



# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

## Office of Superintendent

Dr. Donna Peterson, Superintendent of Schools  
148 North Binkley Street Soldotna, Alaska 99669-7553  
Phone (907) 714-8888 Fax (907) 262-9132

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

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**DATE:** September 25, 2007  
**TO:** Members, Board of Education  
**FROM:** Donna Peterson, Ed.D. *Donna Peterson*  
Superintendent of Schools  
**RE:** 2008 Federal and State Legislative Priorities

A worksession has been scheduled for the October 1 School Board meeting to discuss the 2008 legislative priorities. In preparation for this discussion I have attached the last three years of District priorities.

Regarding content, the Board could also consider language urging the legislature to adopt the findings of the Joint Legislative Education Task Force within the first 30 days of the legislative session.

Action on the 2008 state and federal priorities is tentatively scheduled for October 15, 2007.

## **Kenai Peninsula Borough School District 2007 State Legislative Priorities**

The Kenai Peninsula Borough School District calls on the Alaska State Legislature to recognize **that children are the first priority**, by:

### **Eliminating equity issues by implementing an appropriate Area Cost Differential (ACD)**

For FY07, one-quarter of a 1.046 ACD was funded. The last ISER recommendation suggests 1.171 ACD for the District. Twenty years of study shows the inadequacy of the current 1.004 differential. Immediate implementation of a more appropriate ACD is needed to acknowledge the higher cost of doing business in a District with remote and rural sites.

### **Addressing the Alaska unfunded TRS and PERS liability**

The state retirement systems are both seriously under funded. With the FY08 employer rates at 54% for the Teacher Retirement System and 40.08% for the Public Employee Retirement System, and no Legislative relief by March 15, 2007, KPBSD will be forced to lay off a significant number of teachers. In addition, without legislative remedy, the economy of Alaska as a whole will suffer drastically

### **Assuring students are prepared for the 21<sup>st</sup> century by increasing funding**

Addressing costs associated with federal and state mandates, providing for increased energy and insurance costs out of the control of school district, and inflation proofing the school funding formula would allow continued emphasis on high academic achievement and increased accountability through appropriate class sizes, sufficient materials, and high quality staff. Should this issue not be addressed, money will have to be diverted from the classroom to address fixed costs.

### **Ensuring adequate transportation for all students by revising funding mechanism**

The grant-type award for transportation funding penalizes those districts who have been most efficient in their operations. Current state transportation funding to school districts does not consider the escalating cost of doing business including fuel, minimum wage level increases, and additional mandated demands from special education and homeless populations.

### **Funding education on a forward basis to prevent unnecessary non-retentions**

Funding for education should be established early in the legislative session so that adequate planning can occur. School district issuance of teaching contracts is governed by state statute. Without knowledge of state funding, districts are required to balance their resources in the spring by reducing their workforce.

### **Addressing health care costs in Alaska**

In Alaska, more than 110,000 residents have no medical insurance and the price of treatment is increasing. The uninsured drive costs up for everyone, the health care costs for KPBSD are approximately 10% of the budget; all indications are that this is a growing cost of doing business. The recommendation is that legislation should be enacted that would provide for a statewide plan in which public entities may participate.

### **Providing accountability for all school age children of the state**

Having a choice of an educational delivery system is important to Alaskans. However, all children have a right to be safe and receive an education. A registration and educational accountability system for all school age children will help protect the rights of those least able to care for themselves.

**Kenai Peninsula Borough School District  
2007 Federal Legislative Priorities**

**Fund adequate housing for teachers in Nanwalek and Tyonek**

The remote Native Villages of Tyonek and Nanwalek suffer from high teacher turnover. A new duplex in Tyonek was built last year and has enhanced the District's ability to recruit and retain quality teaching staff. A second duplex is needed in Tyonek as well as a similar complex in Nanwalek. With this change from substandard housing and the expected continuity of staff, student achievement will likely be positively impacted.

**Address health care costs in the United States**

In Alaska more than 110,000 residents have no medical insurance and the price of treatment is increasing. In the U.S. 45.8 million people have no health insurance. The uninsured drive costs up for everyone. For school districts in Alaska these health care costs for current and retired employees is a growing problem. In many districts these costs add up to more than 10% of the budget. This growing budget category mitigates districts' ability to directly impact student achievement through classroom focused expenditures.

**Fully fund Federal No Child Left Behind (NCLB) mandates**

In order to assure a quality educational experience for all Alaskan children, the Federal government is responsible for providing sustainable, reliable, and adequate funding for meeting the new accountability requirements and expectations for NCLB. These mandates include the need for additional personnel to monitor and complete documentation for NCLB requirements, provide annual assessments at all grade levels, and provide comprehensive training for effective implementation of NCLB requirements. Restrictions on transferability of funds for districts in improvement status should be eased. Such restrictions severely limit the ability for these districts to provide supplemental learning opportunities for struggling learners in high poverty areas and identified subgroups. Additionally, a growth model for student accountability should be accepted for progress toward goals and Adequate Yearly Progress.

**Fully fund the Individuals with Disabilities Education Act (IDEA)**

IDEA was reauthorized last year. Congress originally promised to fund up to 40% of the excess costs of educating students with disabilities under IDEA. Currently congress has authorized expenditures to cover about 20% of the excess costs nationally. The Kenai Peninsula Borough School District believes that Congress should fund the full amount they originally promised. To do otherwise requires local districts to reduce funding for general instructional needs to meet the needs of special student populations and results in another under-funded mandate passed down to state and local governments.

**Develop East End Road from Homer to top of hill above Kachemak Selo**

Four Russian Old-Believer Villages are connected to Homer, Alaska via East End Road (McNeil Canyon - 11 miles, Razdolna -23 miles; Voznesenka - 25 miles, and Kachemak Selo - 28 miles). The current road is in major need of repair and current conditions preclude school bus transportation to all but McNeil Canyon. KPBSD requests federal transportation funding to improve conditions on East End Road so that school bus travel is an option. Repairs to the road are also critical to the safety and well being of the District staff members and community members who travel this road on a daily basis.

## KENAI PENINSULA BOROUGH SCHOOL DISTRICT 2006 STATE LEGISLATIVE PRIORITIES

The Kenai Peninsula Borough School District calls on the Alaska State Legislature to recognize that **children are the first priority**, by:

- ***Providing equity to the students of the Kenai Peninsula Borough School District through implementation of an appropriate Area Cost Differential.***

With 15 schools of under 100 students, 44 separate school programs, five sites with severely limited access, and over 7000 miles per day on school buses, a cost differential of 1.004 is hardly adequate to provide equitable education for communities throughout the Kenai Peninsula. Since 1984, studies have shown that KPBSD has received less consideration than other districts for the high cost of doing business. It is past time to remediate this inequity.

<b>District</b>	<b># of Schools</b>	<b>Cost Differential</b>
Mat-Su	37	1.010
Fairbanks	34	1.039
Kenai	44	1.004

- ***Assuring that the education, health, and safety needs are met by providing accountability for all school age children of the state.***

Having a choice of an educational delivery system is important to Alaskans. However, all children have a right to be safe and receive an education. A registration and educational accountability system for all school-age children will help protect the rights of those least likely to care for themselves.

- ***Funding education on a forward basis so that budgets are known prior to statutory requirements for notifying teachers of non-retention.***

Funding for education should be established early in the legislative session so that adequate planning can occur. School district issuance of teaching contracts is governed by state statute. Without knowledge of state funding, districts are required to balance their resources in the spring by reducing their workforce.

- ***Addressing health care costs in Alaska and the U.S.***

In Alaska, more than 110,000 residents have no medical insurance and the price of treatment is increasing. The uninsured drive costs up for everyone. The health care costs for KPBSD are approximately 10% of the budget; all indications are that this is a growing cost of doing business.

- ***Providing adequate funding to maintain programs at current levels.***

***a. Fully fund the contribution changes required to the Teachers Retirement System (TRS) and the Public Employees Retirement System (PERS) - approximately \$190 per student***

***b. \*Provide a \$400 increase to the base student allocation to address the routine cost of doing business.***

Addressing costs associated with federal and state mandates and increased costs of doing business ensures that the District is not forced to use instructional funding to pay for obligations beyond its control. Implementation of the Area Cost Differential Study findings, in addition to increasing retirement, utility, insurance (property, liability, etc.), and inflation adjustments, would allow continued emphasis on high academic achievement and increased accountability through appropriate class sizes, materials and high quality staff in KPBSD.

\*Subject to modification after the FY07 preliminary budget has been developed.

## **KENAI PENINSULA BOROUGH SCHOOL DISTRICT 2006 FEDERAL LEGISLATIVE PRIORITIES**

**\* *Address health care costs in the United States.***

In Alaska more than 110,000 residents have no medical insurance and the price of treatment is increasing. In the U.S. 45.8 million people have no health insurance. The uninsured drive costs up for everyone. For school districts in Alaska these health care costs for current and retired employees is a growing problem. In many districts these costs add up to more than 10% of the budget. This growing budget category mitigates districts' ability to directly impact student achievement through classroom focused expenditures.

**\* *Fully fund Federal No Child Left Behind (NCLB) mandates.***

In order to assure a quality educational experience for all Alaskan children, the Federal government is responsible for providing sustainable, reliable, and adequate funding for meeting the new accountability requirements and expectations for NCLB. These mandates include the need for additional personnel to monitor and complete documentation for NCLB requirements, provide annual assessments at all grade levels, and provide comprehensive training for effective implementation of NCLB requirements.

**\* *Fully fund the Individuals with Disabilities Education Act (IDEA).***

IDEA was reauthorized last year. Congress originally promised to fund up to 40% of the excess costs of educating students with disabilities under IDEA. Currently congress has authorized expenditures to cover about 20% of the excess costs nationally. The Kenai Peninsula Borough School District believes that Congress should fund the full amount they originally promised. To do otherwise requires local districts to reduce funding for general instructional needs to meet the needs of special student populations and results in another under-funded mandate passed down to state and local governments.

**\* *Develop East End Road from Homer to top of hill above Kachemak Selo.***

Four Russian Old-Believer Villages are connected to Homer, Alaska via East End Road (McNeil Canyon - 11 miles, Razdolna -23 miles; Voznesenka - 25 miles, and Kachemak Selo - 28 miles). The current road is in major need of repair and current conditions preclude school bus transportation to all but McNeil Canyon. KPBSD requests federal transportation funding to improve conditions on East End Road so that school bus travel is an option. Repairs to the road are also critical to the safety and well being of the District staff members and community members who travel this road on a daily basis.

## **KENAI PENINSULA BOROUGH SCHOOL DISTRICT 2005 STATE LEGISLATIVE PRIORITIES**

***\* Recognize that children are the first priority in the State of Alaska.***

By recognizing and declaring children as the top priority in Alaska, and encouraging support for programs guaranteeing their safety, health, and education, the stability of Alaska's future will be protected.

***\* Assure that health and safety needs are met by providing accountability for all school-age children in the state.***

Having a choice of an educational delivery system is important to Alaskans. However, all children have a right to an education. A registration and educational accountability system for all school-age children will help protect their right to an education as well as help protect the health and safety needs of those least likely to care for themselves.

***\* Fund education on a forward basis so that budgets are known prior to statutory requirements for notifying teachers of non-retention.***

School district issuance of teaching contracts is governed by state statute. Without knowledge of state funding, districts are required to balance their resources. In times of reduction, as a labor intensive workplace, this balancing occurs in school districts by having fewer people doing the job. A process of non-retaining teachers occurs in mid-March with reinstatement occurring once the budget amount is known, usually in mid-May. Funding for education should be established early so that adequate planning can occur.

***\* Fully fund the contribution changes required to the Teachers Retirement System (TRS) and the Public Employees Retirement System (PERS) in addition to the State educational funding formula.***

An important factor in student academic achievement is highly qualified and committed employees. The state mandated employer contribution increase to TRS and PERS is in excess of \$2 million for KPBSD, equating to an increase of \$114 per student. Fully funding this increase in addition to the current educational funding formula ensures that the District is not forced to reallocate instructional funds to pay for this obligation.

***\* Recognize, through adjustments to the area cost differential within the educational funding formula, the high cost of doing business in the Kenai Peninsula Borough School District.***

With fifteen schools of under 100 students, 44 separate school programs, and five sites with severely limited access, a cost differential of 1.004 is not sufficient to provide equitable education for communities throughout the peninsula. KPBSD continues to be efficient with low administrative costs, meeting 70/30% instructional/other cost requirements, and receiving the maximum funding available through the local contribution. Since 1984, studies have shown that KPBSD has received less consideration than other districts for the high cost of doing business. It is estimated that a single year's adjustment of over \$2 million to the cost differential for KPBSD (equates to an increase of \$114 per student) would result in a more equitable distribution of state resources for KPBSD students.

**\* Increase the foundation formula to reduce large class sizes.**

With high academic achievement standards, federal mandates, and increased accountability, increasing class sizes are of concern to parents and educators. Due to budget constraints, KPBSD has been forced to increase the numbers of students in classrooms. Current pupil teacher ratios are 24:1 in grades K-3; 29:1 in grades 4-6, 24.5:1 in 7-12, and 19:1 in our K-12 small schools. In order to lower class sizes to the appropriate and research based averages of 18:1 in K-3, and 24:1 in 4-12, approximately sixty additional teachers would be needed in KPBSD. This would mean an increase of \$3.9 million, or the need for \$175 additional in the funding formula.

**\* Inflation-proof the educational funding formula.**

Costs continue to rise in education as in any business. In Alaska, the Permanent Fund is adjusted for these increases but the educational funding formula is not. Therefore, regular expected increases to the cost of doing business each year require Districts to reduce budgets to account for inflationary costs. A regular mechanism for addressing increasing costs needs to be developed. An example of an annual estimated cost of living adjustment of 1.5% would be \$1.2 million, adding an additional \$69 per student to the funding formula.

<b>Fiscal Note for KPBSD Legislative Priorities</b>			
	12-6-04 <u>Legislative Priorities</u>	1-5-05 <u>Preliminary Budget</u>	1-31-05 <u>Revised Fiscal Note</u>
Current per pupil state foundation formula amount	\$ 4,576	\$ -	\$ -
Governor's Proposal (\$62 million)	-	4,869 *	-
District needs per FY06 Preliminary Budget	-	-	4,980 ***
Retirement obligation (TRS/PERS)	114	-	-
Recognize area cost differential issues in KPBSD	114	114	114
Reduce large class sizes	175	106 **	106 **
Address higher costs of doing business each year	69	-	-
	<u>\$ 5,048</u>	<u>\$ 5,089</u>	<u>\$ 5,200</u>

\* Increase in base student allocation of \$293 (revised to \$304 by DEED for \$4880) used to address all salary and benefit increases, property, liability and workers compensation increases, distance delivery upgrade, elementary reading curriculum

\*\* Preliminary Budget contains approximately \$1.2 million of \$3.9 million legislative priority for reducing large class sizes

\*\*\* Additional base student allocation amount needed over Governor's proposal to balance FY06 revenues to expenditures  
Note: no fund balance allocation of \$1.7 million needed with this scenario

## **KENAI PENINSULA BOROUGH SCHOOL DISTRICT 2005 FEDERAL LEGISLATIVE PRIORITIES**

***\* Maintain Carl Perkins Career Technical Education (CTE) Funding.***

Congress should reauthorize Carl Perkins CTE funding to ensure that students with special needs will continue have access to Career and Technical Education opportunities within the regular education environment. The loss of the Carl Perkins funds would be devastating to CTE programs across the country. KPBSD would lose approximately \$248,500.00, which would have a crippling effect on Career and Technical Education throughout the Kenai Peninsula.

***\* Fully fund Federal No Child Left Behind (NCLB) mandates.***

In order to assure a quality educational experience for all Alaskan children, the Federal government is responsible for providing a sustainable, reliable, and adequate funding for meeting the new accountability requirements and expectations for NCLB. These mandates include the need for additional personnel to monitor and complete documentation for NCLB requirements, provide annual assessments at all grade levels, and provide comprehensive training for effective implementation of NCLB requirements.

***\* Fully fund the Individuals with Disabilities Education Act (IDEA).***

IDEA has been scheduled for reauthorization for the past year. Congress originally promised to fund up to 40% of the excess costs of educating students with disabilities under IDEA. Currently congress has authorized expenditures to cover nationally about 20% of the excess costs. The Kenai Peninsula Borough School District believes that Congress should fund the full amount they originally promised. To do otherwise requires local districts to reduce funding for general instructional needs to meet the needs of special student populations and results in another under-funded mandate passed down to state and local governments.

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