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ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA

ASD MEMORANDUM #177 (2004-2005)

February 7, 2005

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: RESOLUTION IN SUPPORT OF INCREASED STATE FUNDING  
OF THE ALASKA PUBLIC SCHOOL FUNDING PROGRAM

RECOMMENDATION:

It is recommended that the School Board approve a resolution in support of increased State funding of the Alaska Public School Funding Program (Attachment A).

PERTINENT FACTS:

The largest single revenue source to the Anchorage School District comes from the Alaska Public School Funding Program. This program has been inadequately funded for at least 15 years and Alaskan school districts have fallen further behind due to a lack of inflation proofing, increased utility, fuel and property and liability insurance costs, PERS, TRS and increased health insurance premiums and needed salary increases.

On November 8, 2004, a School Board FY 2005-2006 financial planning work session was held. A pro forma revenue and expenditure budget was presented on the information known then. At that time, the Administration projected that the District faced a \$29 million fiscal gap for FY 2005-2006. At the work session the School Board provided guidance to the Administration to proceed with the Governor's November 5, 2004 educational funding plan that adjusted the base student allocation from \$4,576 to \$4,869. At that time, it was projected that expenditures would exceed projected revenues by approximately \$10 million.

On January 18, 2005, the Governor's updated funding proposal to increase the base student allocation of the Alaska Public School Funding Program was introduced into the legislature (House Bill 73 and Senate Bill 58). This proposal would increase the base student allocation to \$4,880. This is an increase of \$304

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from the FY 2004-2005 base student allocation of \$4,576. The Governor's updated base allocation will provide approximately \$20 million to the District.

The School Board and the Administration appreciate the Governor's recognition of the need for increased K-12 education funding and the additional need to mitigate the extraordinary increases in Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) employer contributions. The Governor's proposal of January 18, 2005, however, still leaves a gap of \$9.5 million.

The Anchorage School District strongly supports an increase in the base student allocation over the Governor's January 18, 2005 proposal to reduce the \$9.5 million in cuts and to increase learning options for all students.

### Base Student Allocation Increase Proposal

On January 27, public school officials from Anchorage, Fairbanks, Juneau, Kenai and the Matanuska-Susitna Borough teleconferenced on the issue of state education funding for FY 2005-2006. Carl Rose, executive director of the Association of Alaska School Boards, said the schedule for legislative consideration of the education budget requested that school districts determine their budget needs much earlier than in past legislative sessions. His discussions with legislative leaders and the Governor's office indicated that no consensus had been reached at the Capitol in regard to school funding. All legislators were interested in hearing from school districts concerning their budgetary needs.

While the needs vary by district, those participating in the teleconference agreed that the proposed base student allocation of \$4,880 would not be sufficient for status quo operations. With surplus funds anticipated in FY 2005 and FY 2006, the state could invest additional monies in public education next year. After some discussion, participants agreed that a base student allocation of \$4,995 in FY 2006 could be justified by local needs and state and federal educational requirements, plus past budget under funding. The target base student allocation would be reached if the \$62 million increase requested by the Governor were increased by \$23 million, for a total increase in foundation funding of \$85 million.

The District requests the Governor and Legislature to increase the funding of the Alaska Public School Funding Program in the Governor's bill by an additional \$23 million for a total increase of \$85 million, resulting in a base allocation of \$4,995 for FY 2006 for each student, to enable schools to increase student achievement and improve school performance in a sustained way.

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The Administration believes that this increase will begin a significant upward trend in revenues for public schools in Alaska. It is essential that this trend continue in the future in order to allow our districts to provide essential educational opportunities for Alaska's children.

Attachment

Prepared: Janet Stokesbary, Chief Financial Officer  
Larry Wiget, Director, Government Relations

Approved by: Carol Comeau, Superintendent

# AMENDED

## ANCHORAGE SCHOOL DISTRICT ASDR 2004-2005-10

### RESOLUTION IN SUPPORT OF INCREASED STATE FUNDING OF THE ALASKA PUBLIC SCHOOL FUNDING PROGRAM

**WHEREAS**, state funding for public schools is essential to maintain an education system that meets the needs of the children of Alaska; and

**WHEREAS**, Governor Frank Murkowski has recognized the importance of increasing public school funding by recommending that foundation formula funding for public schools be increased; and

**WHEREAS**, public school students will require adequate education programs in order to meet student achievement requirements imposed under both state and federal law; and

**WHEREAS**, adequate education programs will require a significant increase in state education funding to allow school districts to have the education resources to meet student needs; and

**WHEREAS**, school districts are experiencing increased fixed costs in their retirement systems and in other area including fuel and electricity; and

**WHEREAS**, improvements to the public school system require a combination of strategies including improving instructional quality, decreasing class sizes, providing safe and efficient transportation, and providing adequate employee compensation; and

**WHEREAS**, providing increased education funding benefits all the public schools in the state and all residents of the state by developing our most precious natural resource - children, and providing a foundation for economic growth; and

**WHEREAS**, in order to prevent program cuts, to assure a maintenance level of public school funding, and to make modest reduction in class sizes, public school funding will need to be increased by \$112 million dollars for the next fiscal year;

**BE IT RESOLVED**, that the Anchorage School District strongly supports increasing state support for public schools; and

**AMENDED**

**BE IT FURTHER RESOLVED**, that the Anchorage School District requests the Governor and legislature to increase the base student allocation in the foundation formula to \$5,120, which would provide an additional \$112 million dollars in state support for public schools.

**DATED** this \_\_\_\_\_ day of February 2005.

ANCHORAGE SCHOOL BOARD

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Tim Steele, President

Crystal Kennedy  
Jake Metcalfe  
Macon Roberts

John Steiner  
Jeff Friedman  
Mary Marks

Carol Comeau, Superintendent