

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #104 (2007-2008)

December 3, 2007

TO: SCHOOL BOARD

FROM: LEGISLATIVE SUBCOMMITTEE

SUBJECT: 2008 LEGISLATIVE PRIORITIES

ASD Goal: Ensure public accountability through effective consultation with the community to ensure wise use of financial resources and responsible construction and maintenance of facilities, and effective communication with students, staff, parents, community and government at all levels.

RECOMMENDATION:

The Legislative Subcommittee of the Anchorage School Board recommends the board approve and adopt the 2008 Anchorage School District Legislative Priorities (Attachment A).

PERTINENT FACTS:

The goal of the Anchorage School Board is to work with local, state and federal government to secure the necessary legislation for the district to provide the educational programs and support services needed to fulfill its mission.

For the second session of the 25th Alaska Legislature the board will focus its advocacy efforts on obtaining sufficient funding to meet the educational needs of our students.

The 25th Legislature provided an increase in education funding during its first session by directly funding a portion of PERS/TRS benefits shortfall and reducing the required employer contribution. The Legislature further demonstrated a commitment to funding education by appointing the Joint Legislative Education Funding Task Force. The task force thoroughly reviewed education funding issues and provided extensive opportunity for public involvement and comment. Several members of the administration and school board participated in the task force work sessions and contributed public testimony. The task force recommendations should be the basis of funding increases.

Without legislative enactment of the task force recommendations, the district will face a budget shortfall of \$26.9 million in FY2008-09. If all task force recommendations are adopted, including the passage of Senate Bill 125 - PERS/TRS Contributions, the district's shortfall is dramatically reduced to about \$1.6 million.

Upon approval of the priorities by the school board, the legislative subcommittee will work with the administration to develop additional rationale and support materials for each of the funding areas.

CC/ME

Attachments

Prepared by: Michelle Egan, Communications Director

Approved by: Jeff Friedman, Chair, Legislative Subcommittee
Carol Comeau, Superintendent

Attachment A

**Anchorage School District
2008 Legislative Priorities**

The 25th Alaska Legislature took an historic step for education in its first session by directly funding a portion of the PERS/TRS shortfall and reducing the employer share of employee retirement contributions. The Anchorage School District used the savings of retirement costs to meet the needs of its diverse student population. The district increased career training, reduced class size, expanded summer school and invested in programs that improve literacy and math skills for all students.

Student achievement in the district has steadily increased in both language arts and math. The Anchorage School Board believes continuing to apply the same level of effort will result in further increases in student achievement, decreased drop-out and increased graduation rates, safer schools, and more students ready to fill Alaska jobs vacated by retiring baby boomers.

Legislative Task Force Report

The district's first and foremost legislative priority is the enactment of all of the recommendations of the Joint Legislative Education Funding Task Force.

- **Standing committees.** Creation of standing committees on education in the State House and Senate as proposed in HCR 202 will provide welcome focus on and oversight of the important education issues in Alaska.
- **District cost factors.** District cost differential factors are used to balance funding equitably by accounting for the varying cost of education across Alaska. The particulars of any cost study can be debated, yet no one disputes that it is more expensive to educate children in some areas of Alaska than in other areas. The district supports the task force recommendation to gradually implement the most recent cost-factor study while simultaneously creating a commission to review and update cost difference factors.
- **Intensive needs funding.** Inadequate funding for students with intensive needs has shortchanged districts for many years. The average cost of educating an intensive needs student in Anchorage is nearly \$75,000 per year. Current state funding provides just \$26,900 of that cost and is based on multiplying the Base Student Allocation by five. The task force recommendation will help satisfy the federal mandate to provide for the great needs of these students without diminishing funds available for

other students. The Anchorage School Board supports the task force recommendation of phased funding increases for students with intensive needs.

- **Base Student Allocation.** The task force recognized that annual increases, set in statute, would help districts with long-range planning. The recommendation calls for increasing the BSA for fiscal years 2009 through 2011 by “*at a minimum*” \$100 per year. Task Force Final Report at p. 6. The district’s analysis demonstrates that increases greater than \$100 per year for FY09, FY10 and FY11 are necessary to maintain the current levels of service. The Anchorage School Board endorses the recommendation of the Alaska Association of School Boards that the base student allocation be set at \$5,580 for FY 2009, \$5,780 for FY 2010 and \$5,980 for FY 2011.
- **Pupil Transportation.** The Task Force recommended continuing the current method of funding for student transportation, with critical adjustments to the funding level to account for current audited transportation costs. Adopting this recommendation will offset increases in fuel prices and transportation contract costs.

SB 125 PERS/TRS Cost Sharing

The Joint Legislative Education Funding Task Force premised all of its recommendations on the assumption that the state would assume responsibility for required increases in PERS/TRS contributions as contemplated in SB 125, now before the 25th Alaska Legislature. The Anchorage School Board’s endorsement of the Task Force recommendations is based on the same premise. The Anchorage School Board fully supports SB 125 as it existed at the close of the last regular legislative session.

Debt Reimbursement

The Anchorage School Board and Anchorage taxpayers are counting on the Alaska Legislature to continue partnering on capital improvement projects by fully honoring past commitments for partial reimbursement of debt service on bonded indebtedness. The Anchorage School Board also requests that the Legislature extend the school debt reimbursement program to help meet current and future school construction and major maintenance needs. One modification to this partnership is requested: allow allocation of matching grant funds, not just debt reimbursement, to the Anchorage School District for very high-need projects such as Sand Lake and Chester Valley elementary schools. While the board and district administration fully support the allocation of most grant funding dollars to rural districts, high-priority projects in Anchorage should also be eligible for partial grant funding.

Revenue Sharing

Anchorage property owners – and indirectly, renters and business patrons – play a significant role in funding the Anchorage School District through municipal property taxes. State aid to municipalities helps meet community needs, including critical health and safety supports for our students and their families, without further burdening local taxpayers. The Anchorage School Board supports continuing the municipal revenue sharing program.

Forward Funding

For the Anchorage School District, budget development begins in the fall and continues until the Governor signs the education funding bill in the spring. Forward funding of the education budget would eliminate much wasted effort, provide greater stability, and permit more long-range planning. The Joint Legislative Education Funding Task Force Report takes a step in that direction by recommending advance adoption of statutory base student allocation amounts. With the money currently in the Education Fund, the Legislature has a unique opportunity to institute forward funding by actually allocating funds for both FY09 and FY10. In 2009, the Legislature should fund FY11 with funds deemed appropriate from current revenue. With forward funding, school districts would have a full year to prepare for any increase or decrease in funding levels.

Other Legislation

The Anchorage School Board looks forward to working with the Alaska Legislature as it addresses other bills affecting workforce development, compulsory age of attendance, and other education issues. Board members welcome questions and requests for information from legislators.