256
	<u>\$3,501,841</u>	<u>\$3,093,819</u>	<u>\$408,022</u>	<u>\$2,537,528</u>

NOTE 7 - AUDIT COST

The audit fee is recorded in the Kenai Peninsula Borough statements at a cost of \$21,491.

NOTE 8 - MINIMUM EXPENDITURE FOR INSTRUCTION

Persuant to Alaska Statute 14.17.081 requiring a minimum of 55 percent of a district's operating expenditures to be spent on the instructional component of the district budget, the Kenai Peninsula Borough School District is in compliance with 60.5 percent of its budget spent on the instructional component. The percentage calculation is based upon the operational costs of the school district, as well as those operational costs paid directly by the Borough for building maintenance and audit.

The instructional component is comprised of the functions of Instruction and Support Services - Pupils less the amount expended for the Boarding Home Program.

CSSB 147 (FINANCE)

INFORMATION FOR FISCAL NOTE:

ADM Account	\$ 68,859,386
Student Enrollment Increase Account	17,876,100
Local Contribution Account	5,915,206
Interim Assistance Account	<u>3,771,508</u>
	\$494,432,200

Superseded

INTENT LANGUAGE:

Funds allocated to the ADM account and the student enrollment increase account which exceed the amounts required shall be transferred to the interim assistance account.

HESS CS SB 147

Superseded

DISTRICTS THAT HAVE GIVEN LARGER CONTRIBUTION LOCALLY THAN THE STATEWIDE AVERAGE LOCAL CONTRIBUTION:

FAIRBANKS

KETCHIKAN

MAT-SU

SITKA

JUNEAU

ANCHORAGE

THE DRAFT BILL LETS THE EXISTING INTERIM PROGRAM LAPSE, BUT PUTS A VERY SIMILAR PROGRAM IN ITS PLACE FOR FY 86:

1. CORRECTS PETERSBURG AND CRAIG

2. GIVES LARGE LOCAL CONTRIBUTORS AN INCREASE (BASED ON 91¢/\$1 ACTUAL CONTRIBUTION)

3. FIGURES LISTED IN BILL ARE A 4% INCREASE OVER THE ORIGINAL HB 251 (FOR FY 84), SO ARE EQUAL TO THE FY 85 FIGURES.

4. EVERY NEW STUDENT IN THE STATE WILL RECEIVE \$2400

5. ESTABLISHES AN IMPACT ACCOUNT (CONSISTING OF LEGISLATIVE APPROPRIATIONS) TO DEAL WITH OTHER CRITICAL SITUATIONS THAT MAY ARISE.

HOUSE BUDGET PROPOSAL PROVIDES FY 85 ADM RATE FOR EXISTING AND NEW STUDENTS. NO CONSIDERATION GIVEN LOCAL CONTRIBUTION.

HOUSE AND SENATE BUDGET CAP \$494,432,200. BOTH THE HOUSE BUDGET PROPOSAL AND OUR SB 147 FALL INSIDE THIS CAP. (HB 309 WOULD PROVIDE AN ADDITIONAL \$50/STUDENT ACROSS THE BOARD, AND HAS A \$5 MILLION PRICE TAG.)

\$7 million

\$13 million

Sando

EQUALIZATION PROPOSAL

The public school foundation program in effect prior to suspension in 1983, included a provision called supplemental equalization aid. The local appropriations made for educational operating expenses in cities and boroughs was averaged over the student population in the cities and boroughs to arrive at a statewide average local contribution per pupil. School districts with local revenues below the statewide average were given additional funds to bring them up to the statewide average. Districts with no local contributions were given additional funds equal to the statewide average local contribution. Supplemental equalization aid was then adjusted for geographical differences. School districts in areas where local contributions exceeded the statewide average received no additional benefit from the state. The amounts provided school districts for supplemental equalization aid were built into the ADM scheme of interim financing.

Utilizing the supplemental equalization aid concept, a proposal has been developed to provide relief to districts which have found it necessary to provide funds in excess of the statewide average local contribution. Because the large local assessed valuation in the North Slope Borough and Valdez allows the local governments to raise large amounts of money for public education with little taxpayer effort, these districts have been excluded from the computation of the statewide average local contribution. It is proposed that these two districts be given additional funding as if the local funding per pupil were equal to the highest district per pupil local contribution rate included in developing the statewide average.

Revised FY 85 ADM	
Cities and boroughs (excluding North Slope and Valdez)	79,180 ADM
Total FY 85 local city and borough tax appropriations (excluding North Slope and Valdez)	\$110,689,362
Average local contribution/ADM	\$1,379.95/ADM

#2

DISTRICTS WITH LOCAL CONTRIBUTIONS IN EXCESS OF STATEWIDE AVERAGE
(in excess of 27.5%)

School District	FY85 Revised ADM(# students)	\$/ADM local Contribution FY 85 actual budget	Difference between <u>(\$1397.95)</u> and local \$/ADM	Average local contribution excluding N.Slope and Valdez Aid to Districts
Anchorage	37,048	\$ 1,447.36	\$ 49.41 x #students =	\$1,830,541.68
Fairbanks	10,361	1,930.31	532.36	5,515,781.96
Ketchikan	2,390	1,777.31	379.36	906,670.40
Mat-Su	7,977	1,433.37	35.42	282,545.34
Sitka	1,587	1,595.32	197.37	313,226.19
North Slope	1,079	12,596.57	532.36*	574,416.44
Valdez	800	3,343.32	532.36*	<u>425,888.00</u>
TOTAL				\$9,849,070.01

* Pegged at maximum reimbursement to other districts

TOTAL WITHOUT NORTH SLOPE AND VALDEZ \$ 8,848,765.57

$$\begin{array}{r} 37,048 \\ 10,361 \\ 2,390 \\ 7,977 \\ 1,587 \\ \hline 59,363 \end{array}$$
 @ \$100/student = \$5,936,300.
 No - doesn't take into account variation in local contribution.

LOCAL SUPPORT PERCENTAGE

The legislature recognized that school district funding being provided by the state was no longer being provided on an equitable basis. To correct the problem, a suspension of the school foundation formula was passed and an interim scheme for school finance was adopted. A solution to the question of equity in school finance was to be proposed after a one-year suspension of the public school foundation program. The interim scheme was extended for a second year. The State Board of Education has now adopted a proposal for a third year of interim financing. There has been no solution to the question of "how do we provide an equitable means of financing public education in Alaska."

During the period of interim financing, several school districts have found it necessary to obtain a greater share of their total operating funds from local appropriations. Such funding has been used to provide basic educational services. Proposals generated by the Department of Education during the fall of 1984 recognized that the state should be providing more of the total amount of financing necessary to provide education in those districts with large local taxpayer contributions. In almost every case, state aid would have increased under department proposals to those districts whose local taxpayers are currently paying 25, 30, as high as 56 percent, of the district's total operating budget.

A solution to school finance has not been found for FY 86. However, districts experiencing large local taxpayer support recognize that a long term solution will surely provide some taxpayer relief to their districts. For a final year of interim financing, it is imperative that a mechanism be developed for local taxpayer relief. Local school district budgets go through intense scrutiny by both school boards and local city and borough assemblies before approval. Local taxes are only being increased to provide educational services which are absolutely necessary.

In order to prevent any further inequities in terms of level of state support for education, a freeze should be placed upon the level of local support any local community should find necessary to finance educational programs. Based upon local appropriations for FY 85, a ceiling should be placed upon the percentage of total funding a local community should have to provide. The difference over that percentage and the percentage that the

local government found necessary to appropriate for FY 85 operations would be reimbursed to the local school district for FY 86 operations. This additional funding will enable school districts to operate in FY 86 without again requesting an increase in local taxpayer support, and bring state aid more closely in line with what will surely be the outcome of a final financing solution.

Local Support (Cities & Boroughs only)

DISTRICT	ADM	REVISED FY85 FOUNDATION AID (STATE)	LOCAL TAX APPROPRIATION (OPERATING)	TOTAL BUDGET (FY85)	% LOCAL SUPPORT	\$ PER ADM LOCAL SUPPORT	LOCAL APPROP IN EXCESS OF 20%	LOCAL APPROP IN EXCESS OF 25%	LOCAL APPROP IN EXCESS OF 27.5%	LOCAL APPROP IN EXCESS OF 30% of total school budget
ANCHORAGE	37,048	127,519,216	53,621,674	181,140,890	29.6%	1,447	17,393,496	8,336,452	3,807,929	0
RISTOL BAY	229	2,317,709	40,000	2,357,709	1.7%	175	0	0	0	0
ORDOVA	382	1,997,860	501,195	2,499,055	20.1%	1,312	1,384	0	0	0
RAIG	148	1,161,800	0	1,161,800	0.0%	0	0	0	0	0
ILLINGHAM	427	3,851,540	30,000	3,881,540	0.8%	70	0	0	0	0
AIRBANKS	10,361	39,744,796	20,000,000	59,744,796	33.5%	1,930	8,051,041	5,063,801	3,570,181	2,076,561
ALEXA	146	1,517,670	2,700	1,520,370	0.2%	18	0	0	0	0
VINES	381	2,514,219	252,505	2,766,724	9.1%	663	0	0	0	0
WONAH	214	1,385,222	0	1,385,222	0.1%	0	0	0	0	0
DABURG	100	953,000	0	953,000	0.1%	0	0	0	0	0
NEAU	4,551	17,143,617	6,200,000	23,343,617	26.7%	1,362	1,531,277	364,096	0	0
KE	203	1,500,779	30,000	1,530,779	2.0%	148	0	0	0	0
HAI	7,777	31,543,512	8,660,633	40,204,145	21.5%	1,114	619,804	0	0	0
TCHIKAM	2,390	8,448,650	4,247,783	12,696,433	33.5%	1,777	1,708,496	1,073,675	756,264	438,853
NG COVE	109	1,062,859	10,000	1,072,859	0.9%	92	0	0	0	0
WOCK	156	1,203,384	30,000	1,233,384	2.4%	192	0	0	0	0
DIAK	2,241	12,791,628	1,967,313	14,758,941	13.3%	878	0	0	0	0
T-SU	7,977	29,068,186	11,433,956	40,502,142	28.2%	1,433	3,333,528	1,308,421	255,557	0
KAMA	119	1,300,313	30,000	1,330,313	2.3%	252	0	0	0	0
KE	805	5,998,860	228,555	6,227,415	3.7%	284	0	0	0	0
RTN SLOPE	1,079	10,326,030	13,591,700	23,917,730	56.8%	12,597	8,808,154	7,612,268	7,014,324	6,416,381
.ICAM	44	569,184	14,000	583,184	2.4%	318	0	0	0	0
ERSBURG	601	2,568,073	499,863	3,067,936	16.3%	832	0	0	0	0
POINT	98	844,172	28,000	872,172	3.2%	286	0	0	0	0
KA	1,587	6,124,233	2,531,785	8,656,018	29.2%	1,595	800,581	367,781	151,380	0
GWAY	145	811,130	27,800	838,930	3.3%	192	0	0	0	0
MARY'S	110	1,709,840	0	1,709,840	0.0%	0	0	0	0	0
AMA	71	986,545	0	986,545	0.0%	0	0	0	0	0
LASKA	140	1,195,320	0	1,195,320	0.0%	0	0	0	0	0
DEZ	800	3,981,600	2,674,656	6,656,256	40.2%	3,343	1,343,405	1,010,592	844,186	677,779
HGELL	452	2,221,580	275,000	2,496,580	11.0%	608	0	0	0	0
STAT	168	1,353,912	26,600	1,380,512	1.9%	158	0	0	0	0
3-TOTAL	81,059	325,716,439	126,955,718	452,672,157	28.0%	1,034	43,591,166	25,137,084	16,440,131	9,609,575

DATE: 12-Feb-85

Valdez & N. Slope would fall out if
required a 1.5 mill minimum
contribution caveat.

TABLE 5

LOCAL SUPPORT PERCENTAGE

SB 147

Introduced: 3/1/85
Referred: Health, Education &
Social Services and Finance

BY TAYLOR, SUND, FURNACE,
KOPONEN, PETTYJOHN AND
GRUSSENDORF

1 IN THE HOUSE

2 HOUSE BILL NO. 257

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to local effort in the public school
7 foundation program; and providing for an effective
8 date."

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

10 * Section 1. AS 14.17 is amended by adding a new section to read:

11 Sec. 14.17.065. LOCAL EFFORT PARTICIPATION PROGRAM. (a) The
12 commissioner shall increase a district's state aid by an amount equal
13 to 50 percent of the district's local appropriation, expended for the
14 operation of schools, that exceeds the amount that would be generated
15 by a three mill levy on the full and true value of taxable real and
16 personal property in the district, as determined under AS 14.17.140.

17 (b) The commissioner shall distribute the funds authorized under
18 this section in the manner provided in AS 14.17.160 - 14.17.190,
19 except that the commissioner shall withhold 10 percent of the funds
20 until expenditure of the district's local appropriation is verified in
21 an audit performed under AS 14.14.050.

(c) In this section, "local appropriation" means funds made
23 available for expenditure by the district for the operation of elemen-
24 tary or secondary schools in a single fiscal year, but does not in-
25 clude federal money received under 20 U.S.C. 236 - 244 (P.L. 81-874)
26 or money appropriated for the retirement of school construction debt.
27 A district that has its bonded indebtedness for a school construction
28 project retired by the state at the rate of 50 percent under
29 AS 14.11.100(a)(5) may include as "local appropriation" funds expended

1 in a fiscal year for the retirement of school construction debt that
2 are not refunded by the state.
3 * Sec. 2. This Act takes effect July 1, 1985.

MEMORANDUM

State of Alaska

TO: State Board of Education

DATE: January 22, 1985

FILE NO: 003

JAN 22 1985

TELEPHONE NO: 465-2800

FROM: Harold Reynolds, Jr., Commissioner

SUBJECT: Interim Foundation
Proposal

Attached you will find our proposal for public school funding for Fiscal 1986. The amounts per Average Daily Membership (ADM) for each district have been calculated by splitting the approximately 4% increase included in the Governor's FY-86 request between an across-the-board increase of 2% for all districts, and the balance of the increase, eight and a-half million dollars, distributed on the basis of \$80.58 per student. The effect of this distribution method is to give all districts an increase, based upon a percentage over existing rates, with the balance distributed on an equal per student basis.

cc: Office of the Governor, John Shively
Superintendents
Legislators
James Kelly
Dottie Sparks
Marylou Burton

III. Local Effort Equalization

The interim proposal considered herein contemplates a revival of the essentials of the prior method of providing State funds to "equalize" local tax contributions for education funding. The simplicity of this approach recommends itself to an interim scheme slated to be operational for but a single year. Our calculations designed to develop the average per ADM local contribution for eligible districts during fiscal year 1985 and to identify those districts with local contributions exceeding that average may be found in Appendix B. These latter districts would qualify to receive disbursements from the account to be established for that purpose. The average FY 85 tax appropriation per ADM for all school districts with the authority to levy taxes was \$1,316. This excludes the North Slope Borough and Valdez districts, as previously noted. Only six districts (Anchorage, Fairbanks, Juneau, Ketchikan, Mat-Su, and Sitka) exceeded this average figure.

Table II

FY 86 State Equalization Aid To Districts
 With Higher Than Average Local Contributions

District	FY 85 Cont Per ADM	FY 85 Avg. All Districts	Difference	Estimated FY 86 ADM
Anchorage	\$1,349	\$1,316	\$ 33	41,563
Fairbanks	1,585	1,316	269	13,096
Juneau	1,362	1,316	46	4,700
Ketchikan	1,777	1,316	461	2,406
Mat-Su	1,433	1,316	117	9,032
Sitka	1,595	1,316	279	1,586

District	\$1.00 to \$1.00	\$1.30* to \$1.00	\$0.91* to \$1.00	\$0.65* to \$1.00	
Anchorage	\$1,371,579	\$1,777,566	\$1,244,022	\$ 888,783	1,248,136
Fairbanks	3,522,824	4,565,580	3,195,201	2,282,790	3,205,769
Juneau	216,200	280,195	196,093	140,098	
Ketchikan	1,109,166	1,437,479	1,006,014	718,740	196,742
Mat-Su	1,056,744	1,369,540	958,467	684,770	
Sitka	442,494	573,472	401,342	286,736	1,009,341
Totals	\$7,719,007	\$10,003,833	\$7,001,139	\$5,001,917	9,616,37

Handwritten notes: *825,900* (under Totals), *6175,200* (under Anchorage), *402,669* (under Sitka)

Note: The column captions for the second part of the table represent the amount of State match (the first number) to one dollar of local tax appropriation (the second number).
 * Actual figures are \$1.296, \$.907, and \$.648.

Source: Department of Education, City and Borough Budgeted Revenues, FY 85 and Estimated State Aid Computations, FY 86.

70x - 4,227,388
Jnu - 259,440
Ketch - 1,330,999
Sitka 530,992

RESOLUTION

WHEREAS, there does appear to be a need for some relief in certain municipalities which are school districts; and,

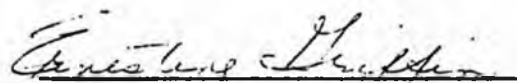
WHEREAS, the need for relief is due in significant part to local support of the public schools; and,

WHEREAS, there is not sufficient money in the Governor's FY-86 Operating Budget for education to provide relief;

THEREFORE, BE IT RESOLVED, that the State Board endorse the intent of the proposal of Senators Ferguson and Fahrenkamp and encourage the Legislature to consider supplemental funding, outside of the \$512 million available in the Governor's budget for municipalities, where property taxes for education have increased rapidly in recent years; and

BE IT FURTHER RESOLVED, that if no additional funds are available for that purpose that the Legislature consider local municipal support for basic services, including education in its determination of municipal eligibility for later revenue sharing and municipal assistance.

DATED at Juneau this 29th day of January, 1985.


Ernestine Griffin, President
State Board of Education

FAIRBANKS NORTH STAR BOROUGH BOARD OF EDUCATION

RESOLUTION 105

REQUEST FOR 1985-86 STATE FUNDING RELIEF

WHEREAS, the State Public School Foundation Study has consumed two years and remains incomplete; and

WHEREAS, local contributions to education have dramatically increased as illustrated by the Fairbanks' contribution of 31.1% of the total school budget (the highest local contribution in the State); and

WHEREAS, some districts including the Fairbanks North Star Borough School District are now experiencing severe budgetary stresses associated with rapidly rising local taxpayer contributions to education; now, therefore, be it

RESOLVED, by the Fairbanks North Star Borough Board of Education that FY-86 funding relief be requested from the State of Alaska for school districts facing financial uncertainty.

Passed and approved January 22, 1985.

Barbara Tabbert

Barbara Tabbert
President
Board of Education

Attest:

Kathy Hodges
Kathy Hodges
Secretary
Board of Education

Skagway City School District

POST OFFICE BOX 497 SKAGWAY, ALASKA 99840

SB 147

February 12, 1985

Senator Richard Eliason
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Eliason:

Attached is a copy of the school funding plan for FY86. Skagway can not provide a satisfactory educational program based on these figures.

You will note that Haines will receive \$6812 per student and Skagway \$5787 per student. Meanwhile Skagway's enrollment has decreased from 191 in FY82 to a projected 130 in FY86. We will have reduced the certified teaching staff from 21 to 10, teacher aide positions from 4 to 0, custodians from 2 to 1, secretary from 1½ to 0, eliminated the school principal and in addition cuts in all parts of the budget.

Our staff next year will consist of the following:

- 10 certified tenured teachers
- 1 custodian
- 1 bookkeeper
- 1 superintendent

The following are income and enrollment figures:

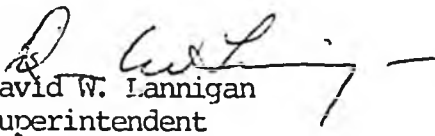
<u>School Year</u>	<u>Audited State Revenues</u>	<u>Audited Local Revenues</u>	<u>Enrollment</u>
81-82	968,419	27,800	191
82-83	1,026,432	27,800	179
83-84	919,809	27,800	152
84-85	872,664	27,800	145
85-86	752,255	27,800	130

We are at the point at which our per pupil costs automatically increase due to the decline in enrollment. This fact is not being addressed by the current funding plan. Really there is no way anyone can justify Haines receiving \$1025 per student more than Skagway. Haines has 380 students to Skagway's 130. If anything, Skagway should receive \$1025 more than Haines. The smaller the numbers the higher pupil costs. We are not asking for more than Haines, however we do feel that Skagway should receive the same amount which is \$6812 per student.

Senator Richard Eliason
Page 2
February 12, 1985

Any help you can provide will be greatly appreciated by the community of Skagway.

Sincerely,


David W. Lannigan
Superintendent

DWL:ddk

cc Harold Reynolds, Jr., Commissioner
Peter Goll, Representative
School Board
File

file SB 147



ALASKA ASSOCIATION OF SCHOOL ADMINISTRATORS

February 25, 1985

Harold Reynolds, Commissioner
Department of Education
Pouch F
Juneau, AK 99811

Dear Commissioner Reynolds:

The Alaska Association of School Administrators & the Alaska Association of School Boards are happy to participate in the development of a finance proposal for the State Public School funding. Our participation is contingent on the following points: We recognize time and falling revenues make it difficult and may need an alternate plan to propose next session.

1. The basic framework of the legislation which states policy for educational funding need to be drafted even though the numbers will not be available for several months. That framework is partially developed in the draft legislation from the fall of 1984.

There are some policy issues that need additional review and discussion by a representative group. These may or may not become a part of the legislation. Therefore, by the end of April, 1985, we would have statutory language and any other policy direction for or reconstruction of the RCM modification.

2. Develop a profile of data that reflects agreed upon items in the data bank and is recorded and collected through generally accepted accounting procedures. The recording, accounting and auditing of these costs must be consistent in all districts and will require districts to use the optional accounting codes, adopt program budgeting, use standard fiscal practices and that audit firms apply identical audit requirements in all districts.

Additional effort will be needed to collect salary and benefit data as well as other program information.

3. The RCM must be analyzed and simplified which will support points 1 & 2.

February 25, 1985

4. We must reach agreement and address the policy issues of program standards and salary considerations. The RCM must be restructured accordingly.
5. The leadership and support for this effort must be provided through the department, and a budget needs to be developed with adequate resources plan a realistic work. The new director of Management Law and Finance must be responsible for the actual completion of the work. The new director must have the requisite skills. If such a permanent hire cannot be found then consider a contract position and recruit from across the state.

Sincerely,


Noreen Thompson, President
Alaska Association of School
Administrators



ALASKA ASSOCIATION OF SCHOOL ADMINISTRATORS

LEADERSHIP
FOR LEARNING

February 22, 1985

The Honorable Don Bennett
President, Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

The Alaska Association of School Administrators which includes superintendents representing fifty-three districts, have taken the position that public school funding for FY-86 should be funded at the current FY-85 Average Daily Membership Level plus an increase for Cost of Living.

Additionally, it is felt that should there be a change in available funding, the delivery system should be a prorated percentage of the current Average Daily Membership funding method.

Further, it is felt that any legislative consideration for local tax relief needs to be accomplished separately from School Foundation Funding.

The association is more than willing to testify before appropriate committees, or discuss interim funding with individual legislators. You are encouraged to contact either:

Noreen Thompson, President
Association of Alaska School Administrators
722 Mill Bay Road
Kodiak, AK 99615

486-3131

The Honorable Don Bennett

2

February 25, 1985

or

Donald L. MacKinnon, Executive Director
Alaska Council of School Administrators
326 Fourth Street, Suite 211
Juneau, Ak 99801

586-9702

Thank you for your continued support of education.

Sincerely,



Noreen Thompson, President
Alaska Association of School
Administrators

NT:DLM:clc

cc: Ernestine Griffin, President State Board of Education
Harold Reynolds, Commissioner, Dept. of Education

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate Committee on Health, Education and Social Services

MINUTES

April 11, 1985
1:36 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Armstrong - De Vries
Senator Josephson
Senator Sturgulewski

CALENDAR

- SB 147, State support for education.
- SB 168, Rights of deaf, blind and disabled persons.
- SB 230, Relating to education.
- SB 242, Relating to educational attendance school boards.
- HB 215, State assistance for community health aide programs.

SB 242

Rocky Plotnick-Weller, Aide to Senator Eliason, spoke in support of a proposed committee substitute for SB 242 which provides a more specific title. She also answered questions about the constitutionality of Section 2.

HB 215

Representative Herrmann, Sponsor, spoke in support of HB 215, which would establish an equitable funding formula to provide training and supervision of community health aides.

John Pugh, Commissioner, Department of Health and Social Services, explained that the community health aide program does receive federal funds.

However, no funds are available for training or supervision. He indicated that the Governor's proposed FY 86 budget includes \$1.8 million for the program; HB 215 would appropriate an additional \$416,000. He also proposed two clarifying amendments to the definition section of the bill.

Senator Sturgulewski moved to adopt the proposed amendments. There was no objection.

SB 147

Sandra Schubert, Aide to Senator Fahrenkamp, explained that CS SB 147 (HESS) would extend the interim school funding mechanism an additional year at FY 85 funding levels. Additional funds would be allocated to districts for new students, and for local contributions that exceed the statewide average. An impact account would be established to fund emergency needs of school districts.

Bob Greene, School Boards of Alaska, expressed the importance of extending the funding mechanism and answered questions about funding for the Skagway school district.

Don McKinnon, Alaska Council of School Administrators, spoke in support of an interim funding mechanism.

Linda Anderson, Fairbanks North Star Borough, spoke in support of the bill and indicated that increased state contributions are not intended to reduce local taxation levels.

Don Oberg, NEA-Alaska, testified that the cost of funding new students is often higher than funding existing enrollment. He also recommended increasing the "budget cap" for school funding.

Senator Sturgulewski moved to adopt CS SB 147 (HESS) and move it from committee with individual recommendations. There was no objection.

SB 168

Senator Rodey, Sponsor, explained that SB 168 would clarify that deaf, blind or disabled persons are qualified to serve as jurors, include as punishable interference the use of facilities by deaf persons, and expand the authority of the Human Rights Commission to include deafness, blindness, and physical and mental disabilities as an inappropriate basis for discrimination.

Paula Smith, Division of Vocational Rehabilitation, Department of Education, spoke in support of the bill and offered an amendment that would put the burden on employers to prove that a handicapped applicant is unqualified for employment.

Senator DeVries moved SB 168 from committee with individual recommendations. There was no objection.

SB 230

Mike Scott, Aide to Senator Ferguson, explained that SB 230 would direct the legislature to provide the Department of Education with projected school funding information, modify teacher evaluation procedures, and provide for "non-retention" of tenured teachers in the event of an anticipated loss of funds.

Don McKinnon, Alaska Council of School Administrators, spoke in support of the bill.

Bob Greene, School Boards of Alaska, spoke in support of the bill and proposed amendments that would 1) clarify that teacher evaluations be performed "at least once" annually, and 2) allow for dismissal of teachers in the event of an anticipated loss of funds.

The meeting recessed at 3:36 pm.

The meeting was called to order again at 5:08 pm in the Butrovich Room. The presence of Senator Fischer was noted.

Gayle Pearce, NEA-Alaska, spoke in opposition to SB 230 and to the proposed amendment that would allow for dismissal of tenured teachers.

The meeting adjourned at 5:42 pm.

ADDITION TO SENATE FINANCE LETTER OF INTENT, SB 147 (FINAL PARAGRAPH)

All allocations from the increased enrollment account, the interim assistance account, and the local contribution account shall be documented by the Department and presented to the Senate and House Finance Committees and the Legislative Budget and Audit Committee. Included in the documentation shall be the methodology used in developing the per pupil allocation from the increased enrollment account, the criteria used in awarding allocations from the interim assistance account, and the methodology used in developing the statewide average local contribution to education for determining allocations from the local contribution account.

not used

~~Corrected~~

SENATE AMENDMENT

not used

By FAHRENKAMP

To: _____ SENATE BILL No. CSSB 147 (FIN)

To: _____ HOUSE BILL No. _____

PAGE:

LINE:

page 1, line 28 \$3,442 (\$3,473)

page 2, line 4 \$3,836 (\$4,089)

page 2, line 9 \$3,767 (\$3,810)

page 2, line 12 \$3,535 (\$3,956)

page 2, line 16 \$3,644 (\$3,764)

page 2, line 23 \$3,859 (\$4,112)

page 4, line 5

Add a new subsection 5 and renumber.
(SEE ATTACHED)

CORRECTED AMENDMENT

TO: CSSB 147 (FINANCE)

By Fahrenkamp

Page 4, after line 13, add a new bill section to read:

* Sec. 5. (a) The local contribution account is established. The Department of Education shall allocate funds in the account to school districts whose

(1) local contribution to education for each student in average daily membership in fiscal year 1985 exceeds the statewide average local contribution to education for each pupil in average daily membership for fiscal year 1985; and

(2) local contribution to education for fiscal year 1985 exceeds the amount that would be generated by a 2 mill levy on the full and true value of taxable real and personal property in the district, as determined under AS 14.17.140 for fiscal year 1985.

(b) In fiscal year 1986, the Department of Education shall allocate to each school district that qualifies for funds from the local contribution account under (a) of this section an amount equal to the portion of the school district's local contribution to education for each student in average daily membership in fiscal year 1985 that exceeds the statewide average local contribution to education for each student in average daily membership in fiscal year 1985. If funds in the local contribution account are insufficient to meet the allocations authorized under this section, the available funds shall be distributed pro rata among the eligible school districts.

(c) In this section

⁽¹⁾ *appropriation*, "local contribution to education" means the ^{local} ~~_____~~ that was actually expended for education in fiscal year 1985 as determined by the audit conducted under AS 14.14.050.

(2) "statewide average" means the statewide average as calculated based on total student population statewide in FY 85 and total local contribution to education in FY 85 as determined by the audit conducted under AS 14.14.050.

CSSB 147 (FINANCE)

INFORMATION FOR FISCAL NOTE:

ADM Account	\$466,869,386
Student Enrollment Increase Account	17,876,100
Local Contribution Account	5,915,206
Interim Assistance Account	<u>3,771,508</u>
	\$494,432,200

INTENT LANGUAGE:

Funds allocated to the ADM account and the student enrollment increase account which exceed the amounts required shall be transferred to the interim assistance account.

P. FISCHER

ORIGINAL H.E.S.S. C.S. SB 147 METHODOLOGY:

LOCAL CONTRIBUTION FOR EDUCATION WAS CALCULATED BASED ON THE AMOUNT THE BOROUGH APPROPRIATED TO THE DISTRICT FOR EDUCATION. OTHER BOROUGH EXPENDITURES FOR EDUCATION WERE NOT CONSIDERED.

PROPOSED AMENDMENT:

DEFINES LOCAL CONTRIBUTION AS THE AUDITED AMOUNT THAT WAS ACTUALLY EXPENDED BY THE BOROUGH FOR EDUCATION. IN THE CASE OF KENAI, THIS WOULD INCLUDE THE ADDITIONAL \$3 MILLION OR SO SPENT ON MAINTENANCE AND WOULD INCREASE THEIR LOCAL CONTRIBUTION PER A.D.M. SO THAT IT EXCEEDS THE STATEWIDE AVERAGE.

AMENDMENT ALSO:

PUTS INTO VERBIAGE WHAT WAS IN NUMBERS BEFORE. REDUCES THE A.D.M. FOR THE 6 DISTRICTS WITH LARGE LOCAL CONTRIBUTIONS BACK TO THEIR FY 85 RATES AND ESTABLISHES A LOCAL CONTRIBUTION ACCOUNT THAT LAYS OUT ELIGIBILITY CRITERIA FOR RECEIVING ADDITIONAL STATE FUNDS:

- 1) LOCAL CONTRIBUTION IN EXCESS OF STATEWIDE AVERAGE
- 2) 2 MILL CAVEAT (EXCLUDES NORTH SLOPE AND VALDEZ. NORTH SLOPE HAS A \$12,000/PUPIL LOCAL CONTRIBUTION ON A 1.2 MILL RATE.)
- 3) ADDITIONAL STATE AID WOULD EQUAL THE AMOUNT OF LOCAL CONTRIBUTION ABOVE THE STATEWIDE AVERAGE, DISTRIBUTED PRO RATA IF NECESSARY
- 4) LOCAL CONTRIBUTION IS DEFINED AS FY 85 AUDITED FIGURES.
- 5) STATEWIDE AVERAGE COMPUTED BASED ON TOTAL NUMBER OF STUDENTS STATEWIDE AND TOTAL LOCAL CONTRIBUTION TO EDUCATION PER FY 85 AUDITS.

ELIGIBLE DISTRICTS:

CAN'T SAY FOR CERTAIN SINCE FY 85 ISN'T OVER AND NO AUDITED FIGURES AVAILABLE. BEST GUESS: KETCHIKAN, SITKA, MAT-SU, FAIRBANKS, KENAI, JUNEAU, ANCHORAGE AND POSSIBLY CORDOVA.

LETTER OF INTENT (ADD A FINAL PARAGRAPH):

REQUIRING DEPARTMENT TO REPORT TO FINANCE COMMITTEES AND LEGISLATIVE BUDGET AND AUDIT CALCULATIONS AND METHODOLOGY FOR ALLOCATIONS FROM THE 3 ACCOUNTS ESTABLISHED IN THE BILL.

CITY AND BOROUGH OF JUNEAU SCHOOL DISTRICT
P.O. BOX 808 • DOUGLAS, ALASKA 99824

School found

Superseded

MEMORANDUM NO. 250

TO: The State Board of Education
FROM: City and Borough of Juneau School District Board of Education
DATE: January 18, 1985
TOPIC: Juneau Board of Education Concerns over Proposed State Foundation Program

* * * * *

The City and Borough of Juneau School District has publicly proclaimed its support of the Department of Education's efforts to create a new state foundation program for public schools in Alaska. Our support primarily stems from the Legislature's desire and interest for a rational and equitable funding mechanism for all fifty-three school districts in the state regardless of significant differences in conditions and needs existing from comparatively isolated REAAs to a large urban district like Anchorage. In addition, we have applauded the department's efforts to deal creatively with the state's unique financial program needs through concepts such as forward funding, preventive maintenance and the concept of local incentives. With the publication of the first draft the Juneau District noted some disparity in this district's relative position with other city and borough districts in terms of foundation program support. Recognizing the department's plight in not having the RCM or the cost of education data to support its formula computations there was no basis for registering a formal expression of concern. However, with the pending recommendation by the Department the Juneau Board of Education feels compelled to express its concerns. These concerns are expressed around 7 major points;

1. The proposed foundation program does not achieve equity as clearly illustrated in Chart I, page 5.
2. The proposed foundation program does not relate to an established and validated data base reflecting current costs of education. This might explain some of the significant disparities in foundation support reflected in Charts I through III, pages 5-7.
3. The proposed foundation program perpetuates inequities in that some districts currently receiving excessive foundation support would receive more state dollars.
4. The department frequently uses Anchorage as a base for establishing the foundation entitlements. In this current year Juneau has a factor of 1.09 in its \$ ADM entitlement in comparison with Anchorage. We assume that a differential is legitimate because of the difference in the cost of doing business in Juneau versus Anchorage and the economy of scale between a district of 4,500 and 40,000 students.

January 18, 1985

Page -2-

The proposed draft significantly changes this comparative relationship quantitatively and ignores the basis for the 9% difference in the current formula. (See Chart IV, page 8.) The department's response to our concern over this change is that the model used in determining financial relationships ignores the size of a district over 3,500. In other words, there is no economy of scale applied between a district of 4,000 and 40,000. In our opinion there is no way a funding formula in the State of Alaska can achieve equity if this operational cost factor is ignored.

5. Our analysis of current support provided students in the City and Borough of Juneau School District through the state foundation program and local sources indicates a considerable variance in total \$ available per ADM and local support per ADM. While the proposed percentage increases appear to reduce this variance in foundation support for other city and borough districts, it makes Juneau's relative position even more extreme. Further, if the proposed increases were applied to the current foundation program entitlements and that \$ amount added to this year's local support then Juneau would have the fewest \$ available per student in the entire state, with the exception of Anchorage. (See table II and chart V, pages 9 and 10.)
6. Our tracking of the foundation support amounts calculated and reported in drafts II, III and VI of the proposed program clearly indicate the department was not working from an established data base or some other foundation consistent with the objectives prescribed by the legislature. The variation in reported foundation amounts for some districts varied in excess of 20% from one draft to the other. (See Chart VI, page 11.)
7. Finally, the data displayed in Table III, page 12 highlights the following conditions;
 - a) The state foundation support, on a per student basis, has not kept pace with the ADM growth experienced in the larger school districts, (e.g. Matsu has experienced a 66% growth in students over three years but has received an 11.4% decrease in foundation support per ADM over this period).
 - b) A significant shift to local support as contrasted with foundation support has occurred the past three years in the larger school districts, (e.g. Anchorage has increased local support by 53.5% over the past three years to compensate for a 19.4% increase in students with the foundation support decreasing by 8.5% per ADM during the same period).
 - c) Where the increase in student populations has occurred in the larger districts the combined state and local support on an ADM basis has significantly decreased, (e.g. Kenai has experienced a 23.5% growth in students over the past three years which has reduced its total support per ADM by 3.1%). (See Chart VII page 13.)

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It is the opinion of the Juneau Board of Education that the proposed state foundation program does not meet the objectives upon which the study was established and, if submitted to the legislature would be challenged and potentially affect the outcome for a rationale and equitable system of financing Alaska's public schools. Therefore, the Juneau Board of Education supports the department's efforts to create an interim finance plan that at least begins to address the equity question and defer the final foundation program until a valid and generally accepted data base on educational costs is available to establish the allocation system.

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TABLES AND CHARTS

CHART I	RANK ORDER OF POSITIVE ENTITLEMENT % CHANGE FROM CURRENT TO PROPOSED (DRAFT VI)
CHART II	RANK ORDER OF CITY AND CITY & BOROUGH DISTRICTS WITH POSITIVE ENTITLEMENTS FROM CURRENT TO PROPOSED (DRAFT VI)
CHART III	RANK ORDER OF POSITIVE ENTITLEMENT % CHANGE FROM CURRENT TO PROPOSED (DRAFT VI) FOR MAJOR URBAN CENTERS
CHART IV	COMPARISON OF STATE FOUNDATION SUPPORT BETWEEN FY 85 ACTUAL AND PROPOSED FOUNDATION PROGRAM FOR SELECTED CITY & BOROUGH DISTRICTS FOR MAJOR URBAN CENTERS
TABLE II	COMPARATIVE ANALYSIS OF CURRENT \$ SUPPORT WITH PROPOSED \$ SUPPORT FOR CITY AND BOROUGH SCHOOL DISTRICTS
CHART V	COMPARATIVE ANALYSIS OF CURRENT \$ SUPPORT WITH PROPOSED \$ SUPPORT FOR CITY AND BOROUGH SCHOOL DISTRICTS
CHART VI	COMPARISON OF RANK ORDER OF POSITIVE ENTITLEMENT % CHANGE FROM CURRENT TO PROPOSED (DRAFT II - DRAFT III - DRAFT VI)
TABLE III	A THREE YEAR HISTORY OF GROWTH OF ADM, LOCAL CONTRIBUTION PER STUDENT, STATE FOUNDATION PER STUDENT & COMBINED LOCAL FOR SELECTED DISTRICTS
CHART VII	PERCENT OF ADM GROWTH COMPARED TO THE PERCENTAGE OF COMBINED LOCAL & STATE FOUNDATION GROWTH IN DOLLARS PER ADM FOR FY-83 THROUGH FY-85

CHART I RANK ORDER OF POSITIVE ENTITLEMENT % CHANGE FROM CURRENT TO PROPOSED (DRAFT VI)

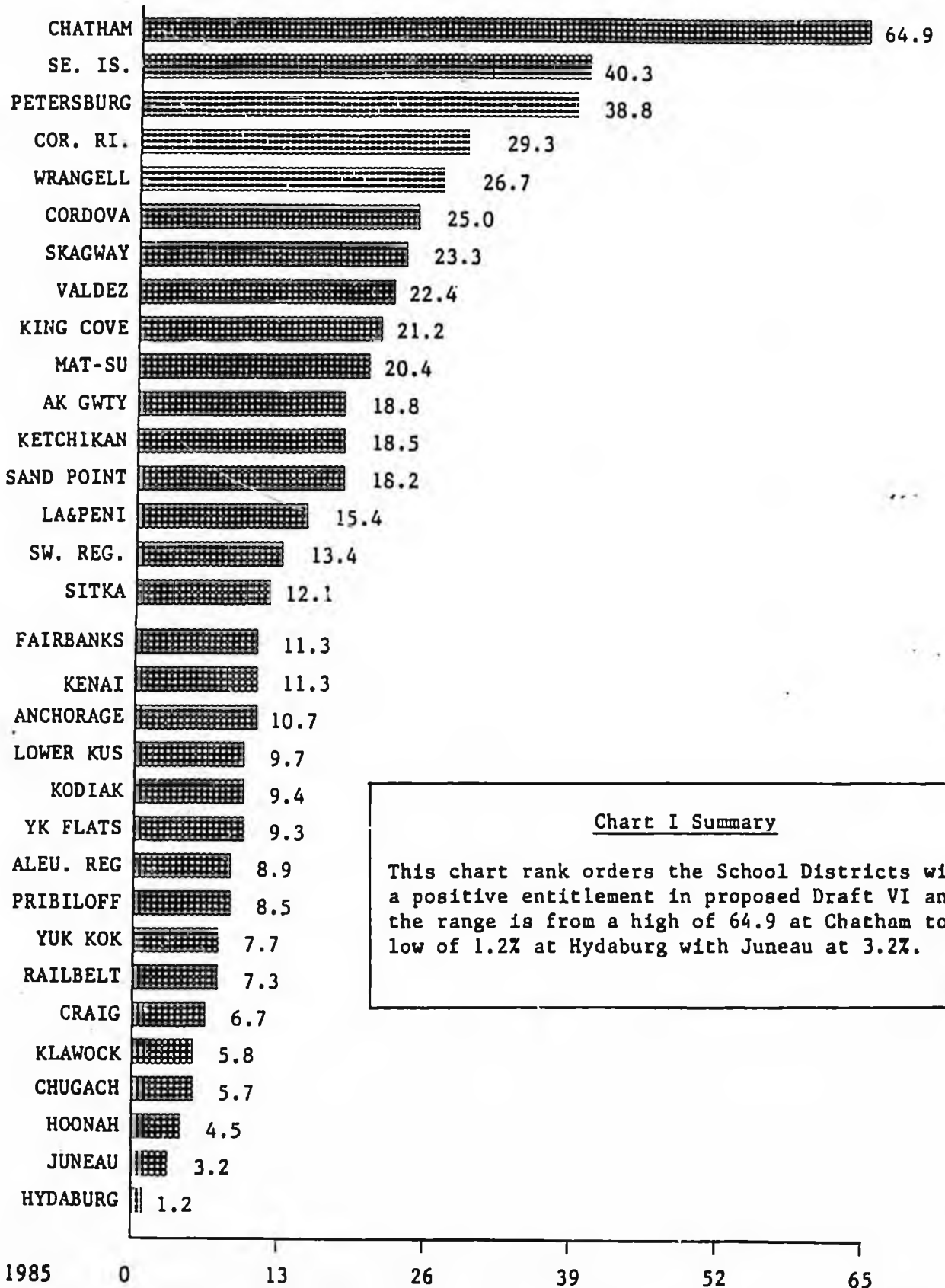


Chart I Summary

This chart rank orders the School Districts with a positive entitlement in proposed Draft VI and the range is from a high of 64.9 at Chatham to a low of 1.2% at Hydaburg with Juneau at 3.2%.

CHART II RANK ORDER OF CITY AND CITY & BOROUGH DISTRICTS WITH POSITIVE ENTITLEMENTS FROM CURRENT TO PROPOSED (DRAFT VI)

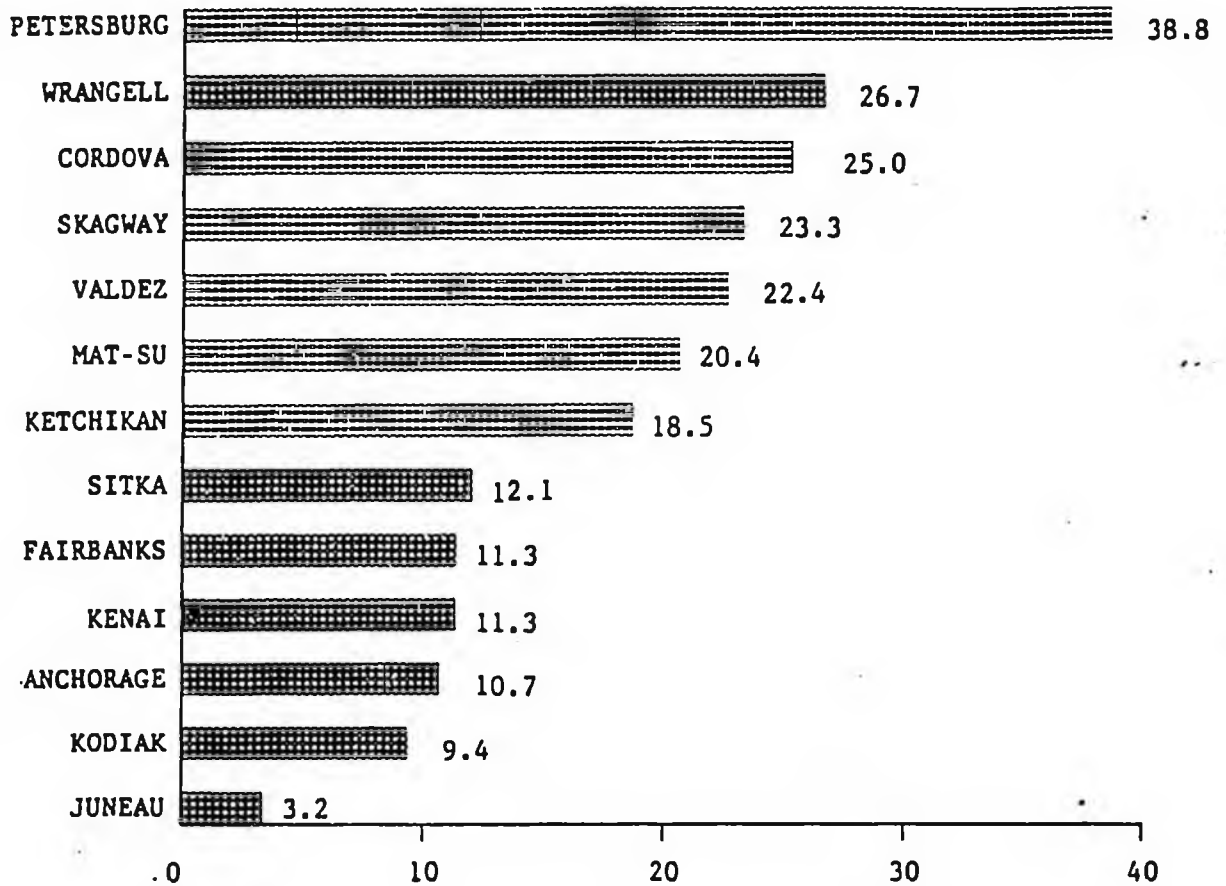


Chart II Summary

This Chart indicates that the City & City & Borough Districts with a positive entitlement in proposed Draft VI range from a high of 38.8% at Petersburg to a low of 3.2% at Juneau.

CHART III RANK ORDER OF POSITIVE ENTITLEMENT % CHANGE FROM CURRENT TO PROPOSED (DRAFT VI) FOR MAJOR URBAN CENTERS

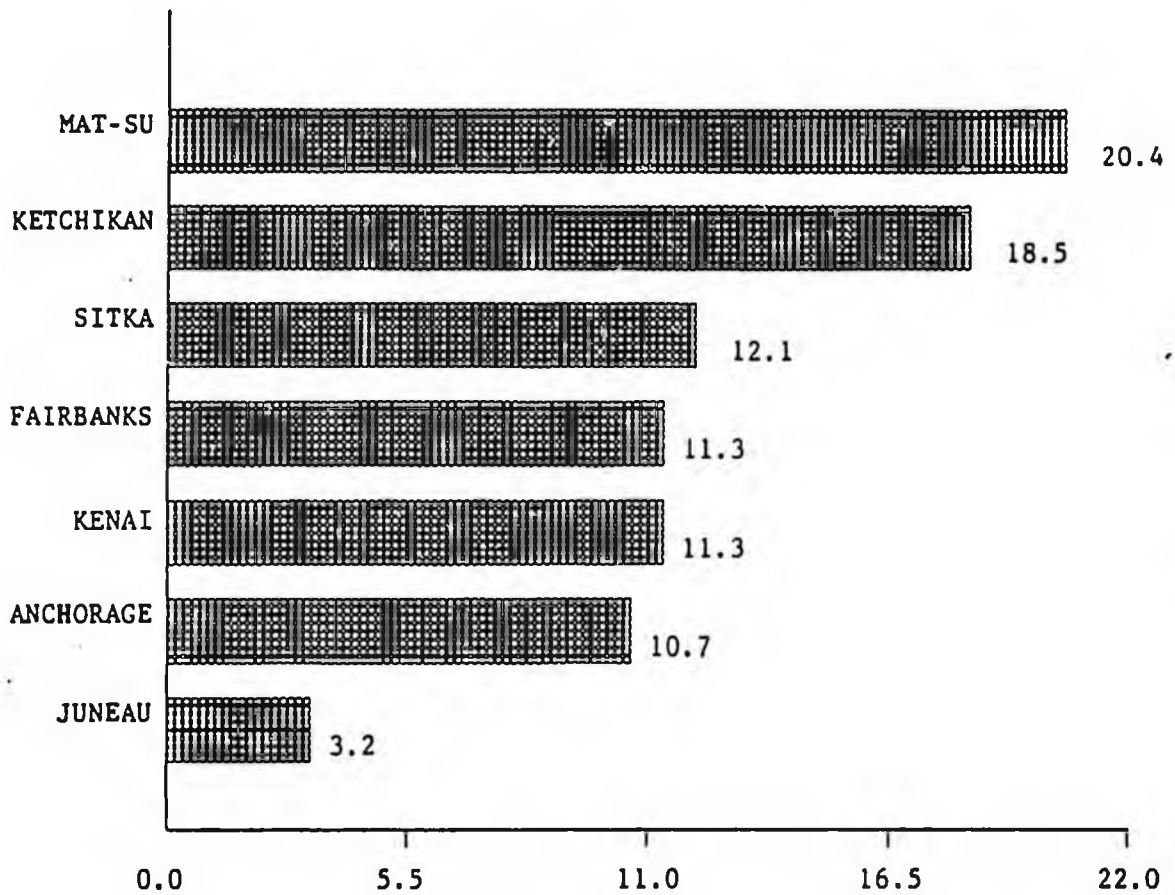
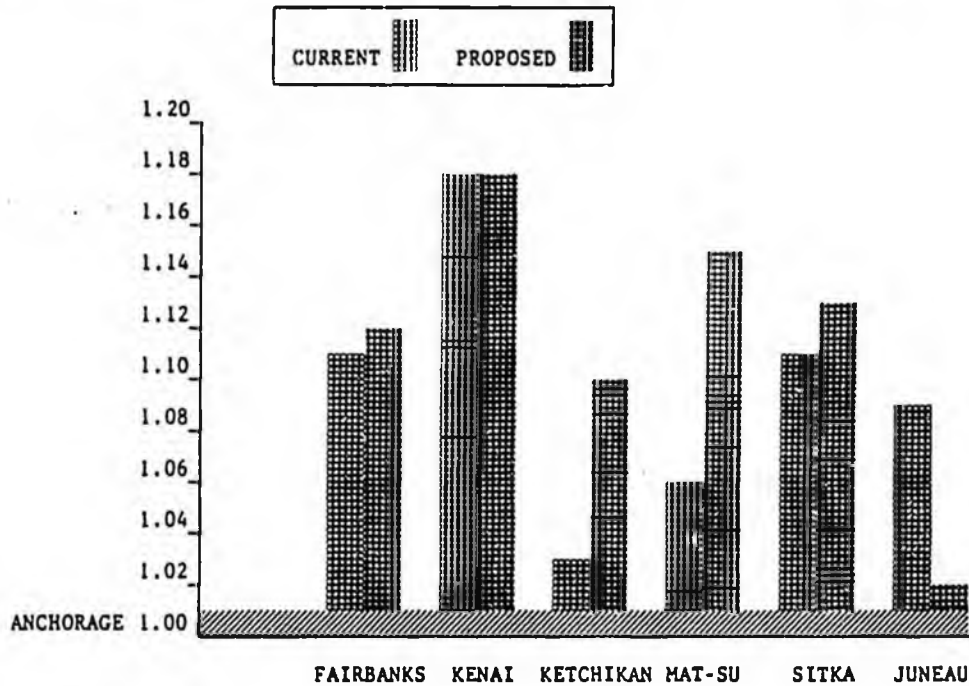


Chart III Summary

This Chart indicates that the major urban centers with a positive entitlement from proposed Draft VI range from a high of 20.4% at Mat-Su to a low of 3.2% at Juneau.

CHART IV COMPARISON OF STATE FOUNDATION SUPPORT BETWEEN FY 85 ACTUAL AND PROPOSED FOUNDATION PROGRAM FOR SELECTED CITY & BOROUGH DISTRICTS FOR MAJOR URBAN CENTERS

	CURRENT STATE \$/ADM	FACTOR		PROPOSED STATE \$/ADM	FACTOR
ANCHORAGE	3442	1.0	(+10.7%)	3811	1.0
FAIRBANKS	3836	1.11	(+11.3%)	4271	1.12
KENAI	4056	1.18	(+11.3%)	4514	1.18
KETCHIKAN	3535	1.03	(+18.5%)	4188	1.10
MAT-SU	3644	1.06	(+20.4%)	4387	1.15
SITKA	3819	1.11	(+12.1%)	4325	1.13
JUNEAU	3767	1.09	(+ 3.2%)	3887	1.02



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Chart VI Summary

This chart indicates that the major urban centers with a positive entitlement from proposed Draft VI have a rank order change with Anchorage as the base when comparing the current value per ADM to the proposed dollar value per ADM.

TABLE II -- COMPARATIVE ANALYSIS OF CURRENT \$ SUPPORT WITH PROPOSED \$ SUPPORT FOR CITY AND BOROUGH SCHOOL DISTRICTS

	A	B	C	D	E	F
Anchorage	3442	1349	10.7	4791	3811	5160
Fairbanks	3836	1945	11.3	5781	4271	6216
Juneau	3767	1363	3.2	5130	3887	5250
Kenai	4056	1120	13.3	5176	4514	5634
Ketchikan	3535	1734	18.5	5269	4188	5922
Mat-Su	3644	1434	20.4	5078	4387	5821
Sitka	3850	1520	12.1	5370	4325	5845

LEGEND

- A = Current Foundation Program \$ per ADM
- B = Current Local Contribution \$ per ADM
- C = % Increase in State Support per Draft VI
- D = Current Total Support per ADM (A + B)
- E = Proposed \$ per ADM State Support From Draft VI (A X C = E)
- F = Total Support per ADM if Proposed State \$ Were Combined with Current Local support (E + B = F)

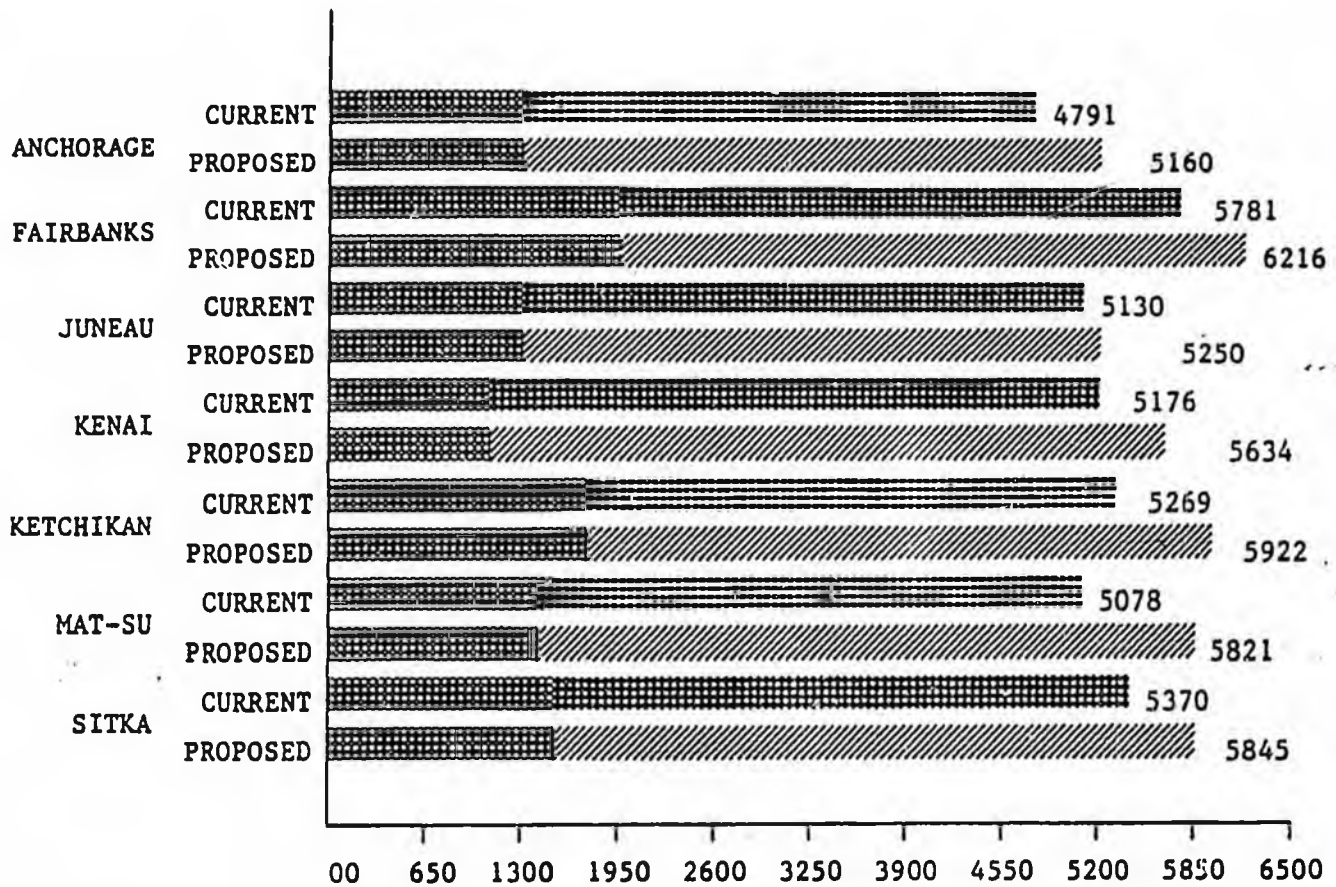
JANUARY 1985

Summary

The above data & attached chart indicates that the City and City & Borough Districts with a positive entitlement in proposed Draft VI when added to the FY-85 local support, range from a high dollar value per ADM of \$6216 at Fairbanks to a low dollar value per ADM at Anchorage of \$5160 with Juneau at \$5250.

CHART V

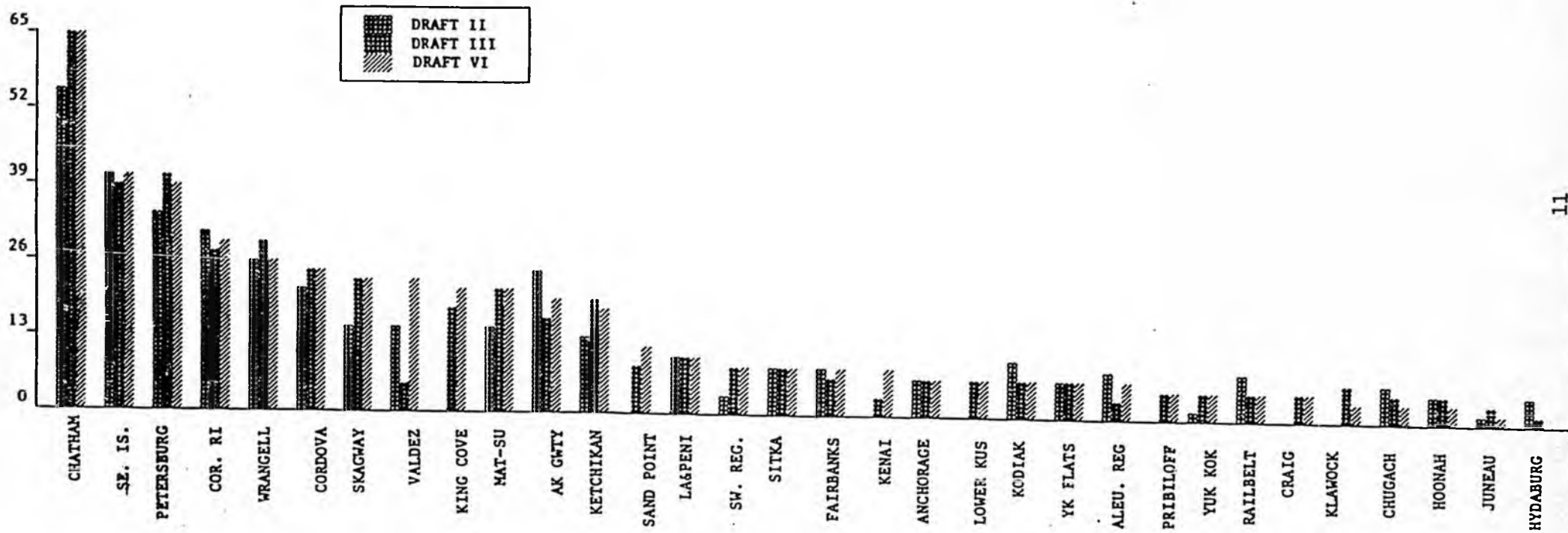
COMPARATIVE ANALYSIS OF CURRENT \$ SUPPORT WITH PROPOSED \$ SUPPORT FOR CITY AND BOROUGH SCHOOL DISTRICTS



CURRENT LOCAL CONTRIBUTION \$ PER ADM
 CURRENT FOUNDATION PROGRAM \$ PER ADM
 PROPOSED \$ PER ADM STATE SUPPORT FROM DRAFT VI
 = CURRENT TOTAL \$ PER ADM
 = PROPOSED TOTAL \$ PER ADM
 (IF PROPOSED STATE \$ WERE COMBINED WITH CURRENT LOCAL \$)

JANUARY 1985

CHART VI COMPARISON OF RANK ORDER OF POSITIVE ENTITLEMENT & CHANGE FROM CURRENT TO PROPOSED (DRAFT II - DRAFT III - DRAFT VI)



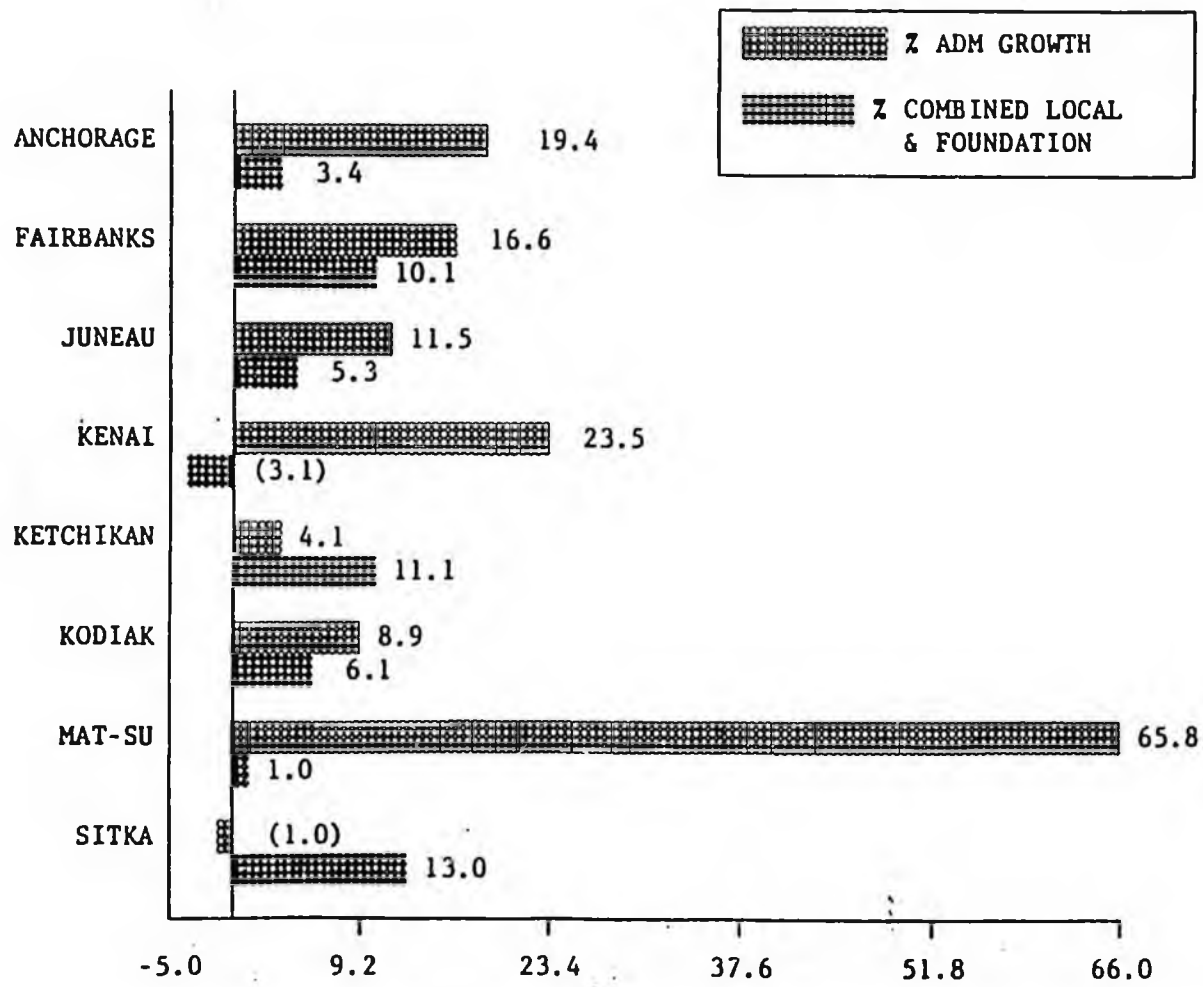
JANUARY 1985

Table III

A three year history of Growth of ADM, Local contribution per Student, State foundation Per Student & Combined Local & State contribution per Student for selected Districts

	Local Contribution In Dollars				ADM Count				State Foundation Per Student				Combined & Local & State Foundation Per Student			
	FY-81	FY-84	FY-85	3 years % of growth	FY-81	FY-84	FY-85	3 years % of growth	FY-81	FY-84	FY-85	3 years % of growth	FY-81	FY-84	FY-85	3 yrs. % of growth
Anchorage	878	1134	1345	51.5	21278	24797	28739	35.4	3760	3310	3442	(8.3)	4639	4464	4791	2.5
Fairbanks	1331	1743	1943	46.0	8816	9648	10283	16.6	3970	3688	3836	(7.1)	5111	5433	5761	10.1
Juneau	1877	2224	2363	26.6	4088	4234	4331	11.3	3796	3622	3767	(0.8)	4873	4848	5130	5.3
Kodiak	1097	1342	1120	7.1	8267	8734	7734	23.3	4144	3900	4054	(4.3)	3343	3132	3176	(3.2)
Ketchikan	1254	1600	1734	38.1	2354	2349	2450	4.1	3384	3799	3333	6.3	4742	4999	5269	11.1
Kodiak	378	641	878	54.0	2857	3141	3241	8.8	3437	3488	3708	1.3	8207	6129	6504	8.1
Met-So	1019	1683	2434	48.7	4808	5538	7974	63.8	4111	3504	3444	(11.4)	5130	3187	3078	(5.0)
Sitka	1741	2373	2320	23.3	1487	1407	1444	(1.0)	3324	2711	3489	(9.6)	4761	3264	3379	11.0

CHART VII PERCENT OF ADM GROWTH COMPARED TO THE PERCENTAGE OF COMBINED LOCAL & STATE FOUNDATION GROWTH IN DOLLARS PER ADM FOR FY-83 THROUGH FY-85



13

BUDGET TIME LINE

January 8, 1985 Confirm January 15, 1985 "Committee as a Whole" meeting to study budget time line - will be included in the Superintendent's Report

Week of Jan 7 & 14 Input from Building and Unit Managers

January 15, 1985 "Committee as a Whole meeting to deliberate budget time line, formats and process

Week of Jan 21, 85 Meet with Building and Unit Managers for Budget Clarification.

February 5, 1985 First Draft of FY 86 Budget
Confirm February 19, 1985, "Committee as a Whole" meeting to consider the Administration's Draft of the FY-86 Budget

February 19, 1985 "Committee as a Whole" meeting to consider Administrations Recommended Draft of the FY-86 Budget and establish Public Hearing dates on March 6, 1985 and March 7, 1985

February 26, 1985 Education Subcommittee of the Assembly to consider 2nd Draft of FY-86 Budget

March 6, 1985 FY-86 Budget Hearing: Floyd Dryden

March 7, 1985 FY-86 Budget Hearing: Juneau Douglas High School

Week of Mar 11, 85 FY-86 Budget Workshop with Board on Final Budget Adjustments

March 19, 1985 FY-86 Budget submitted to Board for adoption

March 29, 1985 FY-86 Budget forwarded to Assembly

Week of Apr 1, 85 Education Subcommittee of Assembly to discuss FY-86 Budget

Week of Apr 8, 85 Joint Borough & Board Meeting on FY-86 Budget

Week of May 6, 85 FY-86 Budget Presentation to Assembly

May, 1985 Assembly act on FY-86 Budget

May/June 1985 Final FY-86 Budget Approval by Board

Original Submission 1-8-85

COMMITTEE REPORT
SENATE

FINANCE

FURTHER:

3/12/85

Date 4-11-85

Mr. President

The Committee on HESS considered SR 147
state support for education: eid.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SR 147
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

[Signature]

[Signature]

[Signature]

Chairman _____

Chairman recommendation _____