School Consolidation:

Public Policy Considerations and a Review of Opportunities for Consolidation





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A Joint Report to the 2004 Alaska Legislature by the Local Boundary Commission and Department of Education and Early Development



February 2004

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State of Alaska



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STATE OF ALASKA OFFICE OF THE GOVERNOR JUNEAU

February 18, 2004

Dear Fellow Alaskan:

At the request of the Alaska Legislature, the Local Boundary Commission (LBC) and the Department of Education and Early Development (DEED) prepared this report regarding school consolidation in Alaska.

Public education is one of the core missions of the State of Alaska. The responsibilities are shared with organized boroughs, city school districts, and regional educational attendance areas throughout the state.

Clearly, quality schools are key to an educated society and a skilled workforce.

The contributions of the LBC and the DEED in preparing this report lay the groundwork for a well-informed debate over the future structure of school districts in Alaska.

I recognize and value the hard work and expertise that the two agencies devoted to this important effort, and I look forward to discussions and debate regarding this fundamentally important matter.

Sincerely yours,

net A. Muchh.

Frank H. Murkowski Governor



EDUCATION & EARLY DEVELOPMENT

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February 18, 2004

The Honorable Gene Therriault Senate President Twenty-Third Alaska State Legislature State Capitol, Room 111 Juneau, Alaska 99801-1182 The Honorable Pete Kott Speaker of the House Twenty-Third Alaska State Legislature State Capitol, Room 208 Juneau, Alaska 99801-1182

Dear President Therriault and Speaker Kott:

The 2003 Alaska Legislature directed the Local Boundary Commission (LBC) and the Department of Education and Early Development (DEED) to address matters relating to school consolidation. Specifically, the directive (page 10, section 1, chapter 83, SLA 2003) states as follows:

It is the intent of the legislature that (1) the Local Boundary Commission identify opportunities for consolidation of schools, with emphasis on school districts with fewer than 250 students, through borough incorporation, borough annexation, and other boundary changes; (2) the Local Boundary Commission work with the Department of Education and Early Development to fully examine the public policy advantages of prospective consolidations identified by the Local Boundary Commission, including projected cost savings and potential improvements in educational services made possible through greater economies of scale; and (3) the Local Boundary Commission with the Department of Education and Early Development report their findings to the legislature no later than the 30th day of the Second Session of the 23rd Legislature.

The LBC and DEED joint report in response to that directive follows the conclusion of this letter.

The LBC and DEED recognize that certain risks were inherent in assigning joint responsibility for this study to two separate agencies. Notably, it was evident early on that divergent policy views by the two agencies might lead to differing conclusions.

The Honorable Gene Therriault The Honorable Pete Kott February 18, 2004 Page 2

In the end, however, that proved not to be the case. In fact, requiring the two agencies to co-produce the report resulted in a better product. The LBC and DEED commend the Legislature (particularly Senator Gary Wilken, the architect of the legislative directive) for undertaking review of this important public policy matter and for having confidence in the two agencies assigned to the task. Senator Gary Wilken was an active participant in the study effort throughout the course of the project, including discussions concerning the need for a few additional days to complete the report.

In the course of the study, DEED analyzed the economic effects of consolidating 10 small city school districts (districts with fewer than 250 students). The LBC reached the following conclusions regarding the effects that consolidation would have on those districts.

- State education costs would be reduced by \$262,833 each year, or more than \$190 per student in the 10 city school districts.
- Consolidation would increase basic need (the entitlement for education funding) for the students in the 10 small districts by \$1,038,240, or more than \$750 per student.
- Consolidation would free up local taxes in the 10 cities by \$1,088,642 annually, or nearly \$800 per student.
- The sum of the economic gains noted above equals \$1,740 per student each year, but prospective benefits of consolidation extend well beyond that gain.
- Many of the 10 small city school districts and the four regional educational attendance areas that encompass those city school districts do not meet the statutory requirement for a minimum of 70 percent instructional spending. If consolidated, those fourteen districts would be merged into four larger regional districts.
- Creating four larger regional districts might improve programs and offer other educational benefits to students.
- Circumstances suggest to the Local Boundary Commission that the future of small school districts in Alaska is unlikely to improve without leadership from the State Legislature in terms of school consolidation. Those circumstances include growing administrative burdens on school districts, generally shrinking student populations in smaller school districts, and competition for increasingly scarce financial resources.

Details regarding those conclusions are found on pages 65 - 69 of the report.

More than four decades ago, Governor William Egan, former President of Alaska's Constitutional Convention, made the following remarks in his State-of-the-State address to the 1963 Legislature:

February 2004

The Honorable Gene Therriault The Honorable Pete Kott February 18, 2004 Page 3

Local government problems continue to be [the] subject of deep and understandable concern. Many areas need improved school systems, sanitation, fire protection, planning and zoning, water and flood control, community water and sewer systems. Organized boroughs can provide these local government services.

Just weeks ago, Governor Murkowski echoed similar sentiments in his January 2004 State-of-the-State address. He noted that the key to Alaska's future is financial stability. Two components of his plan to achieve that stability relate to issues underlying the study of school consolidation.

The third element of my program is that the costs of government should be borne as much as possible by the direct users of services.

• My fiscal program expects that those who directly benefit from state services pay a fair share – through modest fees and taxes that do not interfere with personal savings and investment.

The fourth cornerstone of my program is local responsibility for local needs. Local governments should look first to local revenue sources to help fund schools, public facilities, fire and safety services.

The LBC and DEED take the view that considerable benefit has already resulted from this school consolidation study effort, and the potential future benefits are beyond measure. Under Alaska's Constitution, education is a State function and a State responsibility. How far the State Legislature pursues this matter will be decided in time.

The LBC and DEED have one regret with respect to this study – time and circumstances did not allow the two agencies to hold public hearings on the topic of school consolidation. The LBC and DEED are in a position to hold public hearings on the matter following the completion of this report in the event that the Legislature wishes the two agencies to pursue the matter.

Alternatively, of course, the State Legislature could formally request the LBC to consider specific local government boundary changes that would have the effect of school consolidation (e.g., borough incorporation, borough annexation, city reclassification, etc.). Under AS 44.33.812, the Commission would be obligated to formally address such requests, which would entail a thorough review of the proposal and a local public hearing in each affected area.

The LBC has outlined the following general recommendations to the Legislature regarding school consolidation:

The Honorable Gene Therriault The Honorable Pete Kott February 18, 2004 Page 4

- (a) Promote borough government.
- (b) Establish threshold for school districts to relinquish school powers.
- (c) Establish formal procedures for REAA boundary changes.
- (d) Address the establishment of federal transfer REAAs through apparent local and special legislation.
- (e) Remove disincentives for school consolidation from the education funding formula.
- (f) Create incentives for school consolidation.

Details concerning those recommendations are presented on pages 51 - 59 of the report.

The report and other information relative to the school consolidation effort are posted on the Commission's Web site at http://www.dced.state.ak.us/dca/lbc/lbc.htm> under "School Consolidation." The report is also available on CD and may be obtained by contacting LBC staff at 907-269-4560.

Cordially,

Darroll Hargraves Chair Local Boundary Commission

Roger Sampson

Roger Sampson Commissioner Department of Education and Early Development

cc: The Honorable Frank Murkowski, Governor, State of Alaska

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Part I Background

A. Introduction.

Public education is one of the essential responsibilities of the State of Alaska. Article VII, Section 1 of the Constitution of the State of Alaska sets out the State's duties regarding public education as follows:

The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. . . .

One key measure of the State's commitment to public education is found in the level of funding provided for that purpose. In the current fiscal year (FY), the State appropriated \$729,255,000 for public education (K-12 support and pupil transportation). That figure represents 33.23 percent of all general-purpose appropriations for the State of Alaska during FY 2004.¹ The State spends more on education than on any other service.

In a press release dated June 6, 2003, Governor Murkowski noted that sacrifices were made in other parts of the State's FY 2004 budget to fully fund education. The Governor stated, "With full funding, I expect



full accountability by the education community in improving student proficiency." In a letter to Alaska's school superintendents the same day, Governor Murkowski noted that although K-12 education was being held "harmless from the budget reductions taking place in this year's operating and capital budgets," the education community was expected to undertake a critical review of school operations so that resources might be shifted from administration to teaching. Specifically, the Governor wrote:² I am challenging all of Alaska's educators, parents, school board members, community leaders, and residents to take a hard look at how our schools are run. We need to get more dollars from administration into the classroom. Why do some school districts exceed the state requirement of using more than 70 percent of the funds they receive in the classroom, and others do not? There is great disparity in student performance from school to school and district to district. Why are some of our schools only able to show less than 10 percent of their students proficient on a benchmark exam, while other schools are able to show more than 90 percent of their students proficient on the same exam?

The 2003 Alaska Legislature directed the Local Boundary Commission ("Commission") and the Department of Education and Early Development ("Department" or "DEED") to review matters relating to school consolidation. This document constitutes the joint report of the Commission and the Department to the 2004 Alaska Legislature on the matter of school consolidation.

Part I of this report provides details regarding the legislative directive for this school consolidation study. Part I also provides background information about the structure of school districts in Alaska. Additionally, Part I addresses the State's central role with respect to education through a synopsis of the history and law.

Source: State of Alaska, Legislative Finance Division.

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² The press release and Governor's letter are included in this report as Appendix A.

B. Legislative Directive and Proceedings for Review of School Consolidation.

1. Legislative Directive.

The 2003 Alaska Legislature directed the Commission and the Department to address matters relating to school consolidation.³ Specifically, the legislative directive, which appears on page 10, Section 1, Chapter 83, SLA 2003, provides as follows:

It is the intent of the legislature that (1) the Local Boundary Commission identify opportunities for consolidation of schools, with emphasis on school districts with fewer than 250 students, through borough incorporation, borough annexation, and other boundary changes: (2) the Local Boundary Commission work with the Department of Education and Early Development to fully examine the public policy advantages of prospective consolidations identified by the Local Boundary Commission, including projected cost savings and potential improvements in educational services made possible through greater economies of scale; and (3) the Local Boundary Commission with the Department of Education and Early Development report their findings to the legislature no later than the 30th day of the Second Session of the 23rd Legislature.

The legislative directive calls for particular emphasis to be placed on school districts with fewer than 250 students. In reviewing this directive, it is important to recognize that the "250 student" threshold is not a random or arbitrary number selected merely for purposes of this review. AS 14.12.025 provides:

Notwithstanding any other provision of law, a new school district may not be formed if the total number of pupils for the proposed school district is less than 250 unless the commissioner of education and early development determines that formation of a new school district with less than 250 pupils would be in the best interest of the state and the proposed school district.

Numerical limitations (either minimums or maximums) set by the Legislature are considered under the standard rules applicable to interpretation of statutes (presumption of constitutionality) as well as plain meaning. A moving party arguing for a position other than the plain meaning of a statute or rule bears the burden of establishing legislative history that supports departure from the plain meaning. *K.L.F. v. State*, 790 P.2d 708, 711 (Alaska 1990), rev. dismissed 820 P.2d 1076 (Alaska 1991).

The adoption of a number (e.g., a minimum of 250 students) is considered to be a reasonable number. Courts will not infer that such a number is arbitrary, but will presume it expresses legislative intent over a proper subject to be governed by the legislature. Courts give such numbers a reasonable application.

Given the current limitation on creation of school districts, directing that emphasis be placed on studying those districts with fewer than 250 students has a rational basis for analytical purposes.

Cathy Brown with the Associated Press wrote an article framing many of the fundamental issues concerning the legislative directive regarding school consolidation issues. The article, published on June 6, 2003, in the *Anchorage Daily News* stated as follows:

Consolidating school districts eyed

SAVINGS: Cutting administrative costs might send money to classes.

Two state agencies are looking at whether Alaska's smallest school districts should be combined with other districts.

Gov. Frank Murkowski and Senate Finance Co-Chairman Gary Wilken, R-Fairbanks, are pushing the idea, which is almost certain to be opposed by many communities that would be affected.

Appendix B of this report provides background information about the Commission and the Department. 'Very frankly, we have too many school districts in this state,' Murkowski said at a recent news

conference. 'I know it's very nice for each community to have its own district, but there are certain limits to how we can best spend our dollars, and we can reduce substantially administrative expenses.'

Wilken included language in the state budget calling for the Department of Education and Early Development and the Local Boundary Commission to look at opportunities for consolidation, particularly in districts with fewer than 250 students. The agencies are to report back to the Legislature in February 2004.

Seventeen of Alaska's 53 school districts have fewer than 250 students, said school finance manager Eddie Jeans.

Wilken said the study might lead to legislation combining districts, perhaps as part of a rewrite of the state's overall school funding formula. But he said he's really just looking for information right now.

'This is really a baby step to see if there are some consolidation options out there,' Wilken said. 'It's always been a bit of concern to me that we have so many school districts for so few children.'

In particular, he questions the need for four school districts on Prince of Wales Island – Craig, Klawock, Hydaburg and Southeast Island Schools. All but Craig have fewer than 250 students.

'That's sort of the poster child for consolidation,' Wilken said. 'Why couldn't school districts get together and use common payroll, common personnel, common purchasing departments?'

Other districts with fewer than 250 students are Pelican, Aleutian Region, Tanana, Chugach, Skagway, Pribilof, Yakutat, Kake, St. Mary's, Hoonah, Nenana, Chatham, Bristol Bay and Galena. Galena and Nenana have larger enrollments if correspondence students are counted.

Several of those districts are in Rep. Albert Kookesh's Southeast Alaska legislative district, and he's not happy with the talk of consolidation.



It threatens local control and raises a community's fears about losing its school, which is often the cen-

tral gathering place where activities from basketball games to dances happen, said Kookesh, an Angoon Democrat.

'It's the lifeblood of the community,' he said. 'Everything centers around the school.'

Klawock Superintendent Richard Carlson believes any savings in administration would be eaten up in transporting students and remodeling buildings.

And he does not believe education would be improved. Klawock is proud of its school, which has pro-

duced doctors, lawyers and graduates of prestigious East Coast colleges, Carlson said.

'The people of Klawock are fiercely independent and feel very strongly that they should have the authority to run their own school,' Carlson said.

It's not clear that consolidating school districts would save the state a lot of money.

Under the state school funding formula, districts receive money based on the number of students they have, so the state would spend about the same amount of money, regardless of which rural district those students attend, Jeans said. However, he said, if the combined districts had lower administrative costs, more money might reach the classroom.

A 1992 legislative budget and audit report found that about \$5.3 million in administrative costs might be saved through consolidation of schools that are not in organized boroughs. That was about 1 percent of what the state was spending then on its school funding formula.

The report concluded that 'relatively modest' savings was not enough to warrant extensive restructuring of the state's education system and the loss of local control. Details concerning the legislative directive were provided by Senator Gary Wilken in a letter to the Commission and Department dated November 6, 2003.⁴ Senator Wilken noted that the legislative directive consists of three distinct elements. He described the first of those as follows:

The first requires "the . . . Commission [to] identify opportunities for consolidation of schools, with emphasis on school districts with fewer than 250 students, through borough incorporation, borough annexation, and other boundary changes."

The language regarding this first component of the directive is not intended to exclude participation by the Department Indeed, active involvement by the Department is as critical to the fulfillment of the legislative intent for the first component as it is to the other two components

of the project. In this legislative directive, student populations should be based on <u>resident</u> average daily membership figures.

The term 'boundary changes' used in the directive is to be broadly construed in a manner consistent with constitutional records, rulings of the Alaska Supreme Court, opinions of the Attorney General's office, and the previously expressed views of the . . . Commission. Specifically, 'boundary changes' may include any action under the jurisdiction of the . . . Commission (i.e., municipal incorporation, annexation, dissolution, merger, consolidation,

⁴ Senator Wilken is the author of the legislative directive. A copy of his letter of November 6, 2003, is included in this report as Appendix C. detachment, and city reclassification). For purposes of this effort, the term may also include annexation, dissolution, merger, consolidation, and detachment to or from a regional educational attendance area.

Senator Wilken wrote that the second component of the legislative directive calls for an objective re-



view of the arguments for and against school consolidation. Specifically, he stated:

The second component of the legislative directive requires 'the . . . Commission [to] work with the Department . . . to fully examine the public policy advantages of prospective consolidations identified by the . . . Commission, including projected cost savings and potential improvements in educational services made possible through greater economies of scale.' As is reflected in the language, this component should also be a joint effort between the . . .

Commission and the Department . . . I want to stress that the language is not intended to limit the examination to just 'public policy advantages' of consolidation. The review by your two agencies should be balanced and, therefore, address any public policy 'disadvantages' associated with school consolidation.

Senator Wilken noted that the final element of the directive calls for the Commission and the Department to issue a report on the findings of the two agencies. He urged the Commission and Department to conduct joint hearings in at least some of the potentially affected communities. Specifically, he wrote:

The last component of the legislative directive requires 'the . . . Commission with the Department . . . [to] report their findings to the legislature no later than the 30th day of the Second Session of the 23rd Legislature.' The deadline for submission of the report to the Legislature is February 10, 2004. I recognize that both the . . . Commission and the Department . . . have heavy workloads and limited resources. Nonetheless, it would be ideal if the agencies held joint hearings in at least some of the communities that could be affected by consolidation.

2. Proceedings.

Following receipt of the November 6, 2003, letter from Senator Wilken, Commission Chair Hargraves and Department Commissioner Sampson wrote a joint letter inviting input on the issue of school consolidation from 150 interested individuals and organizations.⁵ The letter was sent to the following individuals and organizations on November 10, 2003:

- Mayors of each of the 16 organized boroughs;
- Mayors of each of the 18 home-rule and firstclass cities in the unorganized borough;
- Presiding officers of each of the 53 school boards in Alaska;
- Superintendents of each of the 53 school districts in Alaska;
- Executive Director of the Association of Alaska School Boards;
- Executive Director of the Alaska Council of School Administrators;
- Executive Director of NEA-Alaska;
- President of Alaska PTA;
- President of Alaska Association of School Business Officials;
- President and Executive Director of Citizens for the Educational Advancement of Alaska Children;
- Director of the Mt. Edgecumbe High School;

- Acting Director of Alyeska Central School; and
- Executive Director of the Alaska Municipal League.

Noting that Senator Wilken's November 6 letter "provides important details concerning the legislative directive," Commissioner Sampson and Commission Hargraves included a copy of Senator Wilken's letter in their joint November 10 communiqué to the 150 recipients noted above. Recipients were urged to comment on school consolidation. They were asked, in particular, to address the following two issues:

- 1. Given the considerable administrative and managerial duties associated with operating a public school district, at what point does the best interests of Alaska's children and the best interests of the general public compel school consolidation?
- 2. If some form of school consolidation is directed by the Alaska Legislature, what options should be considered first?

In terms of the first question, the November 10 letter from Commissioner Hargraves and Commissioner Sampson noted that the 2003 legislative directive called for emphasis to be placed on school districts with fewer than 250 students. The letter noted that the 1986 Legislature had also prescribed that new school districts must have at least 250 students unless the Commissioner of the Department determined that formation of a new district with fewer students "would be in the best interest of the state and the proposed district."

The November 10 joint letter noted that no standards or criteria have ever been adopted to guide determinations when the creation of new school districts with fewer than 250 students "would be in

⁵ See Appendix D for the joint letter, along with the names and addresses of the recipients.

the best interest of the state and the proposed school district." Commissioner Sampson and Commissioner Hargraves invited views on criteria that should be considered with regard to school consolidation.

Concerning the second question, the November 10 joint letter noted that school consolidation could be brought about in a number of ways. It again referred to Senator Wilken's November 6 letter, noting that it "carefully outlines a multitude of options."

The Commission and Department recognize that the two questions posed to the 150 individuals in the November 10 joint letter were somewhat nebulous. To some extent, it may have been more difficult for some of the recipients to respond in a detailed manner without background and reference materials, such as those provided in this report.

Moreover, the Commission and Department acknowledge that some recipients may have been deterred in responding to the November 10 letter since it seemed to offer only a brief period for response. Specifically, the letter stated, "Because the 2004 legislative session is fast approaching, it would most helpful if you submitted your comments to us by November 26, 2003."

Eleven sets of written comments were submitted to the Commission and Department by November 26. Seven additional sets of written comments on school consolidation were provided to the Commission and Department subsequent to November 26. All comments are included in this report.⁶

The Commission and Department carefully considered the written comments along with other information prepared for this review, including detailed profiles of each school district in Alaska⁷ and data regarding a number of school district characteristics that are relevant to the issue of consolidation.⁸

The Commission and Department met on the following five occasions regarding school consolidation. Those were:

- **October 29, 2003;**
- December 17, 2003;
- ➔ January 16, 2004;
- **C** February 6, 2004; and
- **C** February 13, 2004.

An initial draft of this joint school consolidation report was posted to the Internet for public review and comment on December 3, 2003. A subsequent draft of the joint report was made available in the same fashion on January 29, 2004.

At a public meeting on February 6, 2004, the Commission and Department discussed with Senator Wilken the need for a short extension of time to complete and submit the school consolidation report to the Legislature. Senator Wilken interposed no objection to a brief extension.

Given the time and resources allotted to the task, the Commission and the Department take the view that the two agencies have accomplished as much as is practicable with respect to the legislative directive regarding school consolidation. If the Legislature wishes the Commission and Department to pursue any aspect of this school consolidation review, including hearings in potentially affected communities, the Commission and Department are prepared to undertake any additional efforts directed by the Legislature.

5 See Appendix E.

- ⁷ See Appendix F.
- ³ See Appendix G.



Naknek School within the Bristol Bay Borough School District.

C. Types of School Districts in Alaska.

There are four different types of school districts in Alaska. They are (1) borough school districts, (2) city school districts, (3) regional educational attendance areas ("REAAs"), and (4) federal transfer regional educational attendance areas ("FTREAAs").

The four types of districts have certain distinguishing characteristics. In terms of this report, two fundamental distinctions are particularly noteworthy. The first concerns the geographic area served by the different types of school districts. Two of the four types of districts are regional in nature. Those are borough school districts and REAAs. In contrast, city school districts encompass only a community.⁹ With regard to the fourth type of district, despite their designation as federal transfer *regional* educational attendance areas, the existing FTREAAs clearly lack regional characteristics. The second fundamental distinguishing characteristic noted here relates to requirements for local financial support of schools. City and borough school districts are required to make a local contribution to aid their schools. Specifically, AS 14.17.410(b)(2) provides:

[T]he required local contribution of a city or borough school district is the equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Community and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

In contrast, REAAs and FTREAAs rely exclusively on State and federal funding for operation of schools.

⁹ Appendix H provides additional information about city and borough governments that is relevant to this report. An overview of the four types of school districts in Alaska follows.

1. Borough School Districts.

AS 14.12.010(2) provides that "each organized borough is a borough school district." Additionally, AS 29.35.160 provides:

(a) Each borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis as provided in AS 14.14.060. A military reservation in a borough is not part of the borough school district until the military mission is terminated or until inclusion in the borough school district is approved by the Department of Education and Early Development. However, operation of the military reservation schools by the borough school district may be required by the Department of Education and Early Development under AS 14.14.110. If the military mission of a military reservation terminates or continued management and control by a regional educational attendance area is disapproved by the Department of Education and Early Development, operation, management, and control of schools on the military reservation transfers to the borough school district in which the military reservation is located.

(b) This section applies to home rule and general law municipalities.

There are 16 organized boroughs in Alaska, all of which are listed on the following page in Table 1. Each borough school district is ranked in column 1 of the table in ascending order with respect to FY 2004 resident average daily membership (ADM).

The public school funding components for each borough school district are also shown in Table 1. Column 2 shows the *basic need* (i.e., the amount of education funding to which each district is entitled under Alaska's education foundation funding formula) for each district. The glossary provided in this report offers a detailed definition of the term *basic need* and other technical terms used in this report.

Column 3 of Table 1 shows the *required local contribution* that borough school districts must pay under AS 14.17.410(b)(2). The *required local contribution* does not increase the level of funding for a borough school district. Instead, it offsets the reduction in State financial aid imposed exclusively on borough and city school districts. In that regard, the *required local contribution* is, in effect, a State tax levied exclusively on organized boroughs and home-rule and first-class cities in the unorganized borough.

Column 4 of Table 1 lists the portion of federal impact aid (PL 874) generated within each district that is applied to the basic need for that district.

Column 5 equals the State aid for borough school districts. It is the difference between *basic need*, minus the *required local contribution*, minus *deductible federal impact aid*.

Borough school districts are permitted under AS 14.17.410(c) to make voluntary local contributions in support of their schools (within certain constraints) to increase funding beyond the level of basic need. Column 6 of Table 1 lists the voluntary contributions of organized borough school districts for FY 2004. Unlike the *required local contributions*, voluntary contributions do increase the level of funding for local school districts.

Column 7 lists the total funding (combined basic need and voluntary local contributions) available to the districts.

Public Law 874, 81st Congress, September 30, 1950, or Pub. L. 81-874.

*

(resident ADM 102,546.50)	Municipality of Anchorage (resident ADM 48,586.2)	Fairbanks North Star Borough (resident ADM 14,373.9)	Matanuska-Susitna Borough (resident ADM 13,354.7)	Kenai Peninsula Borough (resident ADM 8999.3)	City and Borough of Juneau (resident ADM 5,360.1)	Kodiak Island Borough (resident ADM 2,621.6)	Ketchikan Gateway Borough (resident ADM 2,346.9)	Northwest Arctic Borough (resident ADM 2,023.2)	North Slope Borough (resident ADM 1,810.5)	City and Borough of Sitka (resident ADM 1,443.7)	Lake & Peninsula Borough (resident ADM 415.3)	Denali Borough (resident ADM 305.8)	Haines Borough (resident ADM 304.9)	Aleutians East Borough (resident ADM 280)	Bristol Bay Borough (resident ADM 195.4)	City and Borough of Yakutat (resident ADM 125)	Column 1 School District
\$652,691,736	\$279,387,870	\$90,567,373	\$85,762,042	\$59,983,705	\$32,450,120	\$18,734,235	\$14,833,469	\$22,697,537	\$18,991,880	\$9,182,714	\$6,313,158	\$4,296,905	\$2,473,968	\$3,906,853	\$1,956,553	\$1,153,354	Column 2 Basic Need
\$155,843,584	\$69,729,060	\$19,800,718	\$13,404,794	\$17,843,057	\$10,755,240	\$3,880,880	\$4,488,957	\$1,526,769	\$8,759,133	\$2,677,839	\$255,003	\$551,138	\$829,391	\$371,742	\$767,940	\$201,923	Column 3 Minus Required Local Contribution AS 14.17.410(b)(2)
\$15,392,644	\$5,323,297	\$5,436,019	\$0	\$0	\$0	\$606,794	\$2,836	\$1,584,520	\$1,604,082	\$8,006	\$248,291	\$1,944	\$0	\$302,952	\$236,252	\$37,651	Column 4 Minus Deductible Federal Impact Aid (PL-874)*
\$481,455,508	\$204,335,513	\$65,330,636	\$72,357,248	\$42,140,648	\$21,694,880	\$14,246,561	\$10,341,676	\$19,586,248	\$8,628,665	\$6,496,869	\$5,809,864	\$3,743,823	\$1,644,577	\$3,232,159	\$952,361	\$913,780	Column 5 Equals <i>State Aid</i>
\$133,870,110	\$51,761,574	\$14,744,982	\$18,576,130	\$13,783,066	\$7,110,060	\$4,227,476	\$2,768,812	\$1,688,724	\$14,232,835	\$2,112,024	\$603,432	\$725,512	\$508,833	\$528,258	\$273,315	\$225,077	Column 6 Voluntary Local Contribution (AS 14.17.410(c))
\$786,561,846	\$331,149,444	\$105,312,355	\$104,338,172	\$73,766,771	\$39,560,180	\$22,961,711	\$17,602,281	\$24,386,261	\$33,224,715	\$11,294,738	\$6,916,590	\$5,022,417	\$2,982,801	\$4,435,111	\$2,229,868	\$1,378,431	Column 7 Basic Need and Voluntary Contributions

School Consolidation: Public Policy Considerations and a Review of Opportunities for Consolidation

Table 1 ADM and Funding Components for Borough School Districts in Alaska Fiscal Year 2004



Wrangell High School is located in the City of Wrangell School District. The City of Wrangell is a home rule city in the unorganized borough.

2. City School Districts.

AS 14.12.010(1) provides that, "each home rule and first class city in the unorganized borough is a city school district." Additionally, AS 29.35.260(b) states:

A home rule or first class city outside a borough is a city school district and shall establish, operate, and maintain a system of public schools as provided by AS 29.35.160 for boroughs. A second class city outside a borough is not a school district and may not establish a system of public schools.

There are 18 home-rule and first-class cities in the unorganized borough. Like organized boroughs, home-rule and first-class cities in the unorganized borough are required by AS 14.17.410(b)(2) to make local contributions in support of their schools. Table 2 on the following page provides the same information for city school districts as Table 1 provides for borough school districts.

3. Regional Educational Attendance Areas (REAAs).

AS 14.12.010(3) provides that, "the area outside organized boroughs and outside home rule and first class cities is divided into [REAAs]."

AS 14.08.031 provides as follows regarding REAAs.

(a) The Department of Community and Economic Development in consultation with the Department of Education and Early Development and local communities shall divide the unorganized borough into educational service areas using the boundaries or sub-boundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or sub-boundaries of another regional corporation.

(b) An educational service area established in the unorganized borough under (a) of this section constitutes a regional educational attendance area. As far as practicable, each regional educational attendance area shall contain an integrated socio-economic, linguistically and culturally homogeneous area. In the formation of the regional educational attendance areas, consideration shall be given to the

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
School District	Basic Need	Minus Required Local Contribution AS 14.17.410(b)(2)	Minus Deductible Federal Impact Aid (PL-874)	Equals State Aid	Voluntary Local Contribution (AS 14.17.410(c))	Basic Need an Voluntary Contribution:
City of Pelican (resident ADM 15)	\$276,405	\$46,251	\$0	\$230,154	\$0	\$276,405
City of Tanana (resident ADM 63.3)	\$940,151	\$22,973	\$21,909	\$895,269	\$0	\$940,151
City of Hydaburg (resident ADM 87.1)	\$771,098	\$32,980	\$85,010	\$653,108	\$19,020	\$790,118
City of Skagway (resident ADM 105.8)	\$1,028,576	\$459,390	\$0	\$569,186	\$391,189	\$1,419,765
City of Klawock (resident ADM 147.0)	\$1,338,999	\$129,004	\$132,926	\$1,077,069	\$207,462	\$1,546,461
City of Kake (resident ADM 155.2)	\$1,311,151	\$72,538	\$96,768	\$1,141,845	\$187,940	\$1,499,091
City of Saint Mary's (resident ADM 159)	\$1,728,718	\$17,869	\$0	\$1,710,849	\$1,131	\$1,729,849
City of Hoonah (resident ADM 180.2)	\$1,603,481	\$124,301	\$109,859	\$1,369,321	\$335,099	\$1,938,580
City of Nenana (resident ADM 226.1)	\$4,648,352	\$70,880	\$0	\$4,577,472	\$0	\$4,648,352
City of Galena (resident ADM 229)	\$14,938,277	\$72,361	\$26,878	\$14,839,038	\$868,369	\$15,806,646
City of Craig (resident ADM 381.8)	\$5,075,507	\$409,579	\$64,062	\$4,601,866	\$692,024	\$5,767,531
City of Wrangell (resident ADM 391.8)	\$2,720,106	\$593,989	\$235	\$2,125,882	\$210,363	\$2,930,469
City of Unalaska (resident ADM 398.6)	\$3,400,653	\$1,428,225	\$1,914	\$1,970,514	\$761,914	\$4,162,567
City of Cordova (resident ADM 471.7)	\$3,533,519	\$685,035	\$4,665	\$2,843,819	\$682,465	\$4,215,984
City of Dillingham (resident ADM 527)	\$4,455,369	\$585,855	\$78,978	\$3,790,536	\$514,145	\$4,969,514
City of Petersburg (resident ADM 653.4)	\$4,485,302	\$941,092	\$0	\$3,544,210	\$941,115	\$5,426,417
City of Nome (resident ADM 716.5)	\$5,920,522	\$798,141	\$19,973	\$5,102,408	\$622,436	\$6,542,958
City of Valdez (resident ADM 866.7)	\$6,070,356	\$2,610,516	\$2,742	\$3,457,098	\$2,072,168	\$8,142,524

ms

ADM and Funding Components for City School Districts in Alaska Fiscal Year 2004 Table 2

(resident ADM 5,775.2)

\$64,246,542

\$9,100,979

\$645,919

\$54,499,644

\$8,506,840

\$72,753,382

TOTALS

Table 3ADM and Funding Components for REAA School Districts in AlaskaFiscal Year 2004

Column 1 School District	Column 2 Basic Need	Column 3 Minus Required Local Contribution	Column 4 Minus Deductible Federal Impact	Column 5 Equals State Aid	Column 6 Voluntary Local Contribution (AS 14.17.410(c))	Column 7 Basic Need and Voluntary Contributions
Aleutian Region REAA (resident ADM 42.1)	\$1,031,786	AS 14.17.410(b)(2) \$0	Aid (PL-874) \$214,284	\$817,502	0\$	\$1,031,786
Chugach REAA (resident ADM 75)	\$1,400,909	0\$	\$112,218	\$1,288,691	\$0	\$1,400,909
Pribilof REAA (resident ADM 124.5)	\$1,554,620	\$0	\$535,743	\$1,018,877	\$0	\$1,554,620
Southeast Island REAA (resident ADM 210.2)	\$2,685,036	\$0	\$27,620	\$2,657,416	\$0	\$2,685,036
Chatham REAA (resident ADM 218.4)	\$2,231,416	\$0	\$231,439	\$1,999,977	\$0	\$2,231,416
Annette Island REAA (resident ADM 287.5)	\$2,188,475	\$0	\$1,333,771	\$854,704	\$0	\$2,188,475
Yukon Flats REAA (resident ADM 293.1)	\$4,792,349	\$0	\$528,068	\$4,264,281	\$0	\$4,792,349
Iditarod Area REAA (resident ADM 293.9)	\$4,325,129	\$0	\$393,356	\$3,931,773	\$0	\$4,325,129
Kuspuk REAA (resident ADM 425.8)	\$5,472,563	0\$	\$1,038,164	\$4,434,399	\$0	\$5,472,563
Alaska Gateway REAA (resident ADM 440)	\$5,107,025	\$0	\$169,919	\$4,937,106	\$0	\$5,107,025
Yukon/Koyukuk REAA (resident ADM 434.7)	\$9,158,793	0\$	\$1,530,719	\$7,628,074	\$0	\$9,158,793
Copper River REAA (resident ADM 532.4)	\$5,632,277	\$0	\$165,189	\$5,467,088	\$0	\$5,632,277
Delta/Greely REAA (resident ADM 667.3)	\$6,487,389	\$0	\$0	\$6,487,389	\$0	\$6,487,389
Southwest Region REAA (resident ADM 680)	\$8,341,627	0\$	\$2,504,665	\$5,836,962	0\$	\$8,341,627
Bering Strait REAA (resident ADM 1,712.5)	\$21,221,669	0\$	\$6,601,238	\$14,620,431	0\$	\$21,221,669
Lower Yukon REAA (resident ADM 2,040.2)	\$22,587,308	\$0	\$7,492,866	\$15,094,442	\$0	\$22,587,308
Lower Kuskokwim REAA (resident ADM 3,799)	\$42,610,348	\$0	\$7,486,809	\$35,123,539	\$0	\$42,610,348
TOTALS (resident ADM 12,276.6)	\$146,828,719	\$0	\$30,366,068	\$116,462,651	\$0	\$146,828,719

transportation and communication network to facilitate the administration of education and communication between communities that comprise the area. Whenever possible, municipalities, other governmental or regional corporate entities, drainage basins, and other identifiable geographic features shall be used in describing the boundaries of the regional school attendance areas.

(c) Military reservation schools shall be included in a regional educational attendance area. However, operation of military reservation schools by a city or borough school district may be required by the department under AS 14.12.020(a) and AS 14.14.110. Where the operation of the military reservation schools in a regional educational attendance area by a city or borough school district is required by the department, the military reservation is not considered part of the regional educational attendance area for the purposes of regional school board membership or elections.

(d) U.S. Bureau of Indian Affairs schools shall be included in a regional educational attendance area boundary.

Currently, there are 17 REAAs. Table 3 on the previous page provides the same information for REAA school districts as Tables 1 and 2 provide for borough and city school districts. As reflected in Table 3, unlike borough and city school districts, REAAs are exempt from the requirement of making a local contribution in support of schools under AS 14.17.410(b)(2).

4. Federal Transfer Regional Educational Attendance Areas (FTREAAs).

In 1985, the Alaska Legislature passed a special act (Chapter 66, SLA 1985) authorizing four villages in the Lower Kuskokwim REAA (Akiachak, Akiak, Tuluksak, and Chefornak) to form a single FTREAA. The same act authorized the village of Chevak in the Lower Yukon REAA to form a separate FTREAA. Legislative "findings and purpose" for the special act were set out in Section 1 of that Act, as follows: Section 1. FINDINGS AND PURPOSE. Federal transfer schools formerly funded through the Bureau of Indian Affairs in the villages of Akiachak, Akiak, Tuluksak, Chevak, and Chefornak will no longer receive federal funding after fiscal year 1985. The legislature finds that these villages have successfully operated the schools on their own through contracts with the Bureau of Indian Affairs. Therefore, it is the purpose of this Act to give these villages the opportunity to continue to operate these schools on their own by forming federal transfer regional educational attendance areas.

Creating "FTREAAs" by carving out relatively tiny enclaves from longstanding REAAs established under the standards in AS 14.08.031 is inconsistent with those very standards. The 1985 act provided that the proposed FTREAA in the Lower Kuskokwim region could be comprised of as many as four noncontiguous villages.¹⁰ The four villages were defined in terms of the boundaries of the second-class cities serving those villages at the time.¹¹ The boundaries of those four cities encompassed a

- ¹⁰ Akiachak, Akiak, and Tuluksak are, respectively, approximately 15, 20, and 45 miles northeast of Bethel; Chefornak is approximately 100 miles southwest of Bethel.
- 11 The territory within the proposed new district was defined in terms of the corporate boundaries of the four second-class cities serving the respective villages (see Order and Notice of Election for REAA # 23, Villages of Akiachak, Akiak and Tuluksak, Office of the Lieutenant Governor, Division of Elections, August 29, 1985). The boundaries of the city governments serving Akiachak, Akiak, Tuluksak, and Chefornak encompassed, respectively, 12, 3, 4, and 6 square miles (a total of 25 square miles). Voters in Chefornak ultimately rejected the proposition to be included in the federal transfer regional educational attendance area, while voters in the other three villages approved the proposition. Thus, the new district (named the Yupiit Regional Educational Attendance Area) was comprised of three noncontiguous communities encompassing a total of 19 square miles. (The City of Akiachak was dissolved on January 31, 1990; and the City of Tuluksak was dissolved on March 7, 1997.)

Column 1 School District	Column 2 <i>Basic Need</i>	Column 3 Minus Required Local Contribution AS 14.17.410(b)(2)	Column 4 Minus Deductible Federal Impact Aid (PL-874)	Column 5 Equals <i>State Aid</i>	Column 6 Voluntary Local Contribution (AS 14.17.410(c))	Column 7 Basic Need and Voluntary Contributions
Kashunamiut FTREAA (Chevak) (resident ADM 365.6)	\$3,606,810	\$0	\$1,186,336	\$2,420,474	\$0	\$3,606,810
Yupiit FTREAA (Akiachak, Akiak, and Tuluksak) (resident ADM 439)	\$5,152,092	\$0	\$1,626,399	\$3,525,693	\$0	\$5,152,092
TOTALS (resident ADM 804.6)	\$8,758,902	\$0	\$2,812,735	\$5,946,167	\$0	\$8,758,902

Table 4 ADM and Funding Components for FTREAA School Districts in Alaska Fiscal Year 2004

total of 25 square miles, which represented only one-tenth of 1 percent (0.10 percent) of the 23,811 square miles within the Lower Kuskokwim REAA that had been established a decade earlier.

In the Lower Yukon region, the disparity in size of the proposed new FTREAA district to the longstanding REAA was even greater than was the case with the Lower Kuskokwim region. For purposes of implementing the 1985 act, the village of Chevak was defined in terms of the boundaries of the City of Chevak, a second-class city encompassing only 700 acres (1.1 square miles).¹² That area represented less than six one-thousandths of 1 percent (0.0057 percent) of the 19,303 square miles within the Lower Yukon REAA that had been created in 1975.

The 1985 special act purported to override the statutory standards set out in AS 14.08.031 regarding establishment of REAAs as follows:

Sec. 2. (a) Notwithstanding AS 14.08.031, the villages of Akiachak, Akiak, Tuluksak, and Chefornak may hold an election to determine if the villages shall form a single regional educational attendance area and the village of Chevak may hold an election to determine if it shall form its own regional educational attendance area, for the purpose of operating schools in the villages. A regional educational attendance area

may be formed only if a majority of the villages of Akiachak, Akiak, Tuluksak, and Chefornak vote to do so in an election held no later than August 13, 1985. An election may be held in the villages of Akiachak, Akiak, Tuluksak, and Chefornak, and the villages in which a majority of the qualified voters vote to form a regional education attendance area shall combine to form a single regional educational attendance area. If an election is not held by August 13, 1985, or if the villages vote not to form a regional educational attendance area, the federal transfer schools in each village become part of the regional educational area in which the village is located.

In addition to the apparent conflict with the boundary standards in AS 14.08.031, the creation of a school district in the unorganized borough with boundaries identical to those of a second-class city seems to conflict with the spirit of AS 29.35.260(b). The statute provides that, "A second class city outside a borough is not a school district and may not establish a system of public schools." While the

¹² See, Order and Notice of Election for REAA # 22 Chevak, Office of the Lieutenant Governor, Division of Elections, August 29, 1985. Voters in Chevak approved the creation of the new district. The district was named the Kashunamiut Regional Educational Attendance Area.

second-class City of Chevak does not technically operate the Kashunamiut FTREAA, the effect of creating the district with boundaries that are coterminous to those of the City of Chevak has a similar effect.

In the case of the Yupiit FTREAA, it initially operated exclusively within the boundaries of three second-class cities. Two of the three cities were subsequently dissolved. The jurisdictional area of the Yupiit school district remains unchanged, but it currently operates in two unincorporated communities and one incorporated community in the unorganized borough.

Only two FTREAAs were ever created. Table 4 on the previous page provides the same information for FTREAA school districts as Tables 1 - 3 provide for borough, city, and REAA school districts. As reflected in Table 4, unlike borough and city school districts, FTREAAs, like REAAs, do not make a local contribution in support of schools under AS 14.17.410(b)(2).

When reviewing the 1985 law that allowed the creation of the FTREAAs, one cannot help but question whether it was local and special legislation and, thus, unconstitutional.¹³ The following summarizes the details that lead to this question.

- 1. The five communities named in the law are either unincorporated or second-class cities in the unorganized borough and had Bureau of Indian Affairs (BIA) schools;
- 2. under AS 29.35.260(b), *supra*, second-class cities in the unorganized borough are not classified as school districts and may not establish a system of public schools;
- 3. under AS 14.08.031(d), *supra*, BIA schools are included in an REAA boundary;
- under AS 14.08.031(a), *supra*, the entire unorganized borough is to be divided into REAAs; and

5. under the last sentence of Section 2 of the 1985 special act, *supr*a, the federal transfer schools will be part of the existing REAAs in which the villages are located if no election is held or the villages vote not to form the authorized FTREAAs.

In fact, in his review of the bill¹⁴ authorizing the creation of the two FTREAAs, Attorney General Norman Gorsuch questioned the constitutionality of the legislation. He stated:

In addition to the difficulties of implementation, the bill presents a serious constitutional question under art. II, sec. 19, of the Alaska Constitution. That section provides that the Legislature shall pass no local or special act, if a general act can be made applicable.

Article VII, sec. 1, of the Alaska Constitution mandates that the legislature shall provide for public education in the state. AS 14.08 is the expression of a law of general application to the problem of providing education services in the unorganized borough. Indeed, the application of that statute has resulted in the operation of the local high school in each of these villages by an REAA. If AS 14.08 is followed, all of the schools in each of the communities would be operated by the existing REAA. The impact of HCS CSSB 208(HESS) is to carve a special exception out of the general statutory pattern to accommodate the circumstance that the BIA chose to operate these five day schools under contract with the local village entity, which has no relationship to the rationale behind the creation of the REAA's under AS 14.08.

- ¹³ Article 2, Section 19 of the Alaska Constitution provides in pertinent part: "The legislature shall pass no local or special act if a general act can be made applicable."
- ¹⁴ HCS CSSB 208(HESS) (Chapter 66, SLA 1985) authorizing four villages in the Lower Kuskokwim REAA (Akiachak, Akiak, Tuluksak, and Chefornak) to form a single FTREAA. The same act authorized the village of Chevak in the Lower Yukon REAA to form an FTREAA.

The prohibition against local and special legislation found in art. II, sec. 19, of the Alaska Constitution limits all powers that the legislature might otherwise exercise under the powers conferred upon it by the constitution, *State v. Lewis*, 559 P.2d 630 (Alaska 1977), cert. denied 432 U.S. 901 (1977). While the legislature has broad power to regulate public education, it may be argued that this specific application of its power is improper.

To avoid the prohibition against local and special legislation, a bill does not require even application in all areas of the state, but rather it must be reasonably related to a matter of common interest to the whole state, *State v. Lewis, supra* and *Abrams v. State*, 534 P.2d 91 (1975).

Under Abrams, HCS CSSB 208(HESS) could be found unconstitutional. In Abrams, special procedures were enacted for the establishment of a new borough in the Eagle River area which was already in the Greater Anchorage Area Borough. In fact, the statute had no application, as here, in any other locality and was at a significant variation from existing statutory procedures governing the creation of boroughs. These considerations led to the court holding that statute unconstitutional. While it is a valid legislative purpose to maximize local control of public education, serious questions can be raised when that local control, as in the case of HCS CSSB 208(HESS), is furthered without regard to the factors that led to the creation of the state's existing REAA's and without regard to the impact upon other school districts of the transfer of BIA schools in general.

A better legislative response to the transfer of the BIA schools to the state's system of public education would be the amendment of AS 14.08. By those amendments, the impact of the BIA transfers could be accommodated and considerations of local control could be addressed throughout the unorganized borough.

Notwithstanding our comments, if you sign the bill into law or let it become law without your signature, we believe that the legislation may be defended in good faith. We reach this conclusion because of the imprecision with which courts have addressed local and special problems. However, its successful defense is by no means certain. If you wish to veto this bill, a draft veto message is enclosed for your use.¹⁵

Despite this caveat, Governor Sheffield signed the bill into law. To the Commission's knowledge, the legislation has not been tested in the courts.

D. Education in Alaska: History and the Law.

A study of school consolidation necessarily entails an examination of the laws governing education in Alaska. The Alaska Constitution is the legal basis of State education in Alaska. The two provisions in the Alaska Constitution that deal with education are Article VII (Health, Education and Welfare) and Article XV (Schedule of Transitional Measures). Section 1 of Article VII provides in pertinent part:

The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions....¹⁶

Article XV, Section 3 provides in pertinent part:

Cities, school districts . . . and other local subdivisions of government existing on the effective date of this constitution shall continue to exercise their powers and functions under existing law, pending enactment of legislation to carry out the provisions of this constitution. . . .

- ¹⁵ HCS CSSB 208(HESS), First Session, 14th Legislature (Alaska 1985); letter from Attorney General Norman C. Gorsuch to Governor Bill Sheffield (May 21, 1985) (Department of Law File No. 388-052-85), pp. 3 - 4. The letter is attached to this report as Appendix I.
- ¹⁶ In its entirety, Article VII, Section 1 of the Alaska Constitution provides:

The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution. February 2004

As discussed earlier in this report, the public education laws adopted by the Legislature are set out in Title 14 of the Alaska Statutes. Among other things, those statutes create the Department;¹⁷ address the organization, government, local administration (school boards), financing, and construction of public schools; and provide for education in the unorganized borough and military reservations in the state. Those statutes also designate each organized borough and each home-rule and first-class city in the unorganized borough as a municipal school district, required to establish, maintain, and operate a system of public schools throughout the boundaries of the borough or city school district. Outside those municipal school districts, education in the unorganized borough is provided through REAAs, which are also established in Title 14, and FTREAAs as discussed elsewhere in this report.

Consideration and adoption of educational oversight provisions during the Constitutional Convention were not without controversy, specifically in the context of local government and control of schools. The following is a description of that process made during a study of the education question in Alaska in 1968:

Such a provision [regarding school district oversight] naturally met with great opposition from some members of the convention. Delegates with close ties to educational organizations, such as school board members or school attorneys, objected most.

The classic arguments were all used: Education is the most important service government gives to the people and should therefore be independent of the rest of government.... Education should not be in an 'inferior' position to the general government and its governing body.

Attempts were made to give school systems fiscal autonomy, representation on the assembly, and full local government power as equals to boroughs and cities.

These arguments were rejected by the convention, and schools were given <u>neither</u> corporate status <u>nor</u> fiscal independence. This should have ended the question. But it, of course, did not.

Education is a State responsibility primarily delegated to local governments. There is no legal question that schools could be taken entirely out of local control and operated and financed from the State level. \ldots

. . . .

 \ldots [I]f the legislature decides to delegate school functions to the local areas \ldots , it is bound by the constitutional provisions relating to local government. Recognizing this, the state delegated to the boroughs the school functions, while retaining certain authority itself \ldots .¹⁸

In a related review of education and local control, the following observations were made:

We would . . . particularly note that in the Alaska constitution, as in that of every other state, education is a <u>State</u> function and a <u>State</u> responsibility. The State cannot abdicate its responsibility by delegating complete control of education to local government.

• • • •

...[I]t would appear that the zeal of some to provide unique features in Alaskan government, particularly with regard to education, should be critically examined. We should urge some of the late-comers to Alaska to review the tapes and transcripts of the Constitutional Convention, which make it quite clear that the framers of the Constitution did not intend that education be a subordinate and subservient arm of local government.¹⁹

- ¹⁷ The Department includes the Commissioner; the State Board of Education and Early Development, and staff necessary to carry out the functions of the department (AS 14.07.010).
- ¹⁸ Billy G. Berrier, "Education and the Borough: Integration," in Ronald C. Cease and Jerome R. Saroff (eds.), *The Metropolitan Experiment in Alaska*, A Study of Borough Government, Frederick A. Praeger, Publishers, New York, 1968, pp. 196 -197.
- ¹⁹ Donald M. Dafoe, "Education and the Borough: Autonomy," *The Metropolitan Experiment in Alaska*, pp. 235 - 236.

In an analysis of legislative oversight of education made shortly after statehood, a survey team of educators and others prominent in Alaska's education community asserted the following:

Quite clearly, the Legislature has a continuing responsibility for public education which it is not free to delegate wholly to the uncertainties of home rule. It would appear that it is free to abandon, modify, or continue the present pattern of school organization In 113 A.L.R. 1401 it is stated: 'The school system or school districts are but agencies of the state legislature to administer its constitutional duty to maintain a system of public schools' In 47 Am. Jur. 302, the authority of legislatures to reorganize school districts is set forth with such statements of the courts as, . . . 'schools may be continued or discontinued, and the school system changed, or one system substituted for another as often as the legislature may deem it necessary or advisable,' and 'The fact that the legislature has always intrusted [sic] the management of school affairs to local organizations will not preclude it at any time from changing the system so as to remove them (schools) from local control.' This seems to be the situation in Alaska under Article VII and Article XV. Local agencies for the administration of schools may be reorganized under the constitution in any pattern and at such times as the Legislature decrees by general law. There is direct authorization for it and no prohibition against it anywhere in the constitution. There is a prohibition against extending to any local school districts the unwarranted status of a local or home-rule government.

... The Minutes of the Constitutional Convention reveal no controversy over the mandate in Article VII. Indeed, the status of local school districts did not enter any extended discussion until Article X, dealing with the power of local civil government, was presented by the Local Government Committee. By this time Article VII had already been endorsed and delegates undoubtedly were aware of it as they debated Article X. The minutes of January 19th (p. 16) quote a delegate of the Local Government Committee as defining committee policy to design a borough 'by which the people could largely exercise the broad degree of power, except those especially reserved to the state.' Article VII obviously makes such a reservation of public education to the state rather than to local or home-rule government.

With these discussions taking place <u>after</u> the adoption of Article VII, it is difficult to find any implication that any part of the constitution was intended to limit the power of the Legislature to organize or reorganize the school district structure of the state. Even in regard to fiscal autonomy for school districts, the power of the Legislature was regarded by delegates as supreme.²⁰

In the years since statehood, the Alaska Supreme Court has, on several occasions, addressed education issues and the intent of Article VII, Section 1 of the Alaska Constitution. Of specific note, the Court has observed:

[The] constitutional mandate for pervasive state authority in the field of education could not be more clear. First, the language is mandatory, not permissive. Second, the section not only requires that the legislature 'establish' a school system, but also gives to that body the continuing obligation to 'maintain' the system. Finally, the provision is unqualified; no other unit of government shares responsibility or authority. That the legislature has seen fit to delegate certain educational functions . . . in order that Alaska schools might be adapted to meet the varying conditions of different localities does not diminish this constitutionally mandated state control over education.²¹

The principle underlying the foregoing is that it is the Legislature that oversees education in Alaska, not school districts or school boards. Those bodies are creatures of the Legislature and have only the powers and responsibilities delegated by the Legislature.

Juxtaposing the law and history of education to the school consolidation issues facing Alaska today, it is interesting to note the argument against school consolidation by the education community; e.g., the Alaska Association of School Boards (AASB) and

. . . .

²⁰ Erick L. Lindman, et al., A Foundation for Alaska's Public Schools, Los Angeles, CA: Ford Foundation, September 1961, pp. 55 and 56 (hereinafter, Foundation Study).

²¹ Macauley v. Hildebrand, 491 P.2d 120, 122 (Alaska 1971) (footnotes omitted; emphasis added).

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the Alaska Association of School District Administrators. The AASB states that it "is opposed to *mandated* school consolidation because it will significantly reduce local control for a majority of school districts in Alaska."

That same argument was made during the Constitutional Convention and during the transition from a territory to a state. The *Foundation Study* conducted shortly after statehood succinctly concluded:

The constitution, itself, stipulates in Article XII, Section 9, 'The provisions of this constitution shall be construed to be self-executing whenever possible.' Article VII is to be executed solely at the discretion of the Legislature. It seems quite evident that school districts can be created, dissolved, or reconstituted whenever the Legislature has time to study the problems and decide upon solutions. It may, if it chooses, tie them into local boroughs but it is free to decide otherwise. Schools must be maintained throughout Alaska whether cities continue or disband, whether organized boroughs are created or are voted down at every referendum, and regardless of what form local government may take under Article X or what laws the Legislature may enact in the interests of local government. Public education is not a local municipal function except and until the Legislature chooses to declare it so.²²

The fact that the Legislature has granted a measure of local control to school districts and school boards does not mean that such control has become vested by the passage of time with a level of autonomy that cannot now be changed by the Legislature. Education is specifically <u>not</u> a right granted to local government or "local control" under the Alaska Constitution. The minutes of the Constitutional Convention are replete with discussions dealing with local government powers and are too numerous to cite and discuss here. They are available on the Lieutenant Governor's Web site²³ and should be reviewed by everyone dealing with educational and local government issues.

In considering the foregoing, however, it is worth noting that the mandate to the Commission and the Department is to consider matters relating to consolidation of school districts; it is not a mandate to consider a diminution of authority extended to school districts or school boards by the Legislature.

²² Foundation Study, p. 57.

²³ http://ltgov.state.ak.us/constitution.php.

Part II Opportunities for School Consolidation and Recommendations

A. Introduction.

Part II of this report addresses opportunities for school consolidation. Part IIB provides a largely abstract overview of the various options for school consolidation. Part IIC addresses opportunities for consolidation of specific schools, school functions, and school districts.

B. School Consolidation Options- a Largely Abstract Overview.

Senator Wilken's previously referenced letter of November 6, 2003, identifies three specific options for consolidation of schools. Those are (1) consolidation of particular schools, (2) consolidation of school functions, and (3) consolidation of school districts. Each of those options is addressed below.

1. Option One – Consolidation of Particular Schools.

Senator Wilken indicated in his November 6 letter that consolidation of particular schools could occur as a result of a number of situations. He listed three specific areas. Those were: (a) *indirect circumstances*, (b) formal boundary changes, and (c) cooperative arrangements between districts. Each of those is addressed below.

(a) Indirect Circumstances that Might Lead to Consolidation of Particular Schools.

Senator Wilken used the construction of a new road linking two nearby communities as a hypothetical example of indirect circumstances that might lead to consolidation of particular schools. Senator Wilken noted that, "Since it is difficult to anticipate such indirect circumstances, there is no need to address them in the report to the Legislature."

The Commission and Department recognize the difficulty and futility in attempting to address indirect circumstances that might lead to school consolidation. However, information is provided below regarding one specific instance where an indirect circumstance might bring about consolidation of particular schools. The issue is addressed here simply because the specific instance in question provides details on a broad range of effects that school consolidation might bring about.

A proposal has been developed to construct a 29-mile road connecting the Nelson Island settlements of Nightmute, Toksook Bay, and Tununak. The following is an excerpt from the *Nelson Island Subregional Transportation Plan* addressing the potential for school consolidation if the 29-mile road is constructed:²⁴

²⁴ Kuskokwim Architects and Engineers, Inc., Nelson Island Subregional Transportation Plan (January 2003 ("Plan")), Section 7.6, pp. 1 – 2. The road system connecting the Nelson Island communities would be well received by the local school district (Lower Kuskokwim School District).² In the event that the communities were connected by a road system, the school district would have the opportunity to build a centralized high school with a more effective distribution of students and teachers. Presently the teachers must allocate themselves amongst the student age population, which is not evenly distributed. Consolidation of the schools would dramatically reduce operating costs for the communities, allow for more diverse curriculums [sic], and increase student comprehension and educational level.

Reduction of operating costs would be observed because a road connecting the villages would allow the students to travel to a central location to attend school. This would eliminate the need for three separate school locations. Operation of one, rather than three facilities would reduce the operation and maintenance costs by a minimum of 50%....

At the present time, the three study communities have a student education level that ranks well below that of Alaska overall. The results for the years 1999 to 2001 rank the study communities on average of 75% in the lower quartile of the standardized California Achievement Test, Version 5 testing.³ This means that 75% of the students tested ranked at the bottom of the scale. The state of Alaska, in comparison, ranks less than 25% of the students in this particular level. Many factors are responsible for the educational level of a student. One of the most significant reasons is the student teacher age distribution. The community teachers are responsible for teaching many levels of students instead of focusing on a particular age and intellectual level. Another problem faced is the limited educational curriculums [sic] that can be offered. If a teacher observes that a particular student has the capability to pursue advanced studies, he or she does not have the luxury of spending extra time with a particular student in the hopes of advancing their educational level. If the communities were combined and a central high school were established, those gifted students could unite and participate in more advanced curriculums [sic] such as those offered in other parts of Alaska and the rest of the United States. There exists in all communities at least one exceptional student that within the particular community he or she would not be offered the opportunity to excel. There exist numerous factors that these students must face and overcome everyday. It would be in the best

interest of the children of the Nelson Island communities to do all that is possible to give the students the opportunity that would otherwise be denied them. 25

(b) Formal Boundary Changes that Might Lead to Consolidation of Particular Schools.

Senator Wilken indicated in his November 6 letter that consolidation of particular schools might also occur through annexation or other formal boundary changes. One example where consolidation of particular schools could theoretically occur through a boundary change exists with regard to the southeast Alaska schools at Mosquito Lake and Klukwan.

Unlike the Nelson Island schools discussed above, the schools at Mosquito Lake and Klukwan are already linked by road. The two schools are roughly 8 miles apart. It is not the lack of transportation facilities that has impeded consolidation of those two schools, but rather a matter of school district jurisdictional boundaries.

The Commission and Department recognize that issues surrounding the prospect for consolidation of the Klukwan School and the Mosquito Lake School are complex. The head teacher at the Klukwan School expressed the view that, "Our legislators need to understand that there is more to consider than mere dollars when addressing our Alaskan children's education needs."²⁶

- ²⁵ In the *Plan*, footnotes 2 and 3 read as follows:
 - ² Mr. Damon Thomas, Lower Kuskokwim School District 543:4800

Ms. Beverly Williams, Director Academic Program, Lower Kuskokwim School District 543-4800

- ³ www.eed.state.ak.us/DOE_Rolodex/ schools?ReportcardDetails.cfm
- ²⁶ Personal communication (11/24/03), Cheryl Stickler, Head Teacher, Klukwan School.



Klukwan School operated by the Chatham REAA.

The Klukwan School is operated by the Chatham REAA, which has its central office in Angoon. Angoon is approximately 150 air miles south of Klukwan.²⁷ The Mosquito Lake School is operated by the Haines Borough, which is headquartered in nearby Haines.

That peculiar jurisdictional arrangement exists because the 892.2-acre (1.4 square mile) area encompassing Klukwan is excluded from the 2,357 square-mile Haines Borough.²⁸

The current school at Klukwan was constructed in 1985. It has the capacity to accommodate approximately 50 students. However, at one point in the 1980s the Klukwan School served about 55 students. To serve that number of students, storage rooms and offices were converted to classrooms.

Forty students are presently enrolled at the Klukwan School. Enrollment in the Klukwan School has increased significantly in recent years. In 1999, only 12 students attended school at Klukwan. At that time, the total population of Klukwan was 136. Three years later, enrollment at the Klukwan School had increased to 41 (a 241.7 percent increase). The significant enrollment increase occurred despite the fact that the total population of Klukwan declined by 25 (a loss of 18.4 percent) during the same period.

It is noteworthy that most of the students that attend the Klukwan School live in the Haines Borough. Specifically, 29 of the 40 students currently enrolled in the Klukwan School (72.5 percent) reside within the Haines Borough.

- 27 There is no road connecting Angoon and Klukwan. To travel to Klukwan from Angoon, it is necessary to fly to Haines or travel to Haines by ferry, then drive to Klukwan.
- 2.8 Klukwan has been an enclave surrounded by the Haines Borough since the Haines Borough incorporated in 1968. Although former statutory borough boundaries standards (former AS 07.10.030(2)) required the exclusion of "all areas such as military reservations, glacier, icecaps, and uninhabited and unused lands unless such areas are necessary or desirable for integrated local government," current law (3 AAC 110.040(d)) creates a rebuttable presumption that a proposed borough with enclaves fails to meet applicable borough incorporation standards. Today, the Haines Borough is the only borough government in Alaska with enclaves. Appendix J provides a summary of the incorporation of the Haines Borough and the exclusion of Klukwan therefrom. It also allows the reader to understand that forming borough governments under the "local option" process may necessitate concessions that might not be required under the legislative review method.

Reasons Given That Haines Borough Students Are Attracted to the Klukwan School	Cited by Haines	Cited by Klukwan
Klukwan class size is smaller and students receive individualized instruction	\checkmark	✓
Tlingit language/culture program offered at Klukwan	√	✓
Some students do not find success in larger school settings but thrive in a system that is small enough to meet their needs		1
Klukwan relies on traditional values and mores, students have an opportunity to work in an environment that reinforces respect for elders, peers, and the environment		✓
Problems with bullying, harassment at Haines Elementary, especially at the 6-8 grade level	~	
Dissatisfaction with individual teachers	\checkmark	
Availability of free transportation – most parents would not transport their students to Klukwan at their own expense	√	

Table 5

Representatives of the Klukwan School and the Haines Borough School District cited a number of circumstances often given as reasons that the Klukwan School attracts students from Haines.²⁹ Those are listed in Table 5.

While enrollment at the Klukwan School increased significantly from 1999 to 2002, enrollment at the Mosquito Lake School declined from 17 to 11 students (a loss of 35.3 percent) during the same period. The school at Mosquito Lake was built in 1982. It was designed to accommodate up to 30 students. Given its small and declining enrollment, the Mosquito Lake School has often faced the prospect of closure during the past four years.

Historically, some students living in Klukwan, particularly those in high school, have elected to attend schools operated by the Haines Borough. According to Haines Borough School District officials, there are currently three students from Klukwan attending Haines Borough schools at the high school level. Klukwan students are attracted to the Haines Borough schools because of the variety of extracurricular activities offered. Financial challenges in the Haines Borough School District are not limited to the Mosquito Lake School. Enrollment in all schools operated by the Haines Borough, including the Mosquito Lake School, declined from 425 students in 1999 to 331 in 2002 (a loss of 22.1 percent). A portion of the enrollment decline was likely attributable to a 4.6 percent drop in population during the same period. However, in relative terms, the enrollment decline was far greater (4.8 times) than the general population drop.

In February 2003, the Haines School Board voted to layoff six teachers and one principal to cope with declining financial resources. School Board members vowed to work to overcome the difficulties, in part, by halting the loss of students to the Klukwan School as reflected in the following article published in the February 13, 2003, edition of the *Chilkat Valley News*:

²⁹ Personal communication (11/24/03), Cheryl Stickler and Haines Borough School Principal Charlie Jones.
Six teachers and a principal will lose their jobs under a staffing plan approved by the Haines Borough School Board Tuesday. . . .

But it could have been worse. After three hours' discussion and an hour consulting with their lawyer, the board restored the job of [a] physical education and math teacher \ldots shaving the district's fund balance by \$63,000 to do so. \ldots

Members said they hope to restore further jobs by boosting enrollment, finding grants and convincing the Legislature to boost education funding. . . .

Board members reiterated their distaste of the layoffs and vowed to work hard to attack the budget shortfall in other ways.

Lobbying the Legislature, stemming loss of students to Klukwan, privatizing some janitorial work, and enhancing Mosquito Lake School as a magnet site are among the options being studied.

The Principal at the Haines Borough schools noted that the loss of students from Haines to Klukwan has adversely affected the finances of the Haines Borough School District. Specifically, he noted that the Haines Borough School District could have avoided the recent layoffs if the twenty-nine Haines Borough students enrolled at the Klukwan School would have attended school in the Haines district.³⁰

The Haines Borough School District Principal indicated that the administration and School Board have been working on solutions to address the matter. Those include: (1) staff development to address the bullying/harassment issue (resulting in establishment of a "zero tolerance" approach to the problem); (2) establishment of a "crossover program" using the Borough's special education teacher to assist those students who are having difficulties; (3) investigating and working to solve any teacher/methods difficulties that are identified; and (4) investigating the possibility of alternative programs and financing/grants to start them.



Location of Mosquito Lake and Klukwan schools.

If the Haines Borough annexed Klukwan, the Haines Borough would be responsible for the delivery of educational services to the community. The Borough would have the opportunity to consolidate the schools at Klukwan and Mosquito Lake. Consolidating the two schools would result in a student population that would exceed the design capacity at the Mosquito Lake School and would be at or just above the historical capacity of the Klukwan School.

³⁰ Personal communication (11/24/03), Charlie Jones, Principal, Haines Borough School District.

(c) Cooperative Arrangements between Districts that Might Lead to Consolidation of Particular Schools.

Senator Wilken noted a third circumstance in his November 6 letter under which particular schools might be consolidated. That circumstance is related to AS 14.14.110(a), which provides as follows:

When necessary to provide more efficient or more economical educational services, a district may cooperate or the [Department of Education and Early Development] may require a district to cooperate with other districts, state-operated schools, or the Bureau of Indian Affairs in providing educational or administrative services.

The preceding example of the prospect for consolidation of schools at Klukwan and Mosquito Lake also serves as an example where particular schools might be consolidated through cooperation between districts or through the imposition by the Department of a requirement to cooperate.

2. Option Two – Consolidation of School Functions.

Senator Wilken wrote in his letter of November 6, 2003, that:

A second option for 'school consolidation' involves the prospect for combining particular educationrelated duties and activities. Examples of such might include consolidation of professional services such as district management, accounting functions, grant writing, or fulfillment of reporting requirements for all districts in a particular region. Another example might be the opportunity for bulk purchases such as supplies or fuel for districts in a large region. While the ... Commission might have contributions to make concerning this option, the Department ... should take the lead with respect to the prospect of consolidation of school functions.

3. Option Three – Consolidation of Specific School Districts.

Senator Wilken wrote as follows with regard to this option for school consolidation:

In reviewing this option, emphasis should be placed on the prospect for consolidation of school districts with fewer than 250 students. As noted earlier, the review should be based on resident students, not correspondence students.

In its routine reporting activities, the Department . . . has, of course, already identified districts with fewer than 250 students. In addition to this list of districts, the Department . . . should determine whether consideration should be given to the prospect of consolidating any school district with 250 or more students. If so, the department should advise the . . . Commission.

The . . . Commission should address opportunities for consolidation of school districts with fewer than 250 students and any other districts identified by the Department Consideration should be given to the prospect of consolidation of school districts through borough incorporation; borough or REAA annexation; borough or REAA merger; borough consolidation; borough, city, or REAA dissolution; city reclassification¹ or any other means that may be appropriate. Consideration should also be given by your two agencies to possible legislative actions that would accomplish school consolidation.³¹

The options noted above are generally described below.

(a) Borough Incorporation.

Borough incorporation involves the creation of a regional municipal government. With regard to the effect of borough incorporation in terms of school consolidation, as was noted earlier, AS 29.35.160

³¹ In Senator Wilken's letter, footnote 1 read:

¹The terms 'REAA' and 'regional educational attendance area' used in this letter include districts formed under AS 14.08.031 and 'federal transfer REAAs' formed under Chapter 66 SLA 1985.

provides that, "each borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis." In other words, each borough government constitutes a single school district that operates all schools within the boundaries of the borough. Within two years of incorporation, the new borough must integrate all city school districts and REAA school districts within its boundaries. (AS 29.05.130 – 29.05.140.)

A region may be incorporated as a borough government if it meets the standards established in law (Article X of the Constitution of the State of Alaska, AS 29.05.031, AS 29.05.100, 3 AAC 110.045 – 3 AAC 110.065, and 3 AAC 110.900 – 3 AAC 110.980).

Alaska's Constitution calls for boroughs to embrace large, natural regions. To incorporate as a borough, a region must have an adequate economy, population, transportation, and communication facilities to support the proposed borough government. Moreover, the population of the region must be socially, culturally, and economically interrelated and integrated in a regional context. The proposed boundaries must embody the characteristics required of borough governments. Also, the borough incorporation proposal must serve the best interests of the state.

Alaska's Constitution encourages the creation of borough governments in areas that meet the standards noted above. There are two general methods for the establishment of boroughs. One is through the local option method under AS 29.05.060 – 29.05.150. That method involves a borough incorporation petition initiated at the local level. Under the local option method, approval of both the Commission and local voters is required for the establishment of a borough.

The second method is the legislative review method under Article X, Section 12 of the Alaska Constitution. Under the legislative review method, a petition may be initiated by the State Legislature; the Commissioner of the Alaska Department of Community and Economic Development; the staff to the Commission or a person designated by the Commission subject to 3 AAC 110.410(d); a political subdivision of the state; a regional educational attendance area; a coastal resource service area; or voters. Following review of the petition, the Commission may submit to the Legislature a recommendation for incorporation of the region. In accordance with Article X, Section 12 of the Constitution, if the Legislature does not reject the recommendation, it takes effect.

Because of substantial disincentives to form boroughs, the local option method has been generally ineffective.³² During 44 years of statehood, boroughs have been formed under the local option method in which only 4 percent of Alaskans live. In contrast, boroughs, in which 83 percent of Alaskans live, were formed under the legislative process over the course of a few months.

(b) Borough Annexation.

Borough annexation involves the expansion of the corporate boundaries of a borough government. Annexation results in the extension of borough services, regulation, voting privileges, and taxing authority to the annexed area.

Borough annexation may result in school consolidation by bringing additional city, REAA, FTREAA, or even borough school districts into a single areawide borough school district.

³² For details, see The Need for Reform of State Laws Concerning Borough Incorporation and Annexation, Local Boundary Commission, January 2001 (hereafter "Reform Report") and Unorganized Areas of Alaska that Meet Borough Incorporation Standards, Local Boundary Commission, February 2003 (hereafter "2003 Unorganized Borough Report"). Annexation is a constitutionally-established means of fulfilling the purpose of Article X, Section 1 of Alaska's Constitution, which is "to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions."

Alaska's Constitution (Article X, Section 12) and State statutes provide that corporate boundaries of boroughs (and cities) may be adjusted. Borough annexation allows a regional government to accommodate growth and adapt to changing jurisdictional needs and conditions.

Just as the Constitution encourages the formation of boroughs, the Constitution also promotes the expansion of existing organized boroughs within the constraints of constitutional, statutory, and regulatory standards.

The same two general methods described earlier for borough incorporation also exist for borough annexation. Again, those are the local option method and the legislative review method.

(c) City Reclassification.

City reclassification means to change the classification of a city. Currently, there are three classifications of city governments in Alaska: home-rule, firstclass, and second-class.

Reclassification of any of the five home-rule cities in the unorganized borough or the thirteen first-class cities in the unorganized borough as second-class cities would result in school consolidation. As noted earlier, any home-rule or first-class city in the unorganized borough must operate a city school district, while the law expressly prohibits a second-class city in the unorganized borough from operating a school district. Thus, if a home-rule or first-class city in the unorganized borough reclassifies as a second-class city, the city school district is dissolved and responsibilities for education will be transferred to the REAA in which the city is located. The same two general methods for city reclassification exist as described for borough incorporation and annexation. Again, those are the local option method and the legislative review method. A city may be reclassified if it meets the standards established in law (AS 29.04.040, AS 29.05.011, AS 29.05.021, AS 29.05.100, 3 AAC 110.340 – 3 AAC 110.370, and 3 AAC 110.090 – 3 AAC 110.150).

(d) City Dissolution.

City dissolution means the termination of the existence of a city government. As was the case with reclassification, dissolution of any of the five homerule cities in the unorganized borough or thirteen first-class cities in the unorganized borough would result in school consolidation.

A city government may be dissolved if it meets the standards established in law (AS 29.06.470, AS 29.06.500, 3 AAC 110.280 – 3 AAC 110.300, and 3 AAC 110.900 – 3 AAC 110.980).

(e) Municipal Merger.

Merger means the dissolution of a municipality (city or borough) and its absorption by another existing municipality. Merger results in the rights, powers, duties, assets, and liabilities of the dissolved municipality (municipalities) being taken over by the municipality remaining in existence.

School districts may be combined under this process if two or more municipalities with education powers merge. Merger may occur through the local option process or the legislative review process described earlier.

(f) Municipal Consolidation.

Consolidation means the dissolution of two or more municipalities and incorporation of the area within the dissolved municipalities into a single new municipality. Consolidation results in the rights, powers, duties, assets, and liabilities of the dissolved municipalities being taken over by the new consolidated municipality. School districts may be combined under this process if two or more municipalities with education powers consolidate. Consolidation may occur through the local option process or the legislative review process described earlier.

(g) REAA Boundary Changes.

There are no express provisions in law for REAA boundary changes, except that AS 14.08.031(a) provides that a community may vote "to merge with another community contiguous to it but within the boundaries or sub-boundaries of another regional corporation."³³ Nonetheless, as noted earlier, the 1985 Legislature detached two areas from existing REAAs and established them as separate FTREAAs.

Further, on July 1, 1997, the former Department of Community and Regional Affairs ordered the extension of the jurisdiction of the Aleutian Region REAA over the area formerly occupied by the Adak REAA. That order stated as follows:

Whereas, AS 14.08.031 requires the Department of Community and Regional Affairs, in consultation with the Department of Education and local communities, to divide the unorganized borough into educational service areas using the boundaries or subboundaries of the regional corporations established under the Alaska Native Claims Settlement Act; and

Whereas, the Adak [REAA] has been without pupils since 1994 as a result of the closure of the Adak Naval Air Station; and

³³ In its entirety, AS 14.08.031(a) states:

The Department of Community and Economic Development in consultation with the Department of Education and Early Development and local communities shall divide the unorganized borough into educational service areas using the boundaries or sub-boundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or sub-boundaries of another regional corporation. Whereas, the Adak REAA was terminated on September 30, 1996 by order of the Alaska Superior Court; and

Whereas, upon consultation with the Commissioner of the Alaska Department of Education, I have determined that it is appropriate to include Adak within the boundaries of the Aleutian Region REAA; and

Whereas, a duly noticed public hearing was conducted by the Department of Community and Regional Affairs on June 30, 1997, and all objections expressed therein have been considered:

ORDER

I, Mike Irwin, hereby order that the jurisdiction of the Aleutian Region REAA is extended to include the area formerly occupied by the Adak REAA.

The action taken by the former Department of Community and Regional Affairs could be alternatively described as an REAA annexation or merger.

C. Opportunities for Consolidation of Specific Schools, School Functions, and School Districts.

1. Opportunities for Consolidation of Specific Schools.

(a) Opportunities for Consolidation of Specific Schools through Boundary Changes.

In his letter of November 6, Senator Wilken called upon the Department of Education and Early Development to "advise the . . . Commission of particular schools in Alaska that might lend themselves to consolidation through boundary changes." The Senator stated that once the information is available, the " . . . Commission should then address the prospects for accomplishing consolidation of those schools through boundary changes." The Department of Education and Early Development declined to advise the Local Boundary Commission of specific schools that might benefit from consolidation through boundary changes. Instead, the Department took the position that its role in this study effort would be limited to providing financial analysis of consolidation proposals only after the Commission or others have identified specific opportunities for school consolidation.

(b) Opportunities for Consolidation of Specific Schools through Voluntary or Directed Cooperation.

In his letter of November 6, Senator Wilken called upon the Department to identify opportunities for consolidation of particular schools through AS 14.14.110(a) which states, "When necessary to provide more efficient or more economical educational services, a district may cooperate or the [Department] may require a district to cooperate with other districts, state-operated schools, or the Bureau of Indian Affairs in providing educational or administrative services." Of course, if the Commission has views on the topic, those views should also be considered.

The Department did not identify specific opportunities for consolidation of particular schools through AS 14.14.110(a)(2).

2. Opportunities for Consolidation of Specific School Functions.

In his letter of November 6, Senator Wilken called upon the Department to take the lead with respect to addressing the prospect for consolidation of school functions. He offered examples such as district management, accounting functions, grant writing, or fulfillment of reporting requirements for all districts in a particular region. Other examples offered by the Senator included the opportunity for bulk purchases such as supplies or fuel for districts in a large region. The Department did not name any particular school functions such as district management or fulfillment of reporting requirements that might be consolidated among districts.

3. Opportunities for Consolidation of Specific School Districts.

This portion of the report addresses opportunities for consolidation of specific school districts. The legislative directive calls on the Commission and Department to place "emphasis on school districts with fewer than 250 students, through borough incorporation, borough annexation, and other boundary changes." This portion of the report begins with a review of how borough incorporation and annexation would bring about consolidation of schools.

(a) Borough Incorporation.

Alaska's first statutes regarding borough government, enacted under the Borough Act of 1961, established a single unorganized borough comprised of all of Alaska not within organized boroughs.³⁴ Since there were no organized boroughs at that time, the entire state was initially configured as a single unorganized borough.

Alaska is a huge state with tremendous diversity in terms of social, cultural, economic, transportation, geographic, and other relevant characteristics. Thus, creating a single residual unorganized borough disregarded the constitutional requirement that each borough must embrace an area of common interests.

³⁴ Ch. 146, SLA 1961.

Even today, the residual unorganized borough encompasses an estimated 374,843 square miles. That figure represents 57 percent of Alaska – an area larger than the countries of France and Germany combined.

In the late 1980s, the Commission received a number of competing proposals to annex and incorporate various portions of the unorganized borough.³⁵ The Commission concluded that it would be best to examine those and future borough proposals in the context of model boundaries based on constitutional, statutory, and regulatory standards for borough incorporation.

Consequently, in 1990 the Commission initiated the effort to define model borough boundaries within the vast and diverse unorganized borough using borough boundary standards established in law. The project was completed at the end of 1992. The Alaska Legislature appropriated funding for the project. The Commission conducted hearings regarding model borough boundaries in person or by teleconference in 88 communities.

The result today is 18 different model unorganized boroughs. In addition, the Commission identified 5 parts of the unorganized borough that were determined to have greater social, cultural, economic, geographic, transportation, and other ties to existing organized boroughs vis-à-vis any of the eighteen unorganized model boroughs. If educational services were delivered in terms of model boroughs, the number of school districts in the unorganized borough would drop by more than half (from 37 to 18).

Model borough boundaries are rooted in Alaska's Constitution. Article X, Section 3 of the Constitution requires that all of Alaska be divided into boroughs, organized or unorganized. The division of Alaska into boroughs must be in accordance with standards including population, geography, economy, transportation, and other factors. The Constitution requires that each organized and unorganized borough embrace an area and population with common interests. In addition, Article X, Section 1 of Alaska's Constitution favors a minimum number of boroughs.

Model borough boundaries are central to the examination of the prospect for consolidation of many of the smaller school districts through borough incorporation and annexation.³⁶

As noted earlier, 17 of the 53 school districts in Alaska (32 percent) have fewer than 250 students. Thirteen of those small districts, together with 7 somewhat larger unorganized borough school districts (≥250 students) are within the 8 model boroughs discussed below ((i) - (viii)). If boroughs formed along the lines of those 8 model boroughs, it would result in the consolidation of 20 school districts in the unorganized borough into 8 organized borough school districts.

(i) Glacier Bay Model Borough.

The Glacier Bay Model Borough encompasses the City of Pelican School District, the City of Hoonah School District, and portions of the Chatham REAA.³⁷ Each of those 3 school districts has fewer than 250 students.

- ³⁵ See Appendix K, which provides detailed background about model borough boundaries.
- ³⁶ Appendix K.
- ³⁷ The communities of Klukwan (enrollment 41) and Angoon (enrollment 125), although part of the Chatham REAA, are not part of the Glacier Bay Model Borough. Thus, the enrollment of the prospective Glacier Bay Model Borough excludes the students at Klukwan and Angoon. It is noted, however, that when the Commission prepared its 2003 Unorganized Borough Report, Commission members discussed the prospect that a Glacier Bay Borough might include the community of Angoon.



The City of Pelican School District has the fewest number of students of all school districts in Alaska. In FY 2004, the Pelican School District served only 15 students (resident ADM). The City of Pelican School District has an "enrollment gap" of 94 percent.³⁸ In the past twelve years, the number of students enrolled in the Pelican City School District dropped by 67.3 percent.



City of Pelican School.

The City of Hoonah School District had a resident ADM of 180.2 in FY 2004. The enrollment gap for the Hoonah School District is 27.9 percent. In the past twelve years, the number of students enrolled in the Hoonah City School District declined by more than 23 percent.

In FY 2004, the resident ADM of students attending school in the Chatham REAA was 218.4 students. The enrollment gap for the Chatham REAA is 12.6 percent. In the past twelve years, the number of students attending school in the Chatham REAA has dropped by 42 percent.

In 1998, the Alaska Legislature established a fundamental policy concerning the percentage of operating funds that must be spent on instruction. The policy was enacted as a law requiring that each school district must spend at least 70 percent of its operating funds on instruction (AS 14.17.520).

The requirement concerning spending for instruction was phased in over a three-year period. In 1999, each district had to spend at least 60 percent of its operating funds on instruction. In 2000, the requirement increased to 65 percent. Beginning in 2001, each district had to spend at least 70 percent on instruction.

The State Board of Education is permitted to grant waivers if it determines that "the district's failure to meet the expenditure requirements of this section was due to circumstances beyond the control of the district" (AS 14.17.520(d)).

All three school districts in the Glacier Bay Model Borough have sought and received waivers from the State Board of Education concerning the required minimum expenditure for instruction for the past several years. The Pelican City School District has

³⁸ Enrollment gap is the difference between the 250-student threshold established in AS 14.12.025 and the most recent ADM for a district with fewer than 250 students. required waivers for the past four years. Its current level of expenditures for instruction is 63 percent of operating expenses – 7 percentage points below the threshold.

The City of Hoonah School District has required waivers for the past five years. Hoonah's present expenditures for instruction amount to 60 percent of operating expenses – 10 percentage points below the threshold.



The Chatham REAA has required waivers for the past four years. Its current level of expenditures for instruction is 69 percent of operating expenses – 1 percentage point below the threshold.

If the Glacier Bay Borough were formed, it would consolidate the Pelican City School District, the Hoonah City School District and portions of the Chatham REAA into a single district. The Glacier Bay Borough School District would have an estimated enrollment of 252 (1.6 percent) above the 250-student threshold.³⁹

It is noteworthy that the Commission determined in 2003 that the Glacier Bay Model Borough meets all of the standards for borough incorporation.⁴⁰ Additionally, it is noted that local residents in the Glacier Bay Model Borough have recently taken steps to draft a petition for borough incorporation. No petition, however, has yet been filed with the Commission.

(ii) Aleutians West Model Borough.

The Aleutians West Model Borough encompasses the Aleutian Region REAA and the City of Unalaska School District.

The Aleutian Region REAA has the second lowest enrollment among all school districts in Alaska. In FY 2004, the Aleutian Region REAA served only 42.1 students (resident ADM). Thus, the Aleutian Region REAA has an enrollment gap of 83.2 percent.

³⁹ The projected enrollment figure consists of 15 students at Pelican, 180 students at Hoonah, 45 students at Gustavus, and 12 students at Tenakee Springs. It does not include 125 students at Angoon or 45 students at Klukwan which are served by the Chatham REAA but are not within the Glacier Bay Model Borough boundaries. Again, it is noted, however, that when the Commission prepared its 2003 Unorganized Borough Report, Commission members discussed the prospect that a Glacier Bay Borough might include the community of Angoon.

⁴⁰ See 2003 Unorganized Borough Report.

The Aleutian Region REAA has required waivers of the previously noted threshold for instructional spending in five of the six years that the requirement has been in place. The exception was FY 2003. Presently, the existing level of expenditures for instruction in the district is 66 percent of operating expenses – 4 percentage points below the threshold. The City of Unalaska School District has never required a waiver.

In FY 2004, the City of Unalaska School District recorded an ADM of 398.6. If the Aleutians West Borough were formed, it would consolidate the

Aleutian Region REAA and the City of Unalaska School District. The resulting district would have an ADM of 440.7. That figure is 76.3 percent above the 250-student threshold.

It is noteworthy that the Commission determined in 2003 that the Aleutians West Model Borough meets all of the standards for borough incorporation.⁴¹

(iii) Yukon-Koyukuk Model Borough.

The Yukon-Koyukuk Model Borough encompasses the Tanana City School District, Galena City School District, and Yukon-Koyukuk REAA. Each of the city school districts has a resident ADM below the 250-student threshold. Specifically, the City of Tanana School District is the third smallest district in Alaska with an FY 2004 resident ADM of 63.3.

⁴¹ See 2003 Unorganized Borough Report.



The comparable figure for the City of Galena School District is 229. The enrollment gaps for the Tanana District and the Galena District are, respectively, 74.7 percent and 8.4 percent.

The City of Tanana School District has required waivers of the previously noted instructional expenditure threshold for the last five years. Currently, it spends 51 percent of its operating funds on instruction. That level is 19 percentage points below the threshold. The City of Galena School District has never required a waiver during the past six years that the threshold has been in place.

If the Yukon-Koyukuk Borough were formed, the three districts noted above would be consolidated into a single school district. The size of that district, based on FY 2004 resident ADMs, would be equivalent to 727 students. That figure exceeds the 250-student threshold by 477 (190.8 percent).

The Commission's 2003 Unorganized Borough Study did not identify the Yukon-Koyukuk Model Borough as a region that meets all of the standards for borough incorporation. (iv) Prince William Sound Model Borough.

The Prince William Sound Model Borough encompasses the Chugach Region REAA, the City of Cordova School District, and the City of Valdez School District.

The Chugach Region REAA is the fourth smallest school district in Alaska in terms of numbers of students. In FY 2004, the Chugach Region REAA served only 75 students (resident ADM). In FY 2004, the Chugach Region REAA had an enrollment gap of 70 percent.

During the same period, the City of Cordova School District and the City of Valdez School District recorded ADMs, respectively, of 471.7 and 866.7. If the Prince William Sound Borough were formed, it would consolidate the three districts into a single district. The resulting district would have an ADM of 1,413.4. That figure is 4.7 times greater than the 250-student threshold.

The City of Cordova is the only school district in this region that has required a waiver of the previously noted requirement for instructional spending. The need for a waiver arose only in the current year, where Cordova's spending for instruction is 69 percent of its operating budget. That figure is 1 percentage point below the threshold.

It is noteworthy that the Commission determined in 2003 that the Prince William Sound Model Borough meets all of the standards for borough incorporation.⁴²



(v) Prince of Wales Model Borough.

The Prince of Wales Model Borough encompasses three city school districts and most of one REAA. The three city school districts are those operated by the City of Hydaburg, City of Klawock, and the City of Craig. The REAA is the Southeast Island REAA.

Two of the three city school districts (Hydaburg and Klawock) and the Southeast Island REAA each have fewer than 250 resident students. The City of Hydaburg School District is the fifth smallest district in terms of enrollment. In FY 2004, it had an ADM of 87.1. That figure represents an enrollment gap of 65.2 percent.

⁴² See 2003 Unorganized Borough Report.



The City of Hydaburg School District has required waivers in five of the past six years. Its current spending for instruction is 1 percentage point below the required 70 percent mark.

If a Prince of Wales Borough were formed, it would consolidate the four districts into one. The enrollment of that consolidated district, based on most recent figures, would be 816.1.⁴³ That figure is 3.3 times greater

In FY 2004, the City of Klawock School District had a resident ADM of 147. That figure was 103 (41.2 percent) below the 250-student threshold. At the same time, the Southeast Island REAA had a resident ADM of 210.2. That district's enrollment gap was 15.9 percent. The City of Craig School District had an FY 2004 resident ADM of 381.8. That figure is 52.7 percent above the 250-student threshold noted earlier.

Three of the four Prince of Wales Island school districts required waivers of the previously noted requirement for instructional spending. The City of Klawock has been granted waivers in each of the past two years. Its current level of instructional spending is 63 percent of all operating expenditures. That is 7 percentage points below the benchmark. The Southeast Island REAA has required waivers in three of the past four years. Its current instructional spending is 2 percentage points below the required 70 percent mark.

than the 250-student threshold.

The Commission's 2003 Unorganized Borough Study did not reach a definitive conclusion whether the Prince of Wales Model Borough satisfies all of the standards for borough incorporation. The Commission, as constituted at that time, did conclude that the Prince of Wales Model Borough had a sufficiently large and stable population to support borough government. That Commission also determined that the region met the borough standards relating to regional commonalties and broad public interests. However, that Commission did not make a conclusion whether the Prince of

⁴³ The communities of Hyder (enrollment 10), Meyers Chuck (no school), and Kupreanof (no school), although part of the Southeast Island REAA, are not part of the Prince of Wales Model Borough.



Thorne Bay School operated by the Southeast Island REAA on Prince of Wales Island.

Wales Model Borough did or did not have the economic capacity to support a borough government. Specifically, the 2003 Unorganized Borough Study states:

Based on: (1) anticipated borough functions; (2) anticipated expenses; (3) anticipated income; (4) ability to generate and collect local revenue; (5) economic base, land use, existing and reasonably anticipated industrial, commercial, and resource development; (6) property valuations; (7) personal income; and (8) prior borough feasibility studies, the Commission concluded that the seven unorganized areas previously noted have the human and financial resources needed to provide borough services.



Kasaan School operated by the Southeast Island REAA on Prince of Wales Island.

One additional area - the Prince of Wales Island region - was also carefully considered by the Commission. Given the resources and time available for this report, it was necessary for the Commission to use the most current available secondary data (e.g., reports of the 2000 census). Detailed economic data from the 2000 census was released by the U.S. Census Bureau on September 25, 2002 - just one week after the legislative directive for this study took effect. While the data became available less than five months ago, the Commission recognized that recent socioeconomic trends not reflected in such official published data may significantly affect the capacity of the Prince of Wales Island region to support borough government at this time. Therefore, pending more up-to-date information and further



Hollis School operated by the Southeast Island REAA on Prince of Wales Island.

analysis, including fuller analysis of the fiscal impacts of school district consolidation, the Commission declined to render a finding as to whether the Prince of Wales Model Borough has the human and financial resources to support borough government.

The current Commission observes that the population figures presented in the 2003 Unorganized Borough Study indicate that nearly 60 percent of the residents of the Prince of Wales Model Borough currently live within first-class cities. As noted earlier, first-class cities in the unorganized borough have the same duties as organized boroughs. Thus, there is a strong presumption that at least the areas within first-class cities on Prince of Wales Island have the economic capacity to support a borough government.



When circumstances permit, the current Commission intends to pursue the further examination of the capacity of the Prince of Wales Model Borough to meet the standards for incorporation of a borough.

(vi) Chatham Model Borough.

The Chatham Model Borough encompasses the City of Kake School District⁴⁴ and Angoon, which is currently part of the Chatham REAA.⁴⁵ The City of Kake School District had an FY 2004 ADM of 155.2. That figure is 37.9 percent below the 250-student threshold.

In the past twelve years, the number of students enrolled in the Kake City School District dropped by 16.2 percent.

The City of Kake School District has required waivers of the 70 percent instructional spending requirement in every year that the constraint has been in place. The current level of instructional spending

by the Kake School District is 65 percent of its total operating expenditures. That figure is 5 percentage points below the threshold established in law.

If the Chatham Borough were formed, it would have an enrollment of 280.2 (12.8 percent above the 250-student threshold).

It is noteworthy that the Commission determined in 2003 that the Chatham Model Borough meets all of the standards for borough incorporation.⁴⁶ Additionally, it is noted

that officials of the City of Kake have expressed interest in forming a borough. No petition, however, has been filed with the Commission.

- ⁴⁴ Please note that the City of Kake School District is designated as part of the *Chatham Model Borough*. It is geographically located in the Southeast Island REAA (not the Chatham REAA) but is not a part of that REAA for educational jurisdiction purposes.
- ⁴⁵ The community of Angoon (enrollment 125) is part of the Chatham Model Borough. It is noted, however, that when the Commission prepared its 2003 Unorganized Borough Report, Commission members discussed the prospect that Angoon might be more properly placed with Glacier Bay Borough communities and Kake might be more properly placed in the Wrangell-Petersburg Model Borough.

⁴⁶ See 2003 Unorganized Borough Report.

(vii) Pribilof Islands Model Borough.

The boundaries of the Pribilof Islands Model Borough are coterminous with those of the Pribilof Islands REAA. That REAA had an FY 2004 ADM of 124.5. The number of students in that district is 50.2 percent below the 250-student threshold for creation of a new school district.

Creation of the Pribilof Island Borough would not consolidate any school districts. It is noteworthy that the Commission did not include this region among those listed in its 2003 Unorganized Borough Report as meeting the standards for borough incorporation.

(viii) Lower Yukon Model Borough.

The Lower Yukon Model Borough encompasses three school districts. Those are the City of Saint Mary's School District, the Kashunamiut FTREAA, and the Lower Yukon REAA.





The City of Saint Mary's School District had an FY 2004 ADM of 159. That figure is 36.4 percent below the 250-student threshold for establishment of new school districts. For the same period, the Kashunamiut FTREAA and the Lower Yukon REAA were above the threshold (respectively, 365.6 and 2,040.2).

Creation of the Lower Yukon Borough would consolidate the three school districts listed above. It is noteworthy, however, that the Commission did not include this region among those listed in its 2003 Unorganized Borough Report as meeting the standards for borough incorporation.

(b) Borough Annexation.

Two small city school districts and part of one REAA school district lie within the model borough boundaries of two existing organized boroughs. Those are addressed in the discussion below (i – ii).



(i) Expanded Denali Borough.

The City of Nenana School District is within the model boundaries of the existing Denali Borough.

The City of Nenana School District had an FY 2004 resident ADM of 226.1. That figure is 9.6 percent below the 250-student threshold noted earlier.



If the City of Nenana were annexed to the Denali Borough, it would consolidate the Nenana School District with the Denali Borough School District. Based on the most recent figures, the resulting district would have an ADM of 531.9.

(ii) Lynn Canal Model Borough.

The Lynn Canal Model Borough encompasses one city school district (City of Skagway, ADM 105.8), one borough school district (Haines Borough, resident ADM 304.9), and a portion of one REAA (Klukwan within the Chatham REAA, enrollment 40 students).

The City of Skagway School District is the sixth smallest school district in Alaska in terms of its enrollment. With an ADM of 105.8, the enrollment gap for the City of Skagway School district in terms of the 250-student threshold is 57.7 percent.

It is noteworthy that the Skagway City School District enrollment has declined by 27 percent over the past

> twelve years. Moreover, the City of Skagway School District has required waivers of the 70 percent instructional spending requirement in every year that the constraint has been in place. The current level of instructional spending by the Skagway School District is 62 percent of its total operating expenditures. That figure is 8 percentage points below the threshold established in law.

> The Haines Borough has operated within the instructional spending constraints in all years except the current year. Presently, the Haines

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Borough is spending 66 percent of its operating funds on instruction. That figure is 4 percentage points below the threshold established in law.

If borough boundaries were extended along those of the Lynn Canal Model Borough, the consolidated district would have an ADM of 450.7. That figure is 1.8 times greater than the 250-student threshold.⁴⁷

(c) Borough Merger or Consolidation.

Two of the 17 districts with fewer than 250 students are borough school districts. Those are the City and Borough of Yakutat and the Bristol Bay Borough.

Controversy surrounded the incorporation of both the Yakutat and Bristol Bay boroughs. Individuals with expertise in the field have characterized both as lacking the overall characteristics of a borough government. In 1962, Hugh Wade,⁴⁸ Alaska's Secretary of State, wrote a candid memorandum to Governor William A. Egan (former President of the Alaska Constitutional Convention) expressing significant concern over the approval by the Commission of a petition to incorporate the Bristol Bay Borough. A copy of that memorandum is included with this report as Appendix L.

On several occasions, Victor Fischer has also been highly critical of the Bristol Bay Borough as lacking the general characteristics of a borough. Mr. Fischer characterized the formation of the Bristol Bay Borough as a "gross error." In the same letter, Mr. Fischer was also critical of the incorporation of the Lake and Peninsula Borough and the Denali Borough.

Moreover, Victor Fischer and Thomas Morehouse wrote in 1971 that the Haines Borough did not meet the standards for borough formation.⁴⁹ Specifically, the two authors indicated that the Haines Borough did not conform well "to any consistent borough model, whether of the urban or regional type, nor even to the very general legal standards for boroughs set forth in the 1961 borough act." It is noted, however, that the Haines Borough has expanded its boundaries twice since Mr. Fischer and Mr. Morehouse made that characterization. 50

The prospects for merger or consolidation of those two boroughs are addressed below.

(i) City and Borough of Yakutat.

The City and Borough of Yakutat had an FY 2004 ADM of 125, resulting in an enrollment gap of 50 percent. The City and Borough of Yakutat has required waivers of the instructional spending

- ⁴⁷ Enrollment would include 40 students at Klukwan, 105.8 ADM at Skagway, and, 304.9 ADM at Haines.
- ⁴⁸ Hugh Wade, an attorney, came to Alaska in 1926 with the Federal Bureau of Investigation. He later served with the National Recovery Administration, the Social Security Administration, and the Bureau of Indian Affairs. Additionally, he served as Treasurer of the Territory of Alaska for several years. He was Alaska's first Secretary of State (the office is now known as Lieutenant Governor) from 1959 until 1966. When Governor Egan required hospitalization shortly after his inauguration, Secretary of State Wade served as acting Governor.
- ⁴⁹ Thomas A. Morehouse and Victor Fischer, Borough Government in Alaska (1971), p. 109.
- 50 In 1974, the Haines Borough petitioned for annexation of approximately 420 square miles. The area encompassed the commercial fish processing facility at Excursion Inlet as well as an estimated 442,354 acres of Tongass National Forest lands. The Commission concluded that the proposed annexation would enhance the degree to which the Haines Borough satisfied the standards for borough government. Annexation was approved by the Commission and took effect following review by the Legislature in 1975. In 1976, the Haines Borough petitioned for annexation of the former military petroleum distribution facility at Lutak Inlet. That annexation proposal was approved by the LBC in 1977 and took effect in 1978 following review by the Legislature.

requirement in each of the past five years. Currently, instructional spending by the City and Borough of Yakutat School District is 65 percent of total operating costs. That is 5 percentage points below the threshold established in law.

The City and Borough of Yakutat is bounded on the north by the Prince William Sound Model Borough and on the south by the Glacier Bay Model Borough. There is no opportunity to consolidate the City and Borough of Yakutat with any existing organized borough at this time because none adjoins it.

(ii) Bristol Bay Borough.

The Bristol Bay Borough had an FY 2004 ADM of 195.4. Thus, the Bristol Bay Borough has an enrollment gap of 21.8 percent.

The Bristol Bay Borough has required waivers in each of the past four years with respect to the limitations on instructional spending noted earlier. Currently, the Bristol Bay Borough spends 63 percent of its operating budget on instruction.

That figure is 7 percentage points below the threshold established in law.

It is noteworthy that the Bristol Bay Borough is the smallest borough in Alaska in terms of geographic size. It is 519.2 square miles.

Two noteworthy circumstances link the Bristol Bay Borough and the Lake and Peninsula Borough. The first is the fact that the Bristol Bay Borough is surrounded on three sides by the much larger Lake and Peninsula Borough. (The Lake and Peninsula Borough is 23,632.3 square miles – more than 45 times greater than the Bristol Bay Borough.) The second issue is that both the School District offices and the Borough offices of the Lake and Peninsula Borough are located in the Bristol Bay community of King Salmon. King Salmon is also the seat of the Bristol Bay Borough.

The Lake and Peninsula Borough School District had an FY 2004 ADM of 415.3. If the Bristol Bay Borough School District and the Lake and Peninsula Borough School District were consolidated, the new district would have an ADM of 610.7.

(d) City Reclassification or Dissolution.

There are 10 city school districts in the unorganized borough with fewer than 250 resident students. The Department of Education and Early Development analyzed the financial effects of merging those 10 small city school districts with the four REAAs in which those city school districts are located. A discussion about the prospects of the consolidations of those districts, including the conclusions reached by the Department, are outlined below (i – iv).



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There are two other small unorganizedborough school districts that could be consolidated through city reclassification or dissolution. Those are outlined below (vvi). The Department did not provide the Commission with financial analyses of those options.

(i) Chatham REAA.

The Chatham REAA encompasses three city school districts. These are the City of Pelican School Dis-

trict, City of Hoonah School District, and City of Skagway School District. As noted in the discussion about borough incorporation, each of those city school districts encompasses fewer than 250 students, as does the Chatham REAA. If the City of Pelican, City of Hoonah, and City of Skagway were dissolved or reclassified to second-class cities, or if the powers and duties of home-rule and first-class cities in the unorganized borough to operate school districts were rescinded, the four districts in the region would be consolidated into one.⁵¹ The consolidated district would encompass, based on FY 2004 ADMs, 519.4 students. That figure is more than twice the 250-student threshold.

It is noteworthy that the City of Pelican no longer meets the statutory standards for incorporation or reclassification as a first-class city. AS 29.05.011 requires a minimum of 400 permanent residents to incorporate a first-class city. AS 29.04.040 imposes the same population threshold for reclassification as a first-class city. The 2002 population of the City of Pelican was 115. That figure is 71.25 percent below the 400-resident threshold for incorporation



of and reclassification to a first-class city. There is no provision in law to automatically trigger reclassification if a first-class city falls below the population threshold.

Based on data provided by the Department, the Local Boundary Commission analyzed the effects upon the Chatham REAA and the State of Alaska that would result from merging the three city school districts noted above with that REAA. Those effects are summarized as follows:

Merger of School Districts

● Four school districts would become one.

Student Enrollment

- Chatham REAA ADM would increase by 316 students.
 - ⁵¹ Generally, the Commission does not advocate dissolution of city governments in the unorganized borough where those city governments are viable and are fulfilling a legitimate need for city services.

 Statewide ADM would not change (316 students would transfer from 3 different districts to one other district).

Basic Need

- Basic need for the 316 new Chatham REAA students would be \$2,941,295.
- The level of basic need for the 316 new Chatham REAA students would be \$39,378 (\$124.61 per student) higher than the level of basic need in the city school districts.

Required Local Contributions

Local contributions required under AS 14.17.410(b)(2) would be reduced by \$671,927.

Deductible Impact Aid

➡ The amount of federal impact aid that would accrue to the State would increase by \$397,422.

Quality School Grants

 Quality school grants would increase to the REAA by \$156.

Net Cost/Gain to the State

Merger of the three city districts into the REAA would increase the State's educational foundation costs by \$314,039 annually.

Net Cost/Gain to the District

- Basic need would increase by \$39,378 for 316 students (\$124.61 per student).
- Quality school grants would increase to the REAA by \$156.
- Local taxes or other tolls in the three cities (Pelican, Skagway, and Hoonah) formerly used for the local contribution could be reduced by \$671,927; or the funds could be used for other purposes.

Other Important Factors

- DEED did not evaluate the potential benefits of consolidation in terms of improved administrative efficiencies and economies of scale that would allow more funds to be used in the classroom (e.g., the savings realized by the elimination of three superintendents and three school boards). In FY 2004, all four of the school districts in the region (i.e., Pelican, Skagway, Hoonah, and Chatham) required waivers of the requirement that 70 percent of operating funds be used for instruction.
- DEED did not address the potential benefits of consolidation in terms of increased or improved curricula and other educational benefits to the students.

(ii) Yukon-Koyukuk REAA.

The Yukon-Koyukuk REAA encompasses three city school districts – the Tanana City School District, the Galena City School District, and the Nenana City School District. All three city school districts have resident ADMs below the 250-student threshold. The enrollment gaps for the Tanana City School District, Galena City School District, and Nenana City School District are, respectively, 74.7 percent, 8.4 percent, and 9.6 percent.

If the City of Tanana, City of Galena, and City of Nenana were dissolved or reclassified to second-class city status, or if the powers and duties of home-rule and first-class cities in the unorganized borough to operate school districts were rescinded, the four districts in the region would be consolidated into a single school district. The size of that district, based on FY 2004 resident ADMs, would be 953.1 students. That figure is nearly four times greater than the 250-student threshold.



It is noteworthy that the population of the City of Tanana is well below the previously noted 400-resident threshold for incorporation of and reclassification to a first-class city. In 2002, the population of the City of Tanana was 278. That figure is 122 residents (30.5 percent) below the threshold noted above.

Based on data provided by the Department, the Local Boundary Commission analyzed the effects upon the Yukon-Koyukuk REAA and the State of Alaska that would result from merging the three city school districts noted above with that REAA. Those effects are summarized as follows:

Merger of School Districts

➔ Four school districts would become one.

Student Enrollment

Yukon-Koyukuk resident REAA ADM would increase by 495 students.

 Statewide ADM would not change (495 students would transfer from 3 different districts to one other district).

Basic Need

- Basic need for the 495 new Yukon-Koyukuk REAA students would be \$21,763,556.⁵²
 - ⁵² This unusually high figure for basic need is attributed, in large part, to the large number of correspondence students in the districts, particularly in the City of Galena school district. In FY 2004, the City of Galena had 3,770 correspondence students compared to only 229 resident students. Basic need takes into consideration the number of correspondence students. For purposes of this school consolidation study, the City of Galena is considered a small school district (<250 students).</p>

The level of basic need for the 495 new Yukon-Koyukuk REAA students would be \$615,224 (\$1,242.88 per student) higher than the level of basic need in the city school districts.

Required Local Contributions

Local contributions required under AS 14.17.410(b)(2) would be reduced by \$165,573.

Deductible Impact Aid

The amount of federal impact aid that would accrue to the State would increase by \$1,062,489.

Quality School Grants

 Quality school grants would increase to the REAA by \$2,414.

Net Cost/Gain to the State

 Consolidation of the three districts would save the State \$279,278.

Net Cost/Gain to the District

- Basic need would increase by \$615,224 for 495 students (\$1,242.88 per student).
- ➔ Quality school grants would increase by \$2,414.
- Local taxes or other means of raising revenue in the three cities (Tanana, Galena, and Nenana) formerly used for the local contribution could be reduced by \$165,573; alternatively, the funds could be used for other purposes.

Other Important Factors

DEED did not evaluate the potential benefits of consolidation in terms of improved administrative efficiencies and economies of scale that would allow more funds to be used in the classroom (e.g., savings realized by elimination of three superintendents and three school boards). In FY 2004, half of the school districts in the region (Tanana and Yukon-Koyukuk) required waivers of the requirement that 70 percent of operating funds be used for instruction.

 DEED did not address the potential benefits of consolidation in terms of increased or improved curricula and other educational benefits to the students.

(iii) Southeast Island REAA.

The Southeast Island REAA encompasses four city school districts. Those are ones operated by the City of Hydaburg, City of Klawock, City of Craig, and City of Kake.

The City of Hydaburg School District had an average of 87.1 students in FY 2004. The comparable resident ADM figures for the City of Klawock, City of Craig, and City of Kake were, respectively, 147.0, 381.8, and 155.2.

If the four first-class cities in this REAA were dissolved or reclassified as second-class cities, or if the powers and duties of home-rule and first-class cities in the unorganized borough to operate school districts were rescinded, the five districts would be consolidated into one. The resident enrollment of that consolidated district, based on most recent figures, would be 981.3. That figure would be nearly four times greater than the 250-student threshold.

It is noteworthy that the City of Hydaburg has fewer than the 400 residents required to form a first-class city or to reclassify as a first-class city. Specifically, in 2002, the population of the City of Hydaburg was 382.

It is also noteworthy that the City of Hydaburg is struggling to remain an active and viable city government. The following account regarding the matter was published by the *Ketchikan Daily News* on October 29, 2003:

City of Hydaburg lays off staff KDN Staff

The City of Hydaburg has laid off its entire staff because of budget shortfalls.



Mayor Steven Dilts Sr. said he met with employees last week about the layoffs and asked them to volunteer their time. For [sic] far, only the operator of the water plant has agreed, he said. About 370 people live in the Prince of Wales Island community.

'Sometimes when the finances run out we've got to work for God and pray,' Dilts said.

The City Council will meet Nov. 3 to review the situation and work on ways to build the town's economy, Dilts said. The city is about \$150,000 in debt, he said.

'We're doing everything we can to cut back and everything we can to rebuild infrastructure,' he said.

Meanwhile, the state is waiting for Hydaburg's fiscal year 2002 audit so it can release about \$100,000 in funding, according to Bill Rolfzen, a local government specialist with the state Department of Community and Economic Development. That money can be used for general government operations, he said.

Dilts said the audit is underway.

Based on data provided by the Department, the Local Boundary Commission analyzed the effects upon the Southeast Island REAA and the State of Alaska that would result from merging the three small city school districts noted above (i.e., Klawock, Hydaburg, and Kake, but not Craig) with that REAA. Those effects are summarized as follows:

Merger of School Districts

➔ Four school districts would be merged into one.

Student Enrollment

- Southeast Island REAA ADM would increase by 396 students.
- Statewide ADM would not change (396 students would transfer from 3 different districts to one other district).

Basic Need

- Basic need for the 396 new Southeast Island REAA students would be \$3,597,011.
- The level of basic need for the 396 new Southeast Island REAA students would be \$276,049 (\$697.09 per student) higher than the level of basic need in the three small city school districts.

Required Local Contributions

Local contributions required under AS 14.17.410(b)(2) would be reduced by \$232,696.

Deductible Impact Aid

• The amount of federal impact aid that would accrue to the State would increase by \$918,138.

Quality School Grants

 Quality school grants would increase to the REAA by \$1,102.

Net Cost/Gain to the State

• Merger of the three districts into the REAA would save the State \$413,002.

Net Cost/Gain to the District

- Basic need would increase by \$276,049 for 396 students (\$697.09 per student).
- Quality school grants would increase to the REAA by \$1,102.
- Local taxes or other means of raising revenue in the three cities (Kake, Hydaburg, and Klawock) formerly used for the local contribution could be reduced by \$232,696; alternatively, the funds could be used for other purposes.

Other Important Factors

DEED did not evaluate the potential benefits of consolidation in terms of improved administrative efficiencies and economies of scale that would allow more funds to be used in the classroom (e.g., savings realized by elimination of three superintendents and three school boards). In FY 2004, Kake, Klawock, Hydaburg, and Southeast Island required waivers of the requirement that 70 percent of operating funds be used for instruction.

 DEED did not address the potential benefits of consolidation in terms of increased or improved curricula and other educational benefits to the students.

(iv) Lower Yukon REAA.

The Lower Yukon Model Borough encompasses three school districts. Those are the City of Saint Mary's School District, the Kashunamiut FTREAA, and the Lower Yukon REAA.

The City of Saint Mary's School District had an FY 2004 ADM of 159. That figure is 36.4 percent below the 250-student threshold for establishment of new school districts. The Kashunamiut FTREAA and the Lower Yukon REAA are above the threshold (respectively, 365.6 and 2,040.2).

Creation of the Lower Yukon Borough would consolidate three school districts. Based on the figures noted above, the ADM of the Lower Yukon Borough would be 2,564.8.

It is noteworthy, however, that the Commission did not include this region among those listed in the 2003 Unorganized Borough Report as meeting the standards for borough incorporation.

Based on data provided by the Department, the Local Boundary Commission analyzed the effects upon the Lower Yukon REAA and the State of Alaska that would result from merging the City of Saint Mary's school district with that REAA. Those effects are summarized as follows:

Merger of School Districts

Two school districts would be merged into one.



Student Enrollment

- Lower Yukon REAA ADM would increase by 167 students.
- Statewide ADM would not change (167 students would transfer from 1 district to another).

Basic Need

- Basic need for the 167 new Lower Yukon REAA students would be \$1,798,285.
- The level of basic need for the 167 new Lower Yukon REAA students would be \$107,589 (\$644.25 per student) higher than the level of basic need in the City of Saint Mary's school district.

Required Local Contributions

Local contributions required under AS 14.17.410(b)(2) would be reduced by \$18,446.

Deductible Impact Aid

➡ The amount of federal impact aid that would accrue to the State would increase by \$15,767.

Quality School Grants

 Quality school grants would increase to the REAA by \$429.

Net Cost/Gain to the State

Merger of the district into the REAA would cost the State \$110,697.

Net Cost/Gain to the District

- Basic need would increase by \$107,589 for the 167 new Lower Yukon students (\$644.25 per student).
- Quality school grants would increase to the REAA by \$429.

Local taxes or other means of raising revenue in the City of Saint Mary's formerly used for the local contribution could be reduced by \$18,446; alternatively, the funds could be used for other purposes.

Other Important Factors

- DEED did not evaluate the potential benefits of consolidation in terms of improved administrative efficiencies and economies of scale that would allow more funds to be used in the classroom.
- DEED did not address the potential benefits of consolidation in terms of increased or improved curricula and other educational benefits to the students.

(v) Aleutian Region REAA.

As noted earlier, the Aleutian Region REAA encompasses one city school district – the City of Unalaska School District.

If the City of Unalaska dissolved or reclassified as a second-class city, or city school powers were repealed, the two districts would be consolidated into one. The consolidated district would encompass, based on FY 2004 ADMs, the equivalent of 440.7 students. That figure exceeds the 250-student threshold by 190.7 (76.3 percent).





(vi) Chugach REAA.

The Chugach REAA encompasses two home-rule city governments, the City of Cordova and the City of Valdez.

If the City of Cordova and the City of Valdez were dissolved or reclassified to second-class city status, or if city education powers were repealed, the three districts in the region would be consolidated into a single school district. The size of that district, based on FY 2004 ADMs, would be 1,413.4 students. That figure is nearly five times greater than the 250-student threshold.

(vii) School Districts with 250 or More Students.

In his letter of November 6, Senator Wilken stated that, "In addition to [the districts with fewer than 250 students], the Department... should determine whether consideration should be given to the prospect of consolidating any school district with 250 or more students. If so, the department should advise the ... Commission." The Commission is unaware whether the Department made a determination whether consideration should be given to the possibility of consolidating any school districts with 250 or more students.

4. Opportunities for Legislative ActionRe: School Consolidation.

Senator Wilken asked in his letter of November 6 that the Commission and Department consider possible legislative actions that would accomplish school consolidation.

The Commission offers the following suggestions for consideration in that regard.

(a) Promote Borough Government.

Outside of specific legislation expressly providing for consolidation of school districts, there is probably no greater action that the Legislature could take to encourage responsible consolidation of schools than to promote borough formation.

Since the 1980s, the Local Boundary Commission has urged the Legislature to examine and address the substantial disincentives for borough incorporation and annexation. The Legislature and the Commission have complementary duties relating to that issue. Specifically, the Legislature has the constitutional duty to prescribe procedures and standards for borough formation (see Article X, Section 3 of the Constitution of the State of Alaska). The Commission has the statutory duty to make studies of local government boundary problems (*see* AS 44.33.812(a)(1)).

Alaska's Constitution encourages the creation of organized boroughs.⁵³ The authors of Alaska's Constitution envisioned that organized boroughs would be established wherever citizens were ready for and capable of assuming the responsibilities of local government. According to Constitutional Convention Delegate Victor Fischer:⁵⁴

[T]he convention gave consideration to whether boroughs should be established on a voluntary or compulsory basis. The [Local Government] committee had previously decided that although voluntary incorporation was preferable, organized boroughs should be created without approval in the area if considered necessary by the state, because the borough would, as appropriate, carry out state functions. Also, the state may want to mandate incorporation if an area is deemed to have reached a position where 'it should take on the burden of its own government.'[55] Committee members anticipated, however, that the legislature might choose to provide the local people with the opportunity to vote upon the issue in a referendum,^[56] and that the state would offer adequate inducement to local people to accept organized borough status and to initiate incorporation.[57]

The founders recognized that the Legislature would have divergent alternatives available to carry out its constitutional duty to prescribe methods for borough formation.

As noted above, delegates preferred a voluntary, rather than compulsory, approach to borough incorporation. The delegates also recognized that, to be successful, a voluntary approach must be coupled with adequate inducements to establish boroughs. Constitutional Convention Delegate Maynard D. Londborg reflected such in his comments to the Convention:

We felt that it could be handled in different ways, but I will mention two: one is to have some state agency that would survey the whole thing and say now is the time you have to incorporate; there is no

- ⁵³ See, Mobil Oil Corporation v. Local Boundary Commission, 518 P.2d 92, 101 (Alaska 1974).
- ⁵⁴ Borough Government in Alaska, p. 39.
- ⁵⁵ Alaska Constitutional Convention Proceedings, Alaska State Legislature, Alaska Legislative Council, pp. 2673-74, November 1963.
- ⁵⁶ *Ibid.*, pp. 2674-76.
- ⁵⁷ Ibid., pp. 2650-51.

way you can get out of it; you have to organize. I believe the method that Mr. Rivers brought out would be the more desirable, by having skilled men that would study this matter and set it up so that it would come in the form of an inducement so that they can see that they are going to benefit, definitely benefit by organizing, by getting into the picture of local government.⁵⁸



Archives, University of Alaska, Fairbanks Alaska Constitutional Convention Delegate John Rosswog. The issue of mandatory borough incorporation was also addressed at the Constitutional Convention. Delegate John Rosswog, Chair of the Committee on Local Government asserted: "[W]e allow for the boroughs remaining unorganized until they are able to take on their local government func-

tions."⁵⁹ However, Delegate Barrie White queried, "Haven't we here inducement to an area to remain an unorganized borough and to get the state to provide all the necessary functions?"⁶⁰ Further, Delegate James Hurley asked: "Is my idea correct that no organized borough will become effectuated without the voice of the people in the area?"⁶¹ According to Delegate Victor Fischer, Secretary of the Committee on Local Government, "The answer, I think, is 'no' . . . [W]hen a certain area reaches a position where it can support certain services and act in its own behalf, it should take on the burden of its own government (emphasis added)."⁶²

In 1961, the Legislature enacted the initial laws implementing procedures for the formation of organized boroughs. With minor exceptions, those laws remain in place today. The 1961 Legislature opted to try the voluntary approach to borough formation. However, inducements to organize were lacking. Legislators recognized from the very beginning that adequate incentives had not been provided to encourage people to form boroughs. Jay Hammond, who was a member of the State House of Representatives when the Borough Act of 1961 was adopted, characterized the matter as follows:⁶³

Attractive enough on paper, in practice, the organized borough concept had little appeal to most communities. After all, why should they tax themselves to pay for services received from the state, gratis?

Constitutional Convention Delegate Victor Fischer and Thomas Morehouse portrayed the Borough Act of 1961 as follows:⁶⁴

[T]he 1961 Borough Act was predicated on the assumption that local desire to establish borough government would supply the force toward incorporation, despite the findings of previous Boundary Commission hearings that there was little enthusiasm in the state for the unknown and untried form of local government. There were also pockets of intense local opposition, particularly in areas outside independent school districts.

Roger Pegues, Director of the Local Affairs Agency in 1960 - 1962, stated: "It was generally believed [by the drafters and supporters of the original Borough Act of 1961] that the 1963 legislature would adopt a mandatory incorporation law."⁶⁵

- ⁵⁸ Ibid., p. 2651.
- ⁵⁹ *Ibid.*, p. 2612.
- ⁶⁰ *Ibid.*, p. 2650.
- ⁶¹ *Ibid.*, p. 2673.
- ⁶² Ibid.
- ⁶³ Jay Hammond, Tales of Alaska's Bush Rat Governor, Epicenter Press, Fairbanks, AK, 1994, p. 149.
- ⁶⁴ Borough Government in Alaska, p. 73.
- ⁶⁵ Roger W. Pegues, "A Study of Borough Government," in *The Metropolitan Experiment in Alaska*, p. 92.

However, by the end of the fourth year of statehood, only one undersized organized borough had formed. It encompassed only about 600 residents. A number of officials were critical that Alaska's only organized borough was a drastic departure from the regional concept envisioned by the Constitutional Convention Delegates. Each of the nine regions of the state that had created independent school districts – legal under Territorial law, but not recognized under Alaska's Constitution – clung to those single purpose governmental units.

When the 1963 Legislature convened, Representative John Rader took the position that the lack of progress toward borough formation was the "greatest unresolved political problem of the State."⁶⁶

My experience as the Anchorage City Attorney and the State Attorney General led me to believe that the greatest unresolved political problem of the State was the matter of boroughs. As near as I could see, no reasonable solutions were being propounded. A great opportunity to create something of value could be lost. A state of the size, population density, and distribution of Alaska makes State administration of local problems impossible. Anyone who had ever worked in Alaska on the local level or on the State level could see the frustrations of honest attempts repeatedly failing because of the simple fact that there was no governmental structure upon which to hand necessary governmental functions. I therefore decided to do what I could.

To address the pressing issue, Representative Rader drafted and introduced a bill that mandated incorporation of boroughs in all areas of Alaska that had independent school districts. Nine areas were named in the legislation. Those consisted of Ketchikan, Sitka, Juneau, Kodiak Island, Kenai Peninsula, Anchorage, Matanuska-Susitna valleys, Lynn Canal – Icy Straits Election District, and Fairbanks.⁶⁷ In promoting his bill, Representative Rader stressed:⁶⁸

We must make local government and, in this instance, boroughs, financially desirable and generally give communities additional incentives to govern themselves. Apparently, the desire for self-government as a principle has not been strong enough in most areas of the state to cause the incorporation of boroughs under the present law. Too frequently, Alaskans have found that when they form a local unit of government (either a city, public utility district or school district) that they continue to pay the same



John Rader.

amount of state taxes and also pay local taxes to provide services which the state previously supplied free of charge. Not only is there little incentive for local government under these conditions, but there is an actual penalty placed upon the citizens who assume responsibility for local problems by organizing local government.⁶⁹

The legislation was amended during deliberations to remove the Haines-Skagway region from the bill. Following the amendment, the bill narrowly passed and was signed into law by Democratic Governor William A. Egan.

An agreement had reportedly been reached among legislators during the First Session of the Third Alaska Legislature prior to approval of the 1963 Mandatory Borough Act that additional boroughs would later be mandated by the Legislature.⁷⁰ However, neither the Second Session of the Third

- ⁶⁶ John L. Rader, "Legislative History," in The Metropolitan Experiment in Alaska, A Study of Borough Government, p. 93.
- ⁶⁷ The bill was ultimately amended to exclude the Haines-Skagway area from the mandate to incorporate a borough.
- ⁶⁸ Ronald C. Cease, Areawide Local Government in the State of Alaska: the Genesis, Establishment, and Organization of Borough Government, [Claremont, CA] 1964, pp. 71-72.
- ⁶⁹ *Ibid.*, p. 47.
- ⁷⁰ Personal communication with Clem Tillion, member of the House of Representatives in the Third Alaska Legislature, April 28, 2000.

Alaska State Legislature nor any other subsequent legislature has mandated additional boroughs. While neither the Borough Act of 1961 nor the 1963 Mandatory Borough Act provided adequate incentives to form boroughs voluntarily, the 1963 Mandatory Borough Act did promise that organized boroughs would not be penalized because of incorporation. Specifically, Section 1 of Chapter 52, SLA 1963 provided as follows:

Declaration of Intent. It is the intention of the legislature to provide for maximum local self-government with a minimum number of local government units and tax-levying jurisdictions, and to provide for the orderly transition of special service districts into constitutional forms of government. The incorporation of organized boroughs by this Act does not necessarily relieve the state of present service burdens. *No area incorporated as an organized borough shall be deprived of state services, revenues, or assistance or be otherwise penalized because of incorporation.* (Emphasis added.)

Notwithstanding the promise of equity in the 1963 Mandatory Borough Act, organized boroughs are *severely* penalized with respect to certain State financial aid. Consider, for example, public education.

As noted earlier, organized boroughs are mandated by State law (AS 29.35.160) to carry out, within their boundaries, the duties of the State of Alaska under Article VII, Section 1 of the Constitution for public education. Moreover, organized boroughs are mandated by State law (AS 14.17.410) to pay a significant portion of the State's cost of education in the form of a *local contribution*.

The local contribution required of organized boroughs is deducted from the level of State education foundation funding that would otherwise be paid to the district. For FY 2004, organized boroughs received \$155,843,584 less in State educational foundation aid than they would have received had they not been organized as boroughs.⁷¹ The required local contribution amounted to \$1,520 per student in each organized borough during FY 2004.⁷²

Thus, contrary to the express intent of the 1963 Mandatory Borough Act, organized boroughs are being severely deprived of State services, revenues, or assistance and are being penalized because of incorporation.

In addition to the \$155.8 million in required *local contributions* for FY 2004, the 16 organized boroughs made *voluntary local contributions* of \$133,870,110, or \$1,305 per student in FY 2004. The total contributions in support of schools by organized boroughs in FY 2004 amounted to \$289,713,694, or \$2,825 per student.

Attempts by boroughs to achieve a judicial remedy of perceived tax inequities inherent in the education funding formula have been unsuccessful. In one recent case, the court concluded that freedom from disparate taxation lies at the low end of the continuum of interests protected by the equal protection clause.⁷³ Justices Matthews and Rabinowitz stated that any remedy of the perceived inequities must be pursued through the Legislature rather than the courts.

- 71 Home-rule and first-class cities in the unorganized borough are subject to the same laws requiring a local contribution in support of schools. They may also make voluntary local contributions under AS 14.17.410(c). However, the remainder of the unorganized borough, made up of REAAs, which comprises approximately two-thirds of the population of the unorganized borough, has no obligation to make a local contribution. As such, REAAs suffer no reduction in the level of State education foundation aid, as is the case for municipal school districts. In fact, the single purpose REAAs in Southeast Alaska receive National Forest Receipts funding which boosts their level of financial aid well beyond the basic need determination made under the education foundation formula.
- ⁷² Using a borough FY 2004 average daily membership of 102,546.5.
- ⁷³ Matanuska-Susitna Borough School District v. State,
 931 P.2d 391, 398 (Alaska 1997).

[T]he legislature can decide whether and how much to tax property in REAAs free from legally maintainable claims brought by taxpayers in other taxing jurisdictions that its decision is wrong. Here, as with State spending decisions, any available remedy must be pursued through majoritarian processes rather than through the courts.⁷⁴

A summary of the disincentives for borough incorporation and annexation that exist in the current law follows:

- ⇒ Areas of the unorganized borough outside of home-rule and first-class cities have no obligation to financially support operation of their schools. Borough formation results in the imposition in those areas of the requirement for local contributions in support of schools (4 mill equivalent or 45 percent of basic need, whichever is less). A significant levy of taxes by the Legislature in areas outside municipal school districts would address, at least in part, this disincentive.
- Borough formation would bring about consolidation of school districts in the unorganized borough, an effect that is commonly perceived as a loss of local control regarding schools. Under the present circumstance, the delivery of education services in the unorganized borough is fractionalized. Although the unorganized borough accounts for approximately 13 percent of the state's population, the unorganized borough encompasses 70 percent of Alaska's school districts.
- In some cases, borough formation carries the prospect of substantial education funding reductions in the form of eliminated supplementary funding floors under AS 14.17.490, reduced area cost differentials, and other factors.
- Borough formation or annexation would mean the loss of eligibility on the part of REAAs and cities in the unorganized borough for National Forest Receipts. Funds would be received by the new borough.

- The extension of borough government would result in the loss of eligibility on the part of cities for federal payments in lieu of taxes (PL 94-565, as amended by PL 104-333). Funds would be paid to the borough.
- Borough formation or annexation would mean a 50 percent reduction of the entitlement of cities within the unorganized borough to fisheries business tax refunds from the State.
- The extension of borough government requires areawide planning, platting, and land use regulation. Such is commonly perceived by cities currently exercising those powers as a loss of local control (although boroughs may delegate the powers to cities within the borough).
- In some cases, borough formation carries with it the prospect of significant funding reductions from the State for coastal zone management.

In their 1971 critique of borough government, Victor Fischer and Thomas Morehouse asserted that, "The State has never had a sound policy . . . it has been unable to cope effectively with the problems of borough formation."⁷⁵

Perhaps no statistic is more illustrative of the effect of the disincentives for borough government than the fact that only 4 percent of Alaskans live in boroughs that were formed voluntarily.⁷⁶ In contrast,

- ⁷⁴ *Ibid.*, p. 406.
- ⁷⁵ Borough Government in Alaska, p. 138.
- ⁷⁶ Boroughs that have formed voluntarily typically enjoy abundant natural resources or other attributes that make borough government particularly attractive for those regions. Many of the eight boroughs formed under the 1963 Mandatory Borough Act lack comparable resources. The eight boroughs that formed voluntarily are the Bristol Bay Borough, Haines Borough, North Slope Borough, Northwest Arctic Borough, Aleutians East Borough, Lake and Peninsula Borough, Denali Borough, and Yakutat Borough.

83 percent of Alaskans live in organized boroughs that were formed under the 1963 mandate from the Legislature. The remaining 13 percent of Alaskans live in the unorganized borough.

It is noteworthy that the Alaska Municipal League shares the Commission's concerns. In a 2002 Policy Statement, the Alaska Municipal League states:

Encouragement of Municipal Government in the Unorganized Borough: The League supports state policies that remove disincentives and encourage the formation and annexation to boroughs in the unorganized areas of the state

Call for a Review of the Role of Government. The League calls for a review of municipal government . . . to determine if state policies are consistent with the intent of the Alaska Constitution mandating 'maximum local self-government with a minimum of local government units. . . .' According to the Local Boundary Commission, the state has created significant disincentives to the formation of new municipal governments.

It is also noteworthy that the City of Cordova, the seventh most populous city in the unorganized borough, has advocated for borough reform. In December 1999, the Council of the City of Cordova adopted Resolution Number 1299-83 urging "the executive and legislative branches of the government of the State of Alaska to review and amend the borough formation process." Cordova City officials drafted a paper outlining a concept to promote borough formation in those parts of the unorganized borough that have the capacity to assume the responsibility for local government.

In 2001, the Commission developed a proposal to address impediments to borough government incorporation and annexation for consideration by the Legislature. That proposal was introduced as Senate Bill 48. The legislation passed the Senate in modified form (CSSB 48(FIN) am) but died in the Community and Regional Affairs Committee in the House of Representatives.

The Commission believes that a carefully designed process must be created to promote borough incorporation and annexation in those areas of Alaska that have the human and financial resources to support fundamental local governmental operations. As previously discussed, in 2003 the Commission completed the unorganized borough study⁷⁷ mandated by the 2002 Legislature. The Commission, as constituted at that time, concluded that seven unorganized areas meet the standards for borough incorporation. Those areas are the Aleutians West Model Borough; Chatham Model Borough; Copper River Basin Model Borough; Glacier Bay Model Borough; Prince William Sound Model Borough; Upper Tanana Basin Model Borough; and Wrangell-Petersburg Model Borough. The Commission, as currently constituted, wishes to examine whether other areas of the unorganized borough, particularly Prince of Wales Island, meets the standards for borough incorporation.

There are a number of unorganized regions that have expressed concern that they may be compelled to form boroughs even though they might not be able to afford to do so. In deciding whether any borough should be formed, the Commission is required to make a thorough review of the financial capabilities of any region proposed for incorporation based on standards that have long been established in State law. The Commission clearly recognizes that it would be counter to the interests of the State to create organized boroughs that were not financially viable. Nonetheless, the Commission takes the position that there is benefit in addressing the concerns raised about this issue.

⁷⁷ 2003 Unorganized Borough Report.

(b) Establish Threshold for School Districts to Relinquish School Powers.

State law provides a minimum 400-population threshold for the incorporation of a new home-rule or first-class city.⁷⁸ It also provides a minimum 400-resident population threshold for the reclassification of a second-class city to a first-class city.⁷⁹ Additionally, state law provides a presumptive 250-student minimum for the creation of a new school district.⁸⁰

Once a community incorporates, reclassifies to become a home-rule or first-class city, or once it establishes a city school district, however, there is no population or student threshold that triggers the dissolution/reclassification of the city or the withdrawal of school powers. The Legislature should consider the establishment of such thresholds.

The Legislature should review the very small school districts that are having a difficult time meeting the 70 percent minimum expenditure (maybe 60 percent or less) to see if there is an alternate method of providing quality education.

The Legislature may also wish to consider thresholds other than student population or general population that would trigger school consolidation. Those might include (1) higher administrative costs; (2) small districts that are able to offer only limited high school curricula; or (3) small districts or singlesite districts that are within close proximity.

(c) Establish Formal Procedures for REAA Boundary Changes.

It would be helpful if the Legislature established specific procedures for changes to the boundaries of regional educational attendance areas other than those that automatically result from changes to boundaries of organized boroughs (i.e., incorporation, annexation, detachment, dissolution). (d) Address the Establishment of Federal Transfer REAAs Through Apparent Local and Special Legislation.

As the prior discussion indicates, serious questions exist whether the 1985 law establishing the two FTREAAs was local and special legislation. If it was, the two districts were established in an unconstitutional manner.

Clearly, the two FTREAAs are distinctly different from all other school districts in Alaska. While both are categorized as "regional," neither truly is. More significantly, both seem to have been created notwithstanding contrary provisions in law. For example, while State law bars a second-class city in the unorganized borough from operating a school district, the boundaries of one of the FTREAAs are coterminous to those of a second-class city. The other initially followed the boundaries of three noncontiguous second-class cities (two of which have since dissolved).

The Kashunamiut FTREAA is a 700-acre enclave within the Lower Yukon REAA. The Kashunamiut district had an FY 2004 ADM of 365.6. The Lower Yukon REAA's ADM for the same period was 2,040.2. If the two districts were consolidated, the resulting district would have an ADM of 2,405.8.

The Yupiit FTREAA is comprised of three noncontiguous villages encompassing a total of approximately 19 square miles. Each of those three areas is an enclave within the Lower Kuskokwim REAA. The Yupiit district had an FY 2004 ADM of 439. The Lower Kuskokwim REAA's ADM for the same period was 3,799. If the two districts were consolidated, the resulting district would have an ADM of 4,238.

- ⁷⁸ AS 29.05.011(a)(1).
- ⁷⁹ AS 29.04.040(a).
- ⁸⁰ AS 14.12.025.

(e) Remove Disincentives for School Consolidation from Education Funding Formula.

According to a January 29, 2004, newspaper account, the Kenai Peninsula Borough school district has been blocked by provisions in the State education foundation funding formula in its efforts to substantially close a \$5 million budget gap.⁸¹ The article states as follows:

Kenai Peninsula school officials drew up plans this winter to close nine more schools next year in a desperate effort to fill a \$5 million budget deficit. But when they ran the final numbers, they were shocked to discover that the plan for fewer, bigger schools would actually lose more money.

The problem turned out to be the state's education funding formula, which provides more state aid per student in small schools than in large ones.

"All the money you save from infrastructure you lose on the revenue side," said Kenai Peninsula School Superintendent Donna Peterson, who released the long awaited report on school consolidations Wednesday.

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Indeed, the flop of the "if-all-else-fails" plan leaves the district still staring at a \$5 million hole for next year and more trouble in years to come.

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Closing some of the district's 43 schools has long been held forth as the ultimate answer, though one likely to be avoided politically for as long as possible. A budget review committee urged the district to accelerate the consolidation process last fall.

Despite the long bus rides and loss of intimacy, closing schools held the promise of better education, Peterson said. The district's schools were built to hold 12,000 students, and enrollment is around 9,500. Small or underused schools can't offer the same programs as bigger ones, they said.

The article indicates that officials of the Kenai Peninsula Borough School District had determined that closing the nine schools in question would save \$3 million in administrative and operating costs. The report indicates, however, that school district officials were "shocked" to learn that the State's education foundation funding formula would penalize the district if it closed the small schools. District revenues would decline by \$3.5 million, resulting in a net loss to the district of one-half million dollars annually.

The loss would result from a provision in the State's foundation funding formula that provides for a significantly higher level of funding for smaller schools through an upward adjustment of the student count (average daily membership). In some cases, the upward adjustment is as much as nearly four times the actual number of students in the smallest schools. Details concerning adjustments for school size factors are outlined in the definition of basic need in the glossary provided in this report. Since the Kenai plan called for students from the smaller schools to be consolidated with students from larger schools, the financially advantageous weighted adjustment of the average daily membership under AS 14.17.450 (school size factor) would have declined dramatically, bringing about the loss projected in the article.

The Local Boundary Commission urges the Legislature to address ways to ensure that the education foundation funding formula does not impose financial penalties on school districts that attempt to increase efficiency through consolidation of schools, as is the case in the Kenai Peninsula Borough. That might be accomplished in a fashion similar to provisions enacted by the Legislature to ensure that when city and borough governments unify, they will not be financially penalized. That law, codified as AS 29.06.400, states that, "All provisions of law authorizing aid from the state or federal government to a former municipality that was in the area of a unified municipality remain in effect after unification."

⁸¹ Peninsula halts plan to shutter 9 schools, Tom Kizzia, Anchorage Daily News, January 29, 2004. The Commission notes that such provisions might be appropriate for consolidation of schools within a school district (e.g., Kenai Peninsula Borough); however, they may not always be suitable for consolidation of school districts resulting from borough incorporation or certain other boundary changes, particularly where such involves territory formerly outside the boundaries of a municipal school district.

(f) Create Incentives for School Consolidation.

Beyond the above recommendations that the Legislature promote borough government and remove disincentives for school consolidation from the education funding formula, the Commission urges the Legislature to create inducements for school consolidation where such would serve the broad public interest.
Part III Conclusions Regarding School Consolidation

A. Position of the Alaska Department of Education and Early Development⁸²

The Department of Education & Early Development believes that while there may be opportunities for consolidation in the areas identified by the LBC as meeting borough incorporation standards, considerable public input would be necessary to determine the political feasibility of such a move. Combining small first class cities in REAAs or incorporated boroughs, will not substantially change the entitlement generated by those communities through the foundation program. The amount of state aid will vary due to factors such as required local effort and federal impact aid and how they are applied through the formula.

The financial analysis of school districts with less than 250 students is included in Appendix M. EED considered the economic impact on the foundation formula of consolidating all districts with ADM less than 250 into their nearest Regional Education Attendance Area. The results were mixed. In some cases it resulted in savings, in others, costs increased. The overall savings to the state would be \$262,833.

The state funding formula for schools is based on the average daily membership (ADM) during a twenty-day count period in October. State law requires each schools ADM to be adjusted based on total number of students in the community. For example, if there are at least 10 students but fewer than 100 students in the community the total student population is adjusted for one school. In communities with more than 425 students each schools student population in the community is adjusted for school size. This process is repeated for each community that a school district serves.

The ADM for each school is adjusted for school size to compensate for economies of scale. A school with a small student population is more expensive to operate than a school with a larger student population. The school size adjusted ADM is then multiplied by the districts cost factor. That adjusted ADM is increased by 20% for special needs funding. Then the adjusted ADM is increased for intensive need students and correspondence student to arrive at the districts adjusted ADM (AADM). The AADM is multiplied by the base student allocation to determine the districts "Basic Need".

The districts cost factors are established in AS 14.17.460. In the departments analysis of school districts with fewer than 250 students the department recalculated state aid using the cost factor for the receiving district. In most cases this increases the amount of Basic Need generated by the school being consolidated. While using the receiving districts cost factors increased Basic Need the overall net effect was a decrease in state aid. The department assumed for this exercise that the first class cities would lose educational powers and would be served by the receiving REAA. Under this approach there would not be a required local contribution nor would there be local tax revenue to support education.

In addition, EED looked at studies concerning the relation between the size of a school and student performance. Again, the results were mixed. The studies done do not translate well in Alaska, as they consider a school with 200 students to be small, while in Alaska that would be considered a sizeable school. However, the final conclusion of studies conducted on school size suggests no evidence that consolidation in Alaska would result in increased student per-

⁸² February 11, 2004, e-mail from Eddy Jeans, DEED School Finance Manager, to Dan Bockhorst, Chief of Municipal Policy and Research Section, Department of Community and Economic Development, staff to the Local Boundary Commission. The e-mail amended DEED's initial position set out in a January 21, 2004, e-mail from Kevin Sweeney to Mr. Bockhorst. formance or options leading to increased student achievement. Further information on the impact of school size can be found at http://pixel.cs.vt.edu/edu/size.html

Alaska Statute 14.14.110 gives the department the authority to require school districts to cooperate when necessary to provide more efficient or economical educational or administrative services. The department has never directed any district to cooperate with another to share services. However, for many years, the department has supported district efforts to cooperate when districts have identified opportunities. For example, SW Region School District provides business services for Dillingham City Schools. Several school districts contract with the SE Regional Resource Center for facilities maintenance, grant writing, educational, and business services.

Recently, the department met with school board members and superintendents from the Prince of Wales Island to explore opportunities for sharing service. The districts plan on meeting and reporting back to the department on services that they identify as being beneficial for their communities. EED will continue to look at districts where consolidation, reorganization or shared services and facilities might result in increased opportunities leading to higher student achievement and/or reduction in costs at the local level. Identification of possible opportunities leading to increased student achievement is best accomplished by providing the impacted communities an opportunity to take an active role in the process.

Kenai School Consolidation Issues

The department reviewed the newspaper account regarding the Kenai Borough School Districts efforts to close a \$5 million budget gap.

Because enrollment on the Kenai was growing in the 1990's the school district was able to expand the number of communities it served and increase the number of facilities it operated. Along with the increased student population and number of facilities the district operated came additional state revenues through the foundation program to support the expanded educational activities.

Since 1998, the enrollment in the Kenai Borough School District declined by 12.4%. Many of the schools on the peninsula are operating well below capacity as indicated by Superintendent Peterson. Unfortunately, the declining enrollment and excess capacity at some schools is the root of the budget problem for the Kenai Borough School District. To maintain the high quality and diverse school programs the district may have to close some schools and combine programs. With that decision will come less state foundation aid to support the operations of fewer schools and students.

The foundation program adjustment for school sizes take into account economies of scale. The school size adjustment in Alaska Statute 14.17.450 was adopted by the Alaska legislature in 1998. The size adjustment table was developed by the McDowell Group and was included in a report to the legislature titled "Alaska School Operating Cost Study". The school size adjustment table does provide a base funding level for each school just for the operation of a separate facility. The school size adjustment table cannot take into account local decisions to establish a new school versus transporting students to the next closest school. In fact, the local school district may not have had the option to transport the students to the nearest school at the time the decision was made to open a new school because of capacity issues at the existing schools.

The department is prepared to work with the legislature to develop legislation that would help a school district transition to its new foundation funding level when it has fewer schools to operate and fewer students to serve.

The department would also like to clarify the statements made under Section 4, Opportunities for Legislative Action subpart (a) regarding local contribution. The report suggests that municipal governments would be eligible to receive an additional \$155 million in state aid if they were not required to make a local contribution. The department believes that the funding formula attempts to equalize all revenue sources. If the local contribution requirements were removed, a substantial rewrite of the funding formula would be necessary which would not result in an additional \$155 million in state aid to local governments. The department believes that the incentive for local governments in the foundation program is their ability to contribute additional local revenues above those required.

The department believes that reducing the number of school districts in Alaska is a decision to be made by people in the effected areas or a policy decision by the Alaska legislature. Many of the consolidations reviewed in this report will result in fewer districts but will not substantially change the funding through the foundation program for an individual community. The newly created local governments or local school boards will determine any changes in the way educational services are delivered to students.

Consolidation of school districts is only one of many issues facing education in Alaska. It is important for EED to build rapport and maintain a working relationship with districts if we are to address many of the other



Igiugig High School in the Lake and Peninsula Borough.

issues that hinder student achievement. EED stands ready to work cooperatively with any and all agencies as outlined by the legislature.⁸³

B. Position of the Alaska Local Boundary Commission

The Alaska Legislature named two agencies – the Local Boundary Commission and the Department of Education and Early Development – to study school consolidation. Each agency has its particular expertise.

The Department's knowledge in the field of education was critical in terms of identifying opportunities for school consolidation with respect to the four broad areas outlined in the previously noted letter of November 6, 2003, from Senator Gary Wilken (Appendix C). Those were:

1. possibilities for combining particular schools through municipal and other boundary changes;

- 2. opportunities for merging schools through voluntary cooperation and action directed by the Commissioner of the Department of Education and Early Development under AS 14.14.110(a);
- 3. prospects for consolidation of specific functions carried out by school districts; and
- 4. scenarios for combining school districts with 250 or more students.

The Commission's expertise lies in terms of borough incorporation, borough annexation, city incorporation, city dissolution, city reclassification, consolidation, and a number of other municipal boundary changes. Many of those types of boundary changes directly affect responsibility for delivery of education services at the local level and can bring about school consolidation.

⁸³ As corrected by e-mail between DEED Deputy Commissioner Karen Rehfeld and Mr. Bockhorst, February 18, 2004.



Intermediate classroom at the Elim School.

The Commission senses that the Department found itself in a disagreeable role early on. As the Department's final comments above indicate, the Department felt that, "It is important for EED to build rapport and maintain a working relationship with districts if [it is] to address many of the other issues that hinder student achievement." Consequently, during the course of the study, EED advised the Commission that the Department would limit its role to that of providing financial analysis relating to various proposals for school consolidation identified by others. The Department also notified the Commission that the State Board of Education had directed the Department to refrain from making recommendations regarding school consolidation.84

At that juncture, the Commission contemplated terminating its participation in the study. However, the Commission elected to continue the study effort after EED subsequently reaffirmed its commitment to the project on January 21, 2004, by stating, "EED stands ready to work cooperatively with any and all agencies as outlined by the legislature."

The Commission takes the view that differences of opinion among intelligent, well-meaning citizens and officials are good in a democracy, so long as the expression of those differences of opinions do not become contentious. To that end, the Commission respectfully offers the following observations in addition to those expressed by DEED in its statement in Part III of this report.

The Department indicates above that, "The overall savings to the state would be \$262,833."⁸⁵ That may give the impression that school consolidation would not be worthwhile or save the State of Alaska a significant amount of money.

The Department's statement may lead to incorrect conclusions by others. The Commission's perspective, based upon the data provided by the Department, follows:

³⁴ The following is a transcript of the relevant portion of the December 2, 2003, meeting of the State Board of Education and Early Development:

Legislative Report

Kevin Sweeney: Issue number eight is school district consolidation. Last year there was legislative intent language in the budget that directs the Local Boundary Commission to work with the Department of Education to consider the issue of consolidating school districts with an emphasis on those school districts that have less than 250 students. The local boundary commission has already had one hearing on this issue, back in October in Juneau. They are now moving forward and they are working with our department on meeting the requirements that the legislature put upon them and on us.

Richard Mauer: And what has been your directed position on this issue?

Kevin Sweeney: Our directed position is to work with the Local Boundary Commission and provide them as much information as they need.

Richard Mauer: Just information, no opinions?

Kevin Sweeney: That's correct. No opinions.

⁸⁵ The Department's analysis of the *economic impact* only addressed the prospective consolidation of 10 city school districts with fewer than 250 students, not "all districts with ADM less than 250," as claimed. There are 17 districts with fewer than 250 students. The legislative directive called for a review of all districts with fewer than 250 students.

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To begin with, the \$262,833 savings amounts to \$190 per student.

In the context of a statewide \$723 million FY 2005 proposed budget for K-12 pupil support, a savings of \$262,833 is relatively insignificant. However, when placed in the proper context, the significance of the savings begins to take on more prominence.

According to the Department's data (Appendix M), there are 1,374 students in the 10 small city school districts addressed by the Department. Thus, a savings of \$262,833 resulting from the consolidation of those districts would amount to \$191.29 per affected student.

To put the importance of that projected savings into context, a new study by the Alaska Legislature projects that between FY 1999 and future FY 2005, inflation will have eroded the key education funding component known as the *base student allocation* (*see* Glossary for definition of that term and the term *basic need*) by \$252.62 (5.7 percent).⁸⁶ The effect of the \$252.62 loss due to inflation has been characterized by several legislators as "significant."⁸⁷

Additionally, consolidation would increase basic need by more than \$750 per student.

Consolidation of the 10 small city districts would increase the basic need (i.e., education funding entitlement) for the students in those 10 small city districts by \$1,038,240 annually. On a per-student basis, that amounts to an increase in the level of basic need equivalent to \$755.63 per affected student. That equals an 18 percent increase in the \$4,169 base student allocation for education under AS 14.17.470 for the affected students. Such gains at a statewide level would be beyond expectations of the education community. One could assume that additional funding would impact performance.



Kilbuck Elementary School in Bethel.

Consolidation would free up local taxes by nearly \$800 per student.

Consolidation of the 10 small school districts would result in significant annual tax savings for the 10 affected cities. Specifically, those cities would no longer be required to make *local contributions* to their city school districts under AS 14.17410(b)(2).

The annual tax savings would equal \$1,088,642, an amount equivalent to \$792.32 for each of the 1,374 affected students. Several options would be available to the affected communities. The proceeds could be used to substantially fund borough governments, thereby taking on greater local responsibility and local control. Alternatively, the revenues could be redirected to fund other essential services such as police, fire protection, and utilities. Of course, the cities could also reduce taxes imposed on their citizens.

87 Press Release, Report: Inflation Erodes Education Dollars, February 4, 2004, http://www.akdemocrats.org/Documents/020404_edu_funding_lags_behind_inflation.pdf>

⁸⁶ Legislative Research Report Number 04.065 (Revised), Education Funding, Alaska Legislature, Legislative Research Services, February 3, 2004.



Petersburg High School.

The sum of the economic gains noted above equals \$1,740 per student, but prospective benefits of consolidation extend well beyond that gain.

As outlined above, consolidation of the 10 small districts would reduce the State's annual educational expenditures for 1,374 students by \$262,833. At the same time, the basic need for those students (i.e., the entitlement for education funding) would increase by \$1,038,240 annually. Moreover, local taxes required to support schools in the consolidated districts would be reduced by \$1,088,642 each year. Further, consolidation would increase the level of *quality school grants* paid to the consolidated districts by a total of \$4,101 annually. It is a win-win-win situation for the State, students, and the taxpayers. Cumulatively, the effect of consolidation equals a gain of \$2,393,816, or \$1,742.22 per student.

The significance of the economic benefit from consolidation is amply evident at this point. However, the benefits of consolidation extend beyond those noted above as outlined in the following.

Fourteen districts, mostly small community districts, many of which fail to meet the statutory requirement for a minimum of 70 percent instructional spending, would be merged into four regional districts.

As is outlined in Part I of this report, the delivery of educational services in Alaska is distinctly different in the unorganized borough compared to organized boroughs. One of the fundamental ways in which delivery of education services is distinct is the geographic nature of the educational institutions serving the two types of areas. Organized boroughs operate exclusively on a regional basis. In the unorganized area, there are districts that operate regionally (REAAs) and others that operate on a community basis (home-rule cities, first-class cities, and FTREAAs). Because of the fragmented manner in which education services are delivered in the unorganized borough, a disproportionate number of Alaska's school districts exist there.

The Commission believes that there also are potential administrative efficiencies⁸⁸ and economies of scale⁸⁹ that could result from consolidation that, in turn, could allow a greater proportion of the funds of each consolidated district to be spent on instruction.



Rae C. Stedman Elementary in Petersburg.

The Commission notes that the consolidation of the 10 small city school districts with the REAAs in which those city school districts are located would result in fourteen school districts merging into just four.

The Commission reminds readers that Governor Murkowski presented the following statement and question to the education community last June:

I am challenging all of Alaska's educators, parents, school board members, community leaders, and residents to take a hard look at how our schools are run. We need to get more dollars from administration into the classroom. Why do some school districts exceed the state requirement of using more than 70 percent of the funds they receive in the classroom, and others do not? Eleven of those fourteen districts (nearly 80 percent) failed to achieve the 70 percent classroom-spending requirement in the current fiscal year.

Creating four larger regional districts from fourteen districts, mostly small community districts, might improve programs and offer other educational benefits to students.

Consolidation also may result in enhanced curricula and other educational benefits to the students. Presumably, if smaller districts join together, a larger district would be able to provide broader educational services through economies of scale. A number of regional districts in Alaska currently provide such services on a circuit-rider basis.

For example, the previously cited January 29, 2004, newspaper article indicates that education officials in the Kenai Peninsula Borough believe that school consolidation would – absent penalties under the education funding formula – bring about savings and result in improved educational opportunities:

Closing some of the [Kenai Peninsula Borough school] district's 43 schools has long been held forth as the ultimate answer [regarding the need to cut costs], though one likely to be avoided politically for as long as possible. A budget review committee urged the district to accelerate the consolidation process last fall.

Despite the long bus rides and loss of intimacy, closing schools held the promise of better education, [Kenai Peninsula Borough School District Superintendent Donna] Peterson said. The district's

- ⁸⁸ Among such administrative efficiencies, consolidation would result in a fewer number of school administrators and school boards, which arguably would reduce travel, per diem, insurance, and other costs.
- ⁸⁹ E.g., economies of scale could accrue through the coordinated planning and purchasing of fuel, which also affects the State's power cost equalization program; books and supplies; lunch programs, etc.



Olinga & Joseph S. Gregory Elementary in Upper Kalskag

schools were built to hold 12,000 students, and enrollment is around 9,500. <u>Small or underutilized</u> <u>schools can't offer the same programs as bigger</u> <u>ones</u>, they said.

Peterson said their study found that elementary schools could run full programs, with music, physical education and library services, when they have 300 – 500 students. Only three elementary schools on the Kenai Peninsula have that many students, she said (emphasis added).

At the middle/high school level, the optimum number is 700-900 students, she said. None of the high schools on the Peninsula are that big.

Circumstances are not likely to improve for the smaller districts in the long-term.

State and federal governments have added substantially to the administrative duties imposed on local school districts over the years. Those obligations presumably have a reasonable basis in the law. In other words, they are likely appropriate and necessary, but they add to the administrative burdens of the school districts. Examples include school-based health services programs, federal impact aid reporting, state testing requirements, federal "no child left behind" mandates, and a host of other unfunded or inadequately funded requirements.

At the same time, student populations in the smaller school districts in Alaska have generally shrunk. Specifically, in the past fourteen years, seven

of the ten small city school districts shrank in student population some by very significant margins.⁹⁰ The same proportion of districts suffered student population decreases last year (seven of ten), with one decreasing by more than 15 percent in that year alone.

Moreover, as the State government continues to struggle with its fiscal gap, adequate funding for public services, including the more critical services such as education may become even more challenging. As noted at the beginning of this report, education funding was held harmless from cuts generally imposed on most other agencies in the FY 2004 budget. The Alaska Legislature appropriated more than \$729 million for K-12 public education and pupil transportation in the current fiscal year. That figure represents approximately one-third (33.23 percent) of all general-purpose appropriations for the entire State budget during FY 2004.

⁹⁰ One declined by more than two-thirds; several declined by more than one-quarter.

Shielding education funding from cuts to the State budget was certainly not an isolated event last year. In FY 1997, funding for education (K-12 support and pupil transportation) was \$654,576,900. By FY 2004, education funding had increased to \$729,255,000 (a gain of \$74,678,100 or 11.4 percent). During that same period of time, student enrollment (ADM) rose by only 4.4 percent (from 126,464.77 to 132,049.62).

In contrast to education, funding for many other important State programs was cut or eliminated altogether. For example, State Revenue Sharing and Municipal Assistance, which provided general financial aid to Alaska's municipal governments, totaled \$53,572,300 in FY 1997. By FY 2003, funding for those programs had been reduced to \$29,630,700 (a cut of \$23,941,600 or 44.7 percent). The following year, funding for the programs was eliminated altogether. As noted above, for the years in question, student enrollment rose by 4.4 percent, but the State's population grew by 6.6 percent meaning that the burden placed on local governments for general services due to the growing population was presumably greater than that placed on schools due to growing enrollment.

Despite the preferential status afforded education funding, inflation is eroding education funding in Alaska as noted above. Again, the study projected that from FY 1999 to future FY 2005, inflation will have effectively reduced the base student allocation by \$252.62 (5.7 percent).

The circumstances outlined here (i.e., growing administrative burdens on school districts, generally shrinking student populations in smaller school districts, and competition for increasingly scarce financial resources) suggest to the Local Boundary Commission that the future of small school districts in Alaska is unlikely to improve without leadership from the State Legislature in terms of school consolidation.

Conclusion.

Over four decades ago, Governor William Egan, former President of Alaska's Constitutional Convention, made the following remarks in his State-of-the-State address:

Local government problems continue to be [the] subject of deep and understandable concern. Many areas need improved school systems, sanitation, fire protection, planning and zoning, water and flood control, community water and sewer systems. Organized boroughs can provide these local government services.

Just weeks ago, Governor Murkowski echoed similar sentiments in his January 2004 State-of-the-State address. He noted that the key to Alaska's future is financial stability. Two components of his plan to achieve that stability relate to issues underlying the study of school consolidation.

The third element of my program is that the costs of government should be borne as much as possible by the direct users of services.

• My fiscal program expects that those who directly benefit from state services pay a fair share — through modest fees and taxes that do not interfere with personal savings and investment.

The fourth cornerstone of my program is local responsibility for local needs. Local governments should look first to local revenue sources to help fund schools, public facilities, fire and safety services.⁹¹

⁹¹ Governor's January 13, 2004, State-of-the-State speech, p. 5. The speech is included in this report as Appendix N and is available online at http:// gov.state.ak.us/whitepapers/-state_of_state_speech-2004.pdf. In conclusion, the LBC and DEED take the view that considerable benefit has already resulted from this school consolidation study effort and the potential future benefits are beyond measure. One aspect of school consolidation, in particular, that the Commission was unable to address was the matter of local public hearings. Senator Wilken had encouraged the Commission and the Department to conduct some hearings on the matter. Specifically, he stated as follows in his letter of November 6:



Senator Gary Wilken.

I recognize that both the Local Boundary Commission and the Department of Education and Early Development have heavy workloads and limited resources. Nonetheless, it would be ideal if the agencies held joint hearings in at least some of the communities that could be affected by consolidation.

Regrettably, time and circumstances did not allow the Commission and the Department to hold such hearings. However, if the Legislature continues to want the Local Boundary Commission and the Department to conduct such hearings, the Commission, at least, is in a better position to do so in 2004. Alternatively, of course, the State Legislature could formally request the Local Boundary Commission to consider specific local government boundary changes that would have the effect of school consolidation (e.g., borough incorporation, borough annexation, city reclassification, etc.). Under AS 44.33.812, the Commission would be obligated to formally address such requests, which would entail a thorough review of the proposal and a local public hearing in each affected area.

Further, the Local Boundary Commission urges the Legislature to pursue the recommendations that the Commission outlined at the end of Part IIC.4 (pp. 51 – 59) of this report. To paraphrase a previous statement in this report, under Alaska's Constitution, education is a State function and a State responsibility. How far the State Legislature pursues this matter will be decided in time.

Glossary



This glossary lists terms and acronyms that are used in this report or that otherwise relate to school consolidation, education, or municipal boundary changes that have particular meanings. Unless the context in which those terms and acronyms listed below are used in these proceedings suggests otherwise, they are defined as follows:

"ADM" or "average daily membership" is the average daily student count over 20 consecutive school-days in October (AS 14.17.600). ADM is defined in State law as "the aggregate number of full-time equivalent students enrolled in a school district during the student count period for which a determination is being made, divided by the actual number of days that school is in session for the student count period for which the determination is being made." (AS 14. 17.990(1).) The count dates for FY 2004 ADM were September 29, 2003 to October 24, 2003.

"Annexation" is the expansion of the jurisdictional boundaries of an existing city government or borough government.

"Areawide" means throughout a borough, both inside and outside all cities in the borough. (AS 29.71.800.)

"Assembly" means the governing body of a borough. (AS 29.71.800.)

"Base student allocation" is the dollar value set in State law that is applied to the "district adjusted ADM" to arrive at the "basic need" for school districts. (*See* definitions of "district adjusted ADM" and "basic need" in this glossary.) The current base student allocation set out in AS 14.17.470 is \$4,169.

"Basic need" is the level of fundamental financial aid that a school district is entitled to receive under State law. Under AS 14.17.400(b), if the funding appropriated into the public school account is insufficient to meet the basic need of all districts, DEED must reduce pro rata each district's basic need. The following steps are used to determine the basic need for each school district:

<u>Ascertain average daily membership (ADM)</u>. The first step is to determine the average daily membership (ADM) in every school within each school district in Alaska. The term "average daily membership" is defined earlier in this glossary.

<u>Adjust for school size factor</u>.¹ The second step involves adjustment of the average daily membership (ADM) of every school within each school district based upon the particular size of the school. The ADM of each school with 1,022 or fewer students is adjusted upward.

¹ AS 14.17.450.

The smaller the ADM, the greater the adjustment. For example, a school with an ADM of 10 is adjusted by a multiple of 3.96 (i.e., 10 students are counted as 39.6); a school with an ADM of 25 is adjusted by a multiple of 1.908 (i.e., 25 students are counted as 47.7); a school with an ADM of 200 is adjusted by a factor of 1.3605 (i.e., 200 students are counted as 272.1). At the threshold ADM of 1,022, the school size factor adjustment becomes negligible.²

While the ADM of each school with 1,022 or fewer students is adjusted upward, the ADM of each school with 1,023 or more students is adjusted downward. The higher the ADM, the greater the adjustment. At the 1,023 threshold, the adjustment is negligible. However, a school with an ADM of 1,500 is adjusted by a multiple of 0.9491 (i.e., 1,500 students are counted as 1,423.6); a school with an ADM of 2,000 is adjusted by a multiple of 0.9218 (i.e., 2,000 students are counted as 1843.6). The school with the largest enrollment in FY 2003 had an ADM of 2,454. Its student count was adjusted by a factor of 0.9067 (i.e., its 2,454 students were counted as 2,224.96). In FY 2003, just over 15 percent of Alaska's students attended schools that had average daily memberships of 1,023 or higher.

The following defines the adjustments specified in law:

- if the student count' is ≥ 10 but < 20 the adjusted student count is 39.6;
- if the student count is ≥ 20 but < 30 the adjusted student count is 39.6 + (1.62 X the number of students in excess of 20);
- if the student count is ≥ 30 but < 75 the adjusted student count is 55.8 + (1.49 X the number of students in excess of 30);
- if the student count is ≥ 75 but < 150 the adjusted student count is 122.85 + (1.27 X the number of students in excess of 75);
- if the student count is ≥ 150 but < 250 the adjusted student count is 218.1 + (1.08 X the number of students in excess of 150);
- if the student count is ≥ 250 but < 400 the adjusted student count is 326.1 + (0.97 X the number of students in excess of 250);
- if the student count is \geq 400 but < 750 the adjusted student count is 471.6 + (0.92 X the number of students in excess of 400);
- if the student count is \geq 750 the adjusted student count is 793.6 + (0.84 X the number of students in excess of 750).

² A school with an ADM of 1,022 is adjusted by a factor of 1.0000782778864970645792563600783 (i.e., 1,022 students are counted as 1,022.08).

³ If the ADM in a school is less than 10, those students are included in the ADM of the school in that district with the lowest ADM as determined by the most recent student count data for that district. (AS 14.17.450(b).)

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<u>Apply district cost factor</u>.⁴ In the third step, each district's school-size-adjusted ADM is further adjusted by district cost factors. Cost factors for the 53 districts in Alaska range from a base of 1.000 to 1.736. The cost factors for each of Alaska's school districts is listed below:

Municipality of Anchorage	1.000	Bristol Bay Borough	1.262
Ketchikan Gateway Borough	1.000	City of Nenana	1.270
City of Petersburg	1.000	City of Pelican	1.290
City and Borough of Sitka	1.000	Alaska Gateway REAA	1.291
City of Wrangell	1.000	Chugach REAA	1.294
Kenai Peninsula Borough	1.004	Denali Borough	1.313
City and Borough of Juneau	1.005	City of Nome	1.319
Haines Borough	1.008	City of Galena	1.348
City of Craig	1.010	City of St. Mary's	1.351
Matanuska-Susitna Borough	1.010	Kashunamiut REAA	1.389
Annette Island REAA	1.011	Pribilof REAA	1.419
City of Klawock	1.017	Aleutians East Borough	1.423
City of Kake	1.025	Southwest Region REAA	1.423
Fairbanks North Star Borough	1.039	Kuspuk REAA	1.434
City and Borough of Yakutat	1.046	Lower Yukon REAA	1.438
City of Hoonah	1.055	Yupiit REAA	1.469.
City of Hydaburg	1.085	Iditarod REAA	1.470
Kodiak Island Borough	1.093	Lower Kuskokwim REAA	1.491
City of Valdez	1.095	City of Tanana	1.496
City of Cordova	1.096	Yukon/Koyukuk REAA	1.502
Delta/Greely REAA	1.106	North Slope Borough	1.504
Chatham REAA	1.120	Bering Strait REAA	1.525
Southeast Island REAA	1.124	Northwest Arctic Borough	1.549
City of Skagway	1.143	Lake and Peninsula Borough	1.558
Copper River REAA	1.176	Yukon Flats REAA	1.668
City of Unalaska	1.245	Aleutians Region REAA	1.736
City of Dillingham	1.254		

<u>Apply special needs factor</u>.⁵ In the fourth step, a special needs factor is applied. To assist districts in providing special education (except intensive special education), gifted and talented education, vocational education, and bilingual education services the figure derived in the third step following the application of the district cost factor is multiplied by 1.20, as set out in AS 14.17.410(b)(1). To qualify for special needs funding, a school district must file a plan with the DEED indicating the special needs services that will be provided.

<u>Add intensive service adjustment</u>.⁶ In the fifth step, a district may receive an adjustment for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the 20-school-day-count period. For each such student, intensive

⁴ AS 14.17.460.

⁵ AS 14.17.420(a)(1).

⁶ AS 14.17.420(a)(2).

services funding is equal to the intensive student count multiplied by five. To receive funding, a district is required to establish an "individual education plan" for each special education student who needs and receives intensive services.

<u>Add correspondence students</u>.⁷ The sixth step relates to funding for any correspondence students served by a district. Funding for correspondence study provided by a district is calculated by multiplying the ADM of the correspondence program by a factor of 0.8.

<u>Apply base student allocation</u>.⁸ The figure arrived at through the steps outlined above is the district adjusted ADM. The district adjusted ADM is multiplied by the base student allocation, currently, \$4,169, to arrive at the basic need for each district.

Note: AS 14.17.490 provides as follows concerning school funding:

Sec. 14.17.490. Public school funding adjustments.9

(a) Except as provided in (b) - (e) of this section, if, in fiscal year 1999, a city or borough school district or a regional educational attendance area would receive less public school funding under AS 14.17.410 than the district or area would have received as state aid, the district or area is, in each fiscal year, eligible to receive additional public school funding equal to the difference between the public school funding the district or area was eligible to receive under AS 14.17.410 in fiscal year 1999 and the state aid the district or area would have received in fiscal year 1999.

(b) A city or borough school district is not eligible for additional funding authorized under (a) of this section unless, during the fiscal year in which the district receives funding under (a) of this section, the district received a local contribution equal to at least the equivalent of a four mill tax levy on the full

⁸ AS 14.17.470.

⁹ In Public School Funding Program Overview (January 2004), DEED outlines the application of AS 14.17.490 as follows:

Adjustments to the Funding 'Floor'

The funding 'Floor' was established in FY 99 to provide funds for districts generating less state aid using the New Funding Formula and bridges the transition between the programs. All adjustments to the 'Floor' are reductions. There are two ways that the 'Floor' can be adjusted:

If the Basic Need in the current fiscal year is greater than the Basic Need in the prior fiscal year, then take the difference, and multiply it by 40%. Subtract this number from the funding 'Floor' to arrive at the new 'Floor' amount for the current fiscal year.

If the ADM decreases by 5% or more over FY99, then reduce the funding 'Floor' by that same percentage.

<u>Please Note</u>: No action is taken to the funding 'Floor' if:

The current fiscal year Basic Need is less than the prior year Basic Need or,

The ADM has not decreased by 5% or more since FY99.

⁷ AS 14.17.430.

February 2004

and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year as determined by the Department of Community and Economic Development under AS 14.17.510 and AS 29.45.110.

(c) For the purposes of the reduction required under AS 14.17.400 (b), funding authorized under (a) of this section is treated the same as the state share of public school funding under AS 14.17.410.

(d) Beginning in fiscal year 2000, if a district receives more public school funding under AS 14.17.410 than the district received in the preceding fiscal year, any amount received by the district under this section shall be reduced. The amount of the reduction required under this subsection is equal to the amount of increase from the preceding fiscal year in public school funding multiplied by 40 percent. In this subsection, "public school funding" does not include funding under this section.

(e) Beginning in fiscal year 2000, in each fiscal year, the department shall compare each district's ADM with the district's ADM in fiscal year 1999. If the current fiscal year ADM is less than 95 percent of the district's ADM in fiscal year 1999, the department shall reduce the district's public school funding calculated under (a) of this section by a percentage equal to the percentage of decrease in the district's ADM.

(f) For purposes of this section, "state aid" means state aid distributed under the provisions of AS 14.17, as those provisions read on January 1, 1998, and additional district support appropriated by the legislature for fiscal year 1998.

"Borough" means a general law borough (first-class, second-class, or third class), a non-unified home-rule borough, or a unified home-rule borough (unified municipality). (3 AAC 110.990(1).)

In general terms, the word 'borough' means a place organized for local government. Boroughs exist in certain other states in this country and in other countries; however, they bear no similarity to boroughs in Alaska.

After much debate, Alaska's Constitutional Convention Delegates chose the term "borough" over alternatives such as county, canton, division, and province. They did so because they felt that the term "borough" did not carry the connotations of the other terms. The Delegates wanted to preclude rigid thinking and the application of restrictive court decisions based on the extensive body of county law developed in the existing states. (See, Thomas A. Morehouse and Victor Fischer, *Borough Government in Alaska*, 1971, p. 37.)

In Alaska, a borough is a regional unit of municipal government (See, Victor Fischer, Alaska's Constitutional Convention, 1975, pp. 116 – 123); Thomas A. Morehouse and Victor Fischer, Borough Government in Alaska, 1971, pp. 37 – 41; Mobil Oil v. Local Boundary Commission, 518 P.2d 92, 100 (Alaska 1974); and Alaska State Legislature, Legislative Counsel, Proceedings of the Alaska Constitutional Convention, 1963, pp. 2638 and 2641.) Appendix E of this report addresses, in detail, fundamental principles of borough government in Alaska.

"City" means a general law (first-class or second-class city or a home-rule city government. (AS 29.71.800.)

"Coastal resource service area" means a service area established and organized under AS 29.03.020 and AS 46.40.110 - 46.40.180. (3 AAC 110.990(2).)

"Commission" refers to the Local Boundary Commission. (3 AAC 110.990(3).)

"Community" means a social unit comprised of 25 or more permanent residents as determined under 3 AAC 110.920. (3 AAC 110.990(5).)

"Consolidation" in terms of "municipal consolidation" means the dissolution of two or more municipalities and their incorporation as a new municipality. (AS 29.71.800.) "Consolidation" in terms of school consolidation, takes on a much more general connotation; it means combining two or more school districts through any of several means (borough incorporation, annexation, city reclassification, city dissolution, modifying the boundaries of REAAs, etc.).

"Contiguous" means, with respect to territories and properties, adjacent, adjoining, and touching each other. (3 AAC 110.990(6).)

"Council" means the governing body of a city. (AS 29.71.800.)

"DCED" means the Alaska Department of Community and Economic Development.

"DEED" means the Alaska Department of Education and Early Development.

"Department" means the Alaska Department of Education and Early Development. (AS 29.71.800; 3 AAC 110.990(7).)

"District" means a city or borough school district or a regional educational attendance area (REAA). (AS 14.17.990(2).) District also means a federal transfer regional educational attendance area (FTREAA).

"District adjusted ADM" is the average daily membership of a district that has been adjusted by: (1) applying the school size factor to the student count as set out in AS 14.17.450; (2) applying the district cost factor described in AS 14.17.460; (3) applying the special needs factor as set out in AS 14.17.420(a)(1); (4) adding the intensive service adjustment as set out in AS 14.17.420(a)(2); and (5) adding correspondence students as set out in AS 14.17.430.

"Enrollment" is a one-day count of the number of students as of October 1.

"Enrollment gap" is the difference between the 250-student threshold established in AS 14.12.025 for the creation of new school districts and the most recent average daily membership for a district with fewer than 250 students.

"Federal Impact Aid" is federal financial assistance provided, upon application, to school districts with children whose parents live and/or work on federal property. Ninety percent of the eligible federal impact aid funds are used in the calculation of state aid (see column 4 of Tables 1-4 in Part I of the report for treatment of the deductible federal impact aid).

"Federal transfer regional educational attendance area" means an educational service area established and organized under a special act in 1985 (Ch. 66, SLA 1985) separate and distinct from an REAA established and organized under AS 14.08.031 and AS 29.03.020. There are two FTREAAs: (1) a school district that provides education services to three villages in the Lower Kuskokwim REAA (Akiachak, Akiak, and Tuluksak); and (2) a school district that provides education services to the village of Chevak in the Lower Yukon REAA.

"FTE" means "full-time equivalent."

"FTREAA" means "federal transfer regional educational attendance area."

"Full-time equivalent" means employment in terms of the equivalent of full-time positions.

"General law municipality" means a municipal corporation and political subdivision of the State of Alaska that has legislative powers conferred by State law; it may be an unchartered first-class borough, second-class borough, third class borough, first-class city, or second-class city organized under the laws of the State of Alaska. (AS 29.04.020.)

"HSGQE" means "high school graduation qualifying examination" (a.k.a. State High School Exit Exam) given to all high school sophomores, juniors, and seniors to determine proficiency in reading, writing, and mathematics. Proficiency in those fields is required in order to earn a high school diploma.

"LBC" refers to the Alaska Local Boundary Commission.

"Magnet school" means a school with a strong emphasis in a particular subject area, for example, music, science, drama, math, etc. In a magnet school, students are typically selected through an application process instead of being assigned based on residence.

"Merger" means dissolution of a municipality and its absorption by another municipality. (AS 29.71.800.)

"Model borough boundaries" means those boundaries set out in the Commission's publication *Model Borough Boundaries*, revised as of June 1997 and adopted by reference. (3 AAC 110.990(9).)

"Municipality" means a political subdivision incorporated under the laws of the state that is a home-rule or general law city, a home-rule or general law borough. (AS 29.71.800.)

"Nonareawide" means throughout the area of a borough outside all cities in the borough. (AS 29.71.800.)

"Permanent resident" means a person who has maintained a principal domicile in the territory proposed for change under this chapter for at least 30 days immediately preceding the date of acceptance of a petition by the department, and who shows no intent to remove that principal domicile from the territory at any time during the pendency of a petition before the Commission. (3 AAC 110.990(10).)

"Political subdivision" means a borough or city organized and operated under state law. (3 AAC 110.990(11).)

"Property owner" means a legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands; "property owner" does not include lienholders, mortgagees, deed of trust beneficiaries, remaindermen, lessees, or holders of unvested interests in land. (3 AAC 110.990(12).)

"Quality school funding" is a component of public school funding. Under AS 14.17.480, a district is eligible to receive a quality school funding grant not to exceed the district's adjusted ADM multiplied by \$16.

"REAA" means "regional educational attendance area."

"Regional educational attendance area" means an educational service area established and organized under AS 14.08.031 and AS 29.03.020. It is a school district that provides education services to that portion of the unorganized borough outside of home-rule and first-class cities.

"Required local contribution" means the local contribution required by AS 14.17.410(b)(2) of a city or borough school district that is the equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Community and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under AS 14.17.410(b)(1). Neither REAAs nor FTREAAs are subject to required local contributions. (See also "voluntary local contribution.")

"Service area" means an area in which borough services are provided that are not offered on an areawide or nonareawide basis, or in which a higher or different level of areawide or nonareawide services are provided; borough service areas are not local governments. A service area lacks legislative and executive powers.

"State" (where capitalized) refers to the State of Alaska government.

"State Aid" (State Foundation Formula). State aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year. (AS 14.17.410(b)(1).)

"Unorganized borough" means areas of Alaska that are not within the boundaries of an organized borough. (AS 29.03.010.)

"Voluntary local contribution" (also referred to as "excess local contribution") means the level of funding in addition to the local contribution required under AS 14.17.410((b)(2) that a city or borough school district may contribute in a fiscal year. The voluntary local contribution may not exceed the greater of (1) the equivalent of a two-mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Community and Economic Development under AS 14.17.510 and AS 29.45.110; or (2) 23 percent of the district's basic need for the fiscal year under AS 14.17.410(b)(1). (See also "required local contribution.")

Appendix A

June 6, 2003, Press Release "Murkowski Approves Full Education Funding," June 6, 2003, Letter from Governor Murkowski to All School Superintendents

Governor Frank Murkowski

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Murkowski Approves Full Education Funding

FOR IMMEDIATE RELEASE: June 6, 2003 No. 03-126

Murkowski OKs SB 202, Approves Full Education Funding Calls on School Districts for Greater Accountability

(Juneau) - Governor Frank H. Murkowski today signed SB 202, a bill that increases the per pupil amount of state funding for public schools and changes the method of state funding for pupil transportation. In doing so, Murkowski said he would fully fund education at \$701.3 million, a level \$32 million higher than FY03. Murkowski also agreed to support full school debt reimbursement in the operating budget, an increase of \$13 million, for a total of \$66 million.

"Today I am pleased to sign Senate Bill 202," Murkowski said. "By adding \$32 million into the school foundation formula, this bill gives schools more financial resources. It will increase the school funding program by 3.9% -- the largest increase in a decade. SB 202 also creates a new way to fund pupil transportation through a grant program that potentially gives schools the resources and the opportunity to transport more children to and from school with an incentive to reduce costs."

Murkowski noted that sacrifices were made in other parts of the FY04 budget, in order to fully fund education. "We will be announcing those sacrifices in the near future," he said. "With full funding, I expect full accountability by the education community in improving student proficiency."

Murkowski challenged educators, parents, school board members, and others involved in public education to use the funds in the classroom in a way that would better educate young Alaskans. Murkowski recognized that added dollars alone are not the answer to better education, and called for stronger effort to align state adopted standards with the priorities of individual districts. Murkowski urged school districts to reduce their administrative overhead and to put the savings into the classroom. He also expressed concern about the great disparity among districts in student proficiency (ranging from 10 percent to 90 percent) on benchmark exams. He was particularly concerned that only 40 percent of 8th graders were proficient in math.

"This time around, we are able to fully fund education," he said. "But it's the local school, with its teachers, school board members, superintendents, administrators, parents, and local communities, that carry the heavy responsibility of using these funds

wisely to deliver the results of a better education for Alaska's children. I am looking to all of you to be accountable for the best use of the funds provided by SB 202."

In addition to increasing the per-pupil amount available to local schools by adding in the \$32 million formerly in the Learning Opportunity Grants program, SB 202 converts the state funding program for pupil transportation from a reimbursement to a grant program.

"Under the current reimbursement program, there is no incentive for local school districts to find efficiencies," Murkowski said. "This bill provides those incentives, because if the schools can provide more efficient busing, they can apply any savings from the grant to other classroom activities."

http://gov.state.ak.us/archive.php?id=237&type=1



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Governor Frank Murkowski

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Murkowski earlier today faxed the attached letter explaining his decision to fully fund education, with the expectation of accountability, to the superintendents of the 53 school districts in Alaska.

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FRANK H. MURKOWSKI Governor



P.O. Box 110001 Juneau, Alaska 99811-0001 (907) 465-3500 Fax (907) 465-3532

STATE OF ALASKA OFFICE OF THE GOVERNOR JUNEAU

June 6, 2003

Dear Superintendent:

Today I am pleased to sign Senate Bill 202. By adding \$32 million into the school foundation formula, this bill gives schools more financial resources to get the job done. It will increase the school funding program by 3.9 percent--the largest increase in a decade. SB 202 also creates a new way to fund pupil transportation through a grant program that potentially gives schools the resources and the opportunity to transport more children to and from school with an incentive to reduce costs.

It gives me a great deal of pleasure to introduce to the education community our new Commissioner of Education, Roger Sampson, whom many of you know, and to thank Karen Rehfeld and Eddy Jeans for the extraordinary assistance they have provided during the first months of our administration. I would also like to share the vision of Commissioner Sampson, who said to me during our first meeting after his appointment, "It's not a matter of more money, but how we direct our resources toward quality instruction that is aligned with our state-adopted standards and the priorities of individual districts."

Signing this legislation holds K-12 education harmless from the budgetreductions taking place in this year's operating and capital budgets. The muchdiscussed reductions to education we initially proposed for FY04 resulted in a reality check. For example, the Legislature converted pupil transportation from a cost plus program to a grant program, which gives districts incentives to control and restrain transportation costs.

This time around, we are able to fully fund education. But it's the local school, with its teachers, school board members, superintendents, administrators, parents, and local communities, that carry the heavy responsibility of using these funds wisely to deliver the desired result of a better education for Alaska's children. I am looking to all of you to be accountable for the best use of the funds provided by SB 202.

I am challenging all of Alaska's educators, parents, school board members, community leaders, and residents to take a hard look at how our schools are run. We need to get more dollars from administration into the classroom. Why do some school districts exceed the state requirement of using more than 70 percent of the funds they receive in the classroom, and others do not? There is great disparity in student performance from school to school and district to district. Why are some of our schools only able to show less than 10 percent of their students proficient on a benchmark exam, while other schools are able to show more than 90 percent of their students proficient on the same exam? Ask yourselves these hard questions:

- Do your schools have a clear and ambitious strategic plan or shared vision that includes high expectations for all students and checkpoints along the way to ensure their progress?
- Are your teachers using research-proven instructional practices?
- Do all staff know and understand your district's vision and priorities?
- Are your schools and students meeting the standards and priorities of the school district?
- Are your student performance standards in reading, writing and math clear, sequential and aligned with state standards?
- Have your schools identified effective strategies to help students who are not meeting state standards?
- Are your instruction, student assessments and standards aligned?
- Are you making the best use of state education dollars to help all students meet standards?
- If students in your schools are not meeting standards, why not?
- Do you have a continuous improvement process in place?

These aren't all the questions you should be asking. But the answers will begin to tell us whether we and our schools are working as smart as we can to use our financial resources in the best interests of our children and the future of Alaska.

The Murkowski administration pledges to continue to make financial resources available, but we need to hold recipients of these resources accountable for excellent educational results. SB 202 is a major step in the right direction, but requires us all to take responsibility today for the wise use of the funds to create a brighter tomorrow for Alaska's children.

Sincerely yours,

Frank H. Sunhh .

Frank H. Murkowski Governor

Appendix B

Biographical and Background Information on the Local Boundary Commission and the Department of Education and Early Development

Background and Biographies

A. Background on the Local Boundary Commission.

1. Constitutional Origin of the LBC.

The framers of Alaska's constitution subscribed to the principle that, "unless a grave need existed, no agency, department, commission, or other body should be specified in the constitution." (Victor Fischer, *Alaska's Constitutional Convention*, p. 124.) The framers recognized that a "grave need" existed when it came to the establishment and alteration of municipal governments by providing for the creation of the LBC in Article X, Section 12 of the Constitution.¹

The LBC is one of only five State boards or commissions established in the constitution (among a current total of approximately 120 active boards and commissions).² The Alaska Supreme Court characterized the framers' purpose in creating the LBC as follows:

An examination of the relevant minutes of [the Local Government Committee of the Constitutional Convention] shows clearly the concept that was in mind when the local boundary commission section was being considered: that local political decisions do not usually create proper boundaries and that boundaries should be established at the state level. The advantage of the method proposed, in the words of the committee:

. . . lies in placing the process at a level where area-wide or state-wide needs can be taken into account. By placing authority in this third party, arguments for and against boundary change can be analyzed objectively.

Fairview Public Utility District No. 1 v. City of Anchorage, 368 P.2d 540, 543 (Alaska 1962).

2. Duties and Functions of the LBC.

The LBC acts on proposals for seven different municipal boundary changes. These are:

- ➔ incorporation of municipalities;³
- reclassification of city governments;
- annexation to municipalities;
- dissolution of municipalities;
- detachment from municipalities;
- merger of municipalities; and
- consolidation of municipalities.

In addition to the above, the LBC has a continuing obligation under statutory law to:

- make studies of local government boundary problems;
 - ¹ Article X, Section 12 states, "A local boundary commission or board shall be established by law in the executive branch of state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the Legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action."
 - ² The other four are the Commission on Judicial Conduct, the Judicial Council, the University of Alaska Board of Regents, and the (legislative) Redistricting Board.
 - ³ The term "municipalities" includes both city governments and borough governments.

- adopt regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution; and
- make recommendations to the Legislature concerning boundary changes under Article X, Section 12 of Alaska's Constitution.

Further, the LBC is routinely assigned duties by the Legislature; e.g., the 2002 requirement to study the unorganized borough and determine which areas meet borough incorporation standards and the 2003 directive to work with the Department of Education and Early Development regarding school district consolidation.

3. LBC Decisions Must have a Reasonable Basis and Must be Arrived at Properly.

LBC decisions regarding petitions that come before the Commission must have a reasonable basis. That is, both the LBC's interpretation of the applicable legal standards and its evaluation of the evidence in the proceeding must have a rational foundation.⁴

The LBC must, of course, proceed within its jurisdiction; conduct a fair hearing; and avoid any prejudicial abuse of discretion. Abuse of discretion occurs if the LBC has not proceeded in the manner required by law or if its decision is not supported by the evidence.

4. Communications with the LBC.

When the LBC acts on a petition for a municipal boundary change, it does so in a quasi-judicial capacity. LBC proceedings regarding a municipal boundary change must be conducted in a manner that upholds the right of everyone to due process and equal protection.

Ensuring that communications with the LBC concerning municipal boundary proposals are conducted openly and publicly preserves rights to due process and equal protection. To regulate communications, the LBC adopted



Local Boundary Commission listening to testimony at a recent hearing.

3 AAC 110.500(b) which expressly prohibits private (ex parte) contact between the LBC and any individual, other than its staff, except during a public meeting called to address a municipal boundary proposal. The limitation takes effect upon the filing of a petition and remains in place through the last date available for the Commission to reconsider a

4 See Keane v. Local Boundary Commission, 893 P.2d 1239, 1241 (Alaska 1995). When an administrative decision involves expertise regarding either complex subject matter or fundamental policy formulation, the court defers to the decision if it has a reasonable basis; Lake and Peninsula Borough v. Local Boundary Commission, 885 P.2d 1059,1062 (Alaska 1994); Mobil Oil Corp. v. Local Boundary Commission, 518 P.2d 92,97-8 (Alaska 1974). Where an agency action involves formulation of a fundamental policy the appropriate standard on review is whether the agency action has a reasonable basis; LBC exercises delegated legislative authority to reach basic policy decisions; acceptance of the incorporation petition should be affirmed if court perceives in the record a reasonable basis of support for the LBC's reading of the standards and its evaluation of the evidence; Rose v. Commercial Fisheries Entry Comm'n, 647 P.2d 154, 161 (Alaska 1982) (review of agency's exercise of its discretionary authority is made under the reasonable basis standard) cited in Stosh's I/M v. Fairbanks North Star Borough, 12 P.3d 1180, 1183 nn. 7 and 8 (Alaska 2000); see also Matanuska-Susitna Borough v. Hammond, 726 P.2d 166, 175-76 (Alaska 1986).

decision. If a decision of the LBC is appealed to the court, the limitation on ex parte contact is extended throughout the appeal in the event the court requires additional consideration by the LBC.

In that regard, all communications with the Commission must be submitted through staff to the Commission. The LBC staff may be contacted at the following address, telephone number, facsimile number, or e-mail address.

> Local Boundary Commission Staff 550 West Seventh Avenue, Suite 1770 Anchorage, Alaska 99501-3510 telephone: (907) 269:4559 fax: (907) 269:4539 alternate fax: (907) 269:4563 e-mail: <u>LBC@dced.state.ak.us</u>

5. LBC Membership.

The LBC is an independent, quasi-judicial commission. Members of the LBC are appointed by the Governor for five-year overlapping terms. (AS 44.33.810.) Notwithstanding their terms, members of the LBC serve at the pleasure of the Governor. (AS 39.05.060(d).)

The LBC is comprised of five members. One member is appointed from each of Alaska's four judicial districts. The fifth member is appointed from the state at-large.

State law provides that members of the LBC must be appointed "on the basis of interest in public affairs, good judgment, knowledge and ability in the field of action of the department for which appointed, and with a view to providing diversity of interest and points of view in the membership." (AS 39.05.060.)



LBC members receive no pay for their service on the Commission. However, they are entitled to the travel expenses and per diem authorized for members of boards and commissions under AS 39.20.180.

The following is a biographical summary of the current members of the LBC.

Darroll Hargraves, Chair, At-Large Appointment, Wasilla



Darroll Hargraves of Wasilla was appointed Chair of the LBC by Governor Murkowski in March 2003. Commissioner Hargraves holds a Masters degree and an Education Specialist degree from the University of Alaska, Fairbanks. Additionally, Oakland

City University awarded him the Doctor of Humane Letters. Commissioner Hargraves has been School Superintendent in Nome, Ketchikan, and Tok. He was the Executive Director of the Alaska Council of School Administrators from 1998 to 2002. He is currently a management/communications consultant working with school districts and nonprofit organizations. Commissioner Hargraves previously served as Chair of the LBC from 1992-1997. His current term on the Commission expires January 31, 2008.

Georgianna Zimmerle, First Judicial District, Ketchikan



Georgianna Zimmerle serves from the First Judicial District. She is a resident of Ketchikan. Commissioner Zimmerle was appointed to the Commission on March 25, 2003. An Alaska Native, Commissioner Zimmerle is Tlingit and Haida. She is currently the General Manager for Ketchikan Indian Community. She worked for the Ketchikan Gateway Borough for 27 years, serving five years as the Borough Manager and 22 years in the Borough Clerk's Office. Her current term on the Commission expires January 31, 2006.

Robert Harcharek, Second Judicial District, Barrow



Robert Harcharek serves from the Second Judicial District. He was appointed to the LBC on July 18, 2002. Mr. Harcharek has lived and worked on the North Slope for more than 20 years. He has been a member of the Barrow

City Council since 1993 and a member of the North Slope Borough School Board since 1999. He is a Senior Planner and Social Science Researcher for the North Slope Borough Planning Department. Mr. Harcharek earned a Ph.D in International and Development Education from the University of Pittsburgh in 1977. He has served as North Slope Borough Capital Improvement Projects and Economic Development Planner, Community Affairs Coordinator for the North Slope Borough Department of Public Safety, Director of the North Slope Higher Education Center, Socio-cultural Scientist for the North Slope Borough Department of Wildlife Management, Director of Technical Assistance for Upkeagvik Inupiat Corporation, and Dean of the Inupiat University of the Arctic. Mr. Harcharek served for two years as a Peace Corps Volunteer in Thailand and was also a Fulbright-Hays Professor of Multicultural Development in Thailand. He is a member of numerous boards of directors, including the Alaska Association of School Boards and the Alaska Municipal League Legislative Committee. His current term on the Commission expired January 31, 2004.

Robert Hicks, Vice-Chair, Third Judicial District, Seward



Robert Hicks of Seward was appointed to the LBC from the Third Judicial District by Governor Murkowski in March 2003. His fellow commissioners elected him as Vice-Chair of the LBC. Commissioner Hicks is a graduate of

Harvard Law School. From 1972 - 1975, he served as Executive Director of the Alaska Judicial Council. He practiced law in Alaska from 1975 - 2001. One of the areas in which he specialized as an attorney was the field of local government, including the Local Boundary Commission. Since 2001, Commissioner Hicks has served as the Director of Corporate Affairs and the Dive Officer at the Alaska SeaLife Center in Seward. Commissioner Hicks' current term on the LBC expires January 31, 2007.

Dr. Anthony Nakazawa, Fourth Judicial District, Fairbanks



Anthony "Tony" Nakazawa serves from the Fourth Judicial District and is a resident of Fairbanks. He was appointed to the LBC on February 14, 2003. Commissioner Nakazawa is employed as the State Director of the Alaska

Cooperative Extension Service, USDA/University of Alaska Fairbanks, which includes district offices in ten communities throughout Alaska. He previously served as the director of the Division of Community and Rural Development for the Alaska Department of Community and Regional Affairs under Governor Walter J. Hickel. Commissioner Nakazawa, an extension economist and UAF professor, has been with the Cooperative Extension Service since 1981 and with the Hawaii Cooperative Extension system in 1979-1980. From 1977-1979, he served as the Economic Development Specialist for the Ketchikan Gateway Borough. His past activities include board service with the Alaska Rural Development Council, RurAL CAP, Alaska Job Training Council, and Asian-Alaskan Cultural Center. Commissioner Nakazawa received his B.A. in economics from the University of Hawaii Manoa in 1971, and his M.A. in urban economics from the University of California Santa Barbara in 1974. He received his M.S. (1976) and Ph.D. (1979) in agriculture and resource economics from the University of California Berkeley. His current term on the Commission expires December 21, 2004.

B. Department of Education and Early Development.

1. Vision, Core Beliefs, and Values.

The Alaska Department of Education & Early Development is committed to develop, maintain and continuously improve a comprehensive, quality system to provide resources, data and world class support services that inspire quality learning for all.

- 1. Effective internal and external communication is a critical component to develop, maintain, and refine a quality system.
- 2. EED will use the expertise, knowledge, and experience of internal and external stakeholders⁵ in support of life-long learners and communities.

⁵ Stakeholders are defined as: parents, students, school board members, legislators, community, business partners, the State Board and Department of Education and Early Development, school districts, municipalities, and other organizations or entities.

- 3. Practices that lead to effective education for all are recognized, supported, implemented, and shared.
- 4. Data from results and quality information about processes are used in decision-making.
- 5. Interactive relationships and partnerships are established with all stakeholders to support a learner centered educational system.
- 6. Alaska Reading, Writing, and Math Standards are fundamental skills necessary for all other learning, enabling students to reach their full potential.
- 7. EED collects, organizes, preserves, and disseminates resources for informational, educational, and research purposes to support life long learning.
- 8. EED provides statewide leadership that supports and reflects the cultures in Alaska.
- 9. EED recognizes and values individual employee and team expertise, providing continuous learning opportunities in a fair and consistent manner
- 10. EED assists stakeholders in meeting federal and state statutes and regulations in a manner that maintains the integrity of the shared visions of both EED and the stakeholders.

2. Department of Education and Early Development Commissioner.



The State Board of Education & Early Development appointed Roger Sampson Alaska Commissioner of Education & Early Development on May 9, 2003.

He has had a distinguished career for

over 20 years in Alaska while earning a reputation for quality, innovation and increased student achievement.

Mr. Sampson has served in a variety of roles and positions in public schools, including school administrator in both rural and urban Alaska. He gained a reputation as superintendent of the Chugach School District for his groundbreaking work in building a school system based on student standards and supported by quality student achievement indicators and a continuous improvement process.

As a superintendent, principal, special education director, federal programs director and teacher, Mr. Sampson has gained a clear understanding of the public education process, and the depth and breadth of the programs and responsibilities of schools.

Mr. Sampson holds a masters degree in Education Administration from the University of Montana, Missoula. He has been honored as National Rural Superintendent of the Year, Alaska Principal of the Year, and has received a recognition award from the Alaska Legislature.



November 6, 2003, Letter from Senator Wilken


Commission (i.e., municipal incorporation, annexation, dissolution, merger, consolidation, detachment, and city reclassification). For purposes of this effort, the term may also include annexation, dissolution, merger, consolidation, and detachment to or from a regional educational attendance area.

The second component of the legislative directive requires "the Local Boundary Commission [to] work with the Department of Education and Early Development to fully examine the public policy advantages of prospective consolidations identified by the Local Boundary Commission, including projected cost savings and potential improvements in educational services made possible through greater economies of scale." As is reflected in the language, this component should also be a joint effort between the Local Boundary Commission and the Department of Education and Early Development. I want to stress that the language is not intended to limit the examination to just "public policy advantages" of consolidation. The review by your two agencies should be balanced and, therefore, address any public policy "disadvantages" associated with school consolidation.

The last component of the legislative directive requires "the Local Boundary Commission with the Department of Education and Early Development [to] report their findings to the legislature no later than the 30th day of the Second Session of the 23rd Legislature." The deadline for submission of the report to the Legislature is February 10, 2004. I recognize that both the Local Boundary Commission and the Department of Education and Early Development have heavy workloads and limited resources. Nonetheless, it would be ideal if the agencies held joint hearings in at least some of the communities that could be affected by consolidation.

Like the term "boundary changes," the term "school consolidation" should be broadly construed. There are least three fundamental options for "school consolidation" that should be addressed in the report to the Legislature. Those are outlined below.

(1) <u>Consolidation of particular schools.</u> Consolidation of particular schools might occur as a result of various conditions. One of which is what I would term "indirect circumstances." An example of indirect circumstances that might lead to the consolidation of particular schools is the construction of a new road linking two nearby communities, thereby allowing consolidation of separate schools in each community into one. Since it is difficult to anticipate such indirect circumstances, there is no need to address them in the report to the Legislature.

Consolidation of schools might also occur through formal boundary changes (e.g., combining two adjacent schools through annexation of one district or a portion of one district to another district, merger of two or more districts, reclassification of a city, et cetera). The Department of Education and Early Development should advise the Local Boundary Commission of particular schools in Alaska that might lend themselves to consolidation through boundary changes. The Local Boundary Commission should then address the prospects for accomplishing consolidation of those schools through boundary changes.

In addition, consolidation of schools might also occur under AS 14.14.110(a) which states, "When necessary to provide more efficient or more economical educational services, a district may cooperate or the [Department of Education and Early Development] may require a district to cooperate with other districts, state-operated schools, or the Bureau of Indian Affairs in providing educational or administrative services." The Department of Education and Early Development should identify opportunities for consolidation of particular schools through such circumstances. Of course, if the Local Boundary Commission has views on the topic, those views should also be considered.

(2) <u>Consolidation of school functions.</u> A second option for "school consolidation" involves the prospect for combining particular education-related duties and activities. Examples of such might include consolidation of professional services such as district management, accounting functions, grant writing, or fulfillment of reporting requirements for all districts in a particular region. Another example might be the opportunity for bulk purchases such as supplies or fuel for districts in a large region. While the Local Boundary Commission might have contributions to make concerning this option, the Department of Education and Early Development should take the lead with respect to the prospect of consolidation of school functions.

(3) <u>Consolidation of specific school districts</u>. In reviewing this option, emphasis should be placed on the prospect for consolidation of school districts with fewer than 250 students. As noted earlier, the review should be based on resident students, not correspondence students.

In its routine reporting activities, the Department of Education and Early Development has, of course, already identified districts with fewer than 250 students. In addition to this list of districts, the Department of Education and Early Development should determine whether consideration should be given to the prospect of consolidating any school district with 250 or more students. If so, the department should advise the Local Boundary Commission.

The Local Boundary Commission should address opportunities for consolidation of school districts with fewer than 250 students and any other districts identified by the Department of Education and Early Development. Consideration should be given to the prospect of consolidation of school districts through borough incorporation; borough or REAA annexation; borough or REAA merger; borough consolidation; borough, city, or REAA dissolution; city reclassification¹ or any other means that may be appropriate. Consideration should also be given by your two agencies to possible legislative actions that would accomplish school consolidation.

I hope this letter is helpful in carrying out the respective duties of your agencies. I realize the magnitude of this task and appreciate your willingness to undertake this important review. Your arms-length analysis of our current educational system will help the Legislature to determine if there is a better way, and possibly a cheaper way, to educate Alaska's youth than our present system of 53 independent school districts.

Thank you for your time and effort and if you have questions or wish to discuss this matter, please contact me.

Sincerely,

Complete

Gary Wilken Senator, Fairbanks

cc: The Honorable Frank Murkowski, Governor The Honorable Gene Therriault, Senate President The Honorable Pete Kott, Speaker of the House of Representatives The Honorable Lyda Green, Co-Chair, Senate Finance Committee

[']The terms "REAA" and "regional educational attendance area" used in this letter include districts formed under AS 14.08.031 and "federal transfer REAAs" formed under Chapter 66 SLA 1985.

Appendix D

November 10, 2003, Letter from the LBC and DEED



Fax: (907) 269-4539

State of Alaska



801 West Tenth Street, Suite 200 Juneau, Alaska 99801-1894 Phone: (907) 465-2800 Fax: (907) 465-4156

November 10, 2003

«PREFIX» «MAYOR» «MUNICIPAL_NAME» «STREET_ADDRESS» «CITY», «STATE» «ZIP_CODE»

Dear «SALUTATION» «LAST»:

The 2003 Alaska Legislature directed the Local Boundary Commission and the Department of Education and Early Development to address matters relating to school consolidation. Specifically, the directive (page 10, section 1, chapter 83, SLA 2003) states as follows:

It is the intent of the legislature that (1) the Local Boundary Commission identify opportunities for consolidation of schools, with emphasis on school districts with fewer than 250 students, through borough incorporation, borough annexation, and other boundary changes; (2) the Local Boundary Commission work with the Department of Education and Early Development to fully examine the public policy advantages of prospective consolidations identified by the Local Boundary Commission, including projected cost savings and potential improvements in educational services made possible through greater economies of scale; and (3) the Local Boundary Commission with the Department of Education and Early Development report their findings to the legislature no later than the 30th day of the Second Session of the 23rd Legislature.

The directive calls for a report to be submitted by our two agencies to the Legislature by February 10, 2004. The enclosed letter from Senator Gary Wilken dated November 6, 2003, provides important details concerning the legislative directive.

The Local Boundary Commission and the Department of Education and Early Development are prepared to proceed with the school consolidation review as directed by the Legislature. Both agencies are sincerely interested in your views concerning the matter.

We recognize that there is a strong desire among Alaskans for independence in terms of control over fundamental services like education. Yet, we understand that a district may reach a point where it has too few students to provide suitable educational opportunities for students and reasonable financial efficiencies and economies of scale. Your views on the following two points are particularly important to us:

1. Given the considerable administrative and managerial duties associated with operating a public school district, at what point does the best interests of Alaska's children and the best interests of the general public compel school consolidation?

«PREFIX» «MAYOR» November 10, 2003 Page 2

2. If some form of school consolidation is directed by the Alaska Legislature, what options should be considered first?

In terms of the first question, it is relevant to note that in 1986, the Alaska Legislature enacted a law (codified as Section 14.12.025 of the Alaska Statutes) prescribing that <u>new</u> school districts must have at least 250 students unless the Commissioner of the Department of Education determined that formation of a new district with fewer students "would be in the best interest of the state and the proposed district." AS 14.12.025, makes no reference to consolidation of <u>existing</u> districts. However, the directive from the 2003 Legislature does refer to the same student population threshold (i.e., less than 250 students).

No standards or criteria have ever been adopted to guide determinations when the creation of new school districts with fewer than 250 students "would be in the best interest of the state and the proposed school district." We would welcome your views on criteria that should be considered by our agencies with regard to school consolidation.

With regard to the second question, school consolidation can be brought about in a number of different ways. The enclosed letter from Senator Wilken carefully outlines a multitude of options.

Because the 2004 legislative session is fast approaching, it would be most helpful if you submitted your comments to us by November 26, 2003. Comments may be submitted for the record to either or both of us as noted below:

Darroll Hargraves Chair Local Boundary Commission 550 W. 7th Avenue, Suite 1770 Anchorage, Alaska 99501-3510 fax: (907) 269-4539 e-mail: LBC@dced.state.ak.us Roger Sampson Commissioner Department of Education and Early Development 801 W. 10th Street, Suite 200 Juneau, Alaska 99801-1894 fax: (907) 465-4156 e-mail: Roger Sampson@eed.state.ak.us

We look forward to your thoughtful comments regarding this crucial matter.

Cordially,

Darroll Hargraves Chair Local Boundary Commission

Roger Sampson

Roger Sampson Commissioner Department of Education and Early Development

Enclosure: letter from Senator Wilken dated November 6, 2003

	state La.				
GARY WILKEN	AN OF THE A				
SENATOR Fairbanks Interim: 1851 Fox Ave. Fairbanks, Alaska 99701 Tei: 451-5501 (from Fbks)	Alder	During Session: State Capitol Building Juneau, Alaska 99801-1182 Tel: 451-5501 (from Fbks) Tel: (907) 465-3709 (outside Fbks) Fax: (907) 465-4714 Website: www.garywilken.com			
Tel: (907) 465-3709 (outside Fbks) Fax: (907) 465-4714	Senate	E-Mail: Senator.Gary.Wilken@legis.state.ak.us			
	November 6, 2003				
The Honorable Darroll Ha Chair Local Boundary Commiss	argraves The Honorab Commissione sion Dept. of Educ	le Roger Sampson er cation			
550 West 7th Avenue, Sui	te 1770 801 West 10th	801 West 10th Street, Suite 200			
Anchorage, Alaska 99501	Juneau, Alask	<a 99801-1894<="" th="">			
Dear Commissioners Hargraves and Sampson,					
I regret that I was unable concerning the legislative Section 1, Chapter 83, SL author of this intent lang consider to be the intent o	e to attend your meeting of C directive set out in the State of A 2003) regarding school con guage, I want to take this opp of the Legislature.	Dctober 29, 2003 in Juneau operating budget (page 10, solidation matters. As the portunity to clarify what I			
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The language regarding exclude participation by Indeed, active involveme the legislative intent for t of the project. In this leg on <u>resident</u> average daily	this first component of the d the Department of Education ent by the Department is as c the first component as it is to gislative directive, student po membership figures.	irective is not intended to n and Early Development. rritical to the fulfillment of the other two components pulations should be based			
The term "boundary chan a manner consistent with Court, opinions of the A views of the Local Bour may include any action	nges" used in the directive is a constitutional records, rulin ttorney General's office, and adary Commission. Specific on under the jurisdiction	to be broadly construed in ags of the Alaska Supreme the previously expressed cally, "boundary changes" of the Local Boundary			
Proudly	Representing the Golden Heart	of Alaska			

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Complete

Gary Wilken Senator, Fairbanks

cc: The Honorable Frank Murkowski, Governor The Honorable Gene Therriault, Senate President The Honorable Pete Kott, Speaker of the House of Representatives The Honorable Lyda Green, Co-Chair, Senate Finance Committee

⁷The terms "REAA" and "regional educational attendance area" used in this letter include districts formed under AS 14.08.031 and "federal transfer REAAs" formed under Chapter 66 SLA 1985.

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Tom Harvey Executive Director NEA-Alaska 1840 S. Bragaw Street, Suite 100 Anchorage, AK 99508

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John Davis, President c/o Bering Strait School District Citizens for the Educational Advancement of Alaska Children P.O. Box 225 Unalakleet, AK 99684-0225

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School Board President Lower Yukon School District P.O. Box 32089 Mountain Village, AK 99632-0089

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School Board President North Slope Borough School District P.O. Box 169 Barrow, AK 99723-0169

School Board President Northwest Arctic Borough School District P.O. Box 51 Kotzebue, AK 99752

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School Board President Pribilof School District Pouch 905 St. Paul Island, AK 99660

School Board President Saint Mary's School District P.O. Box 9 St. Mary's, AK 99658-0009

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School Board President Valdez City School District P.O. Box 398 Valdez, AK 99686

School Board President Wrangell Public School District P. O. Box 2319 Wrangell, AK 99929-2319

School Board President Yakutat School District P.O. Box 429 Yakutat, AK 99689-0429

School Board President Yukon Flats School District P.O. Box 350 Ft. Yukon, AK 99740-0350

School Board President Yukon/Koyukuk School District 4762 Old Airport Way Fairbanks, AK 99709-4456

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Ronald Erickson, Superintendent Craig City School District P.O. Box 800 Craig, AK 99921

Dan Beck, Superintendent Delta/Greely School District P.O. Box 527 Delta Junction, AK 99737-0527 Robert Whicker, Superintendent Denali Borough School District P.O. Box 280 Healy, AK 99743-0280

Leroy Key, Superintendent Dillingham City School District P.O. Box 170 Dillingham, AK 99576

Ann Shortt, Superintendent Fairbanks North Star Borough School District 520 Fifth Avenue Fairbanks, AK 99701-4756

Jim Smith, Superintendent Galena City School District P.O. Box 299 Galena, AK 99741-0299

Woody Wilson, Superintendent Haines Borough School District P.O. Box 1289 Haines, AK 99827-1289

Howard Diamond, Superintendent Hoonah City School District P.O. Box 157 Hoonah, AK 99829-0157

Gerald Curcio, Superintendent Hydaburg City School District P.O. Box 109 Hydaburg, AK 99922-0109

Sarah Hanuske-Hamilton, Superintendent Iditarod Area School District P.O. Box 90 McGrath, AK 99627

Peggy Cowan, Superintendent Juneau Borough School District 10014 Crazy Horse Drive Juneau, AK 99801

Eric Gebhart, Superintendent Kake City School District P.O. Box 450 Kake, AK 99830

Jack Foster, Superintendent Kashunamiut School District 985 KSD Way Chevak, AK 99563

Donna Peterson, Superintendent Kenai Peninsula Borough School District 148 N. Binkley St. Soldotna, AK 99669

Harry Martin, Superintendent Ketchikan Gateway Borough School District 333 Schoenbar Road Ketchikan, AK 99901-6278 Rich Carlson, Superintendent Klawock City School District P.O. Box 9 Klawock, AK 99925-0009

Betty Walters, Superintendent Kodiak Island Borough School District 722 Mill Bay Road Kodiak, AK 99615 Kim Langton, Superintendent Kuspuk School District P.O. Box 49 Aniak, AK 99557-0049

Stephen G. Atwater, Superintendent The Lake and Peninsula Borough School District P.O. Box 498 King Salmon, AK 99613

William Ferguson, Superintendent Lower Kuskokwim School District P.O. Box 305 Bethel, AK 99559-0305

Bob Robertson, Superintendent Lower Yukon School District P.O. Box 32089 Mountain Village, AK 99632-0089

Robert Doyle, Chief School Administrator Matanuska-Susitna Borough School District 501 N. Gulkana Palmer, AK 99645

Ken Eggleston, Superintendent Nenana City School District P.O. Box 10 Nenana, AK 99760-0010

Stan Lujan, Superintendent Nome Public Schools P.O. Box 131 Nome, AK 99762-0131

Michael Smith, Superintendent North Slope Borough School District P.O. Box 169 Barrow, AK 99723-0169

Michael Dunleavy, Superintendent Northwest Arctic Borough School District P.O. Box 51 Kotzebue, AK 99752

William Raduenz, Superintendent Pelican City School District P.O. Box 90 Pelican, AK 99832-0090

DEED Distribution List

Distribution list of 11/10/2003 Letter

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Malcolm Fleming, Superintendent Pribilof School District Pouch 905 St. Paul Island, AK 99660

Kathryn Godinet, Superintendent Saint Mary's School District P.O. Box 9 St. Mary's, AK 99658-0009

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Mary Edwin, Chief School Administrator Tanana City School District P.O. Box 89 Tanana, AK 99777-0089

Darrell Sanborn, Superintendent Unalaska City School District P.O. Box 570 Unalaska, AK 99685

Ernie Manzie, Superintendent Valdez City School District P.O. Box 398 Valdez, AK 99686

Susan Sciabbarrasi, Superintendent Wrangell Public School District P. O. Box 2319 Wrangell, AK 99929-2319

John Novak, Interim Superintendent Yakutat School District P.O. Box 429 Yakutat, AK 99689-0429

Darroll Hargraves, Interim Superintendent Yukon Flats School District P.O. Box 350 Ft. Yukon, AK 99740-0350 Christopher Simon, Superintendent Yukon/Koyukuk School District 4762 Old Airport Way Fairbanks, AK 99709-4456

Joe Slats, Superintendent Yupiit School District P.O. Box 51190 Akiachak, AK 99551-0190

Bill Denkinger, Director Mt. Edgecumbe High School 1330 Seward Ave. Sitka, AK 99835-9438

Dick Luther, Acting Director Alyeska Central School 3141 Channel Drive #100 Juneau, AK 99801-7897

Mary Francis, Executive Director Alaska Council of School Administrators 326 Fourth Street, Suite 404 Juneau, AK 99801-1101

Carl Rose, Executive Director Association of Alaska School Boards 316 West 11th Street Juneau, AK 99801

Tom Harvey, Executive Director NEA-Alaska 1147 Second Street Juneau, AK 99801

Suellen Appellof, President Alaska Parent Teacher Association P.O. Box 201496 Anchorage, AK 99520-1496

Melody Douglas Alaska Association of School Business Officials 148 North Binkley Street Soldotna, AK 99669

Spike Jorgenson, Executive Director Citizens for the Educational Advancement of AK Children PO BOX 132 Tok, AK 99780

Appendix E

Public Comment in Response to November 10 Letter from the LBC and DEED

Oct-13-2003 02:08pm From-ASSOC ALASKA SCHOOL BOARDS +907 586 2995 T-321 P.002/002 F-869 1 Alaska Association of School Administrators 2 3 Resolution # 11 4 5 **Opposing Mandated School Consolidation** 6 7 8 Originated by: Klawock City School District for the Alaska Association of School 9 Administrators at the Fall Meeting in Girdwood, Alaska, October 5, 2003. 10 DIST ' 11 12 WHEREAS, mandated school/consolidation would significantly reduce local 13 control in many school districts in Alaska, and 14 15 WHEREAS, studies fail to demonstrate improved academic performances in 16 consolidated school districts, and 17 WHEREAS, the Alaska Legislative Budget and Audit Committee studies 18 19 suggested only minor savings by consolidating school districts, and 20 21 WHEREAS, a similar student conducted by the State of Washington Legislative 22 and Budget Committee suggests there are significantly better ways to cut costs, 23 and 24 25 WHEREAS, the AASA encourages and supports cooperative and school service 26 opportunities to reduce costs, now 27 28 THEREFORE IT IS RESOLVED that the Alaska Association of School 29 Administrators opposes any legislative effort that would mandate school district 30 consolidation. 31 32 33 Adopted: Girdwood, October 5, 2003

Songoon Political motivation Cost Savings to the State improved instruction Amound.



Klawock City School District

P.O. Box 9 Klawock, Alaska 99925 907-755-2220 Fax: 907-755-2913

Richard E. Carlson Superintendent Donald H. Busse K -12 Principal

October 20, 2003

Director Local Boundary Commission 550 West 7th Ave Suite 1770 Anchorage, AK 99501-3510

Enclosed please find a resolution adopted by the Klawock City School District Board of Education opposing mandated school district consolidation. The Klawock Board of Education strongly believes in the principle of local control and finds no compelling research that supports consolidation. Research fails to demonstrate that consolidation improves academic performance or generates significant cost savings. The only guaranteed result of consolidation is to distance citizens from the governance of their local school. Therefore, the Klawock City School District Board of Education is asking your support in opposing mandated school consolidation.

Sincerely,

Righard E. Carlson Superintendent

MEETING TOMORROW'S CHALLENGES TODAY klawock.k12.ak.us

KLAWOCK CITY SCHOOL DISTRICT BOARD OF EDUCATION

Resolution 2003-3

Opposing Mandated School District Consolidation

Originated by: Klawock City School District

WHEREAS mandated school district consolidation would significantly reduce local control in many school districts in Alaska, and

WHEREAS studies fail to demonstrate improved academic performance in consolidated school districts, and

WHEREAS the Alaska Legislative Budget and Audit Committee studies suggested only minor savings by consolidating school districts, and

WHEREAS a similar study conducted by the State of Washington Legislative and Budget Committee suggests there are significantly better ways to cut costs, and

WHEREAS the AASA encourages and supports cooperative and school service opportunities to reduce costs,

THEREFORE IT IS RESOLVED that the Alaska Association of School Administrators opposes any legislative effort that would mandate school district consolidation.

Adopted: October 16, 2003

RE: Klukwan School

Subject: RE: Klukwan School Date: Mon, 24 Nov 2003 13:59:11 -0900 From: Cheryl Stickler <cstickler@chathamsd.org> To: Dan Bockhorst <dan_bockhorst@dced.state.ak.us> CC: "Connie A. Newman" <cnewman@chathamsd.org>

The student capacity of our building is estimated to be around 50 students. If more concrete numbers are necessary, I'll need to contact the architects who designed the building. At one time in the 80s, there were 52-55 students enrolled in Klukwan, and they were forced to utilize storage rooms and offices for classroom space.

It is fine with me to include my letter in the record. Our legislators need to understand that there is more to consider than mere dollars when addressing our Alaskan children's education needs.

Lastly, it may be an oversight, but I didn't see an attached letter. (?) I appreciate the opportunity to subscribe to the Boundary Commission list.

Thank you for sharing information with us.

Cheryl

> -----> From: Dan Bockhorst > Sent: Monday, November 24, 2003 12:21 PM > To: Cheryl Stickler Connie A. Newman > Cc:> Subject: Re: Klukwan School > Ms. Strickler: Thanks for your prompt and thoughtful response. There was one other question that I neglected to ask. Would you please tell me the capacity of the Klukwan School in terms of enrollment (i.e., how many student will the building accommodate)? > I understand the desire on the part of local residents to have input on any decision that might affect their schools. At this point, there are no specific proposals for consolidation of any schools, including the one at Klukwan. The legislative directive for the review of school consolidation issues was outlined in the letter that I sent to you this morning. To provide you with further information regarding the matter, I am attaching a letter from the Chair of the Local Boundary Commission and the Commissioner of the Department of Education and Early Development. That letter is addressed to the Executive Director of the Alaska Municipal League, but similar letters were sent to all school district superintendents and presiding officers of > school boards in Alaska. > As further information and materials are developed regarding this matter, it will be made available to the public. One way to keep informed about this matter is to subscribe to the Local Boundary Commission> '> s public notice service. There is no charge for the service. You may subscribe at > http://list.state.ak.us/guest/RemoteListSummary/DCED_LocalBoundaryCommissionlist > Thanks again for your comments. As you will note from the attached letter, the Chair of the Commission and the Commissioner of the Department of Education and Early Developing are inviting comments for the record regarding consolidation. Please advise me if you would like me to include your earlier e-mail in the record? > > > > Cheryl Stickler wrote:

11/26/2003 7:25 AM

RE: Klukwan School

```
> > Dear Mr. Bockhorst,
> > I'm sorry I missed your call Friday afternoon. I'm usually available in the
office during the afternoons (I teach a.m. classes), but was in meetings the day you
called.
> >
> > Debra was absolutely right about email. It's the best.
> >
> > The Klukwan School was built in 1985 and our current enrollment is 40 students.
We serve pre-school students 3 days/wk, and on those days we have 42 students. Of
the 40 students, 29 live in the Haines Borough and 11 are from Klukwan. Of the 2
pre-school students, 1 lives in the Haines Borough and 1 lives in Klukwan. We have 4
students on a waiting list for bus space (our bus holds 18 children) - hence the
waiting list. The decision to purchase a bus was made after many parent requests for
their children to have an opportunity to have an education that is culturally
relevant.
> >
> > There are a few different reasons for the appeal of the Klukwan setting: 1) it
is smaller and students receive individualized instruction; 2) the Tlingit
language/culture program is integrated throughout our school day and helps us work
toward our mission statement that supports local heritage language revitalization
efforts; 3) some students do not find success in larger school settings, but thrive
in a system that is small enough to meet the needs of each and every child; 4) due to
the village's> reliance on traditional values and mores, students have an
opportunity to work in an environment that reinforces respect for elders, respect for
peers, and respect for the environment. Parents who send their children to this
school appreciate that.
> >
> > Finally, not knowing how the process for this consolidation will progress, it is
vital for you to be aware that community members must have input on the decision. If
the State begins thinking about linking the Klukwan School with the Haines Borough
School District, certain political issues need to be addressed. Klukwan is not part
of the Haines Borough. It is a federally recognized tribe and its land is held in
trust with the federal government. There is a strong political history between
Klukwan and Haines that this consolidation effort may re-open.
> >
> > As for the Chatham School District and the Haines Borough School District, we
have been educational partners for the families in our valley for many years. I feel
we are building a communication bridge which allows us to work together for our
communities' families. I appreciate working with our two districts' administrations
and regard them highly.
> >
> > I would appreciate more information regarding this consolidation effort and the
options that may be available for Klukwan School.
> >
> > Sincerely,
> > Cheryl Stickler
> >
> > cc: Connie A. Newman, Superintendent, Chatham School District
> > > -----
> > > From:
                    Dan Bockhorst
                   Monday, November 24, 2003 6:31 AM
> > > Sent:
> > > To: Cheryl Stickler
> > Subject:
                   Klukwan School
> > >
> > > <<File: 110603 Senator Wilken -- intent.pdf>>
> > > Ms. Stickler: I serve as staff to the Alaska Local Boundary
> > > Commission. The 2003 Alaska Legislature directed the Local Boundary
> > > Commission and the Department of Education and Early Development to
> > > address issues relating to school consolidation. Attached is a copy of
> > > a letter from State Senator Gary Wilken dated November 6, 2003,
> > > outlining details of the legislative directive.
> > >
> > > I have spoken with Debra Schnabel about the matter. She suggested that
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RE: Klukwan School

> >

> > > I also speak to you. I tried calling you on Friday, but you were > >> unavailable. Debra suggested that I try contacting you by fax or > > > e-mail. I would appreciate it if you would answer the following > > > questions: > > > > > > When was the current Klukwan School built? > > > What is the current enrollment at the Klukwan School? > >> How many of the students currently enrolled at the Klukwan School live > > > in the Haines Borough? > >> How many students are currently on the waiting list to attend the> > > > Klukwan School. > > > Of those on the waiting list, how many are residents of the Haines > > > Borough? > > > To what do you attribute the popularity of the Klukwan School? > > > > > > > > > > > > > > > >

11/26/2003 7:25 AM



THE LAKE AND PENINSULA SCHOOL DISTRICT 101 Jensen Drive P.O. Box 498



King Salmon, Alaska 99613 Phone (907) 246-4280/Fax (907) 246-4473

November 25, 2003

By FAX: (907)269-4539

Roger Sampson, Commissioner Alaska Department of Education & Early Development 801 West Tenth Street, Suite 200 Juneau, Alaska 99801-1894

Darroll Hargraves, Chair Local Boundary Commission 550 West Seventh Avenue, Suite 1770 Anchorage, Alaska 99501-3510

Dear Commissioner Sampson and Chair Hargraves:

I am writing in response to your letter requesting my opinion on school consolidation. While I appreciate the motivation of school consolidation to increase the efficiency of operations, I believe that school consolidation will not automatically lead to a higher level of student achievement or, in the long run, be more fiscally responsible. As is always the case with education, we must do what is right for our students; therefore I approach the topic of school consolidation with caution. Here are my views on the two points raised in your letter.

In regard to the administration of a district, I think it is a mistake to presume that combining two administrations will make operations more efficient. In particular, school consolidation that would include multi-sites, diverse cultural rural districts is counterproductive. In my district, it is a daily challenge for our administration to meet the students' needs at our fourteen schools since the distance between sites is great (no roads, only travel by small plane) and the cultural make-up is wide-ranging. I believe that increasing the size of my district would reduce efficiency, decrease productivity, diminish staff and student moral resulting in overall hindrance in providing education.

I recognize that the consolidation of administrations of two single site districts that are in proximity on a map may appear feasible and doable. However, I am apprehensive in making a recommendation that such consolidations occur without taking into account and allowing for the many seen and unseen variables (including cultural) of the two sites. I don't believe there is a "one size fits all" way to approach combining districts and administrations; it must be carefully considered on a case by case basis.

Chignik Bay • Chignik Lagoon • Chignik Lake • Egegik • Igiugig • Ivanof Bay • Kokhanok • Levelock Newhalen • Nondalton • Pedro Bay • Perryville • Pilot Point • Port Alsworth • Port Heiden

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November 25, 2003 Roger Sampson, Commissioner Darroll Hargraves, Chair Page 2

If some form of school consolidation is mandated by the legislature, then Senator Wilken's second option, consolidation of school functions, should be explored as a way to reduce operating costs. Again, it is imperative that such a study includes the pending and long-range effects on student educational achievement. I know that all organizations strive to improve the efficiency of their operations and if shared services indicate improvement, then it should be considered. However, if shared services cause a school district's delivery of education to be diluted to the point of regression, then it is a serious mistake to pursue this option as it defeats the very purpose of education.

Knowing the cost of education continues to rise, I agree that it is appropriate to examine ways to save money and be more resourceful. However, it is wrong and detrimental to the future of our State and all its citizens, to view monetary efficiency as the bottom-line. We are not in the business of making money; there are no financial profits for a school district. The profit that a school district realizes is the success of its students. Any effort that undermines this chance for success should not be considered.

Sincerely,

Steve Atwater ' Superintendent

cc: Jeff Currier, Lake and Peninsula Borough Manager

200 🖄

11-25-03 06:07pm From-City of Valdez

98353420

T-844 P.002/004 F-516



Office of the City Manager November 25, 2003

Mr. Darroll Hargraves Chair Local Boundary Commission 550 W. 7th Avenue, Suite 1770 Anchorage, Alaska 99501-3510 Fax (907) 269-4539 Mr. Roger Sampson Commissioner Department of Education & Early Development 801 W. 10th Street, Suite 200 Juneau, Alaska 99801-1894 Fax: (907) 465-4156

Dear Mr. Hargraves and Sampson:

The City of Valdez has followed the issue of school district consolidations and its impact on the formation of boroughs. The City of Valdez is a home rule municipality that contributes over 50% of the funds necessary for operating the local school district. The district has nearly 870 enrolled students.

Recently, the City of Valdez passed Resolution 03-90, formally supporting Senate Concurrent Resolution 12, sponsored by Senator Wilkin, which called for the formation of boroughs in four regions of the state for the expressed purpose of having local residents contribute to local education where they can. A copy of Resolution 03-90 is enclosed for reference. The City has long supported the formation of boroughs in areas of the State where they can financially contribute to local school districts.

Although the City of Valdez is located in the unorganized borough, Valdez does contribute over 50% of the cost for local education and is relatively isolated which does not lend itself readily to combining Valdez with other jurisdictions in order to achieve economies of scale by combining school districts. In combining school districts for efficiencies one needs to look at the distances separating the current districts and the modes of the transportation between these locations.

The statement of legislative intent regarding SCR 12 outlines the primary purpose of school consolidation as "...providing effective and results-based intervention strategies to improve performance that will assist students to raise their achievement levels and meet high academic standards, especially in the core areas of reading, writing, and mathematics..." While the City understands and supports the desire of the state to have local communities and areas financial support education in their areas toward this goal, the City will not support efforts to combine the Valdez School District with other schools districts. The combination of Valdez with another district would only dilute the already declining tax revenue needed for local education. The end result for Valdez would mean a reduction in academic standards.

Thank you for your consideration of the City's comments.

Sincerely,

David Dengel City Manager

P.O. BOX 307 • VALDEZ, ALASKA 99686 TELEPHONE (907) 835-4313 • FAX (907) 835-2992 11-25-03 06:07pm From-City of Valdez

98353420

CITY OF VALDEZ, ALASKA

RESOLUTION 03-90

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ ALASKA SUPPORTING SENATE CONCURRENT RESOLUTION 12 AND RECOMMENDING PASSAGE OF SCR 12

WHERAS, a significant portion of Alaskans reside within unincorporated areas, within the unorganized borough; and

WHEREAS, these areas of the state do not financially support their local public school systems; and

WHEREAS, residents living in organized boroughs, and home rule or first class cities within the unorganized borough are required to operate and fund their public school systems; and

WHEREAS, Senate Concurrent Resolution 12 acknowledges the natural unfairness in our current local government structure and offers a possible solution; and

WHEREAS, the Local Boundary Commission determined in its February 2003 report Unorganized Areas of Alaska that Meet Borough Incorporation Standards, that seven unorganized areas meet current standards for borough incorporation, including the necessary fiscal and administrative capacity to conduct borough functions; and

WHEREAS, while three of the model boroughs have cities that contribute at or above the required school match funding, four of these seven areas have a significant number of residents who are not required by the state to help operate or support their local schools; and

WHEREAS, all areas of Alaska should be required to contribute toward school operations and maintenance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ ALASKA, that

The City Council of the City of Valdez, Alaska supports Senate Concurrent Resolution 12 insofar as it recommends borough formation for the Upper Tanana Basin, Copper River Basin, Glacier Bay and Chatham Region Model Boroughs for the purpose of area contributions toward school operations and maintenance. 11-25-03 06:08pm From-City of Valdez

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98353420

T-844 P.004/004 F-516

Resolution 03-90 Page 2

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA this 6th day of October, 2003.

CITY OF VALDEZ, ALASKA

Bert L. Cottle, Mayor

ATTEST:

Sheri L. Pierce, CMC, City Clerk



P.O. Box 800 Craig, AK 99921 Phone 907-826-3274 FAX 907-826-3322

CRAIG CITY SCHOOL DISTRICT

Ronald W. Erickson, Superintendent

Camille Booth, Principal Doug Rhodes, Principal Bill Whicker, Principal

November 19, 2003

Mr. Darroll Hargraves, Chair Local Boundary Commission 550 West Seventh Avenue, Suite 1770 Anchorage, Alaska 99501-3510



Local Boundary Commission

Dear Mr. Hargraves,

Thank you for the opportunity to respond to the questions relating to school consolidation. Your first question regarding the best interests of the children and public compelling school consolidation is a difficult question to answer. I am sure you are aware that with rare exception there are no large scale savings with school consolidation. Studies have shown that over a period of 5-10 years after consolidation, costs to operate consolidated schools nearly equal what the costs would be to operate the schools had they not been consolidated. This was borne out in studies in New York State, Kansas, and Iowa which, back in the 1950's through the 1970's, underwent significant consolidation efforts. So the question of the public interest as it pertains to cost savings is probably not compelling. On the other hand, if the public interest is better served through enhanced educational opportunities and a greater portion of the dollars available being spent on instruction, it would appear that there could be a compelling argument made in some cases. For instance, very small high schools are not able to provide the breadth and depth of programming that a larger school could provide. Some classes can be provided in the small schools with the use of technology but the performing arts, and many vocational classes do not lend themselves to a distance education format. One might say that shifting substantial funding from central administration to classroom instruction through school district consolidation could provide more opportunities for students either in coursework or remediation of basic skills. This could constitute a compelling argument for both the public and the students. One of the biggest arguments against consolidation is of course the loss of local control as viewed by the communities involved. That is probably one of the most compelling reasons to NOT consolidate as the smaller communities will lose control of what happens to their schools. Unfortunately, this need for local control is many times in conflict with what is in the best interest of the students educationally although not necessarily culturally. The gap between educational opportunity and local control, particularly as it relates to cultures, is significant in Alaska.

Aspects that I believe need to be considered before any consolidation plan is promoted or recommend include: reasonable geographic proximity of the schools; language/cultural similarities; school board representation (organization); funding changes/enhancements (incentives); potential cost savings (economies of scale, particularly in central administration); and of course a reasonable expectation that student learning will be improved. I believe there are several instances where by using these criteria, school consolidation could or in some cases should take place.

The second question related to options for school consolidation are well addressed by Senator Wilken. I think that the use of the third class borough is one option that is much more palatable by some regions than is the first, second or home rule borough. I do not think you should try to recommend actual individual school consolidation within established districts or between neighboring districts such as forcing the closure of one high school and sending all the students to the neighboring school district. I think the considerations need to be consolidation of <u>school districts</u> and then let the new district school board make the determination about individual school consolidations. One of the greatest fears is that communities will lose their schools if consolidated. That must be a local school board decision, not one made by either the Boundary Commission or the Legislature. School size is already an issue in that schools of less than 10 are not funded. They close because of the funding and that decision is made by the <u>local</u> school board.

In closing, I only hope that either the Boundary Commission or the Legislature does something definitive this year and gets us past the continual upheaval that these discussions generate. These issues are so divisive and take so much of a community and school's efforts to respond to, which drains time and resources from instruction which is already scarce. I keep hearing that "boroughization and/or school consolidation" is eventually going to happen, so let's get on with it if that is so.

Sincerely,

Conclobs Suchon

Ronald W. Erickson Superintendent of Schools Craig City School District

CC: Roger Sampson, Commissioner Department of Education and Early Development 801 West Tenth Street, Suite 200 Juneau, Alaska 99801-1894
11/25/03 TUE 10:44 FAX

2002

Yupiit School District

Box 51190 • Akiachak, AK 99551 • (907) 825-3600 • FAX (907) 825-3655



November 24, 2003

Mr. Darroll Hargraves, Chair Local Boundary Commission 550 W. 7th Avenue, Suite 1770 Anchorage, Alaska 99501

Dear Mr. Hargraves:

This letter is in response to your correspondence of November 10, concerning the directive (page 10, section 1, chapter 83, SLA 2003) from the 2003 Alaska Legislature concerning school consolidation. While Yupiit School District has well over the threshold number of 250 students in districts being looked at for possible consolidation, it is my understanding we are being considered on the basis of being one of the state's newer districts. I would like to express my disagreement with this action on several counts.

First I believe local control and autonomy when our children's education is involved is of the utmost importance. If the Yupiit School District were to consolidate with another district, our people would no longer have the influence they now have upon their children's schooling. Instead of two or three representatives from each village on the Regional School Board, a village would be lucky to have one. When a move such as consolidation happens to our people instead of by them, through democratically held elections, there is a sense of loss and lack of ownership in the resulting organization.

Second, Yupiit School District is one of the few districts in the state experiencing an increase in student population. Over the past 10 years, YSD has seen a 19% gain in student count, while statewide numbers have only seen a gain of 9%. In that same time period, our state funding for education has increased only 8%. In other words, in 1993, we were spending approximately \$10,630 per child. This year, we will have \$9,854, nearly \$1,000 less to educate each child. When inflation is factored in, it is very clear YSD has learned to do more with less, to live within our means, and to get the biggest return on each dollar possible.

Henry Lott Memorial School P.O. Box 115 Tuluksak, AK 99679 (907) 695-5625 FAX (907) 895-5645 Arlicaq School P.O. Box 227 Akiak, AK 99552 (907) 765-4600 FAX (907) 765-4642 Akiachak Elementary School P.O. Box 51190 Akiachak, AK 99551 (907) 825-3616 FAX (907) 825-3656 Moses Peter Memorial High School P.O. Box 51190 Akiachak, AK 99551 (907) 825-3660 FAX (907) 825-3690 11/25/03 TUE 10:44 FAX

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Third, this whole discussion appears to be void of what should be our main goal: Increasing student achievement. I realize YSD is on district and school improvement lists. However, we are making great strides in improving education and student test scores. If we were to become part of a larger district, the attention to each individual child could not be at the level we achieve now. In looking at neighboring schools, and in particular, the schools of Lower Kuskokwim School District, I do not see the improvements being made that we are achieving. If we were to be absorbed by LKSD, I am afraid we would just be "one of many" failing bush schools in their district. Now we feel the pinch very personally and are working very hard to see improvement in our students.

In your letter, you asked two specific questions. I would like to address these in closing.

1. Given the considerable administrative and managerial duties associated with operating a public school district, at what point does the best interests of Alaska's children and the best interests of the general public compel school consolidation?

Student achievement must be the determining factor in school consolidation. If it can be demonstrated scientifically that students from larger districts perform better, this would be a valid reason for consolidation. The "best interests of the general public" would be compelling when the general public is crying for consolidation. It has been my observation so far the only ones crying for consolidation are the legislators. As one of my board members so eloquently put it, "We ought not to be stingy with our children." If we balance the state budget on the backs of our children, we will all lose.

2. If some form of school consolidation is directed by the Alaska legislature, what options should be considered first?

I do not believe there is a time when school consolidation should happen as the result of a directive from the State Legislature. This ought to be a decision made by the people who will be affected by the consolidation, the voters of this great state.

Thank you for your time and consideration of my opinions.

Sincerely,

Joe Slats, Superintendent

JS/cr Cc: Roger Sampson

NOV-26-03 WED 10:03 AM DCED COMMISSIONER JNU

FAX NO. 9074655442



CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98" P.O. BOX 415, SKAGWAY, ALASKA 99840 (PHONE) (907) 983-2297 (FAX) (907) 983-2151

P. 02/03 HĊ

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AK Dept. of the Althentic Lev Contra

November 20, 2003

The Honorable Darroll Hargraves Chair Local Boundary Commission 550 West 7th Avenue, Suite 1770 Anchorage, Alaska 99501 The Honorable Roger Sampson Commissioner Dept. of Education 801 West 10th Street, Suite 200 Juneau, Alaska 99801-1894

Dear Commissioners Hargraves and Sampson:

The City of Skagway has received your letter of November 10^{th} requesting our input on the issue of consolidation of schools. We are very concerned about the direction that you have been given, both from the legislature as well as from LBC staff.

While we are certainly sympathetic to the desire to increase efficiencies as the state addresses the growing fiscal gap, we remain amazed that there is still the misplaced sense of a "one size fits all" solution to the problem.

Some of our largest districts in our most populated communities enjoy state support of local education of upwards of 80% of the cost of that education, while some small districts with entollments of under 250 students have a level of state support well under 50% of the total cost of education.

It is not necessarily the case that small remote school districts enjoy the highest level of state support. Nor is it necessarily the case that consolidation of small districts will save money in the long term. And it is rarely the case that by saving money in administrative costs the quality of the educational experience of those students will improve.

This is particularly the case in Skagway. We have been the focus of the ire of Senator Wilken for quite some time. I am sure that both he and the LBC would like for our school district to be combined with Haines, at a minimum. As our superintendent is also the school principal, the cost savings would be minimal. However, the advantages to Haines would be significant in that they would have access to our substantial tax base, and would have the majority of the seats on the resulting school board. More money – No opposition... This would be a godsend to them, and the death knell for us. And, we already contribute in excess of 50% of the cost of our education, which is considerably higher than Anchorage or Haines.

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P. 03/03

Consolidation of Schools November 21, 2003 Page 2 of 2

If there are opportunities to increase the educational opportunities in areas in the state while at the same time saving money, then they should be explored. However, do not assume that what works in one area will work in all. Perhaps you should start by looking at any school district that receives more than 50% of its funding from the state, regardless of enrollment, and see how the local governments can step up to the plate. Please don't mess with those districts who are already paying the lion's share of their local education costs. This will only make their burden greater, and the education of their youth less certain.

Sincerely,

Tim Bourcy, Mayor

Cc: Governor Murkowski Commissioner Blatchford Senator Lincoln Representative Kookesh

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Lake&Peninsula Borough

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November 25, 2003

The Honorable Darroll Hargraves Chair Local Boundary Commission 550 West 7th Ave, Suite 1770 Anchorage, Alaska 99501 The Honorable Roger Sampson Commissioner Dept. of Education 801 West 10th Street, Suite 200 Juneau, Alaska 99801-1894

Dear Commissioners Hargraves and Sampson:

Thank you for the opportunity to address matters relating to school consolidation per the Legislative directive within the State operating budget, Sec 1, Chapter 83, SLA 2003.

You asked for a response to the question of the considerable administrative and managerial duties related to operating a school district and at what point do the best interests of Alaska's children and the best interests of the general public compel school consolidation. This is a very difficult, complicated and intricate question to answer.

I offer these thoughts from a manager's prospective:

If indeed the State of Alaska is driven in this endeavor with the principal purpose of saving money, studies suggest the consolidation of schools <u>might</u> save 5 to 10% of the education budget. The downside for students involved in a consolidation process is unknown. The question then is such a small savings worth the risk of negatively impacting unknown numbers of our students?

On the other hand, if the State of Alaska is driven by the organized borough vs. the unorganized borough issue, studies demonstrate a wealth of pros and cons on both sides of that issue. Making the numbers say what you want is no doubt at work here. However, the question of who will benefit from forced borough formation should be closely considered.

The sad truth is the State of Alaska has done a miserable job living up to its constitutional obligations to financially support existing school districts, municipalities and boroughs. In my opinion, few regions are likely to pursue borough formation of their own volition. There are just too few incentives for borough formation. The reality state-wide is quite the contrary. Many small communities are openly discussing dissolving their local governmental structures and turning their keys over to the State of Alaska. Those

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Lake&Peninsula Borough

2003

numbers include municipalities within organized boroughs and as well as from the unorganized borough. I am quite certain municipal disbandment was a topic during the recent AML Conference in Nome. Many small rural communities are being forced "out of business" by unceasing state budget cuts and program "changes" while more and more community needs are now met by federally funded programs developed in large part to offset the State of Alaska's funding shortfalls. What happens when the federal funding so prevalent in the State of Alaska right now, begins to dry up?

Finally, if some school consolidation is in fact mandated by our Legislature, Senator Wilken's "option number 2" would be our choice for the first option. However, it should be viewed as "the lesser of the evils" and not applicable in most situations.

Thank you for the opportunity to comment.

Sincerely Currier

Borough Manager

Cc: Superintendent Atwater, Lake and Peninsula School District



20 November 2003

Darroll Hargraves Chair Local Boundary Commission 550 W. 7th Avenue, Suite 1770 Anchorage, AK 99501 Roger Sampson Commissioner Department of Education and Early Development 801 W. 10th Street, Suite 200 Juneau, AK 99801

Dear Mr. Hargraves and Commissioner Sampson:

Thank you for the opportunity to provide comment on the matter of school consolidation, as requested in your letter of November 10, 2003. The Alaska Association of School Administrators (AASA) is vitally interested in this topic and welcomes the chance to help frame the discussion to best meet the needs of Alaska's students.

For the record, the AASA membership passed a resolution in early October 2003 <u>opposing</u> mandated school district consolidation. Several reasons are cited in the resolution to include, the loss or reduction of local control over educational matters, the lack of a demonstrable connection between academic performance and school consolidation, and projected minimal cost savings. AASA membership does support continuation of the many existing cooperative efforts to share services, when such efforts result in real cost savings to the districts.

Most importantly, we believe that if school district consolidation is to occur, it must enhance student achievement. Otherwise, there is little point to creating the upheaval that will likely result. However, if districts voluntarily combine (as has occurred in the past) it is assumed they will have analyzed the benefits to each, both monetarily and academically, through shared services, shared staff, economies of scale for purchasing, and the like.

You have posed two questions. First, "Given the considerable administrative and managerial duties associated with operating a public school district, at what point does the best interest of Alaska's children and the best interest of the general public compel school consolidation?"

In answer, consolidation of <u>schools</u> is a district function, not a state function. The number of schools, and their grade levels, should be determined by the school district staff who understand the local needs and where best to target the district's resources. That being said, a reconsideration of the minimum number of students required for maintaining a school in a community should be undertaken.

Consolidation of <u>school districts</u>, however, arguably falls to the state. There is not a single, precise point at which school district consolidation would be compelled. For example, due to geographic location, it is unlikely that the Pribilof School District will ever be more effectively administered by another district. The school district will always require an administrator and staff on-site, even though it is small. Or, consider Skagway that is also small, yet contributes nearly 50% in local contribution to their education system. Would the state wish to risk losing that contribution by combining it with another district? On the other hand, there are some districts with more than 250 students that might benefit from merging. Bottom line? No simple solutions exist for this very complex problem.

The second question is "If some form of school consolidation is directed by the Alaska Legislature, what options should be considered first?" It must be underscored, once again, that AASA is <u>opposed</u> to mandated school district consolidation. Voluntary sharing of services and staff clearly are the options to first be considered. Furthermore, any answer to this question depends upon what the Legislature's purpose is for consolidation.

If savings to the state budget is the reason for directing consolidation, and a significant savings can be realized, then combining REAA's (because they are fully funded by the state) could be considered. In particular, there are some REAA's that were newly created some years ago, even though they had been part of an existing REAA. A second fully state-funded school district is Mt. Edgecumbe High School which is a school, not a district. It shares administrative services with the Department of Administration and it could be treated the same as other boarding schools that operate within school districts.

Next is to look at districts with fewer than 100 students, considering many factors. If a city district were to be combined with its surrounding REAA, presumably the required local contribution from that city will be lost to the state. Also, any administrative cost savings will only be realized once as other costs rise (such as travel costs to take care of administrative issues that remain, though the administrator departs).

I contacted other state executives and have learned that consolidation of school districts is no panacea for student academic performance enhancement. Proponents of consolidation believe the cost-savings, however minimal, are worth the disruption of local autonomy to run schools. Opponents of consolidation believe the price is too high for the loss of local control and involvement in their schools. In any event, no one has a good grasp of the effect on student performance, whether negative or positive.

AASA appreciates the chance to assist you in this very important task.

Respectfully,

Francis Mama

Mary A. Francis, Ph.D. Executive Director, AASA



GALENA CITY SCHOOL DISTRICT

GALENA, ALASKA 99741 PHONE (907) 656-1205 FAX (907) 656-2238

November, 17, 2003

Commissioner Roger Sampson Department of Education and Early Childhood Development 801 Tenth Street, Suite 200 Juneau, Alaska 99801-1894





SUPERINTENDENT'S OFFICE

Dear Commissioner,

I present the following in response to your request regarding consolidation views. It seems that the consolidation and potential closure of small schools comes to issue all across this great land, in all states. Under-funded schools law-suites, mandated consolidation, local control, basic educational services, student testing profiles, resulting student transportation heeds, cultural differences, quality of school staff, existing and potential facilities, school and community leadership, employee benefit packages, employee housing, existing travel costs, fiscal impact (taxation/impact aid/grant funding/collective bargaining agreements), available technology, and of course student enrollment patterns. Having served through school consolidation in the Rudyard and Hingham School Districts that became the Blue Sky School District in Montana I can attest first hand to many behefits, challenges and angry feelings that can evolve from locally voted consolidation and can only imagine the unrest that comes from man-dated combinations. Diminishing student count invited several school consolidations in Montana. Economy of numbers of course provided some savings but increased travel costs often off-set those. As smaller communities lost student numbers to a point of closure, citizens generally blame school consolidation for the loss of their community being.

I don't believe there's magic in the number 250. Communities can certainly operate quality schools with economic efficiency at smaller student counts. The choice of course is in the kinds of service expectations which are generally driven by the resources present. The Galena IDEA program offers excellent services at less than half the cost of average schooling in Alaska for thirty-seven hundred students. Their state test scores much higher than average. The available resources will drive the program options and we would hope quality. The state's position should be one that quickly presents service options proven valid but within the cost range of per student amounts in the 250 student November 17, 2003 Page 2

count districts. So who decides what number are too few students? Because there is really no such number, school administrators and trustees must examine all the things noted above and those noted in Senator Wilken's communication. The individual community need, location, facilities, resources, student performance, child-count and culture should all be a part decisions regarding the future of our children. Are parents qualified to make those decisions? I say within the limits of available resources. A great many Alaska parents are making those decisions now either working with the educational services available in the area, moving, or relocating their children in schools with more extended programs. The technology is currently available to present sound instruction and learning, undoubtedly we'll be in conflict with "No Child Left Behind". There's nothing about a student count that dictates consolidation or closure but rather child welfare and academic performance.

In closing, I feel that the dollars spent on further studies or litigation, and we've seen plenty of both around the country, would be far better spent on analyzing student services toward higher performance in low performing districts. Economy of scale would probably direct us a state-wide school district like that employed in Hawaii and of course they have just as many or more problems as our local control model. Will we want to consolidate Fairbanks and Anchorage?

Cordially, M

James E. Smith School Administrator Galena City School District

Cc: Darroll Hargraves

CITY OF TANANA PO BOX 249 TANANA, AK 99777 (907) 366-7159 FAX 366-7169

November 21, 2003

Roger Sampson Commissioner Department of Education and Early Development 801 West Tenth Street, Suite 200 Juneau, Alaska 99801-1894

Dear Commissioner Sampson:

The City of Tanana is in receipt of your letter relating to school consolidation. The timeline from receipt of the letter on November 14 does not give the city enough time to set a meeting with the school to discuss this matter and to respond by November 26. The City does intend to respond in as timely a manner as possible.

Sincerely,

Jun llator

Peter L. Platten City Manager

Cc: Darroll Hargraves Chair Local Boundary Commission





Local Boundary Commission

	TANANA	CITY	SCHOOL	DISTRICT		
C	•	Maudrey	y J. Sommer School			
P. O. Box 89 89 River Street Tanana, Alaska 99777			Telephone: (907) 366-7203 or 7207 Fax: (907) 366-7201 Web Page: http://sztanana.tanana.schoolzone.net D< D			
Novem	ber 25, 2003					
Darroll	Hargraves, Chair			J _ 1 7 1 2003		
550 W. Anchor	7 th Avenue rage, AK 99501-3510			Local Boundary Commission		

Dear Mr. Hargraves:

Your November 10 letter sent to the Honorable Donna Folger, Mayor of Tanana, arrived after our November meeting of the Tanana City School District Board of Education, and contained a deadline for submitting comments that is before the December meeting. Thus, it did not allow time for the School Board and the City Council to meet together or separately, to form a reply.

A formal reply containing the Tanana City School District's input concerning school consolidation will be sent when the TCSD Board of Education has met. In the meantime, a few matters should be brought to your attention that have been discussed by the school district's board and administration in the past. The major points that the Boundary Commission may want to consider, if matters must be discussed before the formal reply is received, are that Tanana City School District wishes to stay independent, Tanana is incorporated as a first class city (therefore already contributes to the funding of the schools), Tanana City School District's schools already run as inexpensively as possible, and Tanana's Maudrey J. Sommer School made adequate yearly progress for the school year just reported.

Tanana originally incorporated as a first class city because the residents wished to have local control of their school. That desire has not changed. As a first class city, Tanana has consistently contributed more than the minimum required local effort toward support of the school. As a community, the residents of Tanana contribute to the school in many more ways than just money. There are countless volunteer hours, donations and general support of the school and its activities. The citizens of Tanana own their school and are proud of it. Forced consolidation would take that away from them.

The expenses that keep Tanana City Schools from being able to spend 70% of their budget on instruction are fixed operating costs of the building. Providing fuel, electricity, maintenance, water and sewer to Maudrey J. Sommer School cost more than 30% of the funds available to the district. The district employs only one maintenance man and one custodian. Likewise, there is nothing left to cut from administration. TCSD employs one chief school administrator, who performs the functions of superintendent, principal, special education director and part-time teacher. The current administrator is a retiree who has signed a waiver for the TRS system; she works for less than two-thirds the average Alaskan superintendent's salary. Accounting functions are being localized, a process that will minimize those costs, reducing them to a fraction of the cost of an external accounting contract.

There is certainly no fat in the costs for teachers. Every teacher teaches multi-level, combined classes.

Any further reduction in number of teachers would be very harmful to the education of the students. According to information from NEA, the TCSD salary scale is in the lower half of salary scales across the state. Nor are there aide positions to cut.

In summary, TCSD has done very well, helping the Maudrey J. Sommer School students to achieve adequate yearly progress, with minimum funding. Local control and local support have made that possible. (The failure of the district as a whole to make adequate yearly progress lies in the fact that it was not possible to test enough of the students in the district's statewide correspondence program.) Consolidation would actually cost more, since some of the cost-cutting measures currently in place would not be available to a consolidated system. Local contribution would not be likely to increase. It is more likely that it would decrease to the minimum required, since local incentive to contribute more would not longer be felt by the residents of Tanana.

Until a full reply can be drafted by the TCSD Board of Education and the Tanana City Council, please consider the points presented.

Sincerely,

Mary Edwin

Chief School Administrator



DEC 02 2003

November 21, 2003

Local Boundary Commission

The Honorable Roger Sampson Commissioner Department of Education 801 West 10th Street, Suite 200 Juneau, Alaska 99801-1894 The Honorable Darroll Hargraves Chair Local Boundary Commission 550 West 7th Avenue, Suite 1770 Anchorage, Alaska 99501

Re: Response to School District Consolidation Letter

Dear Commissioners Sampson and Hargraves,

I am in receipt of your letter dated November 10, 2003 concerning the issue of school district consolidation in Alaska, specifically in districts with fewer than 250 students. I am very grateful that you are giving me an opportunity to respond to this question as it might have dire consequences for the students in our school district and for the citizens of the city of Skagway. Thank you so much for soliciting a response from me to your letter.

Let me first state that I am very cognizant of the serious fiscal constraints that Governor Murkowski and our Alaska State Legislature are having to grapple with during our present national and state economic recessions. I applaud their efforts in seeking creative avenues to help to alleviate some of the costs adversely impacting our state's budget. And I will support those decisions made by Governor Frank Murkowski and the Alaska State Legislature to improve the economic and financial outlook for the State of Alaska. I am glad that both the Local Boundary Commission and the Alaska Department of Education and Early Childhood Development are examining a wide variety of options for saving our state desperately needed revenues that are vital to balance the state's budget.

In a state as large and diverse as Alaska it seems that the complicated and arduous task of analyzing the possible outcomes of school district consolidation must be done on a school district by school district basis. Probably each school district in our great state present uniquely "Alaskan" issues and situations that would impact your recommendations. That makes this task for the LBC and the DEED exceedingly difficult as you begin a rigorous analysis of this issue. I truly hope that my letter to you might give you a greater understanding of the inimitable distinctions found in the Skagway City School District.

In the case of the Skagway City School District we, indeed, are a very small, rural district situated approximately 100 miles north of Juneau. As you may know, we are the northern terminus of the Alaska Marine Highway and are connected through the road system by 800 miles of highway to Anchorage. Our district consists of approximately 118 students in grades PreK-12 in one building. Our school building was built in 1985. We have thirteen certified teachers, one special education paraprofessional, two office personnel, one cook, two maintenance workers, and one custodian. I am the only administrator in the school district and I act as the superintendent, principal, Director of Special Education, Personnel Director, Director of Federal and State Programs, and the grant's writer. Our School Board has five members and its president is Mrs. Chris Ellis.

Our district has been adversely affected by Sec. 14.17.600 of Alaska School Laws and Regulations Annotated which arbitrarily sets the 20 day student count date as the fourth Friday in October. We are possibly unique in Alaska since 20% or more of our school students while here when school starts in August will eventually leave at the end of the tourist season near the end of September. They return in March so their parents can prepare for the next tourist season. These families are actual residents of Skagway and many own homes here, but we are never able to include their children in our student count because they are not here in October. Our district has lost over 1 million dollars in revenue over the years because of this situation. We must and want to provide teachers, textbooks, school equipment, and ancillary resources for these students in August, September, March, April, and May and summer school in June and July, but we never get compensated by the state for part of these expenditures because of the current student count procedure. And our students are not enrolling and going to school in other districts in Alaska where they, at least, could be considered in the student state enrollment, but are going to various locations throughout the United States and the world and in some cases are home schooled as they travel visiting family and friends.

Even with this loss in pupil count to our district we are still not going to be a district with more than 250 students for the near future. Mr. Mike Catsi, Executive Director of the Skagway Development Corporation, and I have been in meetings discussing possible endeavors that we could sponsor to expand the economic base of our community and bring more families to live and go to school in Skagway. One proposal that we would like to be considered for by the Department of Education & Early Childhood Development is establishing a Regional Learning Center in Skagway. We feel that we have an excellent location and infrastructure to support an additional location for secondary education. We might even be considered as a magnet, charter school for students in a specialized area like computer technology, environmental sciences, fish hatchery, or the tourist industry. Or a boarding school for students coming from locations in the United States and the world might be a very viable economic enterprise for our school district and city. I am independently seeking grant funds both from government agencies and philanthropical, endowed foundations to pursue this educational concept.

I believe that the Skagway City School District has tried to find ways to economize the costs of doing business in our school while maximizing educational opportunities for our students. We have proactively found ways to save money on our electrical and heating

bills while working in an almost 20 year building. As we have sought positive means to economize costs to our school district without adversely affecting the education of our children, we are increasingly having to find creative methods with which to replace a leaking, below ground diesel tank, replace a five hundred gallon water heater, drain and replace the glycol heating our building, trying to update our computer technology, purchase a school van, and provide a student food service program among other needs.

Besides the very important issue of keeping school districts accountable to local control as mentioned in your letter there should be very compelling reasons to consolidate school districts since it ultimately disenfranchises parents and families in local communities if the school district office is located geographically distant from the local school.

I have carefully reviewed the two questions posed in your letter and am unable to find substantial savings in doing business as a consolidated school district that would economically benefit the Skagway City School District. Question 1 in your letter implies that it might be in the interest of the general public to consolidate schools subsuming that costs for administrating the district might be lowered. In the case of the Skagway City School District our distance from either Juneau or Haines, our two closest neighbors, would not make it feasible to eliminate administrative, office, staff, or teaching personnel from our current employee configuration so I am unclear as to how a consolidation in Skagway, in particular, would benefit the citizens of our great state.

Question 2 in your letter suggests that if some sort of a school district consolidation is mandated by the Alaska State Legislature and approved by our Governor what options should be considered? Because Alaska is such an "unusual" state given its immense geographical boundaries and its sparse population centers I believe that it would be imperative to consider school district consolidation on a district by district basis. The children, communities, and cultures found throughout our state require analytical reviews that individually respects their needs and inculcates their goals and aspirations for the children in their villages, towns and cities. You have been charged with a formidable task.

I am very proud of the accomplishments of the students in the Skagway City School District. Our students have among the highest scores in the state in both state and national standardized tests. We have a city who consistently offers financial assistance to the maximum amount permitted by law. This year the City of Skagway is funding the school around \$97,000 as its share of participation for a school building roof repair construction project which was approved by voters in our state last November as referendum Proposition C. The state will provide the additional funding.

If the primary reason that school district consolidation might be considered by our legislature is for financial savings to the state, Skagway has a very unique proposition for the Local Boundary Commission. Please approve the City of Skagway's request to be made a Borough in Alaska. I know that Skagway wants to be a borough. The City wants to financially accept its fair share by contributing money to our state coffers to pay for state services and the costs of governing our state. Skagway wants to solve this problem!

Skagway is one of the few cities in the state that I am aware of that wants to accept a further financial burden by becoming a borough. Skagway seems to precisely define a place where local accountability and fiscal responsibility are deemed important. The Skagway City School District has issued Resolution 03-06 which I have enclosed in support of this endeavor. Our citizens want to assume their fair share for the governance of a borough and are on record of stating that the \$600,000 start-up costs provided by the state for borough formation is not needed by the City of Skagway to form its borough! That is a remarkable offer to our state in these dire financial circumstances.

I understand the concept of saving money for our state. I am unaware of statistical data which proves that school district consolidation saves money. It has not been very successful in North Carolina. I know that attempting to consolidate the Skagway City School District with either Juneau or Haines will not amount in any substantial savings. I am sure that consolidating our district with a neighboring school district will adversely impact the local autonomy of our parents in managing our district. I know that our students are already achieving at the highest levels in our state for every educational statistical measure used in Alaska to indicate success. I know that the City of Skagway wants to become a Borough and would then assume a greater responsibility and fiscal accountability for our Skagway City School District. We want to help solve this problem!

Please let me know if I may in any capacity be of assistance to either LBC or DEED or both of your agencies in contemplating and formulating recommendations to the Alaska State Legislature and Governor Murkowski. I urge you to consider being extremely creative and thinking "outside the box" by recommending that the City of Skagway become the Skagway Borough which would help the State of Alaska in our current budget crisis and also remove the fiscal concern about school district consolidation for the Skagway City School District! Skagway wants to be a positive part of the solution!

Please know that I admire your efforts, hard work, and dedication in trying to formulate recommendations about school district consolidation to our legislature and governor. The process that you are involved in epitomizes our democratic ideals and the benefits we all have by living in our great nation and sharing its freedoms. Again, if I may in anyway be of assistance, please feel free to contact me. Have a wonderful Thanksgiving holiday celebrating with your family and friends.

Sincerely, n. Michael Speary Dickens

Dr. Michael Gregory Dickens Superintendent

Enclosure of Resolution #03-06 supporting Skagway Borough formation

Cc: School Board, City Mayor, City Council, City Manager

SKAGWAY CITY SCHOOL

Resolution #03-06

Skagway, Alaska 99840

Whereas, Governor Frank Murkowski has challenged the cities of Alaska to accept their fair share of the financial burden to pay for the cost of government in our great state during these times of needed fiscal constraint.

Whereas, Governor Frank Murkowski has repeatedly stated that he is in favor of "local control" for the citizens living in rural areas throughout the state of Alaska.

Whereas, the City of Skagway has petitioned the Borough Commission to be given permission to form a borough of the sites of Skagway and Dyea so it can accept its full financial responsibility to operate a borough for its residents and because the citizens of Skagway and Dyea wish to exert their "local control" in this matter to become a borough.

NOW, THEREFORE, BE IT RESOLVED, that the Skagway City School District supports the efforts of the City of Skagway for the formation of the Skagway Borough through its petition of the Borough Commission and sponsors any necessary amendments in current law as enacted by the legislature to enable the creation of such stated political entity during the current session of the Alaskan legislature under statute law.

Adopted the 8th of April, 2003.

P.O. Box 497

(907) 983-2960

-Chris Ellis, President Skagway City School Board

November 26, 2003



DEC 0 3 2003 Local Boundary Commission

Mr. Darroll Hargraves, Chair Local Boundary Commission 550 West Seventh Avenue, Ste. 1770 Anchorage, AK 99501-3510

Dear Mr. Hargraves:

Thank you for the invitation to respond to questions regarding school consolidation.

The interests of the public are best accommodated when we consider the best interests of the children. In the long run, educational expenditures are the single best investment we can make in the future of the State. The legislature seems to believe that the public is best served by controlling the dollars spent on education. There seems to be a feeling that consolidation will produce cost savings to the State. I doubt that this is true. Inasmuch as the foundation formula pays primarily on a per-student basis, funding to districts will be much the same, absent considerations of boroughization as a means of providing local contribution in what are now REAA's. There could be some small cost savings to the state if a consolidated district decided to combine schools and reduce the number of sites funded, but I don't believe that this would occur in very many cases. Particularly in the lower grades, most studies show that children are better served when attending schools close to home. I believe that I can safely say a vast majority of the parents on Prince of Wales Island prefer to have their children attend schools in their home communities. Closing a school which is eligible for funding as a separate site is a decision not easily reached, and should be made at the local level. The small savings realized by reducing site funding come at great expense to our children, and the State should not even consider overriding local control of this issue.

The only financial benefit of consolidation <u>might</u> come from elimination of the redundancies in central administration where several small districts in geographical proximity now maintain complete administrative staffs. In such cases the elimination of several major salaries could make more money available for programs and teachers.

It may be in some instances that educational programs can be expanded and enriched in schools with higher enrollments, but this issue is largely offset by the proliferation of technology-enhanced delivery of academic programs. Vocational courses, and classes which

depend upon personal performance (such as music, debate, drama, etc.) may not receive the same benefits of technology, and it is possible that larger schools could benefit students who wish to enroll in these courses. However, the State has already declared that parents may enroll their children outside their home district, so forced consolidation does not largely increase opportunities for children.

In any case, I do not believe that the State should even attempt to force consolidation of individual schools. If there is to be consolidation, it should be by redefining district boundaries, and then leaving the decisions of how best to accommodate the children up to the local school board. On Prince of Wales Island, and in other parts of the State, there is a strong fear that the consolidation issue will lead to the closing of local community schools. This should not be so. No child, and no parent, should have to fear the loss of a local school which is addressing the educational needs of the child. If enrollment falls below the level for site funding, then the local school board should make the decision whether to close a school which has lost site funding.

In summary, I believe that the best interests of our children should be the only compelling argument for or against consolidation. I can see only a few small benefits in educational programs, and only in the upper grades. Local control is a compelling governance issue, and the State should not impose any consolidation legislation or regulation which dilutes local control. Cost savings to the State and to local districts would be minimal at best.

For years local districts have been attempting to plan for State-mandated boroughs and changes in district boundaries. If the State is going to make substantive changes to school district boundaries, or is going to impose mandatory boroughization, let's get it done, so that local districts can focus their efforts on making the best of the situation, rather than trying to continually provide for multiple alternatives. The uncertainty has cost us more planning time than would definitive legislation.

Sincerely,

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Carl "Doc" Waterman Craig City School District School Board President



Dear Mr. Hargraves:

The issue of determining standards or criteria for consolidation of schools may be of such complexity as to require the advice of a financial advisor or social economist. What is the economy of scale for rural Alaskan school districts? We have never researched the matter. Although I think there must be some unbiased research out there.

Our local School District's opinion is based off of the position of the Associations of Alaska School Boards. They are fearful that forming a borough means losing local control for the current school boards. The concept of what is "local" in educational local control is nebulous. A borough is local control, albeit different than what we have now. They do not posit whether there are any benefits to creating a borough.

The City of Cordova is less worried about sharing power to a regional organization than it is in finding a broader revenue base to provide a standard of service to its citizens. A broad base is inherently stable and diverse. Each community that would make up the Prince William Sound Borough could bring their individual strengths to form a broad base and diversified economy. Our lifestyles and needs are recognized and tied to the characteristics of life in Prince William Sound.

Given the current poor economy in Cordova and the State's direction to continually divest responsibility for services or the funding for locally provided state services, consolidation or regionalization of some services seem inevitable. Consolidation is a natural process when a system needs to become more efficient and strong. The dictionary well defines consolidation.

The only guidance we can give you is that consolidation might best occur when the local school reaches a point it cannot afford to provide a certain standard of education. That requires a results based test.

Sincerely.

Scott A. Hahn City Manager

602 Railroad Avenue P.O. Box 1210 Cordova, Alaska 99574 Telephone (907) 424-6200 Fax (907) 424-6000



SOUTHEAST ISLAND SCHOOL DISTRICT

P.O. Box 19569, 1218A Shoreline Drive Thorne Bay, Alaska 99919 (907) 828-8254 Fax: (907) 828-8257 E-mail: jisom@sisd.org

January 16, 2004

Local Boundary Commission 550 West Seventh Avenue, Suite 1770 Anchorage, Alaska 99501-3510 Fax: (907) 269-4539



JAN 2 2 2004

Local Boundary Commission

Dear Sirs,

We are happy to respond to your letter of November 10th. We are pleased to have been offered the chance to share with you our thoughts about all forms of school amalgamation plans.

Firstly, we object strenuously to the states continuing effort to correct state budget problems at the expense of our children. The children are already under-financed. We think the state should consider having a 70-30 budgeting rule just as the school systems do, with equally stringent parameters for determining whether or not a particular dollar 'counts' as serving the children.

Secondly, if you choose to amalgamate school districts you should be prepared to spend money to fund the social growth efforts that will be needed to empower the various cultures on Prince of Wales Island to work together in harmony for our children. We remember that the hatreds on the Island were caused and are perpetuated by governments and big businesses; the very agencies which want to solve their fiscal problems by increasing our fiscal *and social* problems.

Thirdly, we are very nervous and suspicious about the too large school that was built in the largest city of the dominant culture on Prince of Wales Island. It was built twice the size that was needed; we wonder why we should play dumb; we do intuit the plan of bussing all high school kids on the island to that half-empty school.

Fourthly, we are strongly supportive of our community schools. Data shows that kids do better academically and socially in smaller schools, *when they are appropriately funded*. Communities are healthier, more viable when they have a local school; more vibrant when they can participate in the governance of their school, more centered when they have a school in which to gather. Having a local school, locally governed, is supportive of local cultural identity. We fear that erasing local cultural identity is an intrinsic objective of school amalgamation on Prince of Wales Island.

Finally, we would like to suggest some important goals for the Local Boundary Commission and the Legislature:

- Be certain that whatever plan you choose to implement actually does institute 'economies of scale' *while appropriately funding our children's education*.
- Be certain that the amalgamation plan you choose doesn't undo our fruitful work to increase the quality of our children's educational programs.
- Be certain that your actions support the social evolution that has begun to occur between the cultures on the Island. This important continuing social evolution will:
 - Enrich the lives of our children,
 - Improve the quality of school programs,
 - Increase harmony among the cultures of the Island,
 - Support the development of local economies.

In closing, we wish to thank you again. We are pleased that you sought our input. We acknowledge and appreciate the individuals serving on the Commission and in the Legislature who are sincere in serving the people *and the children*. We are willing and anxious to help you determine what is truly best for our children.

Sincerely,

The Southeast Island School District

CITY OF TANANA PO BOX 249 TANANA, AK 99777 (907)- 366-7159 FAX 366-7169

January 16, 2004

.

Roger Sampson Commissioner Department of Education and EarlyDevelopment 801 West Tenth Street, Suite 200 Juneau, Alaska 99801-1194

Dear Commissioner Sampson:

Regarding the DOE/Local Boundary Commission request for comment on school consolidation the following is submitted.

Tanana became a First Class City because the residents wished to have local control of their school. Forced consolidation would take away the local control that is so important to the residents. At the same time it is debatable whether consolidation would either save money or improve the quality of education in Tanana. Until such time as it is demonstrated these two goals are feasible, Tanana would oppose forced consolidation.

Sincerely,

_2 Peter L. Platten City Manager

Cc: Darroll Hargraves Chair Local Boundary Commission

DECEIVE

Local Boundary Commission

E-43



School District Profiles

School District Profiles

Type of District Number of Schools Geographic Size (est. sq. miles) Total Population Served (2002) (from State Demographer, Labor & Workforce Development; 2003 available in late January 2004.)

Students (ADM = Average Daily Membership) Student Enrollment (FY03) Student Enrollment (FY04) (available January 2004 from DEED) Resident ADM Correspondence ADM ADM Percent Change FY92–FY04

 Staff
 (FTE = Full Time Equivalent) (FY03)

 Certified Teachers FTE

 Paraprofessionals FTE (teacher's aides)

 Classified Administration & Support FTE (district/school admin, library, maintenance, bus drivers, cooks, etc.)

 Certified Administration & Other FTE (superintendents, principals, supervisors, nurses, head teachers, counselors, psychologists, speech therapists, linguists, etc.)

 Total District Staff FTE

 Resident Students per Teacher (Note A)

 Resident Students per Total Employee (Note A)

 Total Students per Other Employee (Note A)

 Total Students per Employee (Note B)

 Resident Students per Total Employees (Note A)

 Total Students per Employee (Note B)

Expenditures and Funding (FY02)

(FY03 audited expenditures not available as of January 2004.) Geographic Cost Differential (See Note B for all Per ADM measures) **Total Audited Expenditures Expenditures Per ADM** Basic Need Basic Need Per ADM State Foundation Funding State Foundation Per ADM Federal Impact Aid Federal Impact Aid Per ADM **Required Local Contribution** Required Local Per ADM Voluntary/Excess Local Contribution Voluntary Local Per ADM Other Funding (other State, federal, Special revenues) Other Funding Per ADM Waiver in FY03 - % Instruction (waiver of requirement to spend a minimum 70% on instruction, based on FY03 budget) Waiver in FY04 - % Instruction (based on FY04 budget)

Attendance Measures (FY02)

(FY02 attendance was selected to correlate with FY02 expenditures and funding; FY03 not available on-line as of January 2004.) Attendance Rate High School Graduation Rate High School Graduates Correspondence Graduates (included in High School Graduates) Drop Out Rate Drop Outs (grades 7-12)

 Standardized Testing & Adequate Yearly Progress
 (FY03) (HSGQE = "High School Graduation Qualifying Exam")

 (not applicable until FY03)
 HSGQE Reading Proficiency (percent of 10th grade students found proficient, Spring 2003)

 HSGQE Writing Proficiency
 HSGQE Math Proficiency

 HSGQE Math Proficiency
 Percent of Schools Meeting AYP (AYP = "Adequate Yearly Progress" measure from federal "No Child Left Behind Act")

 Schools Meet AYP
 Schools Do Not Meet AYP

NOTE A

USE OF "RESIDENT ONLY" ADM FIGURES IN PER STUDENT RATIOS SUCH AS STUDENTS-PER-TEACHER OR STUDENTS-PER-EMPLOYEE

DEED FY 2003 employment data for Alaska's 53 school districts do not distinguish between district employees that serve resident students and those that serve correspondence students. Therefore, where ratios are reported for resident students-per-teacher (ADM-to-teacher), resident students-per-other-employees, and resident students-per-total-employees, the ratios for school districts with relatively large correspondence populations are not comparable to those without such populations.

The employee component of the ratios includes all school district employees – those that serve both resident students and correspondence students. However, the student component of the ratios includes only resident students. The previously cited legislative directive for the consolidation study called on the Local Boundary Commission and the Department of Education and Early Development to "identify opportunities for consolidation of schools, with emphasis on school districts with fewer than 250 students." Senator Wilken, the author of the legislative directive, clarified in his previously-noted letter of November 6, 2003, that, "student populations should be based on <u>resident</u> average daily membership figures."

The Galena City School District provides an acute example of the difficulties in comparing the ratios between a district with a relatively large number of correspondence students and one without. In FY 2003, the City of Galena served 3,768 students, of which 3,534 (93.8 percent) were correspondence students. The remaining 234 students were residents of the City of Galena. At the time, the Galena City School District employed 179.9 full-time equivalent employees. Using only the 234 students that attended classes within the City of Galena School District in FY 2003, the 179.9 employees of the Galena City School District yielded a resident-student-per-employee ratio of 1.3:1 (234:179.9).

However, if the entire FY 2003 resident and correspondent student population of the City of Galena school district were considered, it would result in a ratio of 20.9 students-per-employee (3,768:179.9). Since that figure includes students who are not sitting in typical classroom settings, it does not yield a measure that is comparable to districts that do not serve relatively large numbers of correspondence students. In that case, the ratios for districts with relatively large numbers of correspondence students of productivity of employees utilized for instruction.

Clearly, ratios of students-per-teacher/employee in districts with a large correspondence-student base are not comparable to ratios for districts with relatively few or no correspondence students.

NOTE B

USE OF "TOTAL STUDENT" ADM IN PER STUDENT RATIOS SUCH AS REVENUES-PER-STUDENT AND EXPENDITURES-PER-STUDENT

FY 2002 financial data available from DEED did not distinguish between "resident-only" expenditures, revenues, and local contributions. Therefore, total ADMs (resident and correspondent) are utilized in financial ratios concerning expenditures, revenues, and local contributions. The expendituresper-student, revenues-per-student, and local-contributions-per-student reported in these profiles are not comparable between school districts with relatively large correspondence-student populations and those without such student populations.

For example, in FY 2002, the Craig City School District served 686 total students, of which 276 were correspondence students (i.e., 40.7 percent correspondence enrollment). Total FY 2002 expenditures in the City of Craig School District were \$6,841 "per student." Correspondence education is understood to be considerably less expensive per student than classroom education – a principle which is reflected in Alaska's education foundation funding formula (see discussion of funding for correspondence students and resident students in the definition of "basic need" in the glossary). Therefore, comparisons between districts with relatively large numbers of correspondence students and those without are difficult.

School Districts with relatively large correspondence-student ADMs in FY 2004 include the following:

School District	Relative Number of Correspondence Students	Absolute Numbers of Correspondence and Total Students
City of Galena	94.3 percent	3,770 correspondence students; 3,999 total students
City of Nenana	76.5 percent	735 correspondence students; 961 total students
Yukon/Koyukuk REAA	69.0 percent	966 correspondence students; 1,401 total students
Chugach REAA	60.7 percent	116 correspondence students; 191 total students
City of Craig	60.5 percent	586 correspondence students; 968 total students
Delta/Greely REAA	35.6 percent	369 correspondence students; 1,036 total students
City of Tanana	34.4 percent	33 correspondence students; 96 total students
Iditarod REAA	23.4 percent	90 correspondence students; 384 total students
Copper River REAA	19.6 percent	130 correspondence students; 662 total students

Profile of Alaska Gateway School District		- Alle	
Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	REAA 8 17,329.1 2,551	i de contra	
<u>Students</u> (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	486.9 494.9 440.0 55.0		
ADM Percent Change FY92–FY04:	-0.1%		
Staff (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE:	29.7 10.2 36.8 <u>9.8</u>	teacher's aides district/school admin, library, maintenance, superintendents, principals, supervisors, nu counselors, psychologists, speech therapis	bus drivers, cooks, etc. Irses, head teachers, ts, linguists, etc.
Resident Students per Teacher: Resident Students per Other Employee: Resident Students per Employee:	14.4 7.6 5.0	Students per Teacher: Students per Other Employee: Students per Employee:	16.4 8.6 5.6
Expenditures and Funding (FY02) Geographic Cost Differential: Total Audited Expenditures: Basic Need:	118.45 \$5,647,020 \$4,904,390	Expenditures Per ADM: Basic Need Per ADM:	\$11,401 \$9,902
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$4,924,708 \$399,497 \$0 \$0 \$1,605,181	State Foundation Per ADM: Federal Impact Aid Per ADM: Required Local Rev Per ADM: Voluntary Local Rev Per ADM: Other Rev Per ADM:	\$9,943 \$807 \$0 \$0 \$3,241
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	Yes - 65% Yes - 64%	waiver of requirement to spend a minimum	70% on instruction
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	92.0% 89.7% 26 3 3.8% 9	included in High School Graduates	
Standardized Testing & Adequate Year HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	l y Progress 65.7% 91.2% 58.8%	(FY03) (HSGQE = "High School Graduatic percent of 10 th grade students found profici	n Qualifying Exam") ent, Spring 2003
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	37.5% 3 5	AYP = "Adequate Yearly Progress" measur federal "No Child Left Behind Act"	e from

Profile of **Aleutian Region School District**

Aleutian Region School Dis	strict	A CAR	
Adak REAA & Aleutian Region REAA were consolidate	ed in FY98	- Est	- And
Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	REAA 3 4,402.1 342		a sa la s
Students (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	49.3 42.1 42.1 0.0		
ADM Percent Change FY92–FY04:	+50.4%	Adak School reopened in FY99	
Staff (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE: Total District Staff FTE: Resident Students per Teacher: Resident Students per Other Employee: Resident Students per Employee:	5.5 3.4 1.6 <u>1.1</u> 11.6 9.0 8.0 4.2	teacher's aides district/school admin, library, maintenan- superintendents, principals, supervisors, counselors, psychologists, speech thera Students per Teacher: Students per Other Employee: Students per Employee:	ce, bus drivers, cooks, etc. , nurses, head teachers, pists, linguists, etc. 9.0 8.0 4.2
Expenditures and Funding (FY02)			
Geographic Cost Differential: Total Audited Expenditures: Basic Need:	149.50 \$1,449,154 \$1,046,570	Expenditures Per ADM: Basic Need Per ADM:	\$26,469 \$19,115
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$968,037 \$299,972 \$0 \$0 \$119,348	State Foundation Per ADM: Federal Impact Aid Per ADM: Required Local Per ADM: Voluntary Local Per ADM: Other Rev Per ADM:	\$17,681 \$5,479 \$0 \$0 \$2,180
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	No - 70% Yes - 66%	waiver of requirement to spend a minimu	um 70% on instruction
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	90.2% 100.0% 4 N/A 0.0% 0	included in High School Graduates	
Standardized Testing & Adequate Ye HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	arly Progress unavailable unavailable unavailable	(FY03) (HSGQE = "High School Gradu percent of 10 th grade students found pro	uation Qualifying Exam") ficient, Spring 2003
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	100.0% 3 0	AYP = "Adequate Yearly Progress" mea federal "No Child Left Behind Act"	sure from

Profile of Aleutians East School District			La mar	
Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	Boro 6,98 2,	ugh 6 34.8 729		
<u>Students</u> (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	27 28 28	73.8 31.0 30.0 1.0	· · · · · · · · · · · · · · · · · · ·	
ADM Percent Change FY92–FY04:	-24	.1%		
Staff (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE:	3	33.6 8.0 3.7 <u>5.4</u>	teacher's aides district/school admin, library, maintenance, superintendents, principals, supervisors, n counselors, psychologists, speech therapis	, bus drivers, cooks, etc. urses, head teachers, sts, linquists, etc.
Total District Staff FTE: Resident Students per Teacher: Resident Students per Other Employee: Resident Students per Employee:	6 1	50.7 8.1 10.1 4.5	Students per Teacher: Students per Other Employee: Students per Employee:	8.1 10.1 4.5
Expenditures and Funding (FY02) Geographic Cost Differential: Total Audited Expenditures: Basic Need:	126 \$5,931, \$3,767,	6.20 078 235	Expenditures Per ADM: Basic Need Per ADM:	\$20,260 \$12,868
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$2,943, \$1,423, \$388, \$706, \$955,	062 760 183 910 573	State Foundation Per ADM: Federal Impact Aid Per ADM: Required Local Per ADM: Voluntary Local Per ADM: Other Rev Per ADM:	\$10,053 \$4,863 \$1,326 \$2,415 \$3,264
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	Yes - 6 Yes - 6	5% 7%	waiver of requirement to spend a minimum	70% on instruction
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	91 95	.1% .7% 22 N/A .0% 0	included in High School Graduates	
Standardized Testing & Adequate Yea HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	arly Progr 57 81 66	<u>ess</u> 1% 0% 7%	(FY03) (HSGQE = "High School Graduati percent of 10 th grade students found profic	ion Qualifying Exam") ient, Spring 2003
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	66	.7% 4 2	AYP = "Adequate Yearly Progress" measu federal "No Child Left Behind Act"	re from

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Profile of Anchorage School District

		AT >>	
Type of District:	Borouah	and the the	-ser
Number of Schools:		· Aul-	
Geographic Size (est. sq. miles):	1,697.6		,
Total Population Served (2002):	269,070	W.C.	4
Students (ADM = Average Daily Membership)		and all	and the second
Student ADM (FY03):	49,544.9	and the second second	
Student ADM (FY04):	49,303.4	Daga and a start	VE
Resident ADM:	48,586.2		8630
Correspondence ADM:	717.2		
ADM Percent Change FY92–FY04:	+14.5%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	2,889.8		
Paraprofessionals FTE:	632.6	teacher's aides	
Classified Administration & Support FTE:	1,645.0	district/school admin, library, maintenance,	bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>571.2</u>	superintendents, principals, supervisors, nu	urses, head teachers,
Total District Staff FTE:	5,738.6		io, inigaloto, otor
Resident Students per Teacher:	 16.9	Students per Teacher:	17.1
Resident Students per Other Employee:	17.2	Students per Other Employee:	17.4
Resident Students per Employee:	8.5	Students per Employee:	8.6
Expenditures and Funding (FY02)			
Geographic Cost Differential:	100.00		
Total Audited Expenditures:	\$332,616,649	Expenditures Per ADM:	\$6,754
Basic Need:	\$268,819,373	Basic Need Per ADM:	\$5,459
State Foundation Funding:	\$199,751,175	State Foundation Per ADM:	\$4,056
Federal Impact Aid:	\$12,949,120	Federal Impact Aid Per ADM:	\$263
Required Local Contribution:	\$64,471,369	Required Local Per ADM:	\$1,309
Voluntary/Excess Local Contribution:	\$42,830,199	Voluntary Local Per ADM:	\$870
Other Funding: (State, federal, Special)	\$38,343,266	Other Rev Per ADM:	\$779
Waiver in FY03 - % Instruction:	No - 77%	waiver of requirement to spend a minimum	70% on instruction
Waiver in FY04 - % Instruction:	No - 77%		
Attendance Measures (FY02)			
Attendance Rate:	93.2%		
High School Graduation Rate:	84.3%		
High School Graduates:	2,505		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	6.1%		
Drop Outs (grades 7-12):	1,339		
Standardized Testing & Adequate Yes	arly Progress	(FY03) (HSGQE = "High School Graduati	on Qualifying Exam")
HSGQE Reading Proficiency:	72.8%	percent of 10 th grade students found profici	ent, Spring 2003
HSGQE Writing Proficiency:	85.4%		
HSGQE Math Proficiency:	74.3%		
Percent of Schools Meeting AYP:	38.5%		
Schools Meet AYP:	35	AYP = "Adequate Yearly Progress" measure	re from
Schools Do Not Meet AYP:	56	federal "No Child Left Behind Act"	
Profile of Annette Island School Distr	ict	L'are	Source of the second
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Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	REAA 3 128.9 1,421	i de la companya de l	
Students (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	290.7 287.5 287.5 0.0	to an and the second se	
ADM Percent Change FY92–FY04:	-32.2%		
<u>Staff</u> (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE:	31.3 7.1 9.0 <u>5.0</u>	teacher's aides district/school admin, library, maintenance superintendents, principals, supervisors, n counselors, psychologists, speech therapi	e, bus drivers, cooks, etc. hurses, head teachers, sts. linquists, etc.
Total District Staff FTE: Resident Students per Teacher: Resident Students per Other Employee: Resident Students per Total Employees:	52.4 9.3 13.8 5.5	Students per Teacher: Students per Other Employee: Students per Employee:	9.3 13.8 5.5
Expenditures and Funding (FY02) Geographic Cost Differential: Total Audited Expenditures: Basic Need:	121.90 \$3,139,182 \$2,271,264	Expenditures Per ADM: Basic Need Per ADM:	\$10,092 \$7,302
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$749,284 \$3,431,311 \$0 \$0 \$968,331	State Foundation Per ADM: Federal Impact Aid Per ADM: Required Local Per ADM: Voluntary Local Per ADM: Other Rev Per ADM:	\$2,409 \$11,031 \$0 \$0 \$3,113
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	Yes - 66% Yes - 69%	waiver of requirement to spend a minimun	n 70% on instruction
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	92.7% 76.2% 16 N/A 0.0% 0	included in High School Graduates	
Standardized Testing & Adequate Year HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	ly Progress 68.4% 73.7% 44.4%	(FY03) (HSGQE = "High School Graduat percent of 10 th grade students found profic	tion Qualifying Exam") cient, Spring 2003
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	100.0% 3 0	AYP = "Adequate Yearly Progress" measu federal "No Child Left Behind Act"	ure from

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Profile of Bering Strait School District

		L.B.	
Type of District:	REAA		ser
Number of Schools:	15		
Geographic Size (est. sg. miles):	23,012.6		,
Total Population Served (2002):	5,849	Wer at	2
	,	- Engraphic	Sal La
Students (ADM = Average Daily Membership)		120	INS -
Student ADM (FY03):	1.733.9	The stand and beauting	STREEL.
Student ADM (FY04):	1.712.5	and a seal of the	C 2 W
Resident ADM:	1.712.5		600
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	+19.4%		
Staff (ETE - Eull Time Equivalent) (EV03)			
Certified Teachers ETE:	169 5		
Paraprofessionals FTF	103.5	teacher's aides	
Classified Administration & Support FTF	36.0	district/school admin library maintenance	a hus drivers cooks etc.
Certified Administration & Other FTF	48.0	superintendents principals supervisors r	burses head teachers
Serunea Administration & Strier TTE.	<u>+0.0</u>	counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	361.5		, <u></u> , <u>,</u>
Resident Students per Teacher:	10.2	Students per Teacher:	10.2
Resident Students per Other Employee:	9.0	Students per Other Employee:	9.0
Resident Students per Employees:	4.8	Students per Employee:	4.8
Expenditures and Euroding (EV02)			
Geographic Cost Differential	161.09		
Total Audited Expenditures:	\$26 888 129	Expenditures Per ADM [.]	\$15.558
Basic Need:	\$20,543,030	Basic Need Per ADM:	\$11,886
State Foundation Funding:	¢13 778 670	State Equipation Per ADM:	¢7 072
Eddoral Impact Aid:	\$0,751,506	Enderal Impact Aid Por ADM:	\$7,37Z \$5,672
Required Local Contribution:	ψ3,701,000 \$0	Required Local Per ADM:	ψ0,042 ¢∩
Voluntary/Excess Local Contribution:	Φ0 \$0	Voluntary Local Per ADM:	0¢ 02
Other Funding: (other State federal Special)	φυ \$7 /12 027	Other Rev Per ADM:	Ψ Ο \$1 280
	$\psi_{1}, +12, 321$		ψ 1 ,205
Waiver in FY03 - % Instruction:	No - 70%	waiver of requirement to spend a minimur	m 70% on instruction
Waiver in FY04 - % Instruction:	No - 70%		
Attendance Measures (FY02)			
Attendance Rate:	90.0%		
High School Graduation Rate:	90.4%		
High School Graduates:	47		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	8.6%		
Drop Outs (grades 7-12):	60		
Standardized Testing & Adequate Ye	early Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	26.0%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	68.5%		
HSGQE Math Proficiency:	30.1%		
Percent of Schools Meeting AYP:	20.0%		
Schools Meet AYP:	3	AYP = "Adequate Yearly Progress" measure	ure from
Schools Do Not Meet AYP:	12	tederal "No Child Left Behind Act"	

Profile of
Bristol Bay School District

		S Cho	\sim
Type of District	Borough	- Sur &	James L
Number of Schools:	3 Borough	· Al-	
Geographic Size (est. sq. miles):	519.2		
Total Population Served (2002):	1,159		~ es }
	,	Envis Size	agen in the
Students (ADM = Average Daily Membership)		and the second sec	AN
Student ADM (FY03):	233.6	and a said property of the said of the sai	A BANK
Student ADM (FY04):	195.4		86.40
Resident ADM:	195.4		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-28.4%		
Staff (ETE - Eull Time Equivalent) (EV03)			
Certified Teachers FTF:	19.8		
Paraprofessionals FTE:	7.3	teacher's aides	
Classified Administration & Support FTE:	12.2	district/school admin, library, maintenance	e. bus drivers. cooks. etc.
Certified Administration & Other FTE:	4.2	superintendents, principals, supervisors, r	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	43.5		
Resident Students per Teacher:	11.8	Students per Teacher:	11.8
Resident Students per Other Employee:	9.9	Students per Other Employee:	9.9
Resident Students per Employee:	5.4	Students per Employee:	5.4
Expenditures and Euroding (EY02)			
Geographic Cost Differential:	126 20		
Total Audited Expenditures:	\$3.091.056	Expenditures Per ADM:	\$13.018
Basic Need:	\$2,358,040	Basic Need Per ADM:	\$9,931
State Foundation Funding:	\$1,303,667	State Foundation Per ADM:	\$5,490
Federal Impact Aid:	\$613,599	Federal Impact Aid Per ADM:	\$2,584
Required Local Contribution:	\$819,209	Required Local Per ADM:	\$3,450
Voluntary/Excess Local Contribution:	\$378,657	Voluntary Local Per ADM:	\$1,595
Other Funding: (other State, federal, Special)	\$288,422	Other Rev Per ADM:	\$1,215
Waiver in FY03 - % Instruction:	Yes - 68%	waiver of requirement to spend a minimur	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 63%		
Attendance Measures (FY02)			
Attendance Rate:	95.0%		
High School Graduation Rate:	100.0%		
High School Graduates:	19		
Drop Out Poto:	N/A 2 70/	included in High School Graduates	
Drop Outs (grades 7-12)	2.170		
	0		
Standardized Testing & Adequate Ye	arly Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	70.6%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	80.0%		
HSGQE Math Proficiency:	80.0%		
Percent of Schools Meeting AVP	100 0%		
Schools Meet AYP:	3	AYP = "Adequate Yearly Progress" measu	ure from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	

Profile of Chatham School District

		and the	
Type of District:	REAA		
Number of Schools:	4		(
Geographic Size (est. sq. miles):	5,137.9	4	× +5 }
Total Population Served (2002):	1,123	and and and	and the second
		فحوالا مستعمر المستعمر	
Students (ADM = Average Daily Membership)		- · ····	N Star
Student ADM (FY03):	219.9		15 B
Student ADM (FY04):	218.4		
Resident ADM:	218.4		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-42.0%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	19.0		
Paraprofessionals FTE:	8.6	teacher's aides	
Classified Administration & Support FTE:	14.2	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	4.4	superintendents, principals, supervisors, i	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	46.1		
Resident Students per Teacher:	11.5	Students per Teacher:	11.5
Resident Students per Other Employee:	8.1	Students per Other Employee:	8.1
Resident Students per Employee:	4.8	Students per Employee:	4.8
Expenditures and Funding (FY02)			
Geographic Cost Differential:	121.90		
Total Audited Expenditures:	\$2,785,813	Expenditures Per ADM:	\$12,253
Basic Need:	\$2,380,897	Basic Need Per ADM:	\$10,472
State Foundation Funding:	\$2,104,000	State Foundation Per ADM:	\$9,254
Federal Impact Aid:	\$592,612	Federal Impact Aid Per ADM:	\$2,607
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$1,100,470	Other Rev Per ADM:	\$4,840
Waiver in FY03 - % Instruction:	Yes - 69%	waiver of requirement to spend a minimur	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 69%		
Attendance Measures (FY02)			
Attendance Rate:	91.4%		
High School Graduation Rate:	100.0%		
High School Graduates:	8		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	3.7%		
Drop Outs (grades 7-12):	4		
Standardized Testing & Adequate Yea	arly Progress	(FY03) (HSGQE = "High School Gradua	ition Qualifying Exam")
HSGQE Reading Proficiency:	56.0%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	73.9%		
HSGQE Math Proficiency:	58.3%		
Percent of Schools Meeting AYP:	25.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	3	federal "No Child Left Behind Act"	

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Profile of
Chugach School District

Type of District [.]	REAA	man the	Ser
Number of Schools:	4	and a second	
Geographic Size (est sq miles):	12,282,1		,
Total Population Served (2002):	483	CTO A	
		· Engraphic	
Students (ADM = Average Daily Membership)		19-30	Ard S
Student ADM (FY03):	200.5	and a second the	
Student ADM (FY04):	191.0	- Contraction of the second se	New Sol
Resident ADM:	75.0		- COV
Correspondence ADM:	116.0		
ADM Percent Change FY92–FY04:	+48.9%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	14.4		
Paraprofessionals FTE:	1.0	teacher's aides	
Classified Administration & Support FTE:	8.5	district/school admin, library, maintenance, l	bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>4.7</u>	superintendents, principals, supervisors, nu	rses, head teachers,
		counselors, psychologists, speech therapist	s, linguists, etc.
Total District Staff FTE:	28.5		44.0
Resident Students per Teacher (Note A):	5.8	Students per Teacher (Note B):	14.0 • D): 14.2
Resident Students per Other Employee (Note	A): 5.9	Students per Other Employee (Note Students per Employee (Note	е В): 14.2 70
Resident Students per Employee (Note A).	2.9	Students per Employee (Note B).	7.0
Expenditures and Euroding (EV02)			
Geographic Cost Differential:	107 50	(See Note B):	
Total Audited Expenditures	\$2,006,022	Expenditures Per ADM ¹	\$9.670
Basic Need	\$1 400 051	Basic Need Per ADM	\$6 749
2401011004	¢.,,		<i>v</i> o <i>j</i> . 10
State Foundation Funding:	\$1,781,033	State Foundation Per ADM:	\$8,585
Federal Impact Aid:	\$151,435	Federal Impact Aid Per ADM:	\$730
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$2,735,577	Other Rev Per ADM:	\$13,187
Waiver in EY03 - % Instruction	No - 76%	waiver of requirement to spend a minimum	70% on instruction
Waiver in FY04 - % Instruction:	No - 75%		
Attendance Measures (FY02)	07.00/		
Attendance Rate:	97.3%		
High School Graduation Rate:	80.0%		
High School Graduates:	4		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	0.0%		
Drop Outs (grades 7-12):	0		
Standardized Testing & Adequate Year	rly Progress	(FY03) (HSGQE = "High School Graduation	on Qualifying Exam")
HSGQE Reading Proficiency:	42.9%	percent of 10 th grade students found proficie	ent, Spring 2003
HSGQE Writing Proficiency:	80.0%		
HSGQE Math Proficiency:	53.8%		
Percent of Schools Meeting AVP	50 00/		
Schools Meet AVP	50.0 <i>%</i> 2	AVP = "Adequate Yearly Progress" modeling	e from
Schools Do Not Meet AYP	2	federal "No Child Left Behind Act"	
	-		

Profile of Copper River School District

Type of District	REAA	- En E	Ser L
Number of Schools:	8		_
Geographic Size (est. sq. miles):	20,649.0	at the second	
Total Population Served (2002):	3,053	-y pr	55
		a they age be	and the second
Students (ADM = Average Daily Membership)		and the second	ATE
Student ADM (FY03):	675.1	Con a frage of the state of the stat	A CARLE
Student ADM (FY04):	661.9		S. S. C.
Resident ADM:	532.4		
Correspondence ADM:	129.5		
ADM Percent Change FY92–FY04:	+11.7%		
Staff (ETE = Full Time Equivalent) (EY03)			
Certified Teachers FTF:	37.5		
Paraprofessionals FTE:	14.4	teacher's aides	
Classified Administration & Support FTE:	26.1	district/school admin, library, maintenance.	bus drivers, cooks, etc.
Certified Administration & Other FTE:	12.0	superintendents, principals, supervisors, n	urses, head teachers,
		counselors, psychologists, speech therapis	sts, linguists, etc.
Total District Staff FTE:	90.0		
Resident Students per Teacher (Note A):	14.4	Students per Teacher (Note B)	18.0
Resident Students per Other Employee (Note	e A): 10.3	Students per Other Employee (No	te B): 12.9
Resident Students per Employee (Note A):	6.0	Students per Employee (Note B):	7.5
Expenditures and Funding (FY02)			
Geographic Cost Differential:	112.90	(See Note B):	
Total Audited Expenditures:	\$5,885,679	Expenditures Per ADM:	\$8,242
Basic Need:	\$5,676,516	Basic Need Per ADM:	\$7,949
State Foundation Funding:	\$5 516 224	State Foundation Per ADM	\$7 725
Federal Impact Aid	\$372 678	Federal Impact Aid Per ADM	\$522
Required Local Contribution:	\$0,2,010	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution	\$0 \$0	Voluntary Local Per ADM	\$0
Other Funding: (other State federal Special)	\$991 772	Other Rev Per ADM	\$1 389
	<i>Q</i> OOI , IIZ		\$1,000
Waiver in FY03 - % Instruction:	Yes - 69%	waiver of requirement to spend a minimum	70% on instruction
Walver In FY04 - % Instruction:	Yes - 69%		
Attendance Measures (FY02)			
Attendance Rate:	93.6%		
High School Graduation Rate:	92.7%		
High School Graduates:	38		
Correspondence Graduates:	1	included in High School Graduates	
Drop Out Rate:	6.2%		
Drop Outs (grades 7-12):	21		
Standardized Testing & Adequate Year	rly Progress	(FY03) (HSGQE = "High School Graduat	ion Qualifying Exam")
HSGQE Reading Proficiency:	82.4%	percent of 10 th grade students found profic	ient, Spring 2003
HSGQE Writing Proficiency:	88.5%	- '	
HSGQE Math Proficiency:	81.1%		
Percent of Schools Meeting AVP	75 በ%		
Schools Meet AYP	6	AYP = "Adequate Yearly Progress" measu	re from
Schools Do Not Meet AYP:	2	federal "No Child Left Behind Act"	
	-		

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Profile of
Cordova School District

I man the second s	
lype of District: City	
Number of Schools:	
Geographic Size (est. sq. miles). 01.4 Cito	
	A a
Students (ADM = Average Daily Membershin)	JAL 1
Student ADM (EY03): 464.1	SHELL
Student ADM (FY04): 471.7	
Resident ADM: 471.7	
Correspondence ADM: 0.0	
ADM Percent Change FY92–FY04: -1.5%	
Starr (FIE = Full Time Equivalent) (FY03) Contified Teachers ETE: 22.2	
Derante foscionals ETE: 8.0 teacher's sides	
Classified Administration & Support FTF: 16.3 district/school admin library maintenance bus drive	rs cooks atc
Certified Administration & Other FTF: 62 supervised automation and supervises have	d teachers
counselors, psychologists, speech therapists, linguist	ts, etc.
Total District Staff FTE:62.7	
Resident Students per Teacher: 14.4 Students per Teacher: 14	1.4
Resident Students per Other Employee: 15.2 Students per Other Employee: 15.2	5.2
Resident Students per Employee: 7.4 Students per Employee:	(.4
Expenditures and Funding (FY02)	
Geographic Cost Differential: 107.50	
Total Audited Expenditures: \$4,038,033 Expenditures Per ADM: \$8.7	51
Basic Need: \$3,300,310 Basic Need Per ADM: \$7,1	52
State Foundation Funding: \$2,650,462 State Foundation Par ADM: \$5,7	11
State Foundation Funding. \$2,00,465 State Foundation Fer ADM. \$3,7	44 10
Required Local Contribution: \$678.224 Required Local Per ADM: \$14	70
Voluntary/Excess Local Contribution: \$371.776 Voluntary Local Per ADM:	06
Other Funding: (other State, federal, Special) \$484,166 Other Rev Per ADM: \$1,0	49
Walver in FY03 - % Instruction: INO - 70% waiver of requirement to spend a minimum 70% on in Waiver in FY04 - % Instruction: Yes - 69%	nstruction
Attendance Measures (FY02)	
Attendance Rate: 92.7%	
High School Graduation Rate: 100.0%	
High School Graduates: 31	
Correspondence Graduates: N/A included in High School Graduates	
Drop Out Rate: 0.4%	
Drop Outs (grades 7-12):	
Standardized Testing & Adequate Yearly Progress (FY03) (HSGQE = "High School Graduation Qualify	ving Exam")
HSGQE Reading Proficiency: 85.2% percent of 10 th grade students found proficient, Sprin	g 2003
HSGQE Writing Proficiency: 90.0%	
HSGQE Math Proficiency: 90.0%	
Percent of Schools Meeting AVP: 50.0%	
Schools Meet AYP: 1 AYP = "Adequate Yearly Progress" measure from	
Schools Do Not Meet AYP: 1 federal "No Child Left Behind Act"	

Profile of Craig School District		
Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	Cit 6. 1,22	ty 5
<u>Students</u> (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	855. 967. 381. 586.	4
ADM Percent Change FY92–FY04:	+207.99	% PACE Correspondence/Learning Center
Staff (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE:	33. 21. 17. <u>8.</u>	 .5 .9 teacher's aides .0 district/school admin, library, maintenance, bus drivers, cooks, etc. .5 superintendents, principals, supervisors, nurses, head teachers,
Total District Staff FTE: Resident Students per Teacher (Note A): Resident Students per Other Employee (Note Resident Students per Employee (Note A):	80. 11. A): 8. 4.	counselors, psychologists, speech therapists, linguists, etc.9667788788898910.6
Expenditures and Funding (FY02) Geographic Cost Differential: Total Audited Expenditures: Basic Need:	111.4 \$4,747,39 \$3,808,89	IO(See Note B):IOExpenditures Per ADM:IOBasic Need Per ADM:IO\$5,489
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$3,294,83 \$369,46 \$412,60 \$491,32 \$1,445,04	38State Foundation Per ADM:\$4,74851Federal Impact Aid Per ADM:\$53250Required Local Per ADM:\$59552Voluntary Local Per ADM:\$70868Other Rev Per ADM:\$2,082
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	No - 789 No - 809	% waiver of requirement to spend a minimum 70% on instruction $%$
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	93.9 78.9 3 3.39	% 80 3 included in High School Graduates % 9
Standardized Testing & Adequate Year HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	ly Progres 78.99 89.79 71.89	 (FY03) (HSGQE = "High School Graduation Qualifying Exam") percent of 10th grade students found proficient, Spring 2003 %
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	60.09	 AYP = "Adequate Yearly Progress" measure from federal "No Child Left Behind Act"

Profile of
Delta/Greely School District

Delta/Greely School Distric	t	$\overline{\langle}$	and a second
		and the second sec	
		and the	Jor 1
Type of District:	REAA	المسلم المعهم الم	
Number of Schools:	5		
Geographic Size (est. sq. miles):	8,665.0		
Total Population Served (2002):	3,566	Enge and	iss and
Students (ADM = Average Daily Membership)		and State	- AL
Student ADM (FY03):	1,004.3		WELS-
Student ADM (FY04):	1,036.3		S. S. C.
Resident ADM:	667.3		
Correspondence ADM:	369.0		
ADM Percent Change FY92–FY04:	+22.0%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	46.4		
Paraprofessionals FTE:	11.5	teacher's aides	
Classified Administration & Support FTE:	20.8	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>4.4</u>	superintendents, principals, supervisors, i	nurses, head teachers, ists_linguists_etc
Total District Staff FTE:	83.1		iete, iniguiete, etc.
Resident Students per Teacher (Note A):	13.7	Students per Teacher (Note B):	21.7
Resident Students per Other Employee (Note	A): 17.3	Students per Other Employee (N	ote B): 27.4
Resident Students per Employee (Note A):	7.7	Students per Employee (Note B):	12.1
Expenditures and Funding (FY02)			
Geographic Cost Differential:	114.90	(See Note B):	
Total Audited Expenditures:	\$5,361,991	Expenditures Per ADM:	\$6,423
Basic Need:	\$4,749,252	Basic Need Per ADM:	\$5,689
State Foundation Funding:	\$4,925,768	State Foundation Per ADM:	\$5,901
Federal Impact Aid:	\$190,728	Federal Impact Aid Per ADM:	\$228
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$2,181,621	Other Rev Per ADM:	\$2,613
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	No - 74% No - 76%	waiver of requirement to spend a minimur	m 70% on instruction
Attendance Measures (FY02)			
Attendance Rate:	91.6%		
High School Graduation Rate:	41.1%		
High School Graduates:	43		
Correspondence Graduates:	.0	included in High School Graduates	
Dron Out Bate:	2.8%	included in high School Graduates	
Drop Outs (grades 7-12):	16		
Standardized Testing & Adequate Year	lv Proaress	(FY03) (HSGQE = "High School Gradua	ation Qualifying Exam")
HSGQE Reading Proficiency:	74.4%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	79.5%	,	, , , , , , , , , , , , , , , , , , , ,
HSGQE Math Proficiency:	66.7%		
Percent of Schools Meeting AYP:	20.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	4	federal "No Child Left Behind Act"	

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Profile of		
Denali School District		

		all a	
Type of District	Borough	- Sun &	an h
Number of Schools:	Dorough A		
Coographic Size (act as miles):	• • • • • •		,
Tetal Deputation Served (2002):	0,922.7	No.	
Total Population Served (2002):	1,886	: Enry of E	is a line of the second
Students (ADM = Average Daily Membership)		and State	
Student ADM (FY03):	310.2	- · · · · · · · · · · · · · · · · · · ·	VES
Student ADM (FY04):	578.3		8 6 30
Resident ADM:	305.8		
Correspondence ADM:	272.5		
ADM Percent Change FY92–FY04:	+75.4%	Denali Correspondence School	
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	26.6		
Paraprofessionals FTE:	6.0	teacher's aides	
Classified Administration & Support FTE:	14.2	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	6.5	superintendents principals supervisors	nurses head teachers
	<u></u>	counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	53.3		
Resident Students per Teacher:	11.2	Students per Teacher:	11.7
Resident Students per Other Employee:	11.1	Students per Other Employee:	11.6
Resident Students per Employee:	5.6	Students per Employee:	5.8
Expenditures and Funding (FY02)			
Geographic Cost Differential:	114.90		
Total Audited Expenditures:	\$3,875,498	Expenditures Per ADM:	\$13,480
Basic Need:	\$2,940,974	Basic Need Per ADM:	\$10,229
State Foundation Funding:	\$2,462,248	State Foundation Per ADM:	\$8,564
Federal Impact Aid:	\$9.675	Federal Impact Aid Per ADM:	\$34
Required Local Contribution:	\$486.572	Required Local Per ADM:	\$1.692
Voluntary/Excess Local Contribution	\$666,622	Voluntary Local Per ADM	\$2,319
Other Funding: (other State federal Special)	\$478.853	Other Roy Per ADM:	\$1,666
Other Funding. (other State, federal, Special)	Φ 470,000	Other Rev Per Adivi.	φ1,000
Waiver in FY03 - % Instruction:	Yes - 68%	waiver of requirement to spend a minimur	m 70% on instruction
	110 - 7270		
Attendance Measures (FY02)	~~ ~~ ~		
Attendance Rate:	93.2%		
High School Graduation Rate:	88.0%		
High School Graduates:	22		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	1.9%		
Drop Outs (grades 7-12):	3		
Standardized Testing & Adequate Ye	arly Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	82.8%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	90.0%	,	9 - F 5
HSGOE Math Proficiency:	82.8%		
neede maarrinnoondy.	02.070		
Percent of Schools Meeting AYP:	100.0%		
Schools Meet AYP:	4	AYP = "Adequate Yearly Progress" measurements	ure from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	

Profile of Dillingham School Distric	:t	a la com	Server 1
Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	City 2 33.6 2,475		in the second se
<u>Students</u> (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	520.7 527.0 527.0 0.0	Color and Color	
ADM Percent Change FY92–FY04:	+4.5%		
<u>Staff</u> (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE:	40.0 21.5 22.0 <u>7.0</u>	teacher's aides district/school admin, library, maintenance superintendents, principals, supervisors, l	e, bus drivers, cooks, etc. nurses, head teachers,
Total District Staff FTE: Resident Students per Teacher: Resident Students per Other Employee: Resident Students per Employee:	90.5 13.0 10.3 5.8	counselors, psychologists, speech therap Students per Teacher: Students per Other Employee: Students per Employee:	ists, linguists, etc. 13.0 10.3 5.8
Expenditures and Funding (FY02) Geographic Cost Differential: Total Audited Expenditures: Basic Need:	131.04 \$5,857,829 \$4,354,218	Expenditures Per ADM: Basic Need Per ADM:	\$10,834 \$8,053
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$3,663,510 \$529,598 \$588,839 \$603,265 \$977,766	State Foundation Per ADM: Federal Impact Aid Per ADM: Required Local Per ADM: Voluntary Local Per ADM: Other Rev Per ADM:	\$6,775 \$979 \$1,089 \$1,116 \$1,808
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	Yes - 69% No - 71%	waiver of requirement to spend a minimum	m 70% on instruction
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	92.3% 96.0% 24 N/A 0.8% 2	included in High School Graduates	
Standardized Testing & Adequate Yea HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	rly Progress 76.9% 76.0% 70.8%	(FY03) (HSGQE = "High School Gradua percent of 10 th grade students found profi	ation Qualifying Exam") icient, Spring 2003
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	0.0% 0 2	AYP = "Adequate Yearly Progress" meas federal "No Child Left Behind Act"	ure from

Profile of Fairbanks North Star School District

		A S	
Type of District:	Borough	- the the	
Number of Schools:	31	· Alle	
Geographic Size (est. sg. miles):	7,362.4	Stor	
Total Population Served (2002):	84,791	TY A	- 55 }
,		and and and and	- Sector of the
Students (ADM = Average Daily Membership)		and the second second	
Student ADM (FY03):	15,120.9		News
Student ADM (FY04):	15,603.0		1999 C
Resident ADM:	14,373.9		
Correspondence ADM:	229.0		
ADM Percent Change FY92–FY04:	-1.9%		
Staff (ETE = Full Time Equivalent) (EV03)			
Certified Teachers FTF:	881.0		
Paraprofessionals FTE:	217.3	teacher's aides	
Classified Administration & Support FTE:	521.0	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>187.5</u>	superintendents, principals, supervisors, n	urses, head teachers,
		counselors, psychologists, speech therapi	sts, linguists, etc.
Total District Staff FTE:	1,806.8		47.0
Resident Students per Teacher:	16.9	Students per Teacher:	17.2
Resident Students per Other Employee:	10.1	Students per Other Employee:	10.3 • 4
Resident Students per Employee.	0.2		0.4
Expenditures and Funding (FY02)			
Geographic Cost Differential:	105.00		
Total Audited Expenditures:	\$114,096,324	Expenditures Per ADM:	\$7,480
Basic Need:	\$89,489,542	Basic Need Per ADM:	\$5,866
State Foundation Funding:	\$65,099,549	State Foundation Per ADM:	\$4,268
Federal Impact Aid:	\$13,425,434	Federal Impact Aid Per ADM:	\$880
Required Local Contribution:	\$19,109,469	Required Local Per ADM:	\$1,253
Voluntary/Excess Local Contribution:	\$13,446,231	Voluntary Local Per ADM:	\$881
Other Funding: (State, federal, Special)	\$14,960,347	Other Rev Per ADM:	\$981
Waiver in FY03 - % Instruction:	No - 76%	waiver of requirement to spend a minimun	70% on instruction
Waiver in FY04 - % Instruction:	No - 77%	waiver of requirement to spend a minimun	
Attendance Measures (FY02)			
Attendance Rate:	92.7%		
High School Graduation Rate:	85.0%		
High School Graduates:	785		
Correspondence Graduates:	7	included in High School Graduates	
Drop Out Rate:	8.5%		
Drop Outs (grades 7-12):	595		
Standardized Testing & Adequate Y	early Progress	(EY03) (HSGOE = "High School Graduat	tion Qualifying Exam")
HSGQE Reading Proficiency:	76.2%	percent of 10 th grade students found profic	cient. Spring 2003
HSGQE Writing Proficiency:	87.2%		,
HSGQE Math Proficiency:	74.0%		
	15 001		
Percent of Schools Meeting AYP:	45.2%		
Schools Do Not Most AVP	14	ATH = "Adequate Yearly Progress" measu	ire irom
SCIOUS DU NUL WEELATT.	17		

Profile of Galena School District			Jan Marken	~~
Type of District:		City	S S S S S S S S S S S S S S S S S S S	\sim
Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	1	4 7.9 713	i de altre	52 L
Students (ADM = Average Daily Membership) Student ADM (FY03):	3,76	67.9 00 0		A State of the second sec
Resident ADM:	3,98 22	9.0 9.0		1973 v
Correspondence ADM:	3,77	0.0		
ADM Percent Change FY92–FY04:	+2,710.	.3%	Interior Distance Education of Alaska (IDEA)	opened in FY98
<u>Staff</u> (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE:	6	3.4		
Paraprofessionals FIE:		9.8	teacher's aides	
Certified Administration & Other FTE:	2	2.7 2.7	superintendents, principals, supervisors, nur counselors, psychologists, speech therapists	ses, head teachers, s, linguists, etc.
Total District Staff FTE:	17	9.9		
Resident Students per Teacher (Note A):	۸).	3.7	Students per Leacher (Note B):	59.4
Resident Students per Other Employee (Note A):	А).	2.0 1.3	Students per Employee (Note B):	20.9
Expenditures and Funding (FY02)				
Geographic Cost Differential:	136	5.80	(See Note B):	*=
Basic Need:	\$18,550, \$13,380,	798 143	Basic Need Per ADM:	\$5,056 \$3,647
State Foundation Funding:	\$14,963,	957	State Foundation Per ADM:	\$4,078
Federal Impact Aid: (NOTE: differs in FY04)	A-	\$0	Federal Impact Aid Per ADM:	\$0
Required Local Contribution:	\$72, ¢oco	054 676	Required Local Per ADM:	\$20 ¢007
Other Funding: (other State federal Special)	φουο, \$5 281	676 575	Other Rev Per ADM:	φζ3 Ι \$1 //30
	ψ0,201,-	0-0		φ1,+00
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	No - 7 No - 7	0% '0%	waiver of requirement to spend a minimum 7	0% on instruction
Attendance Measures (FY02)	<u>9</u> 9	5%		
High School Graduation Rate:	99.	2%		
High School Graduates:		131		
Correspondence Graduates:		103	included in High School Graduates	
Drop Out Rate: Drop Outs (grades 7-12):	0.	.9% 12		
Standardized Testing & Adequate Vear	ly Progr	222	(FY03) (HSGOE = "High School Graduation	n Qualifying Exam")
HSGQE Reading Proficiency:	77.	1%	percent of 10 th grade students found proficie	nt, Spring 2003
HSGQE Writing Proficiency:	82.	7%	,	. n g
HSGQE Math Proficiency:	68.	8%		
Percent of Schools Meeting AYP:	50.	.0%		
Schools Do Not Meet AYP:		2	ATP = "Adequate Yearly Progress" measure federal "No Child Left Behind Act"	irom
		-		

Profile of Haines School District

		, FUR	~
Type of District:	Borouah	- En E	Ser L
Number of Schools:	4	· AS-	
Geographic Size (est. sg. miles):	2,357.0		
Total Population Served (2002):	2,471	TY pr	
	,	" Engry my her	Harres Dorough School
Students (ADM = Average Daily Membership)		and the second	Č.
Student ADM (FY03):	323.7	when a load of the law water and	With L
Student ADM (FY04)	320.9	The second se	
Resident ADM	304.9		
Correspondence ADM:	16.0		
ADM Percent Change FY92–FY04:	-28.4%		
Cortified Teachers ETE:	24.0		
Deroprofossionala ETE:	24.9		
Cleasified Administration & Support ETE:	7.0 11.7	teacher's aldes	
Classified Administration & Support FTE:	11.7	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FIE:	<u>4.5</u>	superintendents, principals, supervisors, r	nurses, head teachers,
Total District Staff FTF	48.7		1313, migui313, 010.
Resident Students per Teacher	12.5	Students per Teacher:	13.0
Resident Students per Other Employee	12.0	Students per Other Employee	13.6
Resident Students per Other Employee.	6.4	Students per Employee:	66
rtesident otduents per Employee.	0.4	oludenta per Employee.	0.0
Expenditures and Funding (FY02)			
Geographic Cost Differential:	111.40		
Total Audited Expenditures:	\$3.412.269	Expenditures Per ADM:	\$9.046
Basic Need:	\$2,723,833	Basic Need Per ADM:	\$7,221
	¢4 007 507		\$5.407
State Foundation Funding:	\$1,937,567	State Foundation Per ADM:	\$5,137
Federal Impact Aid:	\$530	Federal Impact Aid Per ADM:	\$1
Required Local Contribution:	\$804,169	Required Local Per ADM:	\$2,132
Voluntary/Excess Local Contribution:	\$615,536	Voluntary Local Per ADM:	\$1,632
Other Funding: (other State, federal, Special)	\$276,272	Other Rev Per ADM:	\$732
Waiver in FY03 - % Instruction:	No - 72%	waiver of requirement to spend a minimur	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 66%		
Attendence Meccures (EV02)			
Attendance Measures (FT02)	02.09/		
Allenuance Rale.	93.0%		
High School Graduation Rate:	/0./%		
High School Graduates:	23		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	7.9%		
Drop Outs (grades 7-12):	15		
Standardized Testing & Adequate Yes	arlv Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifving Exam")
HSGQE Reading Proficiency:	81.3%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	90.0%		
HSGQE Math Proficiency:	84.4%		
	0/0		
Percent of Schools Meeting AYP:	75.0%		
Schools Meet AYP:	3	AYP = "Adequate Yearly Progress" measured	ure from
Schools Do Not Meet AYP:	1	federal "No Child Left Behind Act"	

Profile of		
Hoonah School District		

Hoonan School District		$\overline{\langle}$	- And
		A Star	
Turne of District	City	man and the	John L
Type of District.		and the second sec	
Coographic Size (ast or miles):	2		
Total Population Sorved (2002):	1 031	WC .	5
Total Population Served (2002).	1,031	a togo and	is a los
Students (ADM = Average Daily Membership)		and have	- All
Student ADM (FY03):	188.4		
Student ADM (FY04):	180.2		EES)
Resident ADM:	180.2		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-23.3%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	16.5		
Paraprofessionals FTE:	10.8	teacher's aides	
Classified Administration & Support FTE:	17.0	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>2.7</u>	superintendents, principals, supervisors,	nurses, head teachers,
Total District Staff FTE:	46.9	courseiors, psychologists, speech therap	1313, illiguists, etc.
Resident Students per Teacher	11.4	Students per Teacher:	11 4
Resident Students per Other Employee:	6.2	Students per Other Employee:	6.2
Resident Students per Employee:	4.0	Students per Employee:	4.0
Expenditures and Funding (EY02)			
Geographic Cost Differential	121.90		
Total Audited Expenditures:	\$3,263,365	Expenditures Per ADM:	\$15,444
Basic Need:	\$1,742,826	Basic Need Per ADM:	\$8,248
State Foundation Funding:	\$1 574 288	State Foundation Per ADM	\$7 450
Federal Impact Aid:	\$801,510	Federal Impact Aid Per ADM:	\$3,793
Required Local Contribution:	\$100.240	Required Local Per ADM:	\$474
Voluntary/Excess Local Contribution:	\$400.566	Voluntary Local Per ADM:	\$1.896
Other Funding: (other State, federal, Special)	\$1,193,057	Other Rev Per ADM:	\$5,646
Waiver in FY03 - % Instruction:	Yes - 59%	waiver of requirement to spend a minimu	m 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 60%		
Attendance Measures (FY02)			
Attendance Rate:	95.0%		
High School Graduation Rate:	81.8%		
High School Graduates:	18		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	0.0%		
Drop Outs (grades 7-12):	0		
Standardized Testing & Adequate Year	ly Progress	(FY03) (HSGQE = "High School Gradua	ation Qualifying Exam")
HSGQE Reading Proficiency:	50.0%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	80.0%		
HSGQE Math Proficiency:	70.6%		
Percent of Schools Meeting AYP:	50.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	1	federal "No Child Left Behind Act"	

Profile of Hydaburg School District		- B	m
Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	City 2 0.3 364		sal a
<u>Students</u> (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	92.2 87.1 87.1 0.0	Contraction of the second of the sec	
ADM Percent Change FY92–FY04:	-26.8%		
<u>Staff</u> (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE:	121.90 3.8 7.0 <u>2.1</u>	teacher's aides district/school admin, library, maintenance superintendents, principals, supervisors, n	, bus drivers, cooks, etc. urses, head teachers,
Total District Staff FTE: Resident Students per Teacher: Resident Students per Other Employee: Resident Students per Employee:	23.4 8.7 7.2 3.9	counselors, psychologists, speech therapis Students per Teacher: Students per Other Employee: Students per Employee:	sts, linguists, etc. 8.7 7.2 3.9
Expenditures and Funding (FY02) Geographic Cost Differential: Total Audited Expenditures: Basic Need:	1.1 \$1,518,351 \$827,905	Expenditures Per ADM: Basic Need Per ADM:	\$15,168 \$8,271
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$864,847 \$440,804 \$32,566 \$32,434 \$411,443	State Foundation Per ADM: Federal Impact Aid Per ADM: Required Local Per ADM: Voluntary Local Per ADM: Other Rev Per ADM:	\$8,640 \$4,404 \$325 \$324 \$4,110
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	Yes - 66% Yes - 69%	waiver of requirement to spend a minimum	170% on instruction
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	87.4% 100.0% 8 N/A 4.0% 2	included in High School Graduates	
Standardized Testing & Adequate Year HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	<u>y Progress</u> 60.0% 60.0% 60.0%	(FY03) (HSGQE = "High School Graduat percent of 10 th grade students found profic	ion Qualifying Exam") ient, Spring 2003
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	50.0% 1 1	AYP = "Adequate Yearly Progress" measu federal "No Child Left Behind Act"	re from

Profile of Iditarod Area School District

		AL A	
Type of District:	REAA	- Ser &	John L
Number of Schools	9		
Geographic Size (est sq miles)	33 449 5		(
Total Population Served (2002)	1 345		kur }
	1,010	· Engry and he	age (the second
Students (ADM = Average Daily Membership)		1	LANE (
Student ADM (FY03):	403.5	The state of the second state of the second state of the	A A A A A A A A A A A A A A A A A A A
Student ADM (FY04):	384.7		
Resident ADM:	293.9		
Correspondence ADM:	90.8		
ADM Percent Change FY92–FY04:	-0.9%		
Staff (ETE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	28.2		
Paraprofessionals FTE:	6.6	teacher's aides	
Classified Administration & Support FTE:	23.5	district/school admin. library. maintenance	e. bus drivers. cooks. etc.
Certified Administration & Other FTE:	10.3	superintendents, principals, supervisors, i	nurses, head teachers.
		counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	68.6		
Resident Students per Teacher (Note A):	11.0	Students per Teacher (Note B):	14.3
Resident Students per Other Employee (N	Note A): 7.7	Students per Other Employee (Ne	ote B): 10.0
Resident Students per Employee (Note A): 4.5	Students per Employee (Note B):	5.9
Expenditures and Funding (FY02)			
Geographic Cost Differential:	138.05 - 154.73	(See Note B):	
Total Audited Expenditures:	\$6,379,912	Expenditures Per ADM:	\$11,370
Basic Need:	\$4,954,291	Basic Need Per ADM:	\$8,829
State Foundation Funding:	\$5.209.589	State Foundation Per ADM:	\$9.284
Federal Impact Aid:	\$745.768	Federal Impact Aid Per ADM:	\$1.329
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$2,353,768	Other Rev Per ADM:	\$4,195
			· ,
Waiver in FY03 - % Instruction:	Yes - 68%	waiver of requirement to spend a minimur	m 70% on instruction
	163 - 04 /		
Attendance Measures (FY02)			
Attendance Rate:	93.1%		
High School Graduation Rate:	81.0%		
High School Graduates:	17		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	1.5%		
Drop Outs (grades 7-12):	4		
Standardized Testing & Adequate Y	early Progress	(FY03) (HSGQE = "High School Gradua	ation Qualifying Exam")
HSGQE Reading Proficiency:	27.6%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	46.4%		
HSGQE Math Proficiency:	42.9%		
Percent of Schools Meeting AYP:	33.3%		
Schools Meet AYP:	3	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	6	federal "No Child Left Behind Act"	

Profile of Juneau School District

			\sim
Type of District:	Borouah	- Star &	ser
Number of Schools:	12		
Geographic Size (est. sq. miles):	2,733.6	at the second second	
Total Population Served (2002):	30,981	e e e	55
		" " " " " " " " " " " " " " " " " " "	- and
Students (ADM = Average Daily Membership)		and a second	
Student ADM (FY03):	5,521.1	and a same property and the second of the se	Web
Student ADM (FY04):	5,443.0		£650
Resident ADM:	5,360.1		
Correspondence ADM:	83.0		
ADM Percent Change FY92–FY04:	+3.7%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	325.8		
Paraprofessionals FTE:	91.4	teacher's aides	
Classified Administration & Support FTE:	166.0	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>46.9</u>	superintendents, principals, supervisors, n	urses, head teachers,
		counselors, psychologists, speech therapi	sts, linguists, etc.
Total District Staff FTE:	630.1		
Resident Students per Teacher:	16.8	Students per Teacher:	16.9
Resident Students per Other Employee:	18.0	Students per Other Employee:	18.1
Resident Students per Employee:	8.7	Students per Employee:	8.8
Expenditures and Funding (FY02)			
Geographic Cost Differential:	103.60		
Total Audited Expenditures:	\$38,780,010	Expenditures Per ADM:	\$7,041
Basic Need:	\$31,000,989	Basic Need Per ADM:	\$5,629
State Foundation Funding:	\$20,873,019	State Foundation Per ADM:	\$3,790
Federal Impact Aid:	\$0	Federal Impact Aid Per ADM:	\$0
Required Local Contribution:	\$10,251,665	Required Local Per ADM:	\$1,861
Voluntary/Excess Local Contribution:	\$7,024,935	Voluntary Local Per ADM:	\$1,276
Other Funding: (other State, federal, Special)	\$4,754,526	Other Rev Per ADM:	\$863
Waiver in FY03 - % Instruction:	No - 77%	waiver of requirement to spend a minimun	n 70% on instruction
Waiver in FY04 - % Instruction:	No - 76%		
Attendance Measures (FY02)			
Attendance Rate:	90.7%		
High School Graduation Rate:	89.0%		
High School Graduates:	333		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	7.5%		
Drop Outs (grades 7-12):	198		
Standardized Testing & Adequate Ye	arly Progress	(FY03) (HSGQE = "High School Graduat	ion Qualifying Exam")
HSGQE Reading Proficiency:	77.9%	percent of 10 th grade students found profic	cient, Spring 2003
HSGQE Writing Proficiency:	59.5%		
HSGQE Math Proficiency:	82.4%		
Percent of Schools Meeting AYP:	33.3%		
Schools Meet AYP:	4	AYP = "Adequate Yearly Progress" measu	ire from
Schools Do Not Meet AYP:	8	federal "No Child Left Behind Act"	

of Sunger

	Profile of	
Kake	School District	

		AN A	
Type of District:	City	man and the	ar
Number of Schools:	2	· Aut-	
Geographic Size (est sq miles):	8.2	and the second second	(
Total Population Served (2002):	700	TY po	· ra }
		" the state of the	- sound of the
Students (ADM = Average Daily Membership)		and the second sec	(A)A
Student ADM (FY03):	151.9	- · ····	
Student ADM (FY04):	155.2		8 C.S.
Resident ADM:	155.2		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-16.2%		
Stall (FTE = Full Time Equivalent) (FTU3)	16.0		
Paraprofessionals ETE:	10.0	toochor's aides	
Classified Administration & Support FTF	5.0 6.0	district/school admin library maintenance	hus drivers cooks etc.
Certified Administration & Other FTF:	1.0	superintendents principals supervisors n	urses head teachers
	<u></u>	counselors, psychologists, speech therapi	sts, linguists, etc.
Total District Staff FTE:	26.6		
Resident Students per Teacher:	9.5	Students per Teacher:	9.5
Resident Students per Other Employee:	14.3	Students per Other Employee:	14.3
Resident Students per Employee:	5.7	Students per Employee:	5.7
Expenditures and Eunding (EY02)			
Geographic Cost Differential:	121.90		
Total Audited Expenditures:	\$2.164.624	Expenditures Per ADM:	\$12.613
Basic Need:	\$1,361,796	Basic Need Per ADM:	\$7,935
	\$4 000 0F7		#7 000
State Foundation Funding:	\$1,206,957	State Foundation Per ADM:	\$7,033
Pederal Impact Ald: Required Legal Contribution:	\$040,208 ¢70,572	Pederal Impact Ald Per ADM:	ቅጋ, 183 ሮ / 1 1
Voluntary/Excess Local Contribution:	\$70,572	Voluntary Local Per ADM:	9411 \$320
Other Funding: (other State federal Special)	\$439 587	Other Rev Per ADM	\$2 561
Other State, rederal, Special)	φ+00,007		ψ2,001
Waiver in FY03 - % Instruction:	Yes - 64%	waiver of requirement to spend a minimun	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 65%		
Attendence Measures (EV02)			
Attendance Rate:	92 7%		
High School Graduation Rate	72.7%		
High School Graduates:	8		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	1.0%	included in Fight Control Chaddaloo	
Drop Outs (grades 7-12):	1		
Chandendined Testing Q. Advance (*)/	aulus Duc ana s		
Standardized Testing & Adequate Yes	ariy Progress	(FYU3) (HSGQE = "High School Graduat	tion Qualifying Exam")
HSCOE Writing Proficioney:	00.0% 40.0%	percent of 10 grade students found profit	aent, Spring 2003
HSGOE Math Proficiency	40.0% 60.0%		
HOUSE Main Foliololloy.	00.070		
Percent of Schools Meeting AYP:	100.0%		
Schools Meet AYP:	2	AYP = "Adequate Yearly Progress" measu	ire from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	

Profile of Kashunamiut School District

		St End.	Ser 1
Type of District:	Federal Transfer REAA	سم لغم الأ	- N
Number of Schools:	1		
Geographic Size (est. sg. miles):	1.1	2 Provent	$\langle \rangle$
Total Population Served (2002):	854		A 45
		and the second sec	and a start of the
Students (ADM = Average Daily Memb	vershin)		ATTACK AND A
Student ADM (EV03).	350 A		
Student ADM (FY04):	365.6		. E E
Resident ADM:	365.6		
Correspondence ADM:	0.0		
Conceptindence Abili.	0.0		
ADM Percent Change FY92–FY04	: +91.3%		
	121		
Cortified Teachors ETE:	2/ 8		
Daraprofossionals ETE:	24.0	toophor's sides	
Classified Administration & Suppor	+ ETE: 16.0	district/ophoal admin library maintanana	o hua drivara anaka ata
Cartified Administration & Other ET		district/school admin, library, maintenand	e, bus unvers, cooks, etc.
Certilled Administration & Other FT	E. <u>3.3</u>	counselors psychologists speech therap	nurses, nead teachers,
Total District Staff ETE	65.1		Joto, iniguisto, etc.
Resident Students per Teacher:	14 1	Students per Teacher:	14 1
Resident Students per Other Emple	ovee 87	Students per Other Employee	87
Resident Students per Employee:	5,4	Students per Employee:	5.4
	0.1		••••
Expenditures and Funding (F)	(02)		
Geographic Cost Differential	147.36		
Total Audited Expenditures:	\$3 800 888	Expenditures Per ADM [.]	\$11 811
Basic Need	\$3 111 479	Basic Need Per ADM	\$9,669
Basic Need.	ψ 0 ,111, 4 75	Dasie Need Fel Abili.	ψ0,000
State Foundation Funding	\$2 063 225	State Foundation Per ADM [.]	\$6 412
Federal Impact Aid	\$1 561 358	Federal Impact Aid Per ADM	\$4,852
Required Local Contribution:	\$0	Required Local Per ADM	\$0
Voluntary/Excess Local Contributio	n: \$0	Voluntary Local Per ADM:	\$0 \$0
Other Funding: (other State federal Sp	ecial) \$1 108 369	Other Rev Per ADM:	\$3 444
Other Funding. (other State, rederal, Sp	ψ1,100,000		ψ0,
Waiver in FY03 - % Instruction:	No - 73%	waiver of requirement to spend a minimu	m 70% on instruction
Waiver in FY04 - % Instruction:	No - 74%	·····	
Attendance Measures (FY02)			
Attendance Rate:	93.8%		
High School Graduation Rate:	100.0%		
High School Graduates	12		
Correspondence Graduate	s' N/A	included in High School Graduates	
Dron Out Rate	3. 3.0%	included in high School Graduates	
Drop Outs (grades 7-12)	4		
	Т		
Standardized Testing & Adeq	uate Yearly Progress	(FY03) (HSGQE = "High School Gradu	ation Qualifving Exam")
HSGQE Reading Proficiency:	13.6%	percent of 10 th grade students found prof	icient, Spring 2003
HSGQE Writing Proficiency:	54.5%		
HSGQE Math Proficiency:	45.5%		
2			
Percent of Schools Meeting AYP:	0.0%		
Schools Meet AYP:	0	AYP = "Adequate Yearly Progress" meas	sure from
Schools Do Not Meet AYP	: 1	federal "No Child Left Behind Act"	

Profile of Kenai Peninsula School District

			\sim
Type of District:	Borough	سم تغمر لا	~ ~
Number of Schools:	41	· Crist	
Geographic Size (est. sq. miles):	16,078.9		5
Total Population Served (2002):	51,187	En car	152 La
Students (ADM - Average Daily Membership)		120	LANG -
Student ADM (FY03):	9 632 4	The same of the second s	
Student ADM (FY04):	9.568.5		
Resident ADM:	8,999.3		
Correspondence ADM:	569.2		
ADM Percent Change FY92–FY04:	+1.3%		
Certified Teachers ETE:	603 3		
Paraprofessionals FTE:	119.6	teacher's aides	
Classified Administration & Support FTE:	275.3	district/school admin. library. maintenance	. bus drivers. cooks. etc.
Certified Administration & Other FTE:	131.4	superintendents, principals, supervisors, n	urses, head teachers,
Total District Staff ETE:	1 1 20 5	counselors, psychologists, speech therapis	sts, linguists, etc.
Resident Students per Teacher:	1,129.5	Students per Teacher:	16.0
Resident Students per Other Employee	17.6	Students per Other Employee	18.3
Resident Students per Employee:	8.2	Students per Employee:	8.5
Evenenditures and Evending (E)(00)			
Expenditures and Funding (FY02)	09 6 104 50		
Total Audited Expenditures:	\$76 627 820	Expenditures Per ADM	\$7 820
Basic Need	\$59,027,029	Basic Need Per ADM	\$6,029
	<i>400,002,001</i>		<i>\</i> 0 ,020
State Foundation Funding:	\$42,718,263	State Foundation Per ADM:	\$4,359
Federal Impact Aid:	\$0	Federal Impact Aid Per ADM:	\$0
Required Local Contribution:	\$16,600,112	Required Local Per ADM:	\$1,694
Voluntary/Excess Local Contribution:	\$13,589,006	Voluntary Local Per ADM:	\$1,387
Other Funding: (State, federal, Special)	\$10,080,189	Other Rev Per ADM:	\$1,029
Waiver in FY03 - % Instruction:	No - 73%	waiver of requirement to spend a minimum	70% on instruction
Waiver in FY04 - % Instruction:	No - 72%		
Attendance Measures (FY02)			
Attendance Rate:	93.5%		
High School Graduation Rate:	89.7%		
High School Graduates:	669		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	5.1%		
Drop Outs (grades 7-12):	256		
Standardized Testing & Adequate Yea	arly Progress	(FY03) (HSGQE = "High School Graduat	ion Qualifying Exam")
HSGQE Reading Proficiency:	76.1%	percent of 10 th grade students found profic	ient, Spring 2003
HSGQE Writing Proficiency:	87.3%		
HSGQE Math Proficiency:	77.9%		
Percent of Schools Meeting AYP:	48.8%		
Schools Meet AYP:	20	AYP = "Adequate Yearly Progress" measu	re from
Schools Do Not Meet AYP:	21	federal "No Child Left Behind Act"	

Profile of Ketchikan Gateway School District

			~
Type of District:	Borough	The second second	
Number of Schools:	10	· Crist	
Geographic Size (est. sq. miles):	1,219.5		5
Total Population Served (2002):	13,670	· En cell	55
			The fer a
Students (ADM = Average Daily Membership)		and a second with the second s	
Student ADM (FY03):	2,398.4	and a seal of the	
Student ADM (FY04):	2,3/1.2		AP20
Resident ADM:	2,346.9		
Correspondence ADM:	24.3		
ADM Percent Change FY92–FY04:	-11.0%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	141.5		
Paraprofessionals FTE:	50.7	teacher's aides	
Classified Administration & Support FTE:	73.3	district/school admin, library, maintenance	. bus drivers, cooks, etc.
Certified Administration & Other FTE:	22.0	superintendents, principals, supervisors, r	urses, head teachers.
		counselors, psychologists, speech therapi	sts, linguists, etc.
Total District Staff FTE:	287.5		
Resident Students per Teacher:	16.8	Students per Teacher:	16.9
Resident Students per Other Employee:	16.3	Students per Other Employee:	16.4
Resident Students per Employee:	8.3	Students per Employee:	8.3
Expenditures and Funding (EY02)			
Geographic Cost Differential	109.80		
Total Audited Expenditures:	\$17,418,467	Expenditures Per ADM:	\$7.256
Basic Need:	\$13,742,992	Basic Need Per ADM:	\$5,725
State Foundation Funding	¢0 200 515	State Foundation Dar ADM:	¢2 011
State Foundation Funding.	49,000,010 ¢14 526	State Foundation Per ADM.	ቅጋ,911 ኖድ
Pederal Impact Alu.	\$14,550 \$4,405,005	Pederal Impact Ald Fer ADM.	φ0 ¢1 925
Nequired Local Contribution.	\$4,400,990 \$2,159,720	Voluntary Local Per ADM:	\$1,000 ¢1,216
Other Eurodings (ather Otate, federal, Oracial)	\$3,100,400 \$3,200,001	Other Boy Der ADM	\$1,310 \$067
Other Funding: (other State, federal, Special)	\$2,322,021	Other Rev Per ADM.	\$90 <i>1</i>
Waiver in FY03 - % Instruction:	No - 76%	waiver of requirement to spend a minimum	n 70% on instruction
Waiver in FY04 - % Instruction:	No - 78%		
Attendance Measures (FY02)			
Attendance Rate:	93.9%		
High School Graduation Rate:	87.7%		
High School Graduates:	128		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	5.5%		
Drop Outs (grades 7-12):	67		
Standardized Testing & Adequate Ve	arly Progress		tion Qualifying Even")
HSGOE Reading Proficionau		percent of 10 th grade students found aref	non Qualitying Exam)
HSGOE Writing Proficiency	62 Q%	percent of the grade students round profit	sent, oping 2005
HSGOE Math Proficiency	79.9%		
HOUSE Main Fronciency.	13.970		
Percent of Schools Meeting AYP:	30.0%		
Schools Meet AYP:	3	AYP = "Adequate Yearly Progress" measu	ure from
Schools Do Not Meet AYP:	7	federal "No Child Left Behind Act"	

Profile of			
Klawock School District			

		E Ch	
Type of District:	City	man the	John L
Number of Schools:	City 1	A Company	
Geographic Size (est sq miles)	0.6		
Total Population Served (2002)	848		< m }
	010	· Engra copres	age (the second
Students (ADM = Average Daily Membership)		2.2	Jak Contraction
Student ADM (FY03):	158 9	The second second second by an	Store L
Student ADM (FY04):	150.0	Completion L P	
Resident ADM:	147.0		
Correspondence ADM:	3.0		
ADM Percent Change FY92–FY04:	-29.2%		
Stall (FIE = Full Time Equivalent) (FY03)	12.0		
Derantofossionals ETE:	13.9	taaahar'a aidaa	
Classified Administration & Support FTE:	2.0	district/school admin_librany_maintenance	a bus drivors cooks ato
Certified Administration & Other ETE:	26	superintendents, principals, supervisors, r	e, bus unvers, cooks, etc.
Certified Administration & Other 1 TE.	2.0	counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	33.0		
Resident Students per Teacher:	11.4	Students per Teacher:	11.4
Resident Students per Other Employee:	8.3	Students per Other Employee:	8.3
Resident Students per Employee:	4.8	Students per Employee:	4.8
Expenditures and Funding (EV02)			
Geographic Cost Differential:	121 90		
Total Audited Expenditures:	\$2 385 589	Expenditures Per ADM [.]	\$13 710
Basic Need:	\$1.431.811	Basic Need Per ADM:	\$8.229
	¢.,,		<i>vo</i> ,== <i>o</i>
State Foundation Funding:	\$1,355,362	State Foundation Per ADM:	\$7,789
Federal Impact Aid:	\$745,683	Federal Impact Aid Per ADM:	\$4,286
Required Local Contribution:	\$126,102	Required Local Per ADM:	\$725
Voluntary/Excess Local Contribution:	\$260,155	Voluntary Local Per ADM:	\$1,495
Other Funding: (other State, federal, Special)	\$280,074	Other Rev Per ADM:	\$1,610
Waiver in FY03 - % Instruction:	Yes - 66%	waiver of requirement to spend a minimur	m 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 63%		
Attendance Measures (EX02)			
Attendance Rate:	00 20/		
High School Graduation Rate:	50.2 /0 86 7%		
High School Graduates:	13		
Correspondence Graduates:	Ν/Δ	included in High School Graduates	
Dron Out Rate [,]	6.7%	included in high School Oraduates	
Drop Outs (grades 7-12):	6		
Standardized Testing & Adequate Ye	ariy Progress	(FYU3) (HSGQE = "High School Gradua	tion Qualifying Exam")
	66.7%	percent of 10 ^m grade students found profi	cient, Spring 2003
HECOE Math Brofinic and	80.0%		
nouse main Proliciency:	54.5%		
Percent of Schools Meeting AYP:	100.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" measure	ure from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	

Profile of Kodiak Island School District

			\sim
Type of District:	Borough	- Star &	and here
Number of Schools:	Ĭ4	· Char	
Geographic Size (est. sq. miles):	6,462.6		5
Total Population Served (2002):	13,852		55 1
			The fam -
Students (ADM = Average Daily Membership)	0 750 4	and a summer of the second sec	
Student ADM (FY03):	2,750.4	and a sea and the sea and a sea and a sea a s	(Call
Student ADM (FY04):	2,077.3		600
Correspondence ADM:	2,021.0		
Correspondence ADM.	55.0		
ADM Percent Change FY92–FY04:	+6.0%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	190.1		
Paraprofessionals FTE:	61.5	teacher's aides	
Classified Administration & Support FTE:	89.3	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>40.3</u>	superintendents, principals, supervisors, r	urses, head teachers,
Total District Staff FTE:	381.2	counselors, psychologists, speech therapi	sts, linguists, etc.
Resident Students per Teacher	14.4	Students per Teacher	14 5
Resident Students per Other Employee:	14.3	Students per Other Employee:	14.4
Resident Students per Employee:	7.2	Students per Employee:	7.2
Expenditures and Funding (FY02)	111 40 121 00		
Total Audited Expenditures:	\$24 639 693	Expenditures Per ADM [.]	\$8 735
Basic Need:	\$18,738,810	Basic Need Per ADM:	\$6,643
	¢.0,000,010		<i>+</i> 0 , 0 10
State Foundation Funding:	\$14,021,088	State Foundation Per ADM:	\$4,971
Federal Impact Aid:	\$2,198,789	Federal Impact Aid Per ADM:	\$779
Required Local Contribution:	\$3,829,405	Required Local Per ADM:	\$1,358
Voluntary/Excess Local Contribution:	\$3,276,889	Voluntary Local Per ADM:	\$1,162
Other Funding: (other State, federal, Special)	\$3,905,349	Other Rev Per ADM:	\$1,384
Waiver in FY03 - % Instruction:	No - 74%	waiver of requirement to spend a minimun	n 70% on instruction
Waiver in FY04 - % Instruction:	No - 74%		
Attendance Measures (FY02)			
Attendance Rate:	93.6%		
High School Graduation Rate:	88.9%		
High School Graduates:	184		
Correspondence Graduates:	6	included in High School Graduates	
Drop Out Rate:	2.0%		
Drop Outs (grades 7-12):	27		
Standardized Testing & Adequate Y	early Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	81.0%	percent of 10 th grade students found profic	cient, Spring 2003
HSGQE Writing Proficiency:	64.6%		
HSGQE Math Proficiency:	70.8%		
Percent of Schools Meeting AYP:	64.3%		
Schools Meet AYP:	9	AYP = "Adequate Yearly Progress" measure	ire from
Schools Do Not Meet AYP:	5	federal "No Child Left Behind Act"	

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Profile of		
Kuspuk School District		

		5 De	
		S man	~~~
Type of District:	REAA	المحجم المحجم	~
Number of Schools:	10		
Geographic Size (est. sq. miles):	19,284.9		5
Total Population Served (2002):	1,522	i for other	55 Change
Official and a second s		10-2	A.C.
Students (ADM = Average Daily Membership)	400 7	The second se	
Student ADM (FY03):	426.7	- · · · · · · · · · · · · · · · · · · ·	(CES)
Student ADM (FY04):	425.8		200
	425.8		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-5.7%		
Staff (ETE = Full Time Equivalent) (EY03)			
Certified Teachers FTE:	42.4		
Paraprofessionals FTE:	24.9	teacher's aides	
Classified Administration & Support FTE:	36.0	district/school admin. library, maintenance.	bus drivers, cooks, etc.
Certified Administration & Other FTE:	8.6	superintendents, principals, supervisors, nu	irses, head teachers.
		counselors, psychologists, speech therapis	ts, linguists, etc.
Total District Staff FTE:	111.9		
Resident Students per Teacher:	10.1	Students per Teacher:	10.1
Resident Students per Other Employee:	6.1	Students per Other Employee:	6.1
Resident Students per Employee:	3.8	Students per Employee:	3.8
Expanditures and Euroding (EV02)			
Experial large and Funding (F102)	140.00		
Geographic Cost Differential.	149.00 ¢7.511.666	Expanditures Par ADM:	¢17 240
Posia Nood:	\$7,511,000 \$5,241,001	Experialitates Fer ADM:	φ17,340 ¢10.227
Dasic Need.	φ 0,041,001	Dasic Need Fel ADM.	ψ12,337
State Foundation Funding:	\$4.196.767	State Foundation Per ADM:	\$9.692
Federal Impact Aid:	\$1,763,600	Federal Impact Aid Per ADM:	\$4,073
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$1,239,738	Other Rev Per ADM:	\$2,863
Waiver in FY03 - % Instruction:	Yes - 69%	waiver of requirement to spend a minimum	70% on instruction
	res - 03%		
Attendance Measures (FY02)			
Attendance Rate:	90.0%		
High School Graduation Rate:	76.5%		
High School Graduates:	26		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	10.2%	3	
Drop Outs (grades 7-12):	20		
.	_		
Standardized Testing & Adequate Year	ly Progress	(FY03) (HSGQE = "High School Graduati	on Qualifying Exam")
HSGQE Reading Proficiency:	19.2%	percent of 10" grade students found profici	ent, Spring 2003
	64.3%		
nouse main proficiency:	30.8%		
Percent of Schools Meeting AYP:	30.0%		
Schools Meet AYP:	3	AYP = "Adequate Yearly Progress" measur	e from
Schools Do Not Meet AYP:	7	federal "No Child Left Behind Act"	

Profile of Lake & Peninsula School District

		AL A	~
Type of District:	Borough	- Ser &	Low L
Number of Schools:	14	· ASE	
Geographic Size (est. sq. miles):	23,632.3	app	
Total Population Served (2002):	1,641		45
		and the second	and the second
Students (ADM = Average Daily Membership)		No.	
Student ADM (FY03):	412.6		
Student ADM (FY04):	418.3		S. S. C.
Resident ADM:	415.3		
Correspondence ADM:	3.0		
ADM Percent Change FY92–FY04:	-6.4%		
Staff (ETE = Full Time Equivalent) (EY03)			
Certified Teachers FTF:	48.1		
Paraprofessionals FTE:	19.2	teacher's aides	
Classified Administration & Support FTE:	37.7	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	15.6	superintendents, principals, supervisors, i	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
I otal District Staff FIE:	120.6	Otudanta nan Taraham	0.0
Resident Students per Teacher:	8.0	Students per Teacher:	8.0
Resident Students per Other Employee:	5.7 2.4	Students per Other Employee:	0.7 3 A
Resident Students per Employee.	5.4	Students per Employee.	3.4
Expenditures and Funding (FY02)			
Geographic Cost Differential:	121.90–154.73		
Total Audited Expenditures:	\$9,745,021	Expenditures Per ADM:	\$22,779
Basic Need:	\$6,339,970	Basic Need Per ADM:	\$14,820
State Foundation Funding:	\$5,961,629	State Foundation Per ADM:	\$13,936
Federal Impact Aid:	\$1.873.521	Federal Impact Aid Per ADM:	\$4.379
Required Local Contribution:	\$276.124	Required Local Per ADM:	\$645
Voluntary/Excess Local Contribution:	\$778,749	Voluntary Local Per ADM:	\$1,820
Other Funding: (other State, federal, Special)	\$1,922,986	Other Rev Per ADM:	\$4,495
Waiver in FY03 - % Instruction:	Yes - 66%	waiver of requirement to spend a minimur	m 70% on instruction
	163-0070		
Attendance Measures (FY02)			
Attendance Rate:	92.9%		
High School Graduation Rate:	100.0%		
High School Graduates:	19		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	0.0%		
Drop Outs (grades 7-12):	0		
Standardized Testing & Adequate Y	early Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	48.4%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	68.8%		
HSGQE Math Proficiency:	45.2%		
Percent of Schools Meeting AYP:	57.1%		
Schools Meet AYP:	8	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	6	federal "No Child Left Behind Act"	

Profile of Lower Kuskokwim School District

			\sim
Type of District:	REAA	N ST	A L
Number of Schools:	27	· Char	
Geographic Size (est. sq. miles):	21,802.5		5
Total Population Served (2002):	13,489		55
		Vupit REAA is encircled by Lower Kuskotwin REAA	My your
Students (ADM = Average Daily Membership)	0 704 7	and a second with the second s	
Student ADM (FY03):	3,704.7	- · · · · · · · · · · · · · · · · · · ·	
Student ADM (FY04): Posident ADM:	3,799.0		600
Correspondence ADM	3,733.0		
	0.0		
ADM Percent Change FY92–FY04:	+36.6%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	265.5		
Paraprofessionals FTE:	122.4	teacher's aides	
Classified Administration & Support FTE:	208.9	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>69.5</u>	superintendents, principals, supervisors, r	nurses, head teachers,
Total District Staff FTE	666 3	counselors, psychologists, speech therap	ists, linguists, etc.
Resident Students per Teacher:	14.0	Students per Teacher:	14.0
Resident Students per Other Employee:	9.2	Students per Other Employee:	9.2
Resident Students per Employee:	5.6	Students per Employee:	5.6
Expenditures and Funding (FY02)	127 26 117 26		
Total Audited Expenditures	\$48,356,428	Expenditures Per ADM ¹	\$13 260
Basic Need:	\$39,340,666	Basic Need Per ADM:	\$10,788
State Foundation Funding:	\$35,262,741	State Foundation Per ADM:	\$9,670
Federal Impact Ald:	\$13,027,771	Federal Impact Aid Per ADM:	\$3,572
Voluntary/Excess Local Contribution:	ቆሀ ድር	Voluntary Local Per ADM:	ቅሀ ድር
Other Funding: (State federal Special)	φυ \$12 293 731	Other Rev Per ADM	ም \$3 371
	ψ12,200,701		ψ0,07 1
Waiver in FY03 - % Instruction:	No - 70%	waiver of requirement to spend a minimur	n 70% on instruction
Waiver in FY04 - % Instruction:	No - 73%		
Attendance Measures (FY02)			
Attendance Rate:	91.0%		
High School Graduation Rate:	79.7%		
High School Graduates:	118		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate: Drop Outs (grados 7 12):	10.9%		
Drop Outs (grades 7-12).	150		
Standardized Testing & Adequate Ye	early Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	34.8%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	65.0%		
nogge main Proliciency:	47.2%		
Percent of Schools Meeting AYP:	7.4%		
Schools Meet AYP:	2	AYP = "Adequate Yearly Progress" measured	ure from
Schools Do Not Meet AYP:	25	federal "No Child Left Behind Act"	

Profile of Lower Yukon School District

Type of District	REAA	and the	John L
Number of Schools:	11	Kashunsmitzt REAA is encicled by Lover	
Geographic Size (est. sg. miles):	17,124.1	Yukon REAA	
Total Population Served (2002):	5,891	TY R	45
		and all a	agent the
Students (ADM = Average Daily Membership)		the second s	ANG ANG
Student ADM (FY03):	2,053.2	and a sense of the	
Student ADM (FY04):	2,040.2		8 at ()
Resident ADM:	2,040.2		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	+49.5%		
Staff (ETE = Full Time Equivalent) (EY03)			
Certified Teachers ETE:	143 5		
Paraprofessionals FTE:	76.7	teacher's aides	
Classified Administration & Support FTE:	100.0	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	40.5	superintendents, principals, supervisors, r	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	360.7		
Resident Students per Teacher:	14.3	Students per Teacher:	14.3
Resident Students per Other Employee:	9.5	Students per Other Employee:	9.5 5 7
Resident Students per Employee:	5.7	Students per Employee:	5.7
Expenditures and Funding (FY02)			
Geographic Cost Differential:	147.36		
Total Audited Expenditures:	\$24,217,351	Expenditures Per ADM:	\$12,497
Basic Need:	\$20,629,686	Basic Need Per ADM:	\$10,646
State Foundation Funding	\$14 766 411	State Foundation Per ADM	\$7 620
Federal Impact Aid:	\$8.287.914	Federal Impact Aid Per ADM:	\$4.277
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$5,120,438	Other Rev Per ADM:	\$2,642
Waiver in EV03 % Instruction:	Voc 66%	weiver of requirement to enand a minimum	m 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 65%	waiver of requirement to spend a minimul	
Attendance Measures (EY02)			
Attendance Rate:	90.5%		
High School Graduation Rate:	98.0%		
High School Graduates:	50		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	13.2%		
Drop Outs (grades 7-12):	101		
Standardized Testing & Adequate Yes	arly Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	10.1%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	54.5%	,	····
HSGQE Math Proficiency:	29.6%		
Percent of Schools Monting AVP	0.00/		
Schools Meet AVP	0.0%	AVP = "Adequate Vearly Progress" maas	ure from
Schools Do Not Meet AYP	11	federal "No Child Left Rehind Act"	

Profile of Matanuska-Susitna School District

			\sim
Type of District:	Borough	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	John L
Number of Schools:	35	· AL	
Geographic Size (est. sq. miles):	24,693.6	Dra	
Total Population Served (2002):	65,241		55
		· · · · · · · · · · · · · · · · · · ·	and the second
Students (ADM = Average Daily Membership)		and the second second	(ARC)
Student ADM (FY03):	13,547.3		A CANK
Student ADM (FY04):	14,314.6		EEU
Resident ADM:	13,354.7		
Correspondence ADM:	959.9		
ADM Percent Change FY92–FY04:	+41.2%		
3			
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	800.4		
Paraprofessionals FTE:	205.2	teacher's aides	
Classified Administration & Support FTE:	464.0	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	186.3	superintendents, principals, supervisors,	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	1,655.9		
Resident Students per Teacher:	16.3	Students per Teacher:	16.9
Resident Students per Other Employee:	15.2	Students per Other Employe:	15.8
Resident Students per Employee:	7.9	Students per Employee:	8.2
Expenditures and Funding (FY02)	00 00 404 50		
	99.00-104.50		AT 040
Total Audited Expenditures:	\$94,931,002	Expenditures Per ADM:	\$7,216
Basic Need:	\$77,534,633	Basic Need Per ADM:	\$5,893
State Foundation Funding	\$65,370,660	State Foundation Per ADM	\$4 969
Federal Impact Aid	\$00,070,000	Federal Impact Aid Per ADM	\$0
Required Local Contribution	\$12 473 338	Required Local Per ADM:	\$948
Voluntary/Excess Local Contribution	\$17 158 008	Voluntary Local Per ADM	\$1.304
Other Funding: (State federal Special)	\$10,799,612	Other Rev Per ADM	\$821
Other Funding. (State, lederal, Special)	φ10,733,01Z		ψυΖΤ
Waiver in FY03 - % Instruction:	No - 76%	waiver of requirement to spend a minimur	n 70% on instruction
Waiver in FY04 - % Instruction:	No - 78%		
Attendance Measures (FY02)	00.00/		
	92.9%		
High School Graduation Rate:	81.2%		
High School Graduates:	830		
Correspondence Graduates:	36	included in High School Graduates	
Drop Out Rate:	4.5%		
Drop Outs (grades 7-12):	298		
Standardized Testing & Adequate V	arly Progress	(EV03) (HSGOE = "Wigh School Credue	tion Qualifying Exam"
HSGOE Reading Proficiency	74 9%	percent of 10 th grade students found profi	cient Spring 2003
HSGOF Writing Proficiency:	83 Q%	person or to grade students tound prom	oroni, opinig 2000
HSGOE Math Proficiency:	60.3%		
	00.270		
Percent of Schools Meeting AYP:	48.6%		
Schools Meet AYP:	17	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	18	federal "No Child Left Behind Act"	

Profile of Nenana School District		L'arman	7
Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	City 2 6.0 478	i for a first	
<u>Students</u> (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	1,256.7 961.4 226 .1 735.3	And the second second	
ADM Percent Change FY92–FY04:	+556.2%	CyberLynx Correspondence School opened in FY	/00
<u>Staff</u> (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE:	31.0 6.0 26.0 <u>5.0</u>)) teacher's aides) district/school admin, library, maintenance, bus di) superintendents, principals, supervisors, nurses,	rivers, cooks, etc. head teachers,
Total District Staff FTE: Resident Students per Teacher (Note A): Resident Students per Other Employee (Note Resident Students per Employee (Note A):	68.0 6.6 A): 5.5 3.0	 counselors, psychologists, speech therapists, ling Students per Teacher (note B): Students per Other Employee (Note B): Students per Employee (Note B): 	40.5 34.0 18.5
Expenditures and Funding (FY02) Geographic Cost Differential: Total Audited Expenditures: Basic Need:	109.50 \$7,319,855 \$6,798,554	(See Note B): Expenditures Per ADM: Basic Need Per ADM:	4,174 3,877
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$6,756,870 \$244 \$67,200 \$0 \$722,456	 State Foundation Per ADM: \$ Federal Impact Aid Per ADM: Required Local Per ADM: Voluntary Local Per ADM: Other Rev Per ADM: 	3,853 \$0 \$38 \$0 \$412
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	No - 72% No - 70%	waiver of requirement to spend a minimum 70% c	on instruction
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	99.3% 75.4% 43 N/A 1.1% 8	o included in High School Graduates	
Standardized Testing & Adequate Year HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	ly Progress 70.0% 89.0% 72.5%	(FY03) (HSGQE = "High School Graduation Qua percent of 10 th grade students found proficient, Sp op	alifying Exam") pring 2003
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	50.0% 1 1	AYP = "Adequate Yearly Progress" measure from federal "No Child Left Behind Act"	ı

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Profile of			
Nome School District			

Nome School District		$\overline{\zeta}$	لمر
		A REAL	
Type of District:	City	2 mp	And the second s
Number of Schools:		A la	
Geographic Size (act og miles):	12 5		
Total Population Served (2002):	3 493	WY A	Ser }
	5,435	2 Esperantes	Sal a
Students (ADM - Average Deily Membership)		18-25	A.
Students (ADM - Average Daily Membership)	736.2	and a second second by	
Student ADM (FY04):	730.2	- · · · · · · · · · · · · · · · · · · ·	
Resident ADM	716.5		•••
Correspondence ADM:	0.0		
Concepting new April	0.0		
ADM Percent Change FY92–FY04:	-7.7%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	48.4		
Paraprofessionals FTE:	17.2	teacher's aides	
Classified Administration & Support FTE:	33.0	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>11.6</u>	superintendents, principals, supervisors, r	nurses, head teachers,
	440.0	counselors, psychologists, speech therapi	ists, linguists, etc.
Total District Staff FTE:	110.2	Ctudente ner Teesher	15.0
Resident Students per Teacher:	15.2	Students per Teacher:	15.2
Resident Students per Other Employee:	11.9	Students per Other Employee:	11.9 67
Resident Students per Employee:	0.7	Students per Employee:	0.7
Expenditures and Euroding (EV02)			
Geographic Cost Differential:	1/5 18		
Total Audited Expenditures	\$6 503 252	Expenditures Per ADM [.]	\$8 816
Basic Need	\$5 605 499	Basic Need Per ADM	\$7 599
Bable Need.	\$0,000,100		ψ1,000
State Foundation Funding:	\$4.879.164	State Foundation Per ADM:	\$6.614
Federal Impact Aid:	\$48,675	Federal Impact Aid Per ADM:	\$66
Required Local Contribution:	\$806,099	Required Local Per ADM:	\$1,093
Voluntary/Excess Local Contribution:	\$392,274	Voluntary Local Per ADM:	\$532
Other Funding: (other State, federal, Special)	\$1,797,937	Other Rev Per ADM:	\$2,437
Waiver in FY03 - % Instruction:	Yes - 66%	waiver of requirement to spend a minimur	n 70% on instruction
waiver in FY04 - % Instruction:	Yes - 64%		
Attendance Measures (EV02)			
Attendance Rate:	01.8%		
High School Graduation Rate:	92.6%		
High School Graduates	52.0 %		
Correspondence Graduates	N/A	included in High School Graduates	
Drop Out Rate	6.2%	included in high benedi chadades	
Drop Outs (grades 7-12):	19		
2.0p Call (g. adoo 1 12).			
Standardized Testing & Adequate Yea	rly Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	78.6%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	89.3%		
HSGQE Math Proficiency:	76.7%		
Percent of Schools Meeting AYP:	50.0%		
Schools Meet AYP:	2	AYP = "Adequate Yearly Progress" measu	ure from
SCHOOIS DO NOT MEET AYP:	2	tederal "No Child Left Behind Act"	

Profile of North Slope School District

Type of District:	Borough	مسمر تعرم «	
Number of Schools:	10	· { } ~	
Geographic Size (est. sq. miles):	87,860.5	The second	5
Total Population Served (2002):	7,243	Eng. and	is h
			IN STATES
Students (ADM = Average Daily Membership)	4 070 0	and an and the second second	
Student ADM (FY03):	1,970.3	and a sea the sea of t	
Student ADM (FY04):	1,810.5		6 00
Correspondence ADM:	1,010.5		
Correspondence ADM.	0.0		
ADM Percent Change FY92–FY04:	+23.8%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	196.2		
Paraprofessionals FTE:	103.0	teacher's aides	
Classified Administration & Support FTE:	202.0	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>35.8</u>	superintendents, principals, supervisors, r	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
I otal District Staff FIE:	537.0		10.0
Resident Students per Teacher:	10.0	Students per Teacher:	10.0
Resident Students per Other Employee.	0.0 2.7	Students per Other Employee.	0.0 27
Resident Students per Employee.	5.7	Students per Employee.	5.7
Expenditures and Funding (FY02)			
Geographic Cost Differential:	150.73–177.18		
Total Audited Expenditures:	\$43,513,023	Expenditures Per ADM:	\$21,533
Basic Need:	\$19,882,743	Basic Need Per ADM:	\$9,839
State Foundation Funding:	\$8,945,709	State Foundation Per ADM:	\$4,427
Federal Impact Aid:	\$8,444,573	Federal Impact Aid Per ADM:	\$4.179
Required Local Contribution:	\$9,020,829	Required Local Per ADM:	\$4,464
Voluntary/Excess Local Contribution:	\$16,553,428	Voluntary Local Per ADM:	\$8,192
Other Funding: (other State, federal, Special)	\$4,743,427	Other Rev Per ADM:	\$2,347
Maiver in EV02 0/ Instruction	Noo 640/		700/
Waiver in FY04 - % Instruction:	Yes - 64%	waiver of requirement to spend a minimur	n 70% on instruction
Attendance Measures (FY02)			
Attendance Rate:	88.9%		
High School Graduation Rate:	99.3%		
Algin School Graduates.	133 N/A	included in Llink Cohool Creductor	
Drop Out Pate:	N/A 5.4%	included in High School Graduates	
Drop Outs (grades 7-12):			
2.0p 0000 (g. 0000 1 . 2).			
Standardized Testing & Adequate Ye	early Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	33.0%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	62.1%		
HSGQE Math Proficiency:	47.1%		
Percent of Schools Meeting AYP:	10.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" measure	ure from
Schools Do Not Meet AYP:	9	federal "No Child Left Behind Act"	

Profile of Northwest Arctic School District

			\sim
Type of District:	Borough	2 Jan all	
Number of Schools:	13	· Cre	
Geographic Size (est. sq. miles):	35,862.5		
Total Population Served (2002):	7,266	Eng and	is a la
Students (ADM = Average Daily Membershin)		122	
Student ADM (EY03):	2 151 9	when a new and the second s	
Student ADM (FY04):	2,031.2		
Resident ADM:	2.023.2		
Correspondence ADM:	8.0		
ADM Percent Change FY92–FY04:	+24.7%		
Stoff (FTF - Full Time Functional (EV02)			
Stall (FTE = Full Time Equivalent) (FT03)	16/ 3		
Paraprofessionals FTE:	86.0	toochor's aides	
Classified Administration & Support FTF	128.2	district/school admin library maintenance	a hus drivers cooks etc.
Certified Administration & Other ETE	43.7	superintendents principals supervisors i	nurses head teachers
	<u></u>	counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	422.2		
Resident Students per Teacher:	13.0	Students per Teacher:	13.1
Resident Students per Other Employee:	8.3	Students per Other Employee:	8.3
Resident Students per Employee:	5.1	Students per Employee:	5.1
Expenditures and Funding (FY02)			
Geographic Cost Differential:	145.18–165.00		
Total Audited Expenditures:	\$32,141,678	Expenditures Per ADM:	\$14,850
Basic Need:	\$22,912,458	Basic Need Per ADM:	\$10,586
State Foundation Funding:	\$19 505 893	State Foundation Per ADM [.]	\$9.012
Federal Impact Aid:	\$7,402,440	Federal Impact Aid Per ADM:	\$3.420
Required Local Contribution:	\$1.524.744	Required Local Per ADM:	\$704
Voluntary/Excess Local Contribution:	\$1,690,749	Voluntary Local Per ADM:	\$781
Other Funding: (other State, federal, Special)	\$7,547,750	Other Rev Per ADM:	\$3,487
Waiver in EV03 - % Instruction	Ves - 65%	waiver of requirement to spend a minimur	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 64%	waiver of requirement to spend a minimul	
Attendance Measures (EV02)			
Attendance Rate:	87.6%		
High School Graduation Rate:	88.3%		
High School Graduates:	68		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	6.6%	C C	
Drop Outs (grades 7-12):	58		
Standardized Testing & Adequate V	early Progress	(FY03) (HSGOF = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	29.2%	percent of 10 th grade students found profi	cient. Spring 2003
HSGQE Writing Proficiency:	57.5%	gine clausing found prom	, - F
HSGQE Math Proficiency:	31.7%		
Demonstrat Cabacia Masting AVD	4 - 40/		
Percent of Schools Meeting AYP:	15.4%		
Schools Do Not Moot AVP	∠ 11	ATF = Adequate Yearly Progress" measing forderal "No Child Laft Pablad Act"	ure Irom
SCHOOLS DO NOT MEET AT P.	11	IEGELAL INO CHILO LETT BENING ACT	

Profile of Pelican School District

			\sim
Type of District:	City	- Star &	
Number of Schools:	1	· Crist	
Geographic Size (est. sq. miles):	0.6		
Total Population Served (2002):	115	· Erra and	53
Studente (ADM A D T M A D T M			A.C.
Students (ADM = Average Daily Membership)	10.0	and a start and a start and a start	States
Student ADM (FY04):	15.0		(Carles and Carles and Carle
Resident ADM:	15.0		W U*
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-67.3%		
Ű			
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	2.4		
Paraprofessionals FTE:	1.7	teacher's aides	
Classified Administration & Support FIE:	3.0	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FIE:	<u>0.6</u>	superintendents, principals, supervisors,	nurses, head teachers,
Total District Staff FTE:	77	counselors, psychologists, speech therap	isis, inguisis, etc.
Resident Students per Teacher	7.6	Students per Teacher:	7.6
Resident Students per Other Employee	3.4	Students per Other Employee	3.4
Resident Students per Employee:	2.3	Students per Employee:	2.3
Expenditures and Funding (FY02)			
Geographic Cost Differential:	121.90		AAT 000
Total Audited Expenditures:	\$470,585	Expenditures Per ADM:	\$25,232
Basic Need:	\$265,863	Basic Need Per ADM:	\$14,255
State Foundation Funding:	\$388,085	State Foundation Per ADM:	\$20,809
Federal Impact Aid:	\$0	Federal Impact Aid Per ADM:	\$0
Required Local Contribution:	\$49,824	Required Local Per ADM:	\$2,672
Voluntary/Excess Local Contribution:	\$663	Voluntary Local Per ADM:	\$36
Other Funding: (other State, federal, Special)	\$97,795	Other Rev Per ADM:	\$5,244
Waiver in FY03 - % Instruction	Yes - 59%	waiver of requirement to spend a minimu	m 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 63%		
• · · • • · · · · · · · · · · · · · · ·			
Attendance Measures (FY02)	00.0%		
Allendance Rale.	00.9%		
High School Graduatos	unavailable		
Right School Graduates.			
Dran Out Date:	N/A	included in High School Graduates	
Drop Out Rate:	0.0%		
Drop Outs (grades 7-12).	0		
Standardized Testing & Adequate Ye	arly Progress	(FY03) (HSGQE = "High School Gradua	ation Qualifying Exam")
HSGQE Reading Proficiency:	unavailable	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	unavailable		
HSGQE Math Proficiency:	unavailable		
Percent of Schools Meeting AYP:	100.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	
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Profile of			
Petersburg School District			

			\sim
Type of District:	Citv	- See E	ST V
Number of Schools:	3	· · · ·	
Geographic Size (est. sq. miles):	43.9	april 1	
Total Population Served (2002):	3,169		55
			an median
Students (ADM = Average Daily Membership)		and the second	
Student ADM (FY03):	625.9		Nego N
Student ADM (FY04):	653.4		100 C
	653.4		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-7.0%		
Staff (FTF = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	42.7		
Paraprofessionals FTE:	16.6	teacher's aides	
Classified Administration & Support FTE:	16.3	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>10.2</u>	superintendents, principals, supervisors, n	urses, head teachers,
		counselors, psychologists, speech therapis	sts, linguists, etc.
Iotal District Staff FIE:	85.8		447
Resident Students per Teacher:	14.7	Students per Teacher.	14.7
Resident Students per Other Employee.	14.5	Students per Other Employee.	73
Resident Students per Employee.	7.5	Students per Employee.	7.5
Expenditures and Funding (FY02)			
Geographic Cost Differential:	109.80		
Total Audited Expenditures:	\$5,175,557	Expenditures Per ADM:	\$7,928
Basic Need:	\$4,331,682	Basic Need Per ADM:	\$6,635
State Foundation Funding:	\$3 340 870	State Foundation Per ADM:	\$5 118
Federal Impact Aid	\$22,650	Federal Impact Aid Per ADM.	\$35
Required Local Contribution:	\$996,147	Required Local Per ADM:	\$1.526
Voluntary/Excess Local Contribution:	\$927,307	Voluntary Local Per ADM:	\$1,420
Other Funding: (other State, federal, Special)	\$743,655	Other Rev Per ADM:	\$1,139
Waiver in FY03 - % Instruction:	No - 71%	waiver of requirement to spend a minimum	70% on instruction
vvalver in FY04 - % Instruction:	Yes - 69%		
Attendance Measures (FY02)			
Attendance Rate:	91.0%		
High School Graduation Rate:	98.0%		
High School Graduates:	50		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	2.5%		
Drop Outs (grades 7-12):	8		
Standardized Testing & Adequate Yes	arly Progress	(FY03) (HSGOF = "High School Graduat	ion Qualifying Exam")
HSGQE Reading Proficiency:	85.2%	percent of 10 th grade students found profic	ient, Spring 2003
HSGQE Writing Proficiency:	91.1%	,	,
HSGQE Math Proficiency:	90.9%		
Percent of Schools Meeting AYP:	100.0%		
Schools Meet AYP:	3	AYP = "Adequate Yearly Progress" measu	re from
Schools Do NOT MEET AYP:	0	rederal "No Child Left Behind Act"	

Profile of Pribilof School District

Type of District:	REAA		an l
Number of Schools:	2	· Children	
Geographic Size (est. sq. miles):	75.1	2 Provent	
Total Population Served (2002):	680	· En all	53
			They are a
Students (ADM = Average Daily Membership)	405 5	and all and a second	
Student ADM (FY03):	135.5	and a set of the set of the set of the	
Student ADM (F104):	124.0		600
Correspondence ADM:	124.5		
Correspondence ADM.	0.0		
ADM Percent Change FY92–FY04:	-18.6%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	10.8		
Paraprofessionals FTE:	6.0	teacher's aides	
Classified Administration & Support FTE:	8.0	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>2.2</u>	superintendents, principals, supervisors, i	nurses, head teachers,
Total District Staff ETE:	27.0	counselors, psychologists, speech therap	ists, linguists, etc.
Posident Students nor Teacher:	27.U 12.5	Students per Teacher:	12.5
Resident Students per Teacher.	8.4	Students per Other Employee	8.4
Resident Students per Employee:	5.0	Students per Employee.	5.0
	010		
Expenditures and Funding (FY02)			
Geographic Cost Differential:	156.50		
Total Audited Expenditures:	\$1,912,231	Expenditures Per ADM:	\$13,994
Basic Need:	\$1,635,438	Basic Need Per ADM:	\$11,968
State Foundation Funding:	\$1,070,286	State Foundation Per ADM:	\$7,832
Federal Impact Aid:	\$744,062	Federal Impact Aid Per ADM:	\$5,445
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$240,753	Other Rev Per ADM:	\$1,762
Waiver in FY03 - % Instruction:	Yes - 65%	waiver of requirement to spend a minimur	m 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 62%		
Attendance Measures (FY02)			
Attendance Rate:	92.9%		
High School Graduation Rate:	100.0%		
High School Graduates:	8		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	0.0%		
Drop Outs (grades 7-12):	0		
Standardized Testing & Adequate Yes	arly Progress	(FY03) (HSGQE = "High School Gradua	ation Qualifying Exam")
HSGQE Reading Proficiency:	40.0%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	40.0%		
HSGQE Math Proficiency:	40.0%		
Percent of Schools Meeting AYP:	100.0%		
Schools Meet AYP:	2	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	
Profile of			
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Saint Mary's School District			

Saint Mary's School Distr	rict	$\overline{\zeta}$	m
		AL A	
Type of District	City	- Ser E	-som
Number of Schools:	1		
Geographic Size (est. sg. miles):	44.0		
Total Population Served (2002):	549	TY R	×me}
	0.10	: Enclarge	marine and
Students (ADM = Average Daily Membership)		and the second sec	(a)
Student ADM (FY03):	167.2	De a Carter and	
Student ADM (FY04):	159.0		8 al
Resident ADM:	159.0		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	+50.7%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	14.0		
Paraprofessionals FTE:	7.0	teacher's aides	
Classified Administration & Support FTE:	6.0	district/school admin, library, maintenanc	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>1.0</u>	superintendents, principals, supervisors,	nurses, head teachers,
Total District Staff FTF	28.0	counselors, psychologists, speech therap	JISIS, III IGUISIS, EIC.
Resident Students per Teacher:	11.9	Students per Teacher:	11.9
Resident Students per Other Employee:	11.9	Students per Other Employee:	11.9
Resident Students per Employee:	6.0	Students per Employee:	6.0
Expenditures and Funding (EY02)			
Geographic Cost Differential:	147.36		
Total Audited Expenditures:	\$1.849.585	Expenditures Per ADM:	\$12.101
Basic Need:	\$1,632,351	Basic Need Per ADM:	\$10,679
State Foundation Funding	\$1 735 895	State Foundation Per ADM	\$11 357
Federal Impact Aid:	\$27.347	Federal Impact Aid Per ADM:	\$179
Required Local Contribution:	\$18,072	Required Local Per ADM:	\$118
Voluntary/Excess Local Contribution:	\$928	Voluntary Local Per ADM:	\$6
Other Funding: (other State, federal, Special)	\$498,041	Other Rev Per ADM:	\$3,258
Waiver in FY03 - % Instruction:	No - 79%	waiver of requirement to spend a minimu	m 70% on instruction
Waiver in FY04 - % Instruction:	No - 79%		
Attendance Measures (FY02)			
Attendance Rate:	92.2%		
High School Graduation Rate:	85.7%		
High School Graduates:	6		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	7.3%		
Drop Outs (grades 7-12):	4		
Standardized Testing & Adequate Yes	arly Progress	(FY03) (HSGQE = "High School Gradu	ation Qualifying Exam")
HSGQE Reading Proficiency:	60.0%	percent of 10 th grade students found prof	icient, Spring 2003
HSGQE Writing Proficiency:	60.0%		
HSGQE Math Proficiency:	60.0%		
Percent of Schools Meeting AYP:	0.0%		
Schools Meet AYP:	0	AYP = "Adequate Yearly Progress" meas	sure from
Schools Do Not Meet AYP:	1	federal "No Child Left Behind Act"	

Profile of Sitka School District

		A STA	~
Type of District	Borough	- Star &	Arr L
Number of Schools:	5 Borough	· Al-	
Geographic Size (est. sq. miles):	2.881.5	the second	(
Total Population Served (2002):	8,894	TY A	· (-5)
		a service and service	sound of the
Students (ADM = Average Daily Membership)		and	- Carl
Student ADM (FY03):	1,548.9	when a same property of the same of the sa	
Student ADM (FY04):	1,472.5		EEC.
Resident ADM:	1,443.7		
Correspondence ADM:	28.8		
ADM Percent Change FY92–FY04:	-17.6%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	109.5		
Paraprofessionals FTE:	21.8	teacher's aides	
Classified Administration & Support FTE:	32.5	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>20.5</u>	superintendents, principals, supervisors, r	urses, head teachers,
Tatal District Staff FTF:	404.2	counselors, psychologists, speech therapi	sts, linguists, etc.
Total District Staff FTE:	184.3	Studente per Teacher	111
Resident Students per Teacher.	13.0	Students per Teacher.	14.1
Resident Students per Other Employee.	20.2	Students per Other Employee.	20.7
Resident oludents per Employee.	0.2		0.4
Expenditures and Funding (FY02)			
Geographic Cost Differential:	109.80		
Total Audited Expenditures:	\$11,763,966	Expenditures Per ADM:	\$7,309
Basic Need:	\$9,270,759	Basic Need Per ADM:	\$5,760
State Foundation Funding:	\$6.709.606	State Foundation Per ADM:	\$4.169
Federal Impact Aid:	\$30,384	Federal Impact Aid Per ADM:	\$19
Required Local Contribution:	\$2,588,132	Required Local Per ADM:	\$1,608
Voluntary/Excess Local Contribution:	\$2,005,808	Voluntary Local Per ADM:	\$1,246
Other Funding: (other State, federal, Special)	\$2,439,290	Other Rev Per ADM:	\$1,516
Waiver in FY03 - % Instruction:	Yes - 67%	waiver of requirement to spend a minimun	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 62%		
Attendance Measures (FY02)			
Attendance Rate:	92.8%		
High School Graduation Rate:	95.7%		
High School Graduates:	89		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	5.1%	J.	
Drop Outs (grades 7-12):	38		
Standardized Testing & Adequate Ve	arly Progress	(EY03) (HSGOE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	81.3%	percent of 10 th grade students found profi	cient. Spring 2003
HSGQE Writing Proficiency:	91.3%		,
HSGQE Math Proficiency:	77.2%		
<i>.</i>			
Percent of Schools Meeting AYP:	20.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" measu	ure from
Schools Do Not Meet AYP:	4	federal "No Child Left Behind Act"	

Profile of
Skagway School District

Type of District:	City	- Sec. 2	Ser
Number of Schools:	1	· Alt	
Geographic Size (est. sq. miles):	452.4		
Total Population Served (2002):	841	and the	55
		a the set of the set	
Students (ADM = Average Daily Membership)		and a second and a second and a second	(AFF)
Student ADM (FY03):	109.7	- · · · · · · · · · · · · · · · · · · ·	Week
Student ADM (FY04):	105.8		66.20
Resident ADM:	105.8		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-27.0%		
Staff (ETE = Full Time Equivalent) (EV03)			
Certified Teachers ETE:	12 7		
Paraprofessionals FTE:	1.1	teacher's aides	
Classified Administration & Support FTE:	6.9	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>1.3</u>	superintendents, principals, supervisors, r	urses, head teachers,
		counselors, psychologists, speech therapi	sts, linguists, etc.
I otal District Staff FIE:	22.0		0.0
Resident Students per Teacher:	8.6	Students per Teacher:	8.6
Resident Students per Other Employee:	11.0	Students per Other Employee:	11.0 50
Resident Students per Employee.	5.0	Students per Employee.	5.0
Expenditures and Funding (FY02)			
Geographic Cost Differential:	109.80		
Total Audited Expenditures:	\$1,702,995	Expenditures Per ADM:	\$14,168
Basic Need:	\$1,107,161	Basic Need Per ADM:	\$9,211
State Foundation Funding	¢764 406	State Foundation Day (DM)	#C 224
State Foundation Funding:	\$701,400 ድር	State Foundation Per ADM:	ზ0,334 დე
Required Local Contribution:	φυ \$547 130	Required Local Per ADM ¹	\$4 552
Voluntary/Excess Local Contribution:	\$349 417	Voluntary Local Per ADM	\$2,907
Other Funding: (other State, federal, Special)	\$167.834	Other Rev Per ADM:	\$1.396
	•••••		+ ,
Waiver in FY03 - % Instruction:	No - 70%	waiver of requirement to spend a minimur	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 68%		
Attendance Measures (EY02)			
Attendance Rate:	91.5%		
High School Graduation Rate:	100.0%		
High School Graduates:	7		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	2.0%		
Drop Outs (grades 7-12):	1		
Standardized Testing & Adequate Ve	arly Progress	(EY03) (HSGOE = "High School Gradua	tion Qualifying Exam")
HSGQF Reading Proficiency:	75.0%	percent of 10 th grade students found profi	cient Spring 2003
HSGQE Writing Proficiency:	75.0%	percent of the grade stadents found prom	Son, Oping 2000
HSGQE Math Proficiency:	75.0%		
Percent of Schools Meeting AYP:	100.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" measu	ure from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	

Profile of Southeast Island School District

		A Cho	
Type of District	RFAA	- Ser &	Low L
Number of Schools:	9		
Geographic Size (est. sg. miles):	7.195.6	and the second s	(
Total Population Served (2002):	2.249	γ γ	see }
	_,	· English Strand	man and a
Students (ADM - Average Daily Membership)		28	ALL
Student ADM (EV03):	223.0	and the second s	202
Student ADM (EV04):	223.0		16.3
Bosident ADM:	219.0		Annette Island REAA is encircled
Correspondence ADM:	210.2		by Southeast Island REAA
Correspondence ADM.	9.0		
ADM Percent Change FY92–FY04:	-47.1%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	12.8		
Paraprofessionals FTE:	13.4	teacher's aides	
Classified Administration & Support FTE:	13.9	district/school admin library maintenance	e bus drivers cooks etc
Certified Administration & Other FTE	13.0	superintendents principals supervisors	nurses head teachers
	10.0	counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	53.1		
Resident Students per Teacher:	16.0	Students per Teacher:	17.5
Resident Students per Other Employee:	5.0	Students per Other Employee:	5.5
Resident Students per Employee:	3.8	Students per Employee:	4.2
Expanditures and Euroding (EV(02)			
Coographic Cost Differential:	120.60		
Total Audited Exponditures:	¢2 202 092	Expanditures Par ADM:	¢12 152
Pooio Nood:	\$3,203,903 \$3,463,490	Experiallates Fer ADM.	\$13,133 ¢10,107
Dasic Need.	φ2,402,100	Basic Need Fel ADM.	φ10,107
State Foundation Funding:	\$2,667,947	State Foundation Per ADM:	\$10,952
Federal Impact Aid:	\$219,567	Federal Impact Aid Per ADM:	\$901
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$1,422,037	Other Rev Per ADM:	\$5,838
Waiver in FY03 - % Instruction:	Yes - 68%	waiver of requirement to spend a minimum	m 70% on instruction
	165 - 00 %		
Attendance Measures (FY02)			
Attendance Rate:	90.7%		
High School Graduation Rate:	100.0%		
High School Graduates:	14		
Correspondence Graduates:	1	included in High School Graduates	
Drop Out Rate:	4.3%		
Drop Outs (grades 7-12):	5		
Standardized Testing & Adequate Yea	arly Progress	(FY03) (HSGQE = "High School Gradua	ation Qualifying Exam")
HSGQE Reading Proficiency:	80.0%	percent of 10 th grade students found profi	cient. Spring 2003
HSGQE Writing Proficiency:	80.0%	gine caucito realid pron	, -F
HSGQE Math Proficiency:	47.4%		
· · · · · · · · · · · · · · · · · · ·			
Percent of Schools Meeting AYP:	88.9%		
Schools Meet AYP:	8	AYP = "Adequate Yearly Progress" meas	ure from
Schools Do Not Meet AYP:	1	federal "No Child Left Behind Act"	

Profile of Southwest Region School District

			\sim
Type of District:	REAA	N ST	A L
Number of Schools:	9	· Astr	
Geographic Size (est. sq. miles):	18,466.9		5
Total Population Served (2002):	2,455		55
			and medal
Students (ADM = Average Daily Membership)		Start Start	
Student ADM (FY03):	721.3		Nego I
Student ADM (FY04):	680.0		105V
Resident ADM:	680.0		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	+43.9%		
Staff (ETE = Full Time Equivalent) (FV03)			
Certified Teachers ETE:	59.0		
Paraprofessionals FTE:	0.0	teacher's aides	
Classified Administration & Support FTE:	46.9	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	29.0	superintendents, principals, supervisors, r	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	134.9		10.0
Resident Students per Teacher:	12.2	Students per Leacher:	12.2
Resident Students per Other Employee:	9.5	Students per Other Employee:	9.5
Resident Students per Employee:	5.3	Students per Employee:	5.3
Expenditures and Funding (FY02)			
Geographic Cost Differential:	135.91		
Total Audited Expenditures:	\$10,948,907	Expenditures Per ADM:	\$14,433
Basic Need:	\$8,678,362	Basic Need Per ADM:	\$11,440
State Foundation Funding:	\$6 208 766	State Foundation Por ADM:	¢8 303
Ederal Impact Aid	\$3,631,330	Ederal Impact Aid Per ADM.	\$0,303 \$1 787
Required Local Contribution	\$0,001,000	Required Local Per ADM	φ-,, ογ \$0
Voluntary/Excess Local Contribution:	\$0 \$0	Voluntary Local Per ADM:	\$0 \$0
Other Funding: (other State, federal, Special)	\$3.373.952	Other Rev Per ADM:	\$4,448
	¢0,010,001		<i>•</i> ., <i>•</i>
Waiver in FY03 - % Instruction:	No - 70%	waiver of requirement to spend a minimur	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 67%		
Attendance Measures (FY02)			
Attendance Rate:	93.4%		
High School Graduation Rate:	75.7%		
High School Graduates:	28		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	5.9%		
Drop Outs (grades 7-12):	17		
Standardized Testing & Adequate Yes	arly Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	20.0%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	64.7%	,	,
HSGQE Math Proficiency:	36.4%		
Demonst of Schools Masting AVD:	22.20/		
Schools Meet AVP	აა.ა% ვ	AVD = "Adequate Vearly Progress" mass	ire from
Schools Do Not Meet AYP	5	federal "No Child Left Rehind Act"	
	0		

Profile of Tanana School District

			\sim
Type of District:	City	∎سرتي لا	A. Y
Number of Schools:	2	· Children	
Geographic Size (est. sq. miles):	11.6	als ~~~	5
Total Population Served (2002):	278		55
			and and
Students (ADM = Average Daily Membership)		They want and a second and as second and a	
Student ADM (FY03):	77.5	- · ····	Contraction of the second seco
Student ADM (FY04):	96.3		162V
Resident ADM:	b3.3		
Correspondence ADM.	33.0		
ADM Percent Change FY92–FY04:	-3.8%		
Staff (ETE = Full Time Equivalent) (EV03)			
Certified Teachers FTE:	73		
Paraprofessionals FTE:	2.0	teacher's aides	
Classified Administration & Support FTE:	3.0	district/school admin. library. maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	0.7	superintendents, principals, supervisors, r	nurses, head teachers,
		counselors, psychologists, speech therapi	ists, linguists, etc.
Total District Staff FTE:	13.0		
Resident Students per Teacher (Note A):	8.5	Students per Teacher (Note B):	10.6
Resident Students per Other Employee (Note	A): 10.8	Students per Other Employee (No	ote B): 13.6
Resident Students per Employee (Note A):	4.8	Students per Employee (Note B):	6.0
Expenditures and Eunding (EV02)			
Geographic Cost Differential	138 05	(See Note B) [.]	
Total Audited Expenditures:	\$944.642	Expenditures Per ADM:	\$14,730
Basic Need:	\$735,314	Basic Need Per ADM:	\$11,466
	•		• · · · · · ·
State Foundation Funding:	\$770,977	State Foundation Per ADM:	\$12,022
Federal Impact Aid:	\$88,583	Federal Impact Aid Per ADM:	\$1,381
Required Local Contribution:	\$23,085	Required Local Per ADM:	\$360
Other Euroding: (ather Otate forland, Oracial)	400, 149 4065 652	Other Boy Bor ADM:	ትዕረዓ ድላ 140
Other Funding: (other State, federal, Special)	\$200,003	Other Rev Per ADIVI:	54,14 Z
Waiver in FY03 - % Instruction:	Yes - 50%	waiver of requirement to spend a minimun	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 51%		
Attendance Measures (FY02)	00 - 0/		
Attendance Rate:	86.7%		
High School Graduation Rate:	100.0%		
Right School Graduates.	4 N/A	in shuded in Ulab. Oshe et Ore duetes	
Drop Out Pate:	N/A 7 1%	Included in High School Graduates	
Drop Out Rate.	2		
2.0p 0000 (g. 0000 1 12).	-		
Standardized Testing & Adequate Yearl	<u>y Progress</u>	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	*	percent of 10 th grade students found profic	cient, Spring 2003
HSGQE Writing Proficiency:	*		
HSGQE Math Proficiency:	*		
Percent of Schools Meeting AVP	50 0%		
Schools Meet AYP	1	AYP = "Adequate Yearly Progress" measu	ire from
Schools Do Not Meet AYP:	1	federal "No Child Left Behind Act"	
	•		

Profile of				
Unalaska School District				

Type of District	City	- Se E	John L
Number of Schools:	2		
Geographic Size (est. sq. miles):	111.0		
Total Population Served (2002):	4,051		45}
		and the second	and the second
Students (ADM = Average Daily Membership)		and the second se	AND I
Student ADM (FY03):	393.0	and a seal of the	Web
Student ADM (FY04):	398.6		8630
Resident ADM:	398.6		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	+30.9%		
Staff (ETE = Full Time Equivalent) (FY03)			
Certified Teachers FTF:	29.0		
Paraprofessionals FTE:	10.5	teacher's aides	
Classified Administration & Support FTE:	18.5	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	6.0	superintendents, principals, supervisors, i	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	64.0		10.0
Resident Students per Leacher:	13.6	Students per Teacher:	13.6
Resident Students per Other Employee:	11.2	Students per Other Employee:	11.2
Resident Students per Employee.	0.1	Students per Employee:	0.1
Expenditures and Funding (FY02)			
Geographic Cost Differential:	126.20		
Total Audited Expenditures:	\$4,293,500	Expenditures Per ADM:	\$11,639
Basic Need:	\$3,079,079	Basic Need Per ADM:	\$8,347
State Foundation Funding:	¢2 124 096	State Foundation Por ADM:	¢5 795
Ederal Impact Aid:	φ2,134,000 \$4.032	Ederal Impact Aid Per ADM	φ0,700 \$11
Required Local Contribution:	\$1 302 552	Required Local Per ADM	\$3,531
Voluntary/Excess Local Contribution:	\$766.327	Voluntary Local Per ADM:	\$2.077
Other Funding: (other State, federal, Special)	\$510,770	Other Rev Per ADM:	\$1,385
Waiver in FY03 - % Instruction:	No - 71%	waiver of requirement to spend a minimur	m 70% on instruction
vvalver in FY04 - % Instruction:	NO - 70%		
Attendance Measures (FY02)			
Attendance Rate:	93.3%		
High School Graduation Rate:	100.0%		
High School Graduates:	22		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	0.0%		
Drop Outs (grades 7-12):	0		
Standardized Testing & Adequate Ye	arly Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	80.0%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	90.0%		
HSGQE Math Proficiency:	84.0%		
Percent of Schools Maating AVP	100 00/		
Schools Meet AVP	100.0% 2	AVP = "Adequate Yearly Progress" moos	ure from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	

Profile of Valdez School District

			\sim
Type of District:	Citv	man and a set	A Y
Number of Schools:	3	· AS-	
Geographic Size (est. sq. miles):	222.0	at the second	
Total Population Served (2002):	4,171	- y	e }
		and all a	- man - the man
Students (ADM = Average Daily Membership)		and the second second	AND
Student ADM (FY03):	866.7	where is not an and the second s	
Student ADM (FY04):	867.7		
Resident ADM:	866.7		
Correspondence ADM:	1.0		
·			
ADM Percent Change FY92–FY04:	+1.6%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	60.5		
Paraprofessionals FTE:	16.0	teacher's aides	
Classified Administration & Support FTE:	43.3	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	7.0	superintendents, principals, supervisors, r	nurses, head teachers,
		counselors, psychologists, speech therap	ists, linguists, etc.
Total District Staff FTE:	126.8		
Resident Students per Teacher:	14.3	Students per Teacher:	14.3
Resident Students per Other Employee:	13.1	Students per Other Employee:	13.1
Resident Students per Employee:	6.8	Students per Employee:	6.8
Expanditures and Euroding (EV02)			
Coographic Cost Differential:	104 50		
Total Audited Exponditures:	\$8 801 380	Expanditures Por ADM:	\$0.016
Rasic Nood:	\$0,001,309 \$5,020,043	Basic Nood Por ADM:	\$9,910 \$6,670
Dasic Neeu.	φ <u></u>	Dasic Need Fel ADM.	ψ0,070
State Foundation Funding:	\$3.852.896	State Foundation Per ADM:	\$4.341
Federal Impact Aid:	\$394	Federal Impact Aid Per ADM:	\$0
Required Local Contribution:	\$2,581,984	Required Local Per ADM:	\$2,909
Voluntary/Excess Local Contribution:	\$1,963,630	Voluntary Local Per ADM:	\$2,212
Other Funding: (other State, federal, Special)	\$522,802	Other Rev Per ADM:	\$589
- .			
Waiver in FY03 - % Instruction:	No - 75%	waiver of requirement to spend a minimur	n 70% on instruction
vvalver in FY04 - % Instruction:	NO - 73%		
Attendance Measures (FY02)			
Attendance Rate:	94.0%		
High School Graduation Rate:	98.1%		
High School Graduates:	53		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	2.1%	included in high content chaddatee	
Drop Outs (grades 7-12):	9		
Standardized Testing & Adequate Yea	arly Progress	(FY03) (HSGQE = "High School Gradua	tion Qualifying Exam")
HSGQE Reading Proficiency:	75.0%	percent of 10 th grade students found profi	cient, Spring 2003
HSGQE Writing Proficiency:	81.2%		
HSGQE Math Proficiency:	75.4%		
Percent of Schools Meeting AVP	66 7%		
Schools Meet AVP	00.770 2	AVP = "Adequate Vearly Progress" mass	ure from
Schools Do Not Meet AYP	1	federal "No Child Left Rehind Act"	

Profile of Wrangell School District		- Che	~~~
Type of District: Number of Schools: Geographic Size (est. sq. miles): Total Population Served (2002):	City 3 45.3 2,144		532
<u>Students</u> (ADM = Average Daily Membership) Student ADM (FY03): Student ADM (FY04): Resident ADM: Correspondence ADM:	435.5 391.8 391.8 0.0	······	
ADM Percent Change FY92–FY04:	-26.6%		
<u>Staff</u> (FTE = Full Time Equivalent) (FY03) Certified Teachers FTE: Paraprofessionals FTE: Classified Administration & Support FTE: Certified Administration & Other FTE:	31.8 15.4 17.0 <u>4.9</u>	teacher's aides district/school admin, library, maintenance, superintendents, principals, supervisors, nu counselors, nsvchologists, speech theranis	bus drivers, cooks, etc. urses, head teachers, ts linguists etc
Total District Staff FTE: Resident Students per Teacher: Resident Students per Other Employee: Resident Students per Employee:	69.2 13.7 11.7 6.3	Students per Teacher: Students per Other Employee: Students per Employee:	13.7 11.7 6.3
Expenditures and Funding (FY02) Geographic Cost Differential: Total Audited Expenditures: Basic Need:	109.80 \$4,179,584 \$3,211,088	Expenditures Per ADM: Basic Need Per ADM:	\$8,970 \$6,891
State Foundation Funding: Federal Impact Aid: Required Local Contribution: Voluntary/Excess Local Contribution: Other Funding: (other State, federal, Special)	\$2,626,509 \$4,152 \$597,002 \$117,350 \$1,375,120	State Foundation Per ADM: Federal Impact Aid Per ADM: Required Local Per ADM: Voluntary Local Per ADM: Other Rev Per ADM:	\$5,637 \$9 \$1,281 \$252 \$2,951
Waiver in FY03 - % Instruction: Waiver in FY04 - % Instruction:	No - 73% Yes - 69%	waiver of requirement to spend a minimum	70% on instruction
Attendance Measures (FY02) Attendance Rate: High School Graduation Rate: High School Graduates: Correspondence Graduates: Drop Out Rate: Drop Outs (grades 7-12):	95.7% 91.7% 22 N/A 1.4% 3	included in High School Graduates	
Standardized Testing & Adequate Year HSGQE Reading Proficiency: HSGQE Writing Proficiency: HSGQE Math Proficiency:	y Progress 82.9% 90.0% 90.0%	(FY03) (HSGQE = "High School Graduati percent of 10 th grade students found profici	on Qualifying Exam") ent, Spring 2003
Percent of Schools Meeting AYP: Schools Meet AYP: Schools Do Not Meet AYP:	100.0% 3 0	AYP = "Adequate Yearly Progress" measur federal "No Child Left Behind Act"	re from

Profile of Yakutat School District

		5 CB	
Type of District:	Borough	- San Es	row l
Number of Schools:	1 Dorodgi	A L	
Geographic Size (est. sg. miles):	7.742.7		,
Total Population Served (2002):	724		s
		- Enge style	
Students (ADM = Average Daily Membership)		120	ALC -
Student ADM (FY03):	144.3	Star Sunstanting and	
Student ADM (FY04):	125.0		age of the second secon
Resident ADM:	125.0		189V
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-10.1%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	16.6		
Paraprofessionals FTE:	6.0	teacher's aides	
Classified Administration & Support FTE:	9.0	district/school admin, library, maintenance	, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>3.0</u>	superintendents, principals, supervisors, n	urses, head teachers,
Total District Staff ETE:	24 6	counselors, psychologists, speech therapi	sts, linguists, etc.
Posident Studente per Teceber	34.0 0 7	Studente per Teacher	07
Resident Students per Teacher.	0.7	Students per Teacher.	0.7
Resident Students per Other Employee.	0.0 4 2	Students per Other Employee:	0.0 1 2
Resident Students per Employee.	7.2	Students per Employee.	7.2
Expenditures and Funding (FY02)			
Geographic Cost Differential:	114.40		
Total Audited Expenditures:	\$2,373,958	Expenditures Per ADM:	\$13,802
Basic Need:	\$1,566,507	Basic Need Per ADM:	\$9,108
State Foundation Funding:	\$1,527,477	State Foundation Per ADM:	\$8,881
Federal Impact Aid:	\$161,914	Federal Impact Aid Per ADM:	\$941
Required Local Contribution:	\$177,715	Required Local Per ADM:	\$1,033
Voluntary/Excess Local Contribution:	\$303,285	Voluntary Local Per ADM:	\$1,763
Other Funding: (other State, federal, Special)	\$402,359	Other Rev Per ADM:	\$2,339
Waiver in FY03 - % Instruction:	Yes - 67%	waiver of requirement to spend a minimun	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 65%		
Attendance Measures (FY02)			
Attendance Rate:	93.6%		
High School Graduation Rate:	86.7%		
High School Graduates:	13		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	0.0%		
Drop Outs (grades 7-12):	0		
Standardized Testing & Adequate Yea	rly Progress	(FY03) (HSGQE = "High School Graduat	ion Qualifying Exam")
HSGQE Reading Proficiency:	40.0%	percent of 10 th grade students found profic	cient, Spring 2003
HSGQE Writing Proficiency:	60.0%		
HSGQE Math Proficiency:	50.0%		
Percent of Schools Meeting AYP:	100.0%		
Schools Meet AYP:	1	AYP = "Adequate Yearly Progress" measure	ire from
Schools Do Not Meet AYP:	0	federal "No Child Left Behind Act"	

Profile of					
Yukon Fla	ats Schoo	I District			

Profile of			
Yukon Flats School Dis	trict	(A Com	
		A Charles	
Type of District:	REAA	- En a	
Number of Schools:	9	· chi	
Geographic Size (est. sq. miles):	59,865.0	Draw	
Total Population Served (2002):	1,543	: Engage	stall and a
Students (ADM = Average Daily Membership)	007.0	and a start of the start	
Student ADM (FY03):	307.3		New York
Student ADM (FY04):	293.1		200
Resident ADM:	293.1		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04:	-22.4%		
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	31.3		
Paraprofessionals FIE:	13.6	teacher's aides	
Classified Administration & Support FTE:	25.0	district/school admin, library, maintenanc	e, bus drivers, cooks, etc.
Certified Administration & Other FTE:	<u>6.8</u>	superintendents, principals, supervisors, counselors, psychologists, speech therap	nurses, head teachers, bists, linguists, etc.
Total District Staff FTE:	76.6		
Resident Students per Teacher:	9.6	Students per Teacher:	9.8
Resident Students per Other Employee:	6.6	Students per Other Employee:	6.8
Resident Students per Employee:	3.9	Students per Employee:	4.0
Expenditures and Funding (FY02)			
Geographic Cost Differential:	120.45 – 154.73		
Total Audited Expenditures:	\$6,714,150	Expenditures Per ADM:	\$22,384
Basic Need:	\$4,462,328	Basic Need Per ADM:	\$14,877
State Foundation Funding:	\$3.952.746	State Foundation Per ADM:	\$13.178
Federal Impact Aid:	\$1,748,067	Federal Impact Aid Per ADM:	\$5.828
Required Local Contribution:	\$0	Required Local Per ADM:	\$0
Voluntary/Excess Local Contribution:	\$0	Voluntary Local Per ADM:	\$0
Other Funding: (other State, federal, Special)	\$1,295,504	Other Rev Per ADM:	\$4,319
Waiver in FY03 - % Instruction:	Yes - 62%	waiver of requirement to spend a minimu	im 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 61%		
Attendance Measures (FY02)	00.0%		
Attendance Rate:	89.0%		
High School Graduation Rate:	100.0%		
High School Graduates:	15		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate:	4.7%		
Drop Outs (grades 7-12):	6		
Standardized Testing & Adequate Y	early Progress	(FY03) (HSGQE = "High School Gradua	ation Qualifying Exam")
HOGGE Reading Proficiency:	22.7%	percent of 10" grade students found prof	ticient, Spring 2003
HOGGE Writing Proficiency:	50.0%		
HSGQE Math Proficiency:	27.3%		
Percent of Schools Meeting AYP:	11.1%		
Schools Meet ATP: Schools Do Not Most AVD:	1	ATF = "Adequate Yearly Progress" meas	sure from
SCHOOIS DO NOT MEET AYP:	8	tederal "No Child Left Behind Act"	

Profile of	strict	Jonana	kan
Tukon/Koyukuk School Di	SINCI		
			\sim
Type of District:	REAA	the second second	
Number of Schools:	10	- Star	
Total Population Served (2002):	2.055	STO-	· Lee }
	2,000	and the set of the set	Sol and the
Students (ADM = Average Daily Membership)		and the second second	
Student ADM (FY03):	885.1		WEG)
Student ADM (FY04): Resident ADM:	1,401.1 434 7		600
Correspondence ADM:	966.4		
ADM Percent Change FY92–FY04:	+155.0%	Raven Correspondence School opened F	Y03
Staff (FTE = Full Time Equivalent) (FY03)			
Certified Teachers FTE:	40.6		
Paraprofessionals FTE:	21.9	teacher's aides	
Classified Administration & Support FIE:	28.2	district/school admin, library, maintenance	e, bus drivers, cooks, etc.
Certified Administration & Other 1 TE.	24.5	counselors, psychologists, speech therapi	sts, linguists, etc.
Total District Staff FTE:	115.3		
Resident Students per Teacher (Note A):	10.9	Students per Teacher (Note B):	21.8
Resident Students per Other Employee (Note A):	DTE A): 6.0	Students per Employee (Note B): Students per Employee (Note B):	77
Resident Students per Employee (Note A).	5.5	Students per Employee (Note D).	1.1
Expenditures and Funding (FY02)			
Geographic Cost Differential:	120.45-149.50	(See Note B):	*47.000
l otal Audited Expenditures:	\$8,935,546 \$6,776,008	Expenditures Per ADM: Basic Nood Por ADM:	\$17,988 \$13.641
Dasie Need.	φ0,770,030	Dasie Need I el ADIVI.	ψ10,041
State Foundation Funding:	\$5,799,411	State Foundation Per ADM:	\$11,675
Federal Impact Aid:	\$2,472,442	Federal Impact Aid Per ADM:	\$4,977
Required Local Contribution:	\$0	Required Local Per ADM:	\$0 \$0
Voluntary/Excess Local Contribution:	\$U \$2,114,000	Other Boy Der ADM:	\$U \$4.056
Other Funding. (other State, federal, Special)	φ 2,114,000	Other Rev Per Adivi.	Φ4,200
Waiver in FY03 - % Instruction:	Yes - 68%	waiver of requirement to spend a minimum	n 70% on instruction
Waiver in FY04 - % Instruction:	Yes - 69%		
Attendance Measures (FY02)			
Attendance Rate:	90.1%		
High School Graduation Rate:	95.0%		
High School Graduates:	19		
Correspondence Graduates:	N/A	included in High School Graduates	
Drop Out Rate: Drop Outs (grados 7 12):	11.6%		
Drop Outs (grades 1-12).	20		
Standardized Testing & Adequate Ye	arly Progress	(FY03) (HSGQE = "High School Graduat	tion Qualifying Exam")
HSGQE Reading Proficiency:	42.6%	percent of 10 ^{^{III} grade students found profic}	cient, Spring 2003
HSGOE Math Proficiency:	5U.U% २२ २%		
HOOGE Main Frondency.	55.570		
Percent of Schools Meeting AYP:	40.0%		
Schools Meet AYP:	4	AYP = "Adequate Yearly Progress" measu	ure from

4 AYP = "Adequate Yearly Progress" measure from6 federal "No Child Left Behind Act"

Schools Do Not Meet AYP:

Profile of
Yupiit School District

		Se English	sr \
Type of District:	Federal Transfer REAA	سم لغم	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
Number of Schools:	3	· Char	
Geographic Size (est. sq. miles):	11.9		
Total Population Served (2002):	1,429		× 65 }
		and	Man and
Students (ADM = Average Daily Mem	pership)	and the second	(APC)
Student ADM (FY03):	424.0	where a same source and the same set	
Student ADM (FY04):	439.0		
Resident ADM:	439.0		
Correspondence ADM:	0.0		
ADM Percent Change FY92–FY04	+21.9%		
Staff (FTF = Full Time Equivalent) (FY))3)		
Certified Teachers FTF:	32.3		
Paraprofessionals FTE:	39.2	teacher's aides	
Classified Administration & Suppor	d FTF 38.0	district/school admin library maintenance	e hus drivers cooks etc.
Certified Administration & Other F	TE: 13.0	superintendents principals supervisors	nurses head teachers
	<u>10.0</u>	counselors, psychologists, speech therat	pists. linguists. etc.
Total District Staff FTE:	122.5		5,
Resident Students per Teacher:	13.1	Students per Teacher:	13.1
Resident Students per Other Empl	ovee: 4.7	Students per Other Employee:	4.7
Resident Students per Employee:	3.5	Students per Employee:	3.5
Expenditures and Funding (F	Y02)		
Geographic Cost Differential:	147.36		
Total Audited Expenditures:	\$5,927,960	Expenditures Per ADM:	\$13,303
Basic Need:	\$5,100,800	Basic Need Per ADM:	\$11,447
State Foundation Funding	¢4 000 779	State Equipation Der ADM	<u> </u>
	94,092,770 ¢4,770,004	State Foundation Per ADM.	49,100 ¢2,002
Pederal Impact Ald.	φ1,//9,231 Φ0	Required Least Der ADM.	40,990 60
Required Local Contribution:	Φ Ο	Required Local Per ADM:	\$U \$0
Voluntary/Excess Local Contributio	on: 50	Voluntary Local Per ADM:	\$U
Other Funding: (other State, federal, Sp	becial) \$2,948,304	Other Rev Per ADM:	\$6,616
Waiver in FY03 - % Instruction	No - 72%	waiver of requirement to spend a minimu	m 70% on instruction
Waiver in FY04 - % Instruction:	No - 73%		
Attendence Measures (EV02)			
Attendance Reto:	00 00/		
Allendance Rale:	88.0%		
High School Graduation Rate:	/9.2%		
High School Graduates:	19		
Correspondence Graduate	es: N/A	included in High School Graduates	
Drop Out Rate:	18.0%		
Drop Outs (grades 7-12):	32		
Standardized Testing & Adeg	uate Vearly Progress	(EV03) (USCOE - "High School Gradu	ation Qualifying Exam")
HSGOE Reading Proficiency:	16.0%	percent of 10 th grade students found prof	ficient Spring 2003
HSGOF Writing Proficiency:	34.6%	percent of to grade students found prof	ioioin, oping 2000
HSGOE Math Proficiency:	21 1%		
HOUSE Matth Tonoiency.	21.470		
Percent of Schools Meeting AYP:	0.0%		
Schools Meet AYP:	0	AYP = "Adequate Yearly Progress" meas	sure from
Schools Do Not Meet AYP	: 3	federal "No Child Left Behind Act"	

Appendix G

School District Comparisons: Data Tables and Charts

School District Comparisons: Data Tables and Charts

Figure 1:	FY03 and FY04 Average Daily Membership (ADM) – Resident and Correspondence Students
Figure 2:	FY04 Average Daily Membership (ADM) – Resident Students
Figure 3:	FY04 Average Daily Membership (ADM) of Resident Students in School Districts with Fewer than 2,000 ADM
Figure 4:	Average Daily Membership (ADM) History and Percent Change from FY92–FY04
Figure 5:	Average Daily Membership (ADM) Percent Change from FY92–FY04
Figure 6:	Average Daily Membership (ADM) Percent Change FY92–FY04
Figure 7:	FY03 School District Employment (FTEs) by Type (See Notes A and B)
Figure 8:	FY03 Students per District Employee (ADM Students per FTE Employee) (See Notes A and B)
Figure 9:	FY03 Students per District Employee (See Notes A and B)
Figure 10:	FY03 Student/Teacher Ratio (ADM Total and Resident Students per FTE Teacher) (See Notes A and B)
Figure 11:	FY03 Students per Non-teaching Employee (ADM Resident Students per FTE Administrator / Other District Employee) (See Notes A and B)
Figure 12:	FY03 Students per Teacher and Students per to non-Teaching Employee Ratio
U	(ADM Students per FTE Employee) (See Notes A and B)
Figure 13:	FY02 School District Expenditures, Revenues and Local Contributions (sorted alphabetically) (See Notes A and B)
Figure 14:	FY02 Expenditures and Local Contribution per Student (in descending order) (See Notes A and B)
Figure 15:	FY02 School District Revenues - State, Federal, Local, Special and Other (sorted alphabetically) (See Notes A and B)
Figure 16:	FY02 Expenditures Per Student (See Notes A and B)
Figure 17:	FY04 Preliminary ADM, State Foundation Aid, Federal Impact Aid and Budgeted Local Contributions (sorted alphabetically)
Figure 18:	FY04 Local Contributions per Student (See Notes A and B)
Figure 19:	FY04 Budgeted Local Contributions per Student (See Notes A and B)
Figure 20:	Percent of Expenditures on Instruction, FY99 Budget–FY04 Budget
Figure 21:	Percent of FY04 Budget Designated for Instruction (Values less than 70 percent require a State School Board Waiver)
Figure 22:	FY02 Attendance and Graduation Rates
Figure 23:	FY02 School Attendance Rates
Figure 24:	HSGQE – Grade 10 – Spring 2003 – Percent of Students Tested as Proficient in
•	Reading, Writing and Math
Figure 25:	High School Graduation Qualifying Examination (HSGQE) – 10th Grade Reading Proficiency (Spring 2003)
Figure 26:	High School Graduation Qualifying Examination (HSGQE) – 10th Grade Writing
U -	Proficiency (Spring 2003)
Figure 27:	High School Graduation Qualifying Examination (HSGQE) – 10th Grade Math Proficiency (Spring 2003)

In the tables and charts in this Appendix, information shaded in black denotes a school district with fewer than 250 students.

NOTE A

USE OF "RESIDENT ONLY" ADM FIGURES IN PER STUDENT RATIOS SUCH AS STUDENTS-PER-TEACHER OR STUDENTS-PER-EMPLOYEE

DEED FY 2003 employment data for Alaska's 53 school districts do not distinguish between district employees that serve resident students and those that serve correspondence students. Therefore, where ratios are reported for resident students-per-teacher (ADM-to-teacher), resident students-per-other-employees, and resident students-per-total-employees, the ratios for school districts with relatively large correspondence populations are not comparable to those without such populations.

The employee component of the ratios includes all school district employees – those that serve both resident students and correspondence students. However, the student component of the ratios includes only resident students. The previously cited legislative directive for the consolidation study called on the Local Boundary Commission and the Department of Education and Early Development to "identify opportunities for consolidation of schools, with emphasis on school districts with fewer than 250 students." Senator Wilken, the author of the legislative directive, clarified in his previously-noted letter of November 6, 2003, that, "student populations should be based on resident average daily membership figures."

The Galena City School District provides an acute example of the difficulties in comparing the ratios between a district with a relatively large number of correspondence students and one without. In FY 2003, the City of Galena served 3,768 students, of which 3,534 (93.8 percent) were correspondence students. The remaining 234 students were residents of the City of Galena. At the time, the Galena City School District employed 179.9 full-time equivalent employees. Using only the 234 students that attended classes within the City of Galena School District in FY 2003, the 179.9 employees of the Galena City School District yielded a resident-student-per-employee ratio of 1.3:1 (234:179.9).

However, if the entire FY 2003 resident and correspondent student population of the City of Galena school district were considered, it would result in a ratio of 20.9 students-per-employee (3,768:179.9). Since that figure includes students who are not sitting in typical classroom settings, it does not yield a measure that is comparable to districts that do not serve relatively large numbers of correspondence students. In that case, the ratios for districts with relatively large numbers of correspondence students would tend to overstate the efficiency or productivity of employees utilized for instruction.

Clearly, ratios of students-per-teacher/employee in districts with a large correspondence-student base are not comparable to ratios for districts with relatively few or no correspondence students.

NOTE B

USE OF "TOTAL STUDENT" ADM IN PER STUDENT RATIOS SUCH AS REVENUES-PER-STUDENT AND EXPENDITURES-PER-STUDENT

FY 2002 financial data available from DEED did not distinguish between "resident-only" expenditures, revenues, and local contributions. Therefore, total ADMs (resident and correspondent) are utilized in financial ratios concerning expenditures, revenues, and local contributions. The expenditures-per-student, revenues-per-student, and local-contributions-per-student reported in these profiles are not comparable between school districts with relatively large correspondence-student populations and those without such student populations.

For example, in FY 2002, the Craig City School District served 686 total students, of which 276 were correspondence students (i.e., 40.7 percent correspondence enrollment). Total FY 2002 expenditures in the City of Craig School District were \$6,841 "per student." Correspondence education is understood to be considerably less expensive per student than classroom education – a principle which is reflected in Alaska's education foundation founding formula (see discussion of funding for correspondence students and resident students in the definition of "basic need" in the glossary). Therefore, comparisons between districts with relatively large numbers of correspondence students and those without are difficult.

School Districts with relatively large correspondence-student ADMs in FY 2004 include the following:

School District	Relative Number of Correspondence Students	Absolute Numbers of Correspondence and Total Students
City of Galena	94.3 percent	3,770 correspondence students; 3,999 total students
City of Nenana	76.5 percent	735 correspondence students; 961 total students
Yukon/Koyukuk REAA	69.0 percent	966 correspondence students; 1,401 total students
Chugach REAA	60.7 percent	116 correspondence students; 191 total students
City of Craig 60.5 percent		586 correspondence students; 968 total students
Delta/Greely REAA	35.6 percent	369 correspondence students; 1,036 total students
City of Tanana	34.4 percent	33 correspondence students; 96 total students
Iditarod REAA	23.4 percent	90 correspondence students; 384 total students
Copper River REAA	19.6 percent	130 correspondence students; 662 total students

Figure 1: FY03 and FY04 Average Daily Membership (ADM) Ascending by FY04 Resident Students						
Association	EV02					
	Resident	Corresp	Resident	Corresp		
Pelican	18.0	0.0	15.0	0.0		
Aleutian Region	49.3	0.0	42.1	0.0		
Tanana	61.8	15.7	63.3	33.0		
Chugach	83.5	117.0	75.0	116.0		
Hydaburg	92.2	0.0	87.1	0.0		
Skagway	109.7	0.0	105.8	0.0		
Pribilof	135.5	0.0	124.5	0.0		
Yakutat	144.3	0.0	125.0	0.0		
Klawock	158.9	0.0	147.0	3.0		
Kake	151.9	0.0	155.2	0.0		
Saint Mary's	167.2	0.0	159.0	0.0		
Hoonah	188.4	0.0	180.2	0.0		
Bristol Bay	233.6	0.0	195.4	0.0		
Southeast Island	203.5	19.5	210.2	9.6		
Chatham	219.9	0.0	218.4	0.0		
Nenana	203.5	1,053.2	226.1	/35.3		
Galena	234.0	3,533.9	229.0	3,770.0		
Aleutians East	272.8	1.0	280.0	1.0		
Annelle Island	290.7	0.0	207.0	0.0		
Iditarad	301.3	0.0	293.1	0.0		
Haines	312.0	90.7 11 8	293.9	90.0 16.0		
Denali	296.8	13.4	305.8	272.5		
Kashunamiut	350.0	0.0	365.6	272.5		
Craig	389.8	465.7	381.8	586.0		
Wrangell	435.5	0.0	391.8	0.0		
Unalaska	393.0	0.0	398.6	0.0		
Lake & Peninsula	412.6	0.0	415.3	3.0		
Kuspuk	426.7	0.0	425.8	0.0		
Yukon/Koyukuk	444.9	440.2	434.7	966.4		
Yupiit	424.0	0.0	439.0	0.0		
Alaska Gateway	429.6	57.3	440.0	55.0		
Cordova	464.1	0.0	471.7	0.0		
Dillingham	520.7	0.0	527.0	0.0		
Copper River	540.2	134.9	532.4	129.5		
Petersburg	625.9	0.0	653.4	0.0		
Delta/Greely	635.4	368.9	667.3	369.0		
Southwest Region	721.3	0.0	680.0	0.0		
Nome	736.2	0.0	716.5	0.0		
Valdez	866.7	0.0	866.7	1.0		
Sitka	1,508.8	40.1	1,443.7	28.8		
Bering Strait	1,733.9	0.0	1,712.5	0.0		
North Slope	1,970.3	0.0	1,810.5	0.0		
Northwest Arctic	2,141.9	10.0	2,023.2	8.0		
Lower Yukon	2,053.2	16.5	2,040.2	0.0		
Kodiak	2,301.9 2 720 1	0.01 0.00	∠,340.9 2 621 6	24.3 55 0		
l ower Kuskokwim	2,130.4	20.0	2,021.0	00.0		
	5,104.1 5,162 G	0.0 58 5	5 260 1	0.0 גע רע		
Kenai Peningula	0,+02.0 0,267 2	365.0	3,300.1 8 qaa 2	56Q 2		
Mat-Su	13 034 5	512 g	13 354 7	909.2 959.0		
Fairbanks	14 874 9	246.0	14 373 9	229.9 229.0		
Anchorage	48,907.5	637.5	48.586.2	717.2		
Statewide	122,826.4	8,238.5	121,402.1	9,832.1		







Figure 4: Average Daily Membership (ADM) History and Percent Change from FY92-FY04 (includes both Resident and Correspondence Students)

FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 374.6 380.1 353.0 351.9 351.3 368.9 393.0 398.6 0.0 +43.6 877.0 887.8 855.1 865.2 864.8 887.6 866.7 1.0 +1.6 6520.0 521.2 526.6 505.1 488.4 466.0 435.5 391.8 0.0 -26.6 160.0 166.0 159.8 166.3 172.0 144.3 125.0 125.0 0.0 -22.4 444.0 448.3 375.8 355.1 307.0 307.3 293.1 20.0 -22.4 555.6 545.9 <th>+21.9% +16.5%</th> <th>0.0 9,832.1</th> <th>439.0 21,402.1</th> <th>439.0 31,234.2 1</th> <th>424.0 31,064.9 1</th> <th>445.6 130,874.7 1</th> <th>420.0 130,620.2 ⁻</th> <th>398.0 129,948.0</th> <th>402.0 129,968.4</th> <th>397.0 127,677.1</th> <th>401.0 124,545.3</th> <th>387.0 122,896.8</th> <th>367.0 120,752.0</th> <th>366.0 119,177.8</th> <th>1.6</th> <th>36 115,97</th> <th>360.0 36 112,633.9 115,97</th>	+21.9% +16.5%	0.0 9,832.1	439.0 21,402.1	439.0 31,234.2 1	424.0 31,064.9 1	445.6 130,874.7 1	420.0 130,620.2 ⁻	398.0 129,948.0	402.0 129,968.4	397.0 127,677.1	401.0 124,545.3	387.0 122,896.8	367.0 120,752.0	366.0 119,177.8	1.6	36 115,97	360.0 36 112,633.9 115,97
FY97 FY98 FY90 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 700.8 743.0 104.0 92.8 80.0 64.1 77.5 96.3 683.3 33.0 -34.3 374.6 380.1 351.9 351.3 368.9 393.0 398.6 90.0 64.1 77.5 96.3 68.3 33.0 -34.3 877.0 887.8 865.7 866.7 866.7 10.0 -40.4 10.6 -41.0 -41.0 528.0 526.6 505.1 488.4 466.0 435.5 391.8 0.0 -26.4 680.0 169.0 159.8 172.0 144.4 351.4 30.6	+21.9	0.0	439.0	439.0	424.0	445.6	420.0	398.0	402.0	397.0	401.0	0.2	800	367.0 38	366.0 367.0 38	367.0 366.0 367.0 38	360.0 367.0 366.0 367.0 38
FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 374.6 380.1 353.0 351.9 351.3 368.9 393.0 398.6 0.0 +30.5 374.6 380.1 355.1 865.2 864.8 887.6 866.7 1.0 +16 528.0 521.2 526.6 505.1 488.4 466.0 435.5 391.8 0.0 -26.6 160.0 169.0 159.8 166.3 172.0 144.3 125.0 0.0 -20.1 444.0 448.3 357.1 307.0 307.3 203.1 203.1 0.0 -23.1	+155.0%	966.4	434.7	1,401.1	885.1	496.8	484.5	535.9	548.9	545.9	555.6		625	590.1 625	598.8 590.1 625	584.7 598.8 590.1 625	549.5 584.7 598.8 590.1 625
FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 700.8 743.6 713.0 104.0 92.8 80.0 64.1 77.5 96.3 63.3 33.0 -36.3 374.6 380.1 355.1 351.3 368.9 393.0 398.6 0.0 +30.5 877.0 887.8 866.7 486.7 866.7 1.0 +1.6 528.0 521.2 526.6 505.1 488.4 466.0 435.5 391.8 0.0 -26.6 160.0 169.0 156.3 172.0 144.3 125.0 0.0 -0.0 -10.1	-22.4%	0.0	293.1	293.1	307.3	300.0	307.0	352.1	375.8	448.3	444.0	9	422	405.2 422	398.9 405.2 422.	387.9 398.9 405.2 422.	377.9 387.9 398.9 405.2 422.
FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 710.0 113.0 104.0 92.8 80.0 64.1 77.5 96.3 63.3 33.0 -36.3 374.6 380.1 355.1 351.3 368.9 393.0 398.6 0.0 +30.5 877.0 887.8 866.7 866.7 10.0 +36.7 10 +1.6 528.0 521.2 505.1 488.4 466.0 435.5 391.8 0.0 -26.6	-10.1%	0.0	125.0	125.0	144.3	172.0	166.3	159.8	166.0	169.0	160.0	_	175.C	167.0 175.0	150.0 167.0 175.0	137.0 150.0 167.0 175.0	139.0 137.0 150.0 167.0 175.0
FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 710.0 113.0 104.0 92.8 80.0 64.1 77.5 96.3 63.3 33.0 -36.3 374.6 380.1 3551.9 351.3 368.9 393.0 38.6 0.0 +30.5 877.0 887.6 866.7 10. 466.7 1.0 +1.6	-26.6%	0.0	391.8	391.8	435.5	466.0	488.4	505.1	526.6	521.2	528.0		555.0	566.9 555.0	541.2 566.9 555.0	519.2 541.2 566.9 555.0	534.0 519.2 541.2 566.9 555.0
FY97 FY98 FY09 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 102.0 113.0 104.0 92.8 80.0 64.1 77.5 96.3 63.3 33.0 -34.5 374.6 380.1 351.9 351.3 368.9 393.0 336.6 0.0 +30.5	+1.6%	1.0	866.7	867.7	866.7	887.6	864.8	865.2	855.1	887.8	877.0		895.8	902.8 895.8	896.9 902.8 895.8	906.6 896.9 902.8 895.8	853.8 906.6 896.9 902.8 895.8
FY97 FY98 FY09 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 767.9 758.6 721.3 680.0 680.0 0.0 +43.5 102.0 113.0 104.0 92.8 80.0 64.1 77.5 96.3 33.0 -3.5	+30.9%	0.0	398.6	398.6	393.0	368.9	351.3	351.9	353.0	380.1	374.6		352.8	356.1 352.8	358.6 356.1 352.8	330.2 358.6 356.1 352.8	304.5 330.2 358.6 356.1 352.8
FY97 FY98 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY 700.8 743.1 774.7 758.3 757.9 758.6 721.3 680.0 680.0 0.0 +43.5	-3.8%	33.0	63.3	96.3	77.5	64.1	80.0	92.8	104.0	113.0	102.0		94.0	102.3 94.0	101.0 102.3 94.0	98.0 101.0 102.3 94.0	100.0 98.0 101.0 102.3 94.0
Resident Corresp % Chan FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 ADM ADM FY92-FY	+43.9%	0.0	680.0	680.0	721.3	758.6	767.9	758.3	774.7	743.1	700.8		629.8	568.3 629.8	554.3 568.3 629.8	478.9 554.3 568.3 629.8	472.5 478.9 554.3 568.3 629.8
	% Change FY92-FY04	Corresp 9 ADM F	Resident ADM	ΕY04	FY03	FY02	FY01	FY00	FΥ99	FΥ98	FY97		FΥ96	FY95 FY96	FY94 FY95 FY96	FY93 FY94 FY95 FY96	FY92 FY93 FY94 FY95 FY96

Figure 4: Average Daily Membership (ADM) History and Percent Change from FY92-FY04 (includes both Resident and Correspondence Students)

Source: (http://www.eed.state.ak.us/stats/QuickFacts/ADM.pdf) Resident Student ADM is less than 250

		EVO4 ADM	Resident	Corresp	% Change
Policon	12 O	15 O	ADM 15.0		F192-F104
Pelican Southoost Island	10.0	10.0	10.0	0.0	-07.3%
Chothom	223.0	219.0	210.2	9.0	-47.1%
	219.9	210.4	210.4	0.0	-42.0%
Klowook	290.7	207.3	207.5	0.0	-32.2 /0
Hainos	202.7	220.0	204.0	16.0	-25.270
Printel Pov	020.7	320.9	105.4	10.0	-20.4 /0
Skogwov	200.0	195.4	195.4	0.0	-20.4%
Skagway	109.7	105.0	100.0	0.0	-27.0%
Wrangoll	92.2	201.9	201.0	0.0	-20.0 /0
	435.5	291.0	280.0	0.0	-20.0 %
	100 /	201.0	280.0	1.0	-24.1/0
Nukon Eloto	207.2	202.1	202.1	0.0	-20.0%
Pribilof	125.5	293.1	293.1	0.0	-22.4%
Phiblio	1 5 4 9 0	1 4 7 2 5	1 4 4 2 7	20.0	-10.0%
Silka	1,040.9	1,472.3	1,443.7	20.0	-17.0%
Katehikan Gataway	2 209 4	2 271 2	2 246 0	24.2	-10.2%
Kelchikan Galeway	2,398.4	2,371.2	2,346.9	24.3	-11.0%
Yakulal	726.2	716 5	716 5	0.0	-10.1%
Nome	730.2	7 10.5	7 10.5	0.0	-1.1%
Petersburg	020.9	003.4	000.4	0.0	-7.0%
	412.0	418.3	415.3	3.0	-0.4%
Кизрик	420.7	423.8	420.0	0.0	-5.7%
Tanana	11.5	96.3	03.3	33.0	-3.6%
Fairbanks	15,120.9	14,603.0	14,373.9	229.0	-1.9%
	464.1	4/1.7	471.7	0.0	-1.5%
Iditarod Area	403.5	384.7	293.9	90.8	-0.9%
Alaska Gateway	486.9	494.9	440.0	55.0	-0.1%
	9,632.4	9,568.5	8,999.3	569.2	+1.3%
Valdez	866.7	867.7	866.7	1.0	+1.6%
Juneau	5,521.1	5,443.0	5,360.1	83.0	+3.7%
Dillingnam	520.7	527.0	527.0	0.0	+4.5%
Kodiak Island	2,750.4	2,677.3	2,621.6	55.8	+6.0%
Copper River	675.1	661.9	532.4	129.5	+11.7%
Anchorage	49,544.9	49,303.4	48,586.2	/1/.2	+14.5%
Bering Strait	1,733.9	1,712.5	1,712.5	0.0	+19.4%
	424.0	439.0	439.0	0.0	+21.9%
Delta/Greely	1,004.3	1,036.3	667.3	369.0	+22.0%
North Slope	1,970.3	1,810.5	1,810.5	0.0	+23.8%
Northwest Arctic	2,151.9	2,031.2	2,023.2	8.0	+24.7%
Unalaska	393.0	398.6	398.6	0.0	+30.9%
Lower Kuskokwim	3,704.7	3,799.0	3,799.0	0.0	+36.6%
Mat-Su	13,547.3	14,314.6	13,354.7	959.9	+41.2%
Southwest Region	/21.3	680.0	680.0	0.0	+43.9%
Chugach	200.5	191.0	/5.0	116.0	+48.9%
Lower Yukon	2,053.2	2,040.2	2,040.2	0.0	+49.5%
Aleutian Region	49.3	42.1	42.1	0.0	+50.4%
Saint Mary's	167.2	159.0	159.0	0.0	+50.7%
Denali	310.2	578.3	305.8	272.5	+75.4%
Kashunamiut	350.4	365.6	365.6	0.0	+91.3%
Yukon/Koyukuk	885.1	1,401.1	434.7	966.4	+155.0%
Craig	855.4	967.7	381.8	586.0	+207.9%
Nenana	1,256.7	961.4	226.1	/35.3	+402.0%
Galena	3,767.9	3,999.0	229.0	3,770.0	+2710.3%
	131,065.0	131,234.2	121,402.1	9,832.1	+16.5%

Figure 5: Average Daily Membership (ADM) Percent Change from FY92–FY04 (includes both Resident and Correspondence Students)

Source: (http://www.eed.state.ak.us/stats/QuickFacts/ADM.pdf) Resident Student ADM is less than 250



										Resident	Resident	Resident		Students	Students
		ADM	ADM					Certified		ADM/	ADM/Other	ADM/Total	Students /	/Other	/Total
	Total Students	Resident Students	Corresp. Students	Total Employees	Certified Teachers	Paraprofes- sionals	Classified	Administra- tors	Certified Other	Teacher Ratio	Employees Ratio	Employee Ratio	Teacher Ratio	Employee Ratio	Employee Ratio
Alaska Gateway	486.9	429.6	57.3	86.6	29.7	10.2	36.8	8.2	1.6	14.4	7.6	5.0	16.4	8.6	5.6
Aleutian Region	49.3	49.3	0.0	11.6	5.5	3.4	1.6	1.1	0.0	9.0	8.0	4.2	9.0	8.0	4.2
Aleutians East	273.8	272.8	1.0	60.7	33.6	8.0	13.7	3.4	2.0	8.1	10.1	4.5	8.1	10.1	4.5
Anchorage	49,544.9	48,907.5	637.5	5,738.6	2,889.8	632.6	1,645.0	157.6	413.6	16.9	17.2	8.5	17.1	17.4	8.6
Annette Island	290.7	290.7	0.0	52.4	31.3	7.1	9.0	3.0	2.0	9.3	13.8	5.5	9.3	13.8	5.5
Bering Strait	1,733.9	1,733.9	0.0	361.5	169.5	108.0	36.0	22.0	26.0	10.2	9.0	4.8	10.2	9.0	4.8
Bristol Bay	233.6	233.6	0.0	43.5	19.8	7.3	12.2	2.2	2.0	11.8	9.9	5.4	11.8	9.9	5.4
Chatham	219.9	219.9	0.0	46.1	19.0	8.6	14.2	2.2	2.1	11.5	8.1	4.8	11.5	8.1	4.8
Chugach	200.5	83.5	117.0	28.5	14.4	1.0	8.5	2.2	2.5	5.8^	5.9 ^A	2.9 ^A	14.0 ^B	14.2 ^B	7.0 ^B
Copper River	675.1	540.2	134.9	90.06	37.5	14.4	26.1	7.3	4.8	14.4 ^A	10.3 ^A	6.0 ^A	18.0 ^B	12.9 ^B	7.5 ^B
Cordova	464.1	464.1	0.0	62.7	32.2	8.0	16.3	3.8	2.4	14.4	15.2	7.4	14.4	15.2	7.4
Craig	855.4	389.8	465.7	80.9	33.5	21.9	17.0	3.5	5.0	11.6 ^A	8.2 ^A	4.8 ^A	25.5 ^B	18.1 ^B	10.6 ^B
Delta/Greely	1,004.3	635.4	368.9	83.1	46.4	11.5	20.8	1.0	3.4	13.7 ^A	17.3 ^A	7.7 ^A	21.7 ^B	27.4 ^B	12.1 ^B
Denali	310.2	296.8	13.4	53.3	26.6	6.0	14.2	2.7	3.8	11.2	11.1	5.6	11.7	11.6	5.8
Dillingham	520.7	520.7	0.0	90.5	40.0	21.5	22.0	4.0	3.0	13.0	10.3	5.8	13.0	10.3	5.8
Fairbanks	15,120.9	14,874.9	246.0	1,806.8	881.0	217.3	521.0	50.0	137.5	16.9	16.1	8.2	17.2	16.3	8.4
Galena	3,767.9	234.0	3,533.9	179.9	63.4	9.8	84.0	8.7	14.0	3.7^	2.0 ^A	1.3 ^A	59.4 ^B	32.3 ^B	20.9 ^B
Haines	323.7	312.0	11.8	48.7	24.9	7.6	11.7	2.0	2.5	12.5	13.1	6.4	13.0	13.6	6.6
Hoonah	188.4	188.4	0.0	46.9	16.5	10.8	17.0	2.5	0.3	11.4	6.2	4.0	11.4	6.2	4.0
Hydaburg	92.2	92.2	0.0	23.4	10.6	3.8	7.0	2.0	0.1	8.7	7.2	3.9	8.7	7.2	3.9
Iditarod Area	403.5	309.9	93.7	68.6	28.2	6.6	23.5	7.2	3.1	10.9 ^A	7.7 ^A	4.5 ^A	14.3 ^B	10.0 ^B	5.9 ^B
Juneau	5,521.1	5,462.6	58.5	630.1	325.8	91.4	166.0	17.5	29.4	16.8	18.0	8.7	16.9	18.1	8.8
Kake	151.9	151.9	0.0	26.6	16.0	3.6	6.0	1.0	0.0	9.5	14.3	5.7	9.5	14.3	5.7
Kashunamiut	350.4	350.4	0.0	65.1	24.8	21.0	16.0	2.0	1.3	14.1	8.7	5.4	14.1	8.7	5.4
Kenai Peninsula	9,632.4	9,267.3	365.2	1,129.5	603.3	119.6	275.3	43.7	87.7	15.4	17.6	8.2	16.0	18.3	8.5
Ketchikan Gateway	2,398.4	2,381.9	16.5	287.5	141.5	50.7	73.3	9.0	13.0	16.8	16.3	8.3	16.9	16.4	8.3
Klawock	158.9	158.9	0.0	33.0	13.9	2.0	14.5	2.0	0.6	11.4	8.3	4.8	11.4	8.3	4.8
Kodiak Island	2,750.4	2,730.4	20.0	381.2	190.1	61.5	89.3	11.6	28.7	14.4	14.3	7.2	14.5	14.4	7.2
Kuspuk	426.7	426.7	0.0	111.9	42.4	24.9	36.0	6.6	2.0	10.1	6.1	3.8	10.1	6.1	3.8
Lake & Peninsula	412.6	412.6	0.0	120.6	48.1	19.2	37.7	7.7	7.9	8.6	5.7	3.4	8.6	5.7	3.4
Lower Kuskokwim	3,704.7	3,704.7	0.0	666.3	265.5	122.4	208.9	31.0	38.5	14.0	9.2	5.6	14.0	9.2	5.6
Lower Yukon	2,053.2	2,053.2	0.0	360.7	143.5	76.7	100.0	19.5	21.0	14.3	9.5	5.7	14.3	9.5	5.7
Mat-Su	13,547.3	13,034.5	512.8	1,655.9	800.4	205.2	464.0	45.0	141.3	16.3	15.2	7.9	16.9	15.8	8.2
Nenana	1,256.7	203.5	1,053.2	68.0	31.0	6.0	26.0	3.0	2.0	6.6 ^A	5.5^{A}	3.0 ^A	40.5 ^B	34.0 ^B	18.5 ^B
Nome	736.2	736.2	0.0	110.2	48.4	17.2	33.0	5.0	6.6	15.2	11.9	6.7	15.2	11.9	6.7
North Slope	1,970.3	1,970.3	0.0	537.0	196.2	103.0	202.0	15.0	20.8	10.0	5.8	3.7	10.0	5.8	3.7
Northwest Arctic	2,151.9	2,141.9	10.0	422.2	164.3	86.0	128.2	18.7	25.0	13.0	8.3	5.1	13.1	8.3	5.1
Pelican	18.0	18.0	0.0	7.7	2.4	1.7	3.0	0.6	0.0	7.6	3.4	2.3	7.6	3.4	2.3
Petersburg	625.9	625.9	0.0	85.8	42.7	16.6	16.3	5.0	5.2	14.7	14.5	7.3	14.7	14.5	7.3

											Resident	Resident	Resident		Students	Students
StudentsStuden		Total	Resident	Corresp.	Total	Certified	Paraprofes-		Certified Administra-	Certified	Teacher	Employees	Employee	Students / Teacher	/Uther Employee	/1 otal Employee
bilof 135.5 135.5 0.0 27.0 10.8 6.0 1.0 0.0 11.9 10.5 13.4 5.0 12.5 8.4 5.0 12.5 8.4 5.0 Marys 167.2 17.9 <th17.9< <="" th=""><th></th><th>Students</th><th>Students</th><th>Students</th><th>Employees</th><th>Teachers</th><th>sionals</th><th>Classified</th><th>tors</th><th>Other</th><th>Ratio</th><th>Ratio</th><th>Ratio</th><th>Ratio</th><th>Ratio</th><th>Ratio</th></th17.9<>		Students	Students	Students	Employees	Teachers	sionals	Classified	tors	Other	Ratio	Ratio	Ratio	Ratio	Ratio	Ratio
Marys 167.2 167.2 0.0 28.0 14.0 7.0 6.0 1.0 0.1 <t< th=""><th>ibilof</th><th>135.5</th><th>135.5</th><th>0.0</th><th>27.0</th><th>10.8</th><th>6.0</th><th>8.0</th><th>1.9</th><th>0.3</th><th>12.5</th><th>8.4</th><th>5.0</th><th>12.5</th><th>8.4</th><th>5.0</th></t<>	ibilof	135.5	135.5	0.0	27.0	10.8	6.0	8.0	1.9	0.3	12.5	8.4	5.0	12.5	8.4	5.0
Ida1,58.91,50.840.1184.3109.521.832.58.012.513.820.28.214.120.78.4Rayay109.7109.7109.70.022.012.71.16.90.80.58.611.85.08.611.85.0Outheast Island223.0203.519.553.112.813.413.910.03.016.05.03.817.55.54.2Outheast Island223.0203.519.553.112.813.413.910.03.016.05.03.817.55.54.2Outheast Island223.0203.519.553.112.813.413.910.03.016.05.03.817.55.54.2Outheast Region771.3721.	: Mary's	167.2	167.2	0.0	28.0	14.0	7.0	6.0	1.0	0.0	11.9	11.9	6.0	11.9	11.9	6.0
kagway109.7109.7109.70.0 22.0 12.71.16.90.80.58.61.1.85.08.61.1.85.08.6outheast Island 223.0 203.519.5 53.1 12.813.413.910.03.016.05.03.817.55.54.2outhwest Region 721.3 721.30.0 134.9 59.00.046.912.017.012.29.55.312.29.55.312.29.55.3anata 77.5 61.815.7 13.0 7.32.03.00.046.912.017.012.29.55.312.29.55.36.0anata 77.5 61.815.7 13.0 7.32.010.516.046.912.017.012.29.55.313.60.6aldez 866.7 86.70.0 64.0 29.010.518.54.02.014.313.16.0aldez 866.7 86.70.0 64.0 29.016.043.34.02.714.313.76.117.76.1aldez 865.7 86.70.0 69.2 31.815.417.03.514.313.76.04.2aldez 307.3 301.36.0 76.6 31.313.625.04.02.010.76.117.76.117.76.1aldez 307.3 <	itka	1,548.9	1,508.8	40.1	184.3	109.5	21.8	32.5	8.0	12.5	13.8	20.2	8.2	14.1	20.7	8.4
outheast Island 223.0 203.519.5 53.1 12.813.413.913.413.913.013.613.613.65.317.55.317.55.317.55.317.55.317.55.35.317.55.35.313.6 5.3 5.3<	kagway	109.7	109.7	0.0	22.0	12.7	1.1	6.9	0.8	0.5	8.6	11.8	5.0	8.6	11.8	5.0
outhwest Region721.3721.30.0134.959.00.046.912.017.012.29.55.312.29.55.312.29.55.35.312.29.55.35.312.29.55.35.312.29.55.35.312.29.55.35.312.29.55.313.6 0.5 0.5 0.5 10.8^{h} 10.8^{h} 10.6^{h} 13.6^{h} <td>outheast Island</td> <td>223.0</td> <td>203.5</td> <td>19.5</td> <td>53.1</td> <td>12.8</td> <td>13.4</td> <td>13.9</td> <td>10.0</td> <td>3.0</td> <td>16.0</td> <td>5.0</td> <td>3.8</td> <td>17.5</td> <td>5.5</td> <td>4.2</td>	outheast Island	223.0	203.5	19.5	53.1	12.8	13.4	13.9	10.0	3.0	16.0	5.0	3.8	17.5	5.5	4.2
anala77.561.815.713.07.32.03.00.50.2 8.5^{A} 10.8^{A} 4.8^{A} 10.6^{B} 13.6^{B} 13.6^{B} 6.0^{A} nalaska393.0393.00.0 64.0 29.010.518.54.02.013.611.2 6.1 13.611.2 6.1 nalaska393.0533.00.0 64.0 29.010.518.54.02.013.611.2 6.1 13.611.2 6.1 aldez866.7866.70.0 64.0 29.016.616.043.34.03.014.313.1 6.8 14.313.711.7 6.3 13.7 11.7 6.3 frangel435.5435.50.0 69.2 31.815.417.03.514.413.711.7 6.3 13.7 11.7 6.3 akutat144.3144.30.0 34.6 16.6 6.0 9.02.010.9 8.7 8.7 8.0 4.2 8.7 <	outhwest Region	721.3	721.3	0.0	134.9	59.0	0.0	46.9	12.0	17.0	12.2	9.5	5.3	12.2	9.5	5.3
nalaska 393.0 393.0 0.0 64.0 29.0 10.5 18.5 4.0 2.0 13.6 11.2 6.1 13.6 11.2 6.1 13.6 11.2 6.1 aldez 866.7 866.7 0.0 126.8 60.5 16.0 43.3 4.0 3.0 14.3 13.1 6.8 14.3 13.7 11.7 6.3 ifrangel 435.5 435.5 0.0 89.2 31.8 15.4 17.0 3.5 14.4 13.7 11.7 6.3 13.7 11.7 6.3 akutat 144.3 144.3 0.0 34.6 16.6 6.0 9.0 2.0 1.0 8.7	anana	77.5	61.8	15.7	13.0	7.3	2.0	3.0	0.5	0.2	8.5 ^A	10.8 ^A	4.8 ^A	10.6 ^B	13.6 ^B	6.0 ^B
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	nalaska	393.0	393.0	0.0	64.0	29.0	10.5	18.5	4.0	2.0	13.6	11.2	6.1	13.6	11.2	6.1
<i>Irangell</i> 435.5 0.0 69.2 31.8 15.4 17.0 3.5 1.4 13.7 11.7 6.3 13.7 11.7 6.3 akutat 144.3 144.3 0.0 34.6 16.6 6.0 9.0 2.0 1.0 8.7 8.0 4.2 8.7 8.0 4.2 ukon Flats 307.3 301.3 6.0 76.6 31.3 13.6 25.0 4.3 2.5 9.6 6.6 3.9 9.8 6.8 4.0 ukon/Koyukuk 885.1 444.9 440.2 115.3 40.6 21.9 28.2 15.5 9.0 10.9^{A} 6.0^{A} 3.9^{A} 21.8^{B} 11.9^{B} 7.7^{B} upilit 424.0 0.0 125.5 32.3 392.2 38.0 5.0 8.0 4.7 3.6 4.7 3.7 4.7 3.7 upilit 424.0 126.4 $8,238.6$ $8,021.7$ $2,328.0$ $4,749.0$ 613.0 13.1 4.7 3.5 13.1 4.7 3.5 14.9 7.7 upilit $131,065.0$ $122,826.4$ $8,238.6$ $8,021.7$ $2,328.0$ $4,749.0$ 613.0 $1,122.9$ 15.3 13.9 7.3 14.9 7.7 7.7	aldez	866.7	866.7	0.0	126.8	60.5	16.0	43.3	4.0	3.0	14.3	13.1	6.8	14.3	13.1	6.8
akutat 144.3 144.3 0.0 34.6 16.6 6.0 9.0 2.0 1.0 8.7 8.0 4.2 8.7 8.0 4.2 8.7 8.0 4.2 4.0 4.0 4.0 4.0 4.0 4.0 7.1 8.0 4.2 8.7 8.0 4.2 8.7 8.0 4.0 ukon Flats 307.3 301.3 6.0 76.6 31.3 13.6 25.0 4.3 2.5 9.6 6.6 3.9 9.8 6.8 4.0 ukon/Koyukuk 885.1 444.9 440.2 115.3 40.6 21.9 28.2 15.5 9.0 6.0 ^A 3.9 ^A 21.8 ^B 11.9 ^B 7.7 ^B uplit 424.0 0.0 122.5 32.3 39.2 38.0 5.0 8.0 4.7 3.5 13.1 4.7 3.5 13.1 4.7 3.5 uplit 424.0 0.0 122.5 32.3 39.2 3	/rangell	435.5	435.5	0.0	69.2	31.8	15.4	17.0	3.5	1.4	13.7	11.7	6.3	13.7	11.7	6.3
ukon Flats 307.3 301.3 6.0 76.6 31.3 13.6 25.0 4.3 2.5 9.6 6.6 3.9 9.8 6.8 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0	akutat	144.3	144.3	0.0	34.6	16.6	6.0	9.0	2.0	1.0	8.7	8.0	4.2	8.7	8.0	4.2
ukon/Koyukuk 885.1 444.9 440.2 115.3 40.6 21.9 28.2 15.5 9.0 10.9 ^A 6.0 ^A 3.9 ^A 21.8 ^B 11.9 ^B 7.7 ^B upiit 424.0 424.0 0.0 122.5 32.3 39.2 38.0 5.0 8.0 13.1 4.7 3.5 13.1 4.7 3.5 131,065.0 122,826.4 8,238.5 16,834.6 8,021.7 2,328.0 4,749.0 613.0 1,122.9 15.3 13.9 7.3 16.3 14.9 7.8	ukon Flats	307.3	301.3	6.0	76.6	31.3	13.6	25.0	4.3	2.5	9.6	6.6	3.9	9.8	6.8	4.0
upiit 424.0 424.0 0.0 122.5 32.3 39.2 38.0 5.0 8.0 13.1 4.7 3.5 13.1 4.7 3.5 131,065.0 122,826.4 8,238.5 16,834.6 8,021.7 2,328.0 4,749.0 613.0 1,122.9 15.3 13.9 7.3 16.3 14.9 7.8	ukon/Koyukuk	885.1	444.9	440.2	115.3	40.6	21.9	28.2	15.5	9.0	10.9 ^A	6.0 ^A	3.9 ^A	21.8 ^B	11.9 ^B	7.7 ^B
131,065.0 122,826.4 8,238.5 16,834.6 8,021.7 2,328.0 4,749.0 613.0 1,122.9 15.3 13.9 7.3 16.3 14.9 7.8	upiit	424.0	424.0	0.0	122.5	32.3	39.2	38.0	5.0	8.0	13.1	4.7	3.5	13.1	4.7	3.5
		131,065.0	122,826.4	8,238.5	16,834.6	8,021.7	2,328.0	4,749.0	613.0	1,122.9	15.3	13.9	7.3	16.3	14.9	7.8

Figure 7: FY03 School District Employment (FTEs) by Type

^B = SEE NOTE B

^A = SEE NOTE A

F	Figure 8: FY03 Students p ADM Students per F	oer District Employee Ra TE District Employee	tio
^A = See Note A	All Students per	Resident Students per	
= See Note B	Employee	Employee	Total Employees
	2.3	2.3	1.1
Lake & Peninsula	3.4	3.4	120.6
	3.5	3.5	122.5
North Slope	3.7	3.7	537.0
Ruspuk	3.0	3.0	22.4
Hydaburg Xukon Elata	3.9	3.9	Z3.4 76.6
Hoonah	4.0	3.9	16.9
Vakutat	4.0	4.0	40.9
Southeast Island	4.2	+. <u>~</u> 3.8	53 1
Aleutian Region	4.2	4.2	11.6
Aleutians East	4.5	4.5	60.7
Chatham	4.8	4.8	46.1
Bering Strait	4 8	4 8	361.5
Klawock	4.8	4.8	33.0
Skagway	5.0	5.0	22.0
Pribilof	5.0	5.0	27.0
Northwest Arctic	5.1	5.1	422.2
Southwest Region	5.3	5.3	134.9
Bristol Bay	5.4	5.4	43.5
Kashunamiut	5.4	5.4	65.1
Annette Island	5.5	5.5	52.4
Lower Kuskokwim	5.6	5.6	666.3
Alaska Gateway	5.6	5.0	86.6
Lower Yukon	5.7	5.7	360.7
Kake	5.7	5.7	26.6
Dillingham	5.8	5.8	90.5
Denali	5.8	5.6	53.3
Iditarod	5.9 ^b	4.5 ^A	68.6
Saint Mary's	6.0	6.0	28.0
Tanana	6.0 ^B	4.8 ^	13.0
Unalaska	6.1	6.1	64.0
Wrangell	6.3	6.3	69.2
Haines	6.6	6.4	48.7
Nome	6.7	6.7	110.2
Valdez	0.8 7.0 ^B	0.8 2.0 ^A	120.8
Chugach	7.0	2.9	20.0
Potorshura	1.Z 7 3	1.Z 7 3	301.Z 85.9
Cordova	7.5	7.5	62.7
Conner River	7.4 75 ⁸	60 ^A	90.0
	7.3 77 ⁸	3 9 ^A	115 3
Mat-Su	82	7.9	1.655.9
Ketchikan	8.3	8.3	287.5
Fairbanks	8.4	8.2	1.806.8
Sitka	8.4	8.2	184.3
Kenai Peninsula	8.5	8.2	1,129.5
Anchorage	8.6	8.5	5,738.6
Juneau	8.8	8.7	630.1
Craig	10.6 ^B	4.8 ^A	80.9
Delta/Greely	12.1 ^B	7.7 ^A	83.1
Nenana	18.5 ^B	3.0 ^A	68.0
Galena	20.9 ^в	1.3 ^A	179.9
Statewide	7.8	7.3	16,834.6



Figure 10: FY03 ADM Total Students and F	3 Student/Teache Resident Students	r Ratio per FTE Teacher
^A = See Note A	Total Studente nor	Regident Students per
^B = See Note B	Teacher	Teacher
Pelican	7.6	7.6
Aleutians East	8.1	8.1
Lake & Peninsula	8.6	8.6
Southeast Island	8.6	8.6
Yakutat	8.7	8.7
Hydaburg	8.7	8.7
Aleutian Region	9.0	9.0
Annette Island	9.3	9.3
Kake	9.5	9.5
Yukon Flats	9.8	9.6
North Slope	10.0	10.0
Kuspuk	10.1	10.1
Bering Strait	10.2	10.2
Tanana	10.6 ^в	8.5 ^A
Klawock	11.4	11.4
Hoonah	11.4	11.4
Chatham	11.5	11.5
Denali	11.7	11.2
Bristol Bay	11.8	11.8
Sitka	11.9	11.9
St. Mary's	12.2	12.2
Pribilof	12.5	12.5
Haines	13.0	12.5
Dillingham	13.0	13.0
Northwest Arctic	13.1	13.0
Yupiit	13.1	13.1
Unalaska	13.6	13.6
Wrangell	13.7	13.7
Lower Kuskokwim	14.0	14.0
Chugach	14.0 ⁸	5.8 ^A
Kashunamiut	14.1	14.1
Skagway	14.1	13.8
Lower Yukon	14.3	14.3
Valdez	14.3	14.3
Iditarod Area	14.3 ^{^в}	11.0 ^A
Cordova	14.4	14.4
Kodiak Island	14.5	14.4
Petersburg	14.7	14.7
Nome	15.2	15.2
Kenai Peninsula	16.0	15.4
Alaska Gateway	16.4	14.4
, Mat-Su	16.9	16.3
Juneau	16.9	16.8
Ketchikan Gatewav	16.9	16.8
Anchorage	17.1	16.9
Fairbanks	17.2	16.9
Southwest Region	17.5 ^B	16.0 ^A
Copper River	18.0 ⁸	14.4 ^A
Delta/Greely	21.7 ^B	13.7 ^A
Yukon/Koyukuk	21.8 ⁸	10.9 ^A
Craig	25.5 ^B	11.6 ^A
Nenana	40.5 ^B	6.6 ^A
Galena	59.4 ^B	3.7 ^A
Statewide	16.3	15.3

Figure 11: FY03 S	Students per Other (Non-T	eaching) Employee
^A = See Note A	Students per Non-	Resident Students per Non-
^B = See Note B	Teaching Employee	Teaching Employee
Pelican	3.4	3.4
Yupiit	4.7	4.7
Southeast Island	5.5	5.0
Lake & Peninsula	5.7	5.7
North Slope	5.8	5.8
Kuspuk	6.1	6.1
Hoonan Xuluan Elete	6.2	6.2
Yukon Flats	0.8	0.0
Hydaburg	1.2	1.2
Yakutat	8.0	8.0
Aleutian Region	8.0	8.0
Chatham	8.1	8.1
	8.3	8.3
Dribilof	Ŏ.Ĵ	٥.J
	8.4	8.4
Kashunamiut	0.0 0.7	/.0 0.7
	0.7	0.7
Bering Strait	9.0	9.0
	9.2	9.2
Lower Yukon	9.5	9.5
Southwest Region	9.5	9.5
Bristor Bay	9.9 10 0 ^B	9.9 7 7 ^A
Algutiana East	10.0	1.7
Dillinghom	10.1	10.1
	10.5	10.3
Donali	11.2	11.2
	11.0	11.1
Skogwov	11.7	11.7
Nome	11.0	11.0
St Man/s	11.9	11.9
Vukon/Kovukuk	11 Q ^B	6 0 ^A
	12 9 ⁸	10.3 ^A
Valdez	12.5	13.1
Haines	13.1	13.1
Tanana	13 6 ^B	10.8 ^A
Annette Island	13.8	13.8
Kake	14.3	14.3
Chugach	14.2 ⁶	5.9 ^A
Kodiak Island	14.4	14.3
Petersburg	14.5	14.5
Cordova	15.2	15.2
Mat-Su	15.8	15.2
Fairbanks	16.3	16.1
Ketchikan Gatewav	16.4	16.3
Anchorage	17.4	17.2
Juneau	18.1	18.0
Craig	18.1 ⁸	8.2 ^A
Kenai Peninsula	18.3	17.6
Sitka	20.7	20.2
Delta/Greely	27.4 ^{^B}	17.3 ^A
Galena	32.3 ^B	2.0 ^A
Nenana	34.0 ^{^B}	5.5 ^A
Statewide	14.9	13.9



				Total					Voluntary/			Total Local	
	Total ADM	Geographic Cost Differential	Total Audited E Expenditures	Expend per ADM	Total Revenues	Total Rev Per ADM	Required Local Contribution	Req'd Local per ADM	Excess Local V Contribution	/ol Local per ADM	Total Local Contribution	Contribution per ADM	Percent Local Rev
Alaska Gateway	495.3	118.45	\$5,647,020	\$11,401	\$6,929,386	\$13,990	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Aleutian Region	54.8	149.50	\$1,449,154	\$26,469	\$1,387,357	\$25,340	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Aleutians East	292.8	126.20	\$5,931,078	\$20,260	\$6,417,488	\$21,921	\$388,183	\$1,326	\$706,910	\$2,415	\$1,095,093	\$3,741	17.1%
Anchorage	49,246.8	100.00	\$332,616,649	\$6,754	\$358,345,129	\$7,277	\$64,471,369	\$1,309	\$42,830,199	\$870	\$107,301,568	\$2,179	29.9%
Annette Island	311.1	121.90	\$3,139,182	\$10,092	\$5,148,926	\$16,553	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Bering Strait	1,728.3	161.09	\$26,888,129	\$15,558	\$30,943,103	\$17,904	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Bristol Bay	237.5	126.20	\$3,091,056	\$13,018	\$3,403,554	\$14,334	\$819,209	\$3,450	\$378,657	\$1,595	\$1,197,866	\$5,045	35.2%
Chatham	227.4	121.90	\$2,785,813	\$12,253	\$3,797,082	\$16,701	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Chugach (Note B)	207.5	107.50	\$2,006,022	\$9,670	\$4,668,046	\$22,502	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Copper River (Note B)	714.1	112.90	\$5,885,679	\$8,242	\$6,880,674	\$9,636	\$0	\$0	\$0	\$0	\$0	\$0	%0.0
Cordova	461.5	107.50	\$4,038,033	\$8,751	\$4,239,483	\$9,187	\$678,224	\$1,470	\$371,776	\$806	\$1,050,000	\$2,275	24.8%
Craig (Note B)	694.0	111.40	\$4,747,393	\$6,841	\$6,013,272	\$8,665	\$412,600	\$595	\$491,325	\$708	\$903,925	\$1,303	15.0%
Delta/Greely (Note B)	834.8	114.90	\$5,361,991	\$6,423	\$7,298,117	\$8,743	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Denali	287.5	114.90	\$3,875,498	\$13,480	\$4,103,970	\$14,275	\$486,572	\$1,692	\$666,622	\$2,319	\$1,153,194	\$4,011	28.1%
Dillingham	540.7	131.04	\$5,857,829	\$10,834	\$6,362,978	\$11,768	\$588,839	\$1,089	\$603,265	\$1,116	\$1,192,104	\$2,205	18.7%
Fairbanks	15,254.5	105.00	\$114,096,324	\$7,480	\$126,041,030	\$8,263	\$19,109,469	\$1,253	\$13,446,231	\$881	\$32,555,700	\$2,134	25.8%
Galena (Note B)	3,669.3	136.80	\$18,550,798	\$5,056	\$21,186,232	\$5,774	\$72,054	\$20	\$868,676	\$237	\$940,730	\$256	4.4%
Haines	377.2	111.40	\$3,412,269	\$9,046	\$3,634,074	\$9,634	\$804,169	\$2,132	\$615,536	\$1,632	\$1,419,705	\$3,764	39.1%
Hoonah	211.3	121.90	\$3,263,365	\$15,444	\$4,069,661	\$19,260	\$100,240	\$474	\$400,566	\$1,896	\$500,806	\$2,370	12.3%
Hydaburg	100.1	121.90	\$1,518,351	\$15,168	\$1,782,094	\$17,803	\$32,566	\$325	\$32,434	\$324	\$65,000	\$649	3.6%
Iditarod Area	561.1	138.05-154.73	\$6,379,912	\$11,370	\$8,309,125	\$14,808	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Juneau	5,507.5	103.60	\$38,780,010	\$7,041	\$42,904,145	\$7,790	\$10,251,665	\$1,861	\$7,024,935	\$1,276	\$17,276,600	\$3,137	40.3%
Kake	171.6	121.90	\$2,164,624	\$12,613	\$2,319,812	\$13,517	\$70,572	\$411	\$56,428	\$329	\$127,000	\$740	5.5%
Kashunamiut	321.8	147.36	\$3,800,888	\$11,811	\$4,732,952	\$14,708	\$0	\$0	\$0	\$0	\$	\$0	0.0%
Kenai Peninsula	9,799.4	98.60-104.50	\$76,627,829	\$7,820	\$82,987,570	\$8,469	\$16,600,112	\$1,694	\$13,589,006	\$1,387	\$30,189,118	\$3,081	36.4%
Ketchikan Gateway	2,400.6	109.80	\$17,418,467	\$7,256	\$19,289,497	\$8,035	\$4,405,995	\$1,835	\$3,158,430	\$1,316	\$7,564,425	\$3,151	39.2%
Klawock	174.0	121.90	\$2,385,589	\$13,710	\$2,767,376	\$15,904	\$126,102	\$725	\$260,155	\$1,495	\$386,257	\$2,220	14.0%
Kodiak Island	2,820.8	111.40-121.90	\$24,639,693	\$8,735	\$27,231,520	\$9,654	\$3,829,405	\$1,358	\$3,276,889	\$1,162	\$7,106,294	\$2,519	26.1%
Kuspuk	433.0	149.00	\$7,511,666	\$17,348	\$7,200,105	\$16,628	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Lake & Peninsula	427.8	121.90-154.73	\$9,745,021	\$22,779	\$10,813,009	\$25,276	\$276,124	\$645	\$778,749	\$1,820	\$1,054,873	\$2,466	9.8%
Lower Kuskokwim	3,646.7	137.36-147.36	\$48,356,428	\$13,260	\$60,584,243	\$16,613	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Lower Yukon	1,937.9	147.36	\$24,217,351	\$12,497	\$28,174,763	\$14,539	\$0	\$0	\$0	\$0	\$	\$0	0.0%
Mat-Su	13,156.2	99.00-104.50	\$94,931,002	\$7,216	\$105,801,618	\$8,042	\$12,473,338	\$948	\$17,158,008	\$1,304	\$29,631,346	\$2,252	28.0%
Nenana (Note B)	1,753.7	109.50	\$7,319,855	\$4,174	\$7,546,770	\$4,303	\$67,200	\$38	\$0	\$0	\$67,200	\$38	%6.0
Nome	737.7	145.18	\$6,503,252	\$8,816	\$7,924,149	\$10,742	\$806,099	\$1,093	\$392,274	\$532	\$1,198,373	\$1,625	15.1%
North Slope	2,020.8	150.73-177.18	\$43,513,023	\$21,533	\$47,707,966	\$23,609	\$9,020,829	\$4,464	\$16,553,428	\$8,192	\$25,574,257	\$12,656	53.6%
Northwest Arctic	2,164.4	145.18-165.00	\$32,141,678	\$14,850	\$37,671,576	\$17,405	\$1,524,744	\$704	\$1,690,749	\$781	\$3,215,493	\$1,486	8.5%
Pelican	18.7	121.90	\$470,585	\$25,232	\$536,367	\$28,760	\$49,824	\$2,672	\$663	\$36	\$50,487	\$2,707	9.4%
Petersburg	652.8	109.80	\$5,175,557	\$7,928	\$6,030,629	\$9,238	\$996,147	\$1,526	\$927,307	\$1,420	\$1,923,454	\$2,946	31.9%
Pribilof	136.7	156.50	\$1,912,231	\$13,994	\$2,055,101	\$15,039	0\$	09	20\$	9 9	\$0	\$0	0.0%
St. Mary's	6.2GT	147.30	\$1,849,585	\$12,101 \$7,200	\$2,280,283 #40 770 000	\$14,918 \$0,550	\$18,U/2	\$118	\$978¢	\$0	\$19,000	\$124 \$124	%8.U
Slika	1,009.4	109.00	\$11,703,900 #4 703 00F	\$1,309 \$11,509	\$13,113,220 #4 07E 707	\$0,000 #1F 100	\$2,300,132 \$5,130	\$1,000 \$1,500	7100,000	\$1,240 \$2,007	\$4,393,940 \$906 547	\$2,034 \$7 450	33.4%
Skagway Southooot Iclood (Noto D)	2.021	109.60	¢2 202 002	\$14,100 \$10,150	\$1,020,101 \$1 200 EE4	\$10,190 \$17 £01	\$04/,130 \$0	44,002	00000000000000000000000000000000000000	\$2,907	190,04/	404,14 04	49.1%
Southeast Island (NOLE D)	750.6	120.03	#3,2U3,303	0, 10, 100 0, 1, 100	#4,303,331 #43 204 057	0.0210						000	%0.0
	0.001	100.91	410,340,307	014,400 04,4 400	\$10,5004,007	000,71¢		00	00 00 00 100		90 40	000	<u>%0.0</u>
Tariaria (NOLE D)	260.0	00.001	\$344,042 ¢1 303 500	\$14,730 \$14,630	\$1,201,441 ¢17757	\$10,700 \$10,700	\$4 200 EE2	000¢	000, 149 0760 007	\$20¢	\$1 0,234 \$1 0,60 070	01,109 65.600	12 00/
Ulalaska	000.9 007.6	120.20	#4,233,30U	000 - 1000	\$4,111,101 \$0.004 705	\$12,703 \$10,054	\$1,302,332 \$7 504 004	000	\$1.00,021 #1.069.690	47,011 010,20	\$2,000,013	40,000	40.3%
Wrandell	466.0	104.30	\$4 179 584	\$8 970	\$4 720 133	\$10,031	\$597 002	\$1.281	\$117,350	\$252	\$714352	\$1533	15.1%
Vakutat	172.0	114 40	\$2 373 958	\$13,802	\$2 572 750	\$14 958	\$177 715	\$1.033	\$303.285	\$1763	\$481 000	\$2 797	18.7%
Tanuat Viikon Flats	300.0	120 45-154 73	\$6 714 150	\$22,384	\$6 996 317	\$23,325	0\$	000°-	0 4	0 ,	\$0 \$0	\$0	0.0%
Yukon/Kovukuk (Nota B)	406.8	120 45-149 50	\$8 935 546	\$17 988	\$10 385 853	\$20 908	Ç.	¢		Ç.	\$	Ç.	0.0%
Yunit	445.6	147.36	\$5.927.960	\$13.303	\$8.820.313	\$19.794	0\$	Q\$	Q\$	Q g	0\$	\$0\$	0.0%
TOTALS:	130,874.7		\$1.079,796,459	\$8.251	\$1.209.069.133	\$9.238	\$156.297.322	\$1.194	\$131,839,112	\$1.007	\$288,136,434	\$2,202	23.8%

Figure 13: FY02 School District Expenditures, Revenues and Local Contributions (sorted alphabetically)

Figure 14:	FY02 Expend Descendin	itures and Local Contr g by Expenditures Per	ribution per Stude r ADM	nt
	Expenditures Per ADM	Total Local Contribution Per ADM	Req'd Local - AS14.17.410(b)(2)	Voluntary Local - AS14.17.410(c)
Aleutian Region	\$26,469	\$0	\$0	\$0
Pelican	\$25,232	\$2,707	\$2,672	\$36
Lake & Peninsula	\$22,779	\$2,466	\$645	\$1,820
Yukon Flats	\$22,384	\$0 \$10.050	\$0	\$U
North Slope	\$21,533	\$12,656	\$4,464	\$8,192
Aleutians East	\$20,260 ¢17.000	\$3,741 ¢0	\$1,320 ¢0	\$2,415 ¢0
	۵۱۲,900 ۲17 240	\$U	\$U \$0	φ0 Φ0
Ruspuk Bering Strait	φ17,340 \$15,558	ው ው ው	ው መ	ው ው ው
Hoonah	\$15,000	\$2 370	\$47 <u>4</u>	φυ \$1 896
Hydaburg	\$15,168	\$649 \$	\$325	\$324
Northwest Arctic	\$14,850	\$1,486	\$704	\$781
Tanana (Note B)	\$14,730	\$1,189	\$360	\$829
Southwest Region	\$14,433	\$0	\$0	\$0
Skagway	\$14,168	\$7,459	\$4,552	\$2,907
Pribilof	\$13,994	\$0	\$0	\$0
Yakutat	\$13,802	\$2,797	\$1,033	\$1,763
Klawock	\$13,710	\$2,220	\$725	\$1,495
Denali	\$13,480	\$4,011	\$1,692	\$2,319
Yupiit	\$13,303	\$0	\$0	\$0
Lower Kuskokwim	\$13,260	\$0	\$0	\$0
Southeast Island	\$13,153	\$0	\$0	\$0
Bristol Bay	\$13,018	\$5,045	\$3,450	\$1,595
Kake	\$12,613	\$740	\$411	\$329
Lower Yukon	\$12,497	\$0	\$0	\$0
Chatham	\$12,253	\$0	\$0	\$0
St. Mary's	\$12,101	\$124	\$118	\$6
Kashunamiut	\$11,811	\$U ¢c coo	\$U #2 524	\$U ¢0.077
Unalaska Alaska Cataway	\$11,039 ¢11,039	\$0,608 ¢0	ቅ3,53 I ድር	\$2,077 ¢0
Alaska Galeway	φ11,401 ¢11,270	ቆ0 ድር	ው መ	ው መ
Dillingham	\$11,370 \$10,834	ቆር ድር 205	ው \$1 በ80	τ ΦU ΦU
Annette Island	\$10,004	ψ2,203 \$0	φ1,009 \$0	ψ1,110 \$0
Valdez	\$9,916	\$5 121	\$2 909	\$2 212
Chugach (Note B)	\$9.670	\$0,121	\$0	\$0
Haines	\$9.046	\$3.764	\$2,132	\$1.632
Wrangell	\$8,970	\$1,533	\$1,281	\$252
Nome	\$8,816	\$1,625	\$1,093	\$532
Cordova	\$8,751	\$2,275	\$1,470	\$806
Kodiak Island	\$8,735	\$2,519	\$1,358	\$1,162
Copper River (Note B)	\$8,242	\$0	\$0	\$0
Petersburg	\$7,928	\$2,946	\$1,526	\$1,420
Kenai Peninsula	\$7,820	\$3,081	\$1,694	\$1,387
Fairbanks	\$7,480	\$2,134	\$1,253	\$881
Sitka	\$7,309	\$2,854	\$1,608	\$1,246
Ketchikan Gateway	\$7,256	\$3,151	\$1,835	\$1,316
Mat-Su	\$7,216	\$2,252	\$948	\$1,304
Juneau	\$7,041	\$3,137	\$1,861	\$1,276
Craig (Note B)	\$6,841	\$1,303	\$595	\$708
Anchorage	\$6,754	\$2,179	\$1,309	\$870
Delta/Greely (Note B)	\$6,423	\$0	\$0	\$0
Galena (Note B)	\$5,056 ¢1 174	\$256	\$20	\$237
Statewide	\$4,174 \$8,251	\$38		

		Foundation - State Aid	Other State	0	štate Oper Rev per	Federal Impact O)ther Federal	Fe	deral Oper Rev per	Total Local	Total Local				Tot Rev
	Total ADM	Entitlement (Operating Rev	Total State	ADM	Aid	Operating 7	Fotal Federal	ADM	Rev R	tev per ADM	Special Rev	Other Rev	Total Revenues	Per ADM
Alaska Gateway	495.3	\$4,924,708	\$46,274	\$4,970,982	\$10,036	\$399,497	\$0	\$399,497	\$807	\$0	\$0	\$1,181,694	\$377,213	\$6,929,386	\$13,990
Aleutian Region	54.8	\$968,037	\$5,108	\$973,145	\$17,774	\$299,972	\$25,396	\$325,368	\$5,943	\$0	\$0	\$74,245	\$14,599	\$1,387,357	\$25,340
Aleutians East	292.8	\$2,943,062	\$175,212	\$3,118,274	\$10,652	\$1,423,760	\$0	\$1,423,760	\$4,863	\$1,095,093	\$3,741	\$534,727	\$245,634	\$6,417,488	\$21,921
Anchorage	49,246.8	\$199,751,175	\$6,948,936	\$206,700,111 \$700,700	\$4,197	\$12,949,120	\$408,108	\$13,357,228	\$271	\$107,301,568	\$2,179	\$26,862,953	\$4,123,269	\$358,345,129	\$7,277
Annette Island Bering Strait	311.1	\$13 778 670	\$31,478 \$204 858	\$13 983 528	\$2,510	\$3,431,311 \$9 751 506	\$443,645	\$3,874,956 \$9 759 058	\$12,458	0\$	0\$	\$379,269 \$4538.570	\$113,939 \$2 661 947	\$5,148,926 \$30,943,103	\$15,553
Bristol Bay	237.5	\$1.303.667	\$22.153	\$1.325,820	\$5.584	\$613.599	\$0	\$613.599	\$2.584	\$1.197.866	\$5.045	\$221.635	\$44.634	\$3.403.554	\$14,334
Chatham	227.4	\$2,104,000	\$21,212	\$2,125,212	\$9,348	\$592,612	\$337,075	\$929,687	\$4,089	\$0	\$0	\$724,617	\$17,566	\$3,797,082	\$16,701
Chugach (Note B)	207.5	\$1,781,034	\$0	\$1,781,034	\$8,585	\$151,435	\$10,887	\$162,322	\$782	\$0	\$0	\$2,673,075	\$51,615	\$4,668,046	\$22,502
Copper River (Note B)	714.1	\$5,516,224	\$66,562	\$5,582,786	\$7,818	\$372,678	\$0	\$372,678	\$522	\$0	\$0	\$811,135	\$114,075	\$6,880,674	\$9,636
Cordova	461.5	\$2,650,463	\$52,574	\$2,703,037	\$5,858	\$54,854	\$0	\$54,854	\$119	\$1,050,000	\$2,275	\$415,087	\$16,505	\$4,239,483	\$9,187
Craig (Note B)	694.0	\$3,294,838	\$85,612	\$3,380,450	\$4,871	\$369,461	\$9,382	\$378,843	\$546	\$903,925	\$1,303	\$1,297,616	\$52,438	\$6,013,272	\$8,665
Delta/Greely (Note B)	834.8	\$4,925,768	\$77,582	\$5,003,350	\$5,994	\$190,728	\$30,577	\$221,305	\$265	\$0 \$1	\$0	\$1,942,429	\$131,033	\$7,298,117	\$8,743
Denali	C.182	\$2,462,248 \$2,662,540	\$20,823 #100,700	\$2,489,071 #2,706,240	\$0,004	\$4,675 #F20 F00	\$4,725	\$14,400 #500,500	0040	\$1,153,194 #4 400 404	\$4,011	\$292,896 #664,024	\$154,409 \$150,403	\$4,103,970 \$6 363 070	\$14,2/5
Enirhanka	16 264 6	\$3,003,51U	\$132,138 \$2 720 768	\$3,/90,248 ¢60 010 017	\$1,UZ1 \$1 511	\$12 475 424	\$00 \$207 824	\$12 622 766	\$194 \$204	\$1,192,104 \$22 565 700	CU2,2¢	\$004,831 \$10 678 662	\$180,197 ¢262 696	\$0,302,9/8 \$136 041 030	\$11,/00 \$0.762
Fairbanks Galapa (Nota B)	3 660 3	\$11 063 057	\$5,120,200 \$527.045	\$15 401 000	\$4,511	\$10,420,434	\$01,031	\$13,033,203	4004 04	\$040 730	\$2,134 \$256	\$10,070,002 \$3 361 116	\$300,000 \$1 303 384	\$120,041,030 \$21,186,232	\$5,203
Galeria (Note D) Haines	377.2	\$1 937 567	\$49,703	\$1 987 270	\$5 268	\$530	¢.	\$530	\$ 7	\$1 419 705	\$3 764	\$211.333	\$15,236	\$3,634,074	\$9,634
Hoonah	211.3	\$1,574,288	\$74,000	\$1,648,288	\$7,801	\$801.510	\$0	\$801,510	\$3,793	\$500,806	\$2,370	\$1,038,960	\$80,097	\$4.069,661	\$19,260
Hydaburg	100.1	\$864,847	\$14,015	\$878,862	\$8,780	\$440,804	\$3,375	\$444,179	\$4,437	\$65,000	\$649	\$254,498	\$139,555	\$1,782,094	\$17,803
Iditarod Area (Note B)	561.1	\$5,209,589	\$52,349	\$5,261,938	\$9,378	\$745,768	\$0	\$745,768	\$1,329	\$0	\$0	\$1,787,706	\$513,713	\$8,309,125	\$14,808
Juneau	5,507.5	\$20,873,019	\$764,937	\$21,637,956	\$3,929	\$0	\$0	\$0	\$0	\$17,276,600	\$3,137	\$3,851,906	\$137,683	\$42,904,145	\$7,790
Kake	171.6	\$1,206,957	\$7,299	\$1,214,256	\$7,075	\$546,268	\$160,000	\$706,268	\$4,115	\$127,000	\$740	\$208,665	\$63,623	\$2,319,812	\$13,517
Kashunamiut	321.8	\$2,063,225	\$54,763	\$2,117,988	\$6,582	\$1,561,358	\$0	\$1,561,358	\$4,852	\$0	\$0	\$950,288	\$103,318	\$4,732,952	\$14,708
Kenai Peninsula	9,799.4	\$42,718,263	\$1,230,558	\$43,948,821	\$4,485	\$0 \$17 \$0	\$235,236	\$235,236	\$24	\$30,189,118 \$7 FC4 40F	\$3,081	\$6,231,821	\$2,382,574	\$82,987,570	\$8,469
Ketchikan Gateway	2,400.6	012388,515 04 255 262	\$314,573 \$44 F45	\$9,703,088 #1 260 875	\$4,042	\$14,530 \$745 600	\$49,747	\$04,283 #762 524	124	\$7,504,425	\$3,151	\$1,902,438 \$407,407	\$55,203 #E0,242	\$19,289,497 \$2,767,276	\$8,U35
Klawock Kodiak Island	7 820 8	\$14.021,088	\$1 245,513 \$1 245,796	\$15,309,875 \$15,266,884	\$5,013	\$7 108 780	100'/1¢	\$7 103,034	\$4,388 \$779	\$7 106 204	\$2,22U \$2,510	\$191,497 \$2 380 672	\$278 881	\$27,731,570	\$0,804 \$0,654
Kusnuk	433.0	\$4 196 767	\$84 491	\$4 281 258	\$9,887	\$1 763 600	\$18 900	\$1 782 500	\$4 117	102,001,74	04	\$767.651	\$368 696	\$7 200 105	\$16,628
Lake & Peninsula	427.8	\$5,961,629	\$26,192	\$5,987,821	\$13,997	\$1,873,521	\$0	\$1,873,521	\$4,379	\$1,054,873	\$2,466	\$1,029,633	\$867,161	\$10,813,009	\$25,276
Lower Kuskokwim	3,646.7	\$35,262,741	\$340,223	\$35,602,964	\$9,763	\$13,027,771	\$132,569	\$13,160,340	\$3,609	\$0	\$0	\$10,398,111	\$1,422,828	\$60,584,243	\$16,613
Lower Yukon	1,937.9	\$14,766,411	\$194,751	\$14,961,162	\$7,720	\$8,287,914	\$0	\$8,287,914	\$4,277	\$0	\$0	\$3,964,471	\$961,216	\$28,174,763	\$14,539
Mat-Su	13,156.2	\$65,370,660	\$1,344,309	\$66,714,969	\$5,071	\$0	\$325,213	\$325,213	\$25	\$29,631,346	\$2,252	\$8,781,382	\$348,708	\$105,801,618	\$8,042
Nenana (Note B)	1,753.7	\$6,756,870	\$167,242	\$6,924,112 #4.050.552	\$3,948	\$244 #40.675	\$0	\$244	\$0	\$67,200	\$38	\$482,769 #4 FOO DOF	\$72,445	\$7,546,770	\$4,303
Notifie North Stone	1.101 0	\$8 015 700	¢120,339	\$4,303,303 \$0.074 828	\$4 404	\$40,073 \$40,073		\$8 AAA 573	\$1 170	\$1,130,373 \$75 571 757	\$17,656	\$1,303,203 \$1,303,607	\$320 611	\$1,324,143 \$17 707 066	\$22 600
Northwest Arctic	2.164.4	\$19,505,893	\$276,411	\$19.782.304	\$9,140	\$7,402,440	\$60.615	\$7.463.055	\$3,448	\$3.215.493	\$1.486	\$5,463,175	\$1.747.549	\$37.671.576	\$17,405
Pelican	18.7	\$388,085	\$1,740	\$389,825	\$20,902	\$0	\$2,000	\$2,000	\$107	\$50,487	\$2,707	\$71,797	\$22,258	\$536,367	\$28,760
Petersburg	652.8	\$3,340,870	\$79,903	\$3,420,773	\$5,240	\$22,650	\$11,610	\$34,260	\$52	\$1,923,454	\$2,946	\$606,401	\$45,741	\$6,030,629	\$9,238
Pribilof	136.7	\$1,070,286	\$17,031	\$1,087,317	\$7,957	\$744,062	\$0	\$744,062	\$5,445	\$0	\$0	\$187,271	\$36,451	\$2,055,101	\$15,039
St. Mary's	152.9	\$1,735,895 #6 700 606	\$14,261	\$1,750,156	\$11,450	\$21,347	\$00 000	\$21,347	\$1/9	\$19,000 #1 E02 040	\$124	\$409,161 \$4 047 060	\$14,619	\$2,280,283	\$14,918 \$0,550
Skanwav	120.2	\$761.406	\$11.213	\$772,619	\$6.428	*00°00	\$7,762	\$7,762	\$65	\$896.547	\$7,459	\$140.788	\$8.071	\$1,825,787	\$15,190
Southeast Island	243.6	\$2,667,947	\$22,727	\$2,690,674	\$11,045	\$219,567	\$20,317	\$239,884	\$985	\$0	\$0	\$1,311,320	\$67,673	\$4,309,551	\$17,691
Southwest Region	758.6	\$6,298,766	\$124,052	\$6,422,818	\$8,467	\$3,631,339	\$6,817	\$3,638,156	\$4,796	\$0	\$0	\$2,303,139	\$939,944	\$13,304,057	\$17,538
Tanana (Note B)	64.1	\$770,977	\$12,322	\$783,299	\$12,214	\$88,583	\$0	\$88,583	\$1,381	\$76,234	\$1,189	\$248,979	\$4,352	\$1,201,447	\$18,735
Unalaska	368.9	\$2,134,086	\$34,418	\$2,168,504 #0.001 701	\$5,878	\$4,032	\$0	\$4,032	\$11	\$2,068,879	\$5,608	\$443,867	\$32,485	\$4,717,767	\$12,789
Valdez	887.6	\$3,852,896	\$82,809	\$3,935,705	\$4,434	\$394	\$0	\$394	0.9	\$4,545,614	\$5,121	\$384,252	\$55,741	\$8,921,706	\$10,051
Wrangell	466.0	\$2,626,509	\$50,016	\$2,676,525	\$5,744	\$4,152	\$717,123	\$721,275	\$1,548	\$714,352	\$1,533	\$550,347	\$57,634	\$4,720,133	\$10,130
Yakutat Vultan Flata	1/2.0	\$1,52/,4//	\$16,968	\$1,544,445	\$8,979	\$161,914 #4 746.067	\$3,307	\$165,221 #4 765 000	\$961 #F 004	\$481,000	\$2'/ <u>9/</u>	\$2/8,586	\$103,498 \$146,620	\$2,5/2,750	\$14,958
Yukon/Kovukuk (Note B)	300.0 496.8	\$5.799.411	\$49.760	\$5.849.171	\$11.775	\$2.472.442	\$10,942	\$2.493.839	\$5.020	0\$	90 80	\$1.515.006	\$527.837	\$10.385.853	\$20,908
Yupiit	445.6	\$4,092,778	\$46,170	\$4,138,948	\$9,288	\$1,779,231	\$0	\$1,779,231	\$3,993	\$0	\$0	\$2,668,343	\$233,791	\$8,820,313	\$19,794
TOTALS:	130,874.7	\$645,468,498	\$19,374,743	\$664,843,241	\$5,080	\$103,403,388	\$3,595,959 \$	106,999,347	\$818	\$288,136,434	\$2,202	\$126,131,291	\$22,958,819	\$1,209,069,133	\$9,238

Figure 15: FY02 School District Revenues - State, Federal, Local, Special and Other (sorted alphabetically)

State = FY02 State Foundation Funding and other State Operating Revenues Federal = FY02 Federal Impact Aid funds and other Federal Operating Grants Local = FY02 CityBorough Appropriations and FY02 In-Kind Services Special = primarily Federal Title I. Title IV. Mignant Ed. Taeather Housian, and other Special Revenue funds that are restricted to specific purposes Other = primarily local, FY02 Earnings on investments, other local revenue, tuition from students, tuition from districts, and fund transfers

School Consolidation: Public Policy Considerations and a Review of Opportunities for Consolidation

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	,			(sorted alpt	habetically)	-	5		
		FY04						•	Total Allowable
Sabool District		Corresp.	FY04 Total	FY04 Basic Need	FY04 Federal	FY04 Total	FY04 Required	Allowable	Local
Alaska Gatewav	440.0	55.0	494.9	\$5.107.025	\$188.799	\$5.065.935		LACESS	
Aleutian Region	42.1	0.0	42.1	\$1,031,786	\$238,093	\$978,521	\$0		\$0
Aleutians East	280.0	1.0	281.0	\$3,906,853	\$837,555	\$3,247,153	\$371,742	\$898,576	\$1,270,318
Anchorage	48,586.2	717.2	49,303.4	\$279,387,870	\$10,565,870	\$205,407,762	\$69,729,060	\$64,259,210	\$133,988,270
Annette Island	287.5	0.0	287.5	\$2,188,475	\$1,481,968	\$863,103	\$0		\$0
Bering Strait	1,712.5	0.0	1,712.5	\$21,221,669	\$7,334,709	\$14,701,877	\$0		\$0
Bristol Bay	195.4	0.0	195.4	\$1,956,553	\$360,086	\$959,870	\$767,940	\$450,007	\$1,217,947
Chatham	218.4	0.0	218.4	\$2,231,416	\$257,154	\$2,008,541	\$0		\$0
Chugach	75.0	116.0	191.0	\$1,400,909	\$124,687	\$1,762,156	\$0		\$0
Copper River	532.4	129.5	661.9	\$5,632,277	\$183,543	\$5,488,704	\$0		\$0
Cordova	471.7	0.0	471.7	\$3,533,519	\$10,424	\$2,857,380	\$685,035	\$812,709	\$1,497,744
Craig	381.8	586.0	967.7	\$5,075,507	\$193,215	\$4,621,345	\$409,579	\$1,167,367	\$1,576,946
Delta/Greely	667.3	369.0	1,036.3	\$6,487,389	\$0	\$6,512,287	\$0		\$0
Denali	305.8	272.5	578.3	\$4,296,905	\$5,127	\$3,760,314	\$551,138	\$988,288	\$1,539,426
Dillingham	527.0	0.0	527.0	\$4,455,369	\$182,288	\$3,807,635	\$585,855	\$1,024,735	\$1,610,590
Fairbanks	14,373.9	229.0	14,603.0	\$90,567,373	\$10,690,302	\$65,678,220	\$19,800,718	\$20,830,496	\$40,631,214
Galena	229.0	3,770.0	3,999.0	\$14,938,277	\$1,153,086	\$15,875,596	\$72,361	\$3,435,804	\$3,508,165
Haines	304.9	16.0	320.9	\$2,473,968	\$0	\$1,654,072	\$829,391	\$569,013	\$1,398,404
Hoonah	180.2	0.0	180.2	\$1,603,481	\$486,122	\$1,406,073	\$124,301	\$368,801	\$493,102
Hydaburg	87.1	0.0	87.1	\$771,098	\$283,564	\$782,434	\$32,980	\$177,353	\$210,333
Iditarod Area	293.9	90.8	384.7	\$4,325,129	\$437,062	\$4,450,282	\$0		\$0
Juneau	5,360.1	83.0	5,443.0	\$32,450,120	\$0	\$21,819,419	\$10,755,240	\$7,463,528	\$18,218,768
Kake	155.2	0.0	155.2	\$1,311,151	\$435,128	\$1,159,494	\$72,538	\$301,565	\$374,103
Kashunamiut	365.6	0.0	365.6	\$3,606,810	\$1,318,151	\$2,434,316	\$0		\$0
Kenai Peninsula	8,999.3	569.2	9,568.5	\$59,983,705	\$0	\$42,370,857	\$17,843,057	\$13,796,252	\$31,639,309
Ketchikan Gateway	2,346.9	24.3	2,371.2	\$14,833,469	\$5,113	\$10,398,605	\$4,488,957	\$3,411,698	\$7,900,655
Klawock	147.0	3.0	150.0	\$1,338,999	\$376,581	\$1,238,012	\$129,004	\$307,970	\$436,974
Kodiak Island	2,621.6	55.8	2,677.3	\$18,734,235	\$1,422,996	\$14,318,460	\$3,880,880	\$4,308,874	\$8,189,754
Kuspuk	425.8	0.0	425.8	\$5,472,563	\$1,153,516	\$4,521,113	\$0		\$0
Lake & Peninsula	415.3	3.0	418.3	\$6,313,158	\$1,395,443	\$5,938,699	\$255,003	\$1,452,026	\$1,707,029
Lower Kuskokwim	3,799.0	0.0	3,799.0	\$42,610,348	\$8,318,677	\$38,182,650	\$0		\$0
Lower Yukon	2,040.2	0.0	2,040.2	\$22,587,308	\$8,325,407	\$15,181,129	\$0		\$0
Mat-Su	13,354.7	959.9	14,314.6	\$85,762,042	\$0	\$72,686,390	\$13,404,794	\$19,725,270	\$33,130,064
Nenana	226.1	735.3	961.4	\$4,648,352	\$0	\$4,595,312	\$70,880	\$1,069,121	\$1,140,001

Figure 17: FY04 Preliminary ADM, State Foundation Aid, Federal Impact Aid and Budgeted Local Contributions

iminary ADM, State Foundation Aid, Federal Impact Aid and Budgeted Local Contributions	(sorted alphabetically)
FY04 Prelimina	
Figure 17:	

		FY04						-	Total Allowable
		Corresp.	FY04 Total	FY04 Basic Need	FY04 Federal	FY04 Total	FY04 Required	Allowable	Local
School District	FY04 ADM	ADM	ADM	(\$4,169)	Impact Aid	State Aid	Local Effort	Excess	Contribution
Nome	716.5	0.0	716.5	\$5,920,522	\$41,227	\$5,125,130	\$798,141	\$1,361,720	\$2,159,861
North Slope	1,810.5	0.0	1,810.5	\$18,991,880	\$4,689,063	\$8,701,553	\$8,759,133	\$21,667,614	\$30,426,747
Northwest Arctic	2,023.2	8.0	2,031.2	\$22,697,537	\$4,745,492	\$19,673,358	\$1,526,769	\$5,220,434	\$6,747,203
Pelican	15.0	0.0	15.0	\$276,405	\$0	\$394,563	\$46,251	\$63,573	\$109,824
Petersburg	653.4	0.0	653.4	\$4,485,302	\$0	\$3,561,424	\$941,092	\$1,031,619	\$1,972,711
Pribilof	124.5	0.0	124.5	\$1,554,620	\$595,270	\$1,050,023	\$0		\$0
Saint Mary's	159.0	0.0	159.0	\$1,728,718	\$0	\$1,794,040	\$17,869	\$397,605	\$415,474
Sitka	1,443.7	28.8	1,472.5	\$9,182,714	\$16,186	\$6,532,111	\$2,677,839	\$2,112,024	\$4,789,863
Skagway	105.8	0.0	105.8	\$1,028,576	\$0	\$751,250	\$459,390	\$394,831	\$805,582
Southeast Island	210.2	9.6	219.8	\$2,685,036	\$30,689	\$2,969,432	\$0		\$0
Southwest Region	680.0	0.0	680.0	\$8,341,627	\$2,782,961	\$5,868,976	\$0		\$0
Tanana	63.3	33.0	96.3	\$940,151	\$32,627	\$902,684	\$22,973	\$216,235	\$239,208
Unalaska	398.6	0.0	398.6	\$3,400,653	\$3,296	\$2,202,136	\$1,428,225	\$782,150	\$2,210,375
Valdez	866.7	1.0	867.7	\$6,070,356	\$5,558	\$3,865,498	\$2,610,516	\$2,072,168	\$4,595,244
Wrangell	391.8	0.0	391.8	\$2,720,106	\$363	\$2,136,321	\$593,989	\$625,624	\$1,219,613
Yakutat	125.0	0.0	125.0	\$1,153,354	\$92,514	\$1,062,227	\$201,923	\$265,271	\$467,194
Yukon Flats	293.1	0.0	293.1	\$4,792,349	\$586,742	\$4,965,430	\$0		\$0
Yukon/Koyukuk	434.7	966.4	1,401.1	\$9,158,793	\$1,700,799	\$7,663,224	\$0		\$0
Yupiit	439.0	0.0	439.0	\$5,152,092	\$1,807,110	\$3,786,677	\$0		\$0
TOTALS:	121,737.0	10,312.6	132,049.6	\$876,171,857	\$74,894,563	\$699,495,823	\$164,944,563	\$183,029,531	\$347,838,015
(include ACS and M	t. Edgecumbe	- not listed I	nere)						

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Figure 18: Ascending	FY04 Local Cont by Total Local C	tributions per Student contributions per ADM	
Cont	Total Local ribution Per ADM	Req'd Local AS14.17.410(b)(2)	Excess Local AS14.17.410(c)
Alaska Gateway	\$0	\$0	\$0
Aleutian Region	\$0	\$0	\$0
Annette Island	\$0	\$0	\$0
Bering Strait	\$0	\$0	\$0
Chatham	\$0	\$0	\$0
Chugach (Note B)	\$0	\$0	\$0
Copper River (Note B)	\$0	\$0	\$0
Delta/Greely (Note B)	\$0	\$0	\$0
Iditarod Area	\$0	\$0	\$0
Kashunamiut	\$0	\$0	\$0
Kuspuk	\$0	\$0	\$0
Lower Kuskokwim	\$0	\$0	\$0
Lower Yukon	\$0	\$0	\$0
Pribilof	\$0	\$0	\$0
Southeast Island (Note B)	\$0	\$0	\$0
Southwest Region	\$0	\$0	\$0
Yukon Flats	\$0	\$0	\$0
Yukon/Koyukuk (Note B)	\$0	\$0	\$0
Yupiit	\$0	\$0	\$0
Galena (Note B)	\$877	\$18	\$859
Nenana (Note B)	\$1,186	\$74	\$1,112
Craig (Note B)	\$1,630	\$423	\$1,206
Mat-Su	\$2,314	\$936	\$1,378
Kake	\$2,411	\$468	\$1,944
Hydaburg	\$2,415	\$379	\$2,036
Tanana (Note B)	\$2,485	\$239	\$2,247
Saint Mary's	\$2,614	\$112	\$2,501
Denali	\$2,662	\$953	\$1,709
Anchorage	\$2,718	\$1,414	\$1,303
Hoonah	\$2,736	\$690	\$2,047
Fairbanks	\$2,782	\$1,356	\$1,426
Klawock	\$2,913	\$860	\$2,053
Nome	\$3,014	\$1,114	\$1,901
Petersburg	\$3,019	\$1,440	\$1,579
Dillingnam Kadiak laland	\$3,050 \$3,050	\$1,112	\$1,944 \$4,000
	\$3,009 \$3,100	\$1,450 \$1,510	\$1,009 \$1,507
Cordova	すう、113 ゆう 175	\$1,310 ¢1,453	\$1,097 \$1,702
Sitko	कुउ, 17 उ ¢२, २८२२	φ1,432 ¢1,910	φ1,723 ©1,723
Silka Konai Boninsula	\$3,200 \$3,207	\$1,019 \$1,865	φ1,404 ¢1,404
Northwest Arotic	40,007 ¢2,207	φ1,003 ¢752	\$1,442 \$2,570
Kotobikan Cotowov	φ0,022 ¢0,022	φ7.52 ¢1.902	φ2,570 ¢1,420
Lupopu	\$3,33∠ ¢2,247	\$1,093 \$1,093	\$1,439 \$1,271
Vakutat	ψ3,347 \$3,738	\$1,970 \$1,615	ψ1,371 \$2,122
Lake & Deninsula	\$4,081	\$610	ψ 2 , 122 \$3.471
Haines	\$4 358	\$2 584	\$1,773
Aleutians Fast	\$ <u>4</u> 521	\$1 323	\$3 198
Valdez	φ - ,321 \$5 206	\$3 000	\$2 288
l Inalaska	\$5,290 \$5,516	\$3,009 \$3,58/	ψ2,300 \$1 Q62
Bristol Bay		\$3,004	\$2 304
Pelican	\$7 322	\$3.083	\$1,238
Skagway	\$7 612	\$4,341	\$3,731
North Slope	\$16,806	\$4,838	\$11,968



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General 67 73 82 75 70 70
Nenana 69 75 75 76 72 70
Unalaska 64 66 72 72 71 70
Dillingham 73 71 78 74 69 71
Denali 64 66 72 68 68 72
Kenai Peninsula 68 68 76 73 73 72
Lower Kuskokwim 66 67 75 73 70 73
Valdez 69 70 77 74 75 73
Yupiit 53 62 72 63 72 73
Kashunamiut 59 61 74 74 73 74
Kodiak Island 68 70 76 74 74 74
Chugach 67 70 72 74 76 75
Delta/Greely 66 72 77 73 74 76
Juneau 74 74 82 78 77 76
Anchorage 75 74 81 78 77 77
Fairbanks North Sta 73 72 79 77 76 77
Ketchikan Gateway 69 70 78 76 76 78
Imatanuska-Susitna 73 72 81 77 76 78
Sitka /6 /6 84 81 79 79 79 79 79 79 70 <th7< td=""></th7<>
Orang O/ / I / 3 / 5 / 8 80 Total Waivers 13 16 34 30 37 30



Figure 22: FY02 Attendance and Graduation Rates Ascending by Attendance Rate									
Ascending	j by Attendan	ice Rate							
	Attendance	High School	Dropout						
	Rate	Graduation Rate	Rate						
Pelican	80.9%	unavailable	0.0%						
Tanana	86.7%	100.0%	7.1%						
Hydaburg	87.4%	100.0%	4.0%						
Northwest Arctic	87.6%	88.3%	6.6%						
Yupiit	88.0%	79.2%	18.0%						
North Slope	88.9%	99.3%	5.4%						
Yukon Flats	89.0%	100.0%	4.7%						
Bering Strait	90.0%	90.4%	8.6%						
Kuspuk	90.0%	76.5%	10.2%						
Yukon/Koyukuk	90.1%	95.0%	11.6%						
Aleutian Region	90.2%	100.0%	0.0%						
Klawock	90.2%	86.7%	6.7%						
Lower Yukon	90.5%	98.0%	13.2%						
Juneau	90.7%	89.0%	7.5%						
Southeast Island	90.7%	100.0%	4.3%						
Lower Kuskokwim	91.0%	79.7%	10.9%						
Petersburg	91.0%	98.0%	2.5%						
Aleutians East	91.1%	95.7%	0.0%						
Chatham	91.4%	100.0%	3.7%						
Skagway	91.5%	100.0%	2.0%						
Delta/Greely	91.6%	41.1%	2.8%						
Nome	91.8%	92.6%	6.2%						
Alaska Gateway	92.0%	89.7%	3.8%						
Saint Mary's	92.2%	85.7%	7.3%						
Dillingham	92.3%	96.0%	0.8%						
Annette Island	92.7%	76.2%	0.0%						
Cordova	92.7%	100.0%	0.4%						
Fairbanks North Star	92.7%	85.0%	8.5%						
Kake	92.7%	72.7%	1.0%						
Sitka Borough	92.8%	95.7%	5.1%						
Lake & Peninsula	92.9%	100.0%	0.0%						
Mat-Su	92.9%	81.2%	4.5%						
Pribilof	92.9%	100.0%	0.0%						
Haines	93.0%	76.7%	7.9%						
Iditarod Area	93.1%	81.0%	1.5%						
Anchorage	93.2%	84.3%	6.1%						
Denali	93.2%	88.0%	1.9%						
Unalaska	93.3%	100.0%	0.0%						
Southwest Region	93.4%	75.7%	5.9%						
Kenai Peninsula	93.5%	89.7%	5.1%						
Copper River	93.6%	92.7%	6.2%						
Kodiak Island	93.6%	88.9%	2.0%						
Yakutat	93.6%	86.7%	0.0%						
Kashunamiut	93.8%	100.0%	3.0%						
Craig	93.9%	78.9%	3.3%						
Ketchikan Gateway	93.9%	87.7%	5.5%						
Valdez	94.0%	98.1%	2.1%						
Bristol Bay	95.0%	100.0%	2.7%						
Hoonah	95.0%	81.8%	0.0%						
Wrangell	95.7%	91.7%	1.4%						
Chugach	97.3%	80.0%	0.0%						
Nenana	99.3%	75.4%	1.1%						
Galena	99.5%	99.2%	0.9%						
Statewide	92.9%	84.5%	5.8%						



Figure 24: H Percent of	HSGQE – Grad f Students Tes	le 10 – Spring 2 sted as Proficie	2003 ent
	Reading	Writing	Math
	Proficiency	Proficiency	Proficiency
Alaska Gateway	65.7%	91.2%	58.8%
Aleutian Region	not available	not available	not available
Aleutians East	57.1%	81.0%	66.7%
Anchorage	72.8%	85.4%	74.3%
Annette Island	68.4%	73.7%	44.4%
Bering Strait	26.0%	68.5%	30.1%
Bristol Bay	70.6%	80.0%	80.0%
Chatham	56.0%	73.9%	58.3%
Chugach Compar Diver	42.9%	80.0%	53.8%
Copper River	82.4%	88.5%	81.1%
Croid	00.2% 78.0%	90.0%	90.0%
Delta/Greely	70.9%	79.7 %	66.7%
Denali	82.8%	90.0%	82.8%
Dillingham	76.9%	76.0%	70.8%
Fairbanks	76.2%	87.2%	74.0%
Galena	77.1%	82.7%	68.8%
Haines	81.3%	90.0%	84.4%
Hoonah	50.0%	80.0%	70.6%
Hydaburg	60.0%	60.0%	60.0%
Iditarod Area	27.6%	46.4%	42.9%
Juneau	77.9%	59.5%	82.4%
Kake	60.0%	40.0%	60.0%
Kashunamiut	13.6%	54.5%	45.5%
Kenai Peninsula	76.1%	87.3%	77.9%
Ketchikan Gateway	80.7%	62.9%	79.9%
Klawock	66.7%	80.0%	54.5%
Kodiak Island	81.0%	64.6%	70.8%
Kuspuk	19.2%	64.3%	30.8%
Lake & Peninsula	40.4%	00.0%	40.2%
	10 1%	54.5%	47.2%
Mat-Su	74.9%	83.9%	29.0 <i>%</i> 69.2%
Nenana	70.0%	89.0%	72.5%
Nome	78.6%	89.3%	76.7%
North Slope	33.0%	62.1%	47.1%
Northwest Arctic	29.2%	57.5%	31.7%
Pelican	not available	not available	not available
Petersburg	85.2%	91.1%	90.9%
Pribilof	40.0%	40.0%	40.0%
Sitka	81.3%	91.3%	77.2%
Skagway	75.0%	75.0%	75.0%
Southeast Island	80.0%	80.0%	47.4%
Southwest Region	20.0%	64.7%	36.4%
St. Mary's	60.0%	60.0%	60.0%
lanana	not available	not available	not available
Unalaska	80.0%	90.0%	84.0%
Valdez Wrangoll	/5.0%	81.2%	/ 5.4%
Vakutat	٥∠.७% ۸۵_۵۷	90.0%	90.0% 50.0%
Yukon Elate		50.0%	00.0% 27.20/
Yukon/Koyukuk	22.1 % 12 6%	50.0%	27.3% 33.3%
Yupiit	16.0%	34.6%	21.4%
Totals	69.7%	83.4%	70.2%



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Appendix H

Fundamental Nature of Boroughs and Cities in Alaska

Fundamental Nature of Boroughs and Cities in Alaska

The Commission recognizes several fundamental principles about borough governments and city governments in Alaska. These principles are grounded in the constitutional and decisional law of the State of Alaska as well as earlier decisions of the Commission.

1. Each Borough and Each City is Both a Municipality and Political Subdivision.

Boroughs and cities are municipal corporations and political subdivisions of the State of Alaska. AS 29.04.010 – 29.04.020. They are the only types of municipalities in Alaska.¹ *Id.*; Art. X, sec. 2, Ak Const.

2. The Function of Boroughs Is Comparable to that of Home Rule and First Class Cities in the Unorganized Borough.

Generally, the powers and duties of home rule and first class cities in the unorganized borough are comparable to those of boroughs. There are, of course, subtle distinctions between the powers and duties of particular classes of boroughs. The same is true for home rule and first class cities in the unorganized borough.²

Consider, for example, the following comparison between a first class borough and a first class city in the unorganized borough. A first class borough has three mandatory areawide responsibilities. Those are education, assessment and collection of taxes, and land use regulation. AS 29.35.150 - AS 29.35.180. In comparison, a first class city in the unorganized borough has the duty to "establish, operate, and maintain a system of public schools as provided by AS 29.35.160 for boroughs." AS 29.35.260(b). Further, the law stipulates that a "first class city outside a borough shall . . . provide for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first and second class boroughs." AS 29.35.260(c). Additionally, a first class city in the unorganized borough may assess, levy, and collect a property tax in the manner provided by law for boroughs. AS 29.45.550. Lastly, a first class city in the unorganized borough "may levy and collect sales and use taxes in the manner provided for boroughs." AS 29.45.700(c).

Beyond its three mandatory functions, a first class borough has broad discretionary powers. The law provides that a "first class borough may exercise by ordinance on a nonareawide basis any power not otherwise prohibited by law." AS 29.35.200(a). Similar language exists with respect to the powers of cities in the unorganized borough. Specifically, the law provides that "[a] city outside a borough may exercise a power not otherwise prohibited by law." AS 29.35.260(a).

Prohibitions and limitations on the powers of second class cities in the unorganized borough are significantly greater than is the case for first class cities. For example, a second class city in the unorganized borough is prohibited from operating a school district, while a first class city outside a borough is required to operate a school district. AS 29.35.260(b). Further, a second class city in the unorganized borough is permitted, but not required, to exercise land use regulation. AS 29.35.260(c). Another example is the limited taxing property authority for a second class city. AS 29.45.590. In contrast, limitations on the powers of a first class city in the unorganized borough are similar to those of a first class borough.

¹ In addition to "city" and "borough," AS 29.04.010 refers to "a unified municipality." A unified municipality is a borough as defined in 3 AAC 110.990(1). More specifically, a unified municipality is a home rule borough in which city governments are precluded. AS 29.71.800(24). See also Department of Community and Economic Development, *Local Government in Alaska* at 4 (2001).

3. A Borough Is a Regional Municipality Whereas a City is a Community-Based Municipality.

As noted in subparts A-1 and A-2, cities and boroughs are identical in certain fundamental respects. Both are municipal corporations and political subdivisions. Moreover, the powers and duties of boroughs are comparable to those of home rule and first class cities in the unorganized borough.

However, major distinctions exist between boroughs and cities with respect to form. Boroughs are governments that serve relatively large natural regions. In contrast, city governments are relatively small community-based governments. Thus, home rule and first class cities may exercise borough-like powers, but only within city-like jurisdictions. Additional specifics about the distinctions between boroughs and cities are noted in subparts A-3-a and A-3-b below.

a. The "Limitations of Communities" Doctrine Does Not Apply to Boroughs but Does to Cities.

Cities are subject to the "limitation of community" doctrine while boroughs are not. The Alaska Supreme Court held as follows concerning that distinction:³

[Appellants] offer a series of cases striking down municipal annexations and incorporations where the lands taken have been found to receive no benefit. We find this authority unpersuasive when applied to borough incorporation. In most of these cases, the courts inferred from statutes or state constitutions what has been called a 'limitation of community' which requires that the area taken into a municipality be urban or semi-urban in character.

There must exist a village, a community of people, a settlement or a town occupying an area small enough that those living therein may be said to have such social contacts as to create a community of public interest and duty. . . .

The limitation has been found implicit in words like 'city' or 'town' in statutes and constitutions or inferred from a general public policy of encouraging mining or agriculture. In other cases, the limitation has been expressed as a finding that the land taken is not susceptible to urban municipal uses. The result in these cases was determined not by a test of due process but by restrictions in pertinent statutes and constitutions on the reach of municipal annexations and incorporations.

Aside from the standards for incorporation in AS 07.10.030, there are no limitations in Alaska law on the organization of borough governments. Our constitution encourages their creation. Alaska const. art. X, § 1. And boroughs are not restricted to the form and function of municipalities. They are meant to provide local government for regions as well as localities and encompass lands with no present municipal use.

In the Mobil Oil case (involving incorporation of the North Slope Borough) the Court addressed the limitation of communities doctrine by making a distinction between boroughs and what it termed "municipalities" (e.g., "boroughs are not restricted to the form and function of municipalities"). Clearly, in the view of the Commission, the Court was referring in the Mobil Oil case to "cities" (or derivatives thereof such as "city", or "city government") when it used the term "municipalities", (or derivatives thereof such as "municipality", or "municipal"). It is significant in that regard that when the North Slope Borough incorporation petition was filed, statutory standards and procedures for borough incorporation as well as other laws concerning boroughs were codified in "Alaska Statutes - Title 7 - Boroughs." In contrast, statutes relating to cities were codified in "Alaska Statutes - Title 29 - Municipal Corporations." The Court made reference to borough standards and other provisions in AS 07 seventeen times in the Mobil Oil case. In 1972, Titles 7 and 29 of the Alaska Statutes were repealed and new laws concerning both cities and boroughs were enacted as "Alaska Statutes - Title 29 -Municipal Government". Today, AS 29 refers to both cities and boroughs as municipalities. The distinction in the terms used by the Court in Mobil Oil to describe the two types of governments (i.e., "boroughs" and "municipalities") was purely nominal. However, the distinction made by the Court as to the form of the two types of governments (boroughs and cities) was significant.

Mobil Oil Corp. v. Local Boundary Commission, 518 P.2d 92, 100 (Alaska 1974) (footnotes omitted).

The Commission finds that the limitation of communities doctrine is, indeed, implicit in the Alaska statutes concerning incorporation of cities. In particular, AS 29.05.011 provides as follows (emphasis added):

Incorporation of a city.

(a) A <u>community</u> that meets the following standards may incorporate as a first class or home rule city:

(1) the <u>community</u> has 400 or more permanent residents;

(2) the boundaries of the proposed city include all areas necessary to provide municipal services on an efficient scale;

(3) the economy of the <u>community</u> includes the human and financial resources necessary to provide municipal services; in considering the economy of the community, the Local Boundary Commission shall consider property values, economic base, personal income, resource and commercial development, anticipated functions, and the expenses and income of the proposed city, including the ability of the community to generate local revenue;

(4) the population of the <u>community</u> is stable enough to support city government;

(5) there is a demonstrated need for city government.

(b) A <u>community</u> that meets all the standards under (a) of this section except (a)(1) may incorporate as a second class city.

Moreover, the limitation of communities doctrine is explicit in terms of the Commission's regulations governing city incorporation and annexation.⁴ For example, 3 AAC 110.040(b) provides:

The boundaries of the proposed city must include only that territory comprising a present local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of incorporation. Further, 3 AAC 110.040(c) provides:

The boundaries of the proposed city may not include entire geographical regions or large unpopulated areas, except if those boundaries are justified by the application of the standards in 3 AAC 110.005 -3 AAC 110.042.

b. Geographically, Boroughs Were Envisioned as Relatively Large Regional Units While Cities Are Intended to Be Relatively Small Units.

The Local Government Committee at the Alaska Constitutional Convention envisioned boroughs as units of government that would cover large areas. According to Vic Fischer:⁵

- ⁴ The Commission has a duty under AS 44.33.812(a)(2) to adopt regulations providing standards and procedures for incorporation of cities and boroughs. Further, AS 29.05.100(a) conditions approval of a city incorporation petition upon a determination by the Commission that the standards it has adopted in regulation are satisfied.
- 5 Mr. Fischer is recognized by the Alaska Supreme Court as "an authority on Alaska government." Keane v. Local Boundary Commission, 893 P.2d 1239, 1244 (Alaska 1995). The Court has relied on his work in the Keane case (1242, 1243) and in the Mobil Oil case (98). Mr. Fischer is well known to most members of the Commission. He has addressed the majority of the current Commission in the past on a number of occasions concerning matters relating to local government in Alaska. Most recently, he addressed all current members of the Commission on August 10, 2002. Mr. Fischer received a bachelor's degree from the University of Wisconsin in 1948 and a Master's Degree in Community Planning from the Massachusetts Institute of Technology in 1950. He also received the Littauer Fellowship in public administration from Harvard University (1961-1962). Mr. Fischer has held several planning related positions in Alaska. He was a delegate to the Alaska Constitution Convention in 1955-1956.

(continued . . .)

As the committee was evolving [borough] principles, its members agreed that some type of unit larger than the city and smaller than the state was required to provide both for a measure of local self-government and for performance of state functions on a regionalized basis.

... the initial principles set forth by the committee for consideration in the formation of the new areawide government units included these guidelines: ...

• Units should cover large geographic areas with common economic, social, and political interests. . . .

Victor Fischer, Alaska's Constitutional Convention, p. 118 – 119, (1975).

This fundamental characteristic of boroughs is reflected in Article X, Section 3 of the Constitution.

SECTION 3. BOROUGHS. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their

(. . . continued)

During the convention he was a member of the Committee on Local Government and served as its Secretary. Mr. Fischer has written and coauthored a number of books and publications concerning state and local government in Alaska. These include The State and Local Governmental System (1970), Borough Government in Alaska (1971), and Alaska's Constitutional Convention (1975). Mr. Fischer served in Alaska's Territorial House of Representatives (1957-1959) and the Alaska State Senate (1981-1986). He was a member of the faculty of the University of Alaska Fairbanks and of the University of Alaska Anchorage. At the University, he was primarily associated with the Institute for Social and Economic Research, where he was director for ten years. His current work includes studying Alaska Native and regional governance issues.

powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

The fourth sentence of Article X, Section 3, which provides that "[e]ach borough shall embrace an area and population with common interests to the maximum degree possible", is particularly significant with regard to the fundamental characteristic at issue. This sentence, by itself, does not indicate the territorial or socioeconomic scale at which the commonality of interests ought to be evaluated. The minutes of the Alaska Constitutional Convention, however, provide compelling evidence as to the framers' intent with respect to the character and scope of boroughs. In the following exchange, delegate John Rosswog, Chairman of the Committee on Local Government, responded to a query from delegate John Coghill on January 19, 1956 about the Committee's intent with respect to the language that each borough shall embrace an area and population with common interests to the maximum degree possible.

COGHILL: Further on in Section 3, I would like to ask you, Mr. Rosswog, on line 6 of page 2, "Each borough shall embrace, to the maximum extent possible, an area and population with common interests." My question here is directed to you to find out what the Committee's thinking was as to boundary areas of local government. Could you give us any light on that as to the extent? I know that you have delegated the powers to a commission, but you have said that each borough shall embrace the maximum extent possible. I am thinking now of an area that has maybe five or six economic factors in it – would they come under one borough?

ROSSWOG: We had thought that the boundaries should be flexible, of course, and should be set up so that we would not want too small a unit, because that is a problem that has been one of the great problems in the states, the very small units, and they get beyond, or they must be combined or extended.

Proceedings of the Alaska Constitutional Convention, Alaska State Legislature, Legislative Council p. 2620 – 2621 (1963). A nearly identical question arose on the floor of the Convention later that same day. Delegate Barrie White inquired about the Local Government Committee's intent with respect to the term "maximum extent possible." Committee member James Doogan and Committee Chairman John Rosswog responded:

WHITE: Mr. President, on page 2, Section 3, I would like to ask the Committee, on line 4, if the words "to the maximum extent possible" could be construed to mean the largest possible area?

PRESIDENT EGAN: Mr. Doogan.



DOOGAN: I think that is the intent. It was pointed out here that these boroughs would embrace the economic and other factors as much as would be compatible with the borough, and it was the intent of the Committee that these boroughs would be as large as could possibly be made and embrace all of these things.

James Doogan, Constitutional Convention Delegate

WHITE: Is it the

thinking of the Committee that the largest possible area, combining area and population, with common interest, would be the most desirable type of borough?

PRESIDENT EGAN: Mr. Rosswog.

ROSSWOG: Could I answer on that? I think that was the idea or the thinking of the Committee that they would have to be fairly large but the wording here would mean that we should take into consideration the area and population and common interest to the maximum extent possible because you could not say definitely that you were taking it all in, but as much as you possibly could.

Id. p. 2638.

The following day, January 20, 1956, delegate Katherine Nordale raised the virtually identical question. Vic Fischer, Local Government Committee Secretary responded.



Katherine Nordale, Constitutional Convention Delegate

NORDALE: Mr. President, I think this was brought up yesterday, but I have sort of forgotten what was said. It is just a question. On line 4, page 2 of Section 3, there was some discussion of the wording, "Each borough shall embrace to the maximum extent possible an area and population with common interests." Does that mean to the greatest degree it shall be a group of people with

common interests? Nothing to do with the area - I mean the square mile?

V. FISHER: What it means is that wherever possible, "Each borough shall embrace an area and population with common interests."

Id. p. 2711.

In summary, the constitutional, statutory, and regulatory standards for local governmental boundaries indicate that cities are meant to be local community governments, and boroughs are meant to be regional governments. Indeed, it is difficult to suppose that a city government's boundaries could be consistent with both 3 AAC 110.040(b) and the constitutional and statutory standards for borough boundaries.

4. Both Cities and Boroughs Must Embrace Areas with Common Social, Cultural, and Economic Interests, but the Requisite Degree for Such Is Significantly Greater for Cities than Boroughs.

As noted with respect to subpart A-3-a of this section of the decisional statement, each city government must embrace a community. For purposes of the Local Boundary Commission, the term "community" is defined in law. A community is comprised of a discrete area and population with significant common interests concerning social, cultural, economic, and other characteristics.⁶

As noted in subpart A-3-b of this decisional statement, the fourth sentence of Article X, Section 3 of the constitution stipulates that each borough must maximize the area and population, but with the condition that the maximum area and population also have common interests. However, the requirement for maximum area and population necessarily presumes an acceptable level of common interests less than that found at the community level.

The following discussion on the floor of the Constitutional Convention on January 19, 1956 between delegate James Hurley, Local Government Committee Chairman John Rosswog, Local Government Committee member Eldor Lee and delegate John Hellenthal is important in several respects in terms of defining the nature of a borough. It demonstrates that the Local Government Committee had no precise upper or lower limits in mind regarding the geographic size of boroughs. It also stresses the importance of flexibility in setting borough boundaries. Further, the dialogue provides additional evidence that the delegates foresaw, in general terms, relatively large boroughs. Perhaps most importantly, however, the exchange provides insights with respect to the framers' vision concerning the requisite degree of common interests within boroughs.



James Hurley, Constitutional Convention Delegate

HURLEY: Mr. President, going back to Section 4, the matter has been mentioned many times about the possible thinking as to the size of the boroughs. I took occasion to check back into the criteria which would be used for the establishment of election districts. I find that except for two

different words they are the same as the criteria that you use for the establishment of boroughs: population, geographic features, and the election districts say integrated socio-economic areas, and you say economy and common interests which I think means the same thing. Consequently, I might be led to the conclusion that your thinking could well be carried out by making election districts and boroughs contiguous or congruous, the same area, is that true?

ROSSWOG: It was thought this should be left very flexible. Of course, you would not say they should be the same as election districts because of rather unwieldiness for governing. It would more possibly, and should, take more study of whether the size should bear on whether your governing body would be able to supervise an area of that size.

A "community" is defined by 3 AAC 110.990(5) to mean a social unit of 25 or more permanent residents as determined by 3 AAC 110.920. A community exists where individuals reside permanently in a close geographical proximity that allows frequent personal contacts and comprise a population density that is characteristic of neighborhood living. Factors such as school enrollment, number of sources of employment, voter registration, precinct boundaries, permanency of dwelling units, and the number of commercial establishments and other service centers are evidence of a community. Further, the law presumes that a population does not constitute a community if public access to or the right to reside at the settlement is restricted, if the population is adjacent to a community and is dependent upon that community for its existence, or if the location of the population is provided by an employer and is occupied as a condition of employment primarily by persons who do not consider the place to be their permanent residence.

PRESIDENT EGAN: Mr. Lee.



LEE: Mr. Hurley, I think we are unanimous in the opinion that many of these boroughs will be substantially the same as election districts but that is just the idea that we had in mind. Some of them won't be feasible, but in our thinking I consider that form of boroughs we felt they would be much the same as an election district.

Eldor Lee, Constitutional Convention Delegate

PRESIDENT EGAN: Mr. Hellenthal.

HELLENTHAL: Did any of you think that they might ever be greater than the election districts in size?

LEE: If that question is directed to me, we did not give it any consideration because actually we have not made any statement about the size. But in our thinking we didn't consider that thought, but it is certainly very possible.

HELLENTHAL: In other words, that the boundaries of the election districts could possibly be maximums governing the size of the boroughs?



John Hellenthal, Constitutional Convention Delegate

LEE: It is possible. It is up to the legislature to decide.

HELLENTHAL: Would it be desirable to make them minimums?

LEE: That would take away the flexible portion which we wish to keep here.

HELLENTHAL: I gather then you would not desire to make them minimums but probably would have little objection to making them maximum.

LEE: I can't speak for the Committee. I would have no objection, personally.

The framers envisioned that the initial State election districts would be, in many cases, models for future boroughs. As originally adopted, Article VI, Section 6 of Alaska's constitution established the following standards for drawing State House election districts (emphasis added by underlining):⁷

Section 6. Redistricting. The governor may further redistrict by changing the size and area of election districts, subject to the limitations of this article. <u>Each</u> <u>new district so created shall be formed of contiguous</u> and compact territory containing as nearly as <u>practicable a relatively integrated socio-economic area</u>. Each shall contain a population at least equal to the quotient obtained by dividing the total civilian population by forty. Consideration may be given to local government boundaries. <u>Drainage and other</u> <u>geographic features shall be used in describing</u> <u>boundaries wherever possible</u>.

The Alaska Supreme Court addressed the meaning of the term "relatively integrated socio-economic area" with respect to election districts in *Hickel v*. *Southeast Conference*, 846 P.2d 38, 47 (Alaska 1992) (emphasis added):

The Alaska Constitution requires districts comprising "relatively integrated" areas. . . "Relatively" means that we compare proposed districts to other previously existing and proposed districts as well as principal

Article VI was amended in 1999. The amendments dealt principally with the process for redistricting. However, two changes dealt somewhat with the standards. Both occurred in the third sentence which was revised as follows (added text in bold type and underlined, deleted text struck through): "Each shall contain a population <u>as near as</u> <u>practicable</u> at least equal to the quotient obtained by dividing the total civilian population <u>of the state</u> by forty." alternative districts to determine if socio-economic links are sufficient. <u>"Relatively" does not mean</u> <u>"minimally," and it does not weaken the</u> <u>constitutional requirement of integration</u>.

The framers' vision that the initial State election districts were, in many cases, models for future boroughs is reinforced by the fact that election district boundaries were used to define prospective boroughs in the 1963 Mandatory Borough Act. As introduced by Representative John L. Rader, the mandatory borough legislation called for the compulsory incorporation of the nine State election districts in Alaska that encompassed independent school districts.⁸

The mandatory borough legislation was introduced just four years after Alaska's constitution took effect. The short interval between those two seminal events, in the view of the Commission, is further evidence of the suitability of the early election districts for borough boundaries. Six of the twenty members (30%) of the 1963 Senate had been delegates to the Constitutional Convention.⁹ Additionally, two members of the 1963 House of Representatives had been Constitutional Convention delegates.¹⁰

Moreover, the Commission considers it noteworthy that the use of election districts to define borough boundaries in the 1963 mandatory borough legislation occurred just two years after the Alaska Legislature first adopted statutory standards for incorporation of boroughs. That fact becomes even more significant when it is recognized that 11 of the 20 Senators (55%) and 23 of the 40 Representatives (57.5%) in the 1963 Legislature had held the same elected offices during the 1961 Legislature.¹¹

While the early State election districts were viewed by the framers to be, in many cases, suitable borough models, the Commission does not take the position that the same is necessarily true today. Social and economic integration remains a fundamental characteristic of election districts for the State of Alaska, however, there have been numerous social, political, and legal developments which have had great influence over the size and configuration of election districts in Alaska. Social changes include a significantly greater concentration of Alaska's population in southcentral Alaska. Political changes include the uniform use of single-member election districts throughout Alaska.¹² They also include the enactment of legislation such as the Federal Voting Rights Act which have significantly influenced the

- ⁸ House Bill No. 90 provided that the areas would be incorporated as boroughs by legislative fiat if the voters in those regions failed to form boroughs before January 1, 1964. The nine regions were designated as follows in Section 3 of House Bill No. 90:
 - (1) Anchorage Election District;
 - (2) Lynn Canal Icy Straits Election District;
 - (3) Ketchikan Prince of Wales Election District;
 - (4) Kodiak Election District;
 - (5) Palmer Wasilla Talkeetna Election District;
 - (6) Sitka Election District;
 - (7) Fairbanks Fort Yukon Election District;
 - (8) Juneau Election District; and
 - (9) Kenai Cook Inlet Election District.
- ⁹ The former delegates in the 1963 Senate were Senators Coghill, Kilcher, McNealy, Nolan, Peratrovich, and Smith.
- ¹⁰ The former delegates that were members of the 1963 House of Representatives were Representatives Sweeney and Taylor.
- ¹¹ The Senators were Bronson, Coghill, Hopson, McNealy, Nolan, Owen, Peratrovich, Brad Phillips, Vance Phillips, Smith, and Walsh. The Representatives were Baggen, Baker, Binkley, Blodgett, Boardman, Cashel, Christiansen, Ditman, Hammond, Harris, Jarvela, Kendall, Kubley, Leonard, Longworth, Parsons, Pearson, Reed, Sanders, Stalker, Strandberg, Sweeney, and Taylor.
- ¹² The initial election districts in the more populous areas of Alaska encompassed multiple House seats to retain their regional characteristics. Of the original 24 districts, five were two-member districts, one was a five-member district, and one was an eightmember district. The remaining seventeen districts were all single-member districts. The current plan utilizes forty single-member districts, which diminishes the regional character of those districts in the more populous areas.

configuration of election districts in Alaska. Lastly, judicial rulings have shaped election districts. For example, in *Hickel v. Southeast Conference, id.* at 62, the Alaska Supreme Court directed that certain factors be given priority in the drawing of house election districts:¹³

Priority must be given first to the Federal Constitution, second to the federal voting rights act, and third to the requirements of article VI, section 6 of the Alaska Constitution. The requirements of article VI, section 6 shall receive priority inter se in the following order: (1) contiguousness and compactness, (2) relative socioeconomic integration, (3) consideration of local government boundaries, (4) use of drainage and other geographic features in describing boundaries.

While it can no longer be said that election districts make for ideal borough boundaries in most cases, the original vision does provide a measure of the geographic scale within which boroughs were expected to exhibit a distinguishing degree of social, cultural, and economic integration.

5. Boroughs Should Generally Include Multiple Communities and Should Be Able to Provide Services Efficiently and Effectively.

As noted in subparts A-3 and A-4, city governments are intended to be small governmental units with intense common interests, while boroughs are envisioned as large governmental units with moderate common interests.

Other indications of the intended difference in scale between cities and boroughs also exist. For example, Article X, Section 5 of the constitution allows boroughs to establish service areas. There is no comparable constitutional provision for city governments.¹⁴ In the Commission's view, such reflects the vision that, as relatively large units of government, boroughs require the flexibility to establish service areas to meet the varying needs of particular communities within boroughs.

Another indicator of the framers' vision regarding the relative scale of city and borough governments is found in Article X, Section 7 of Alaska's constitution. That provision reinforces the perspective that boroughs are large units and cities are small units by stating that cities, "shall be part of the borough in which they are located."

On January 20, 1956, delegate Vic Fischer expressed the view that it is 'unimaginable' that a city would be the same size as a borough as reflected in the following exchange.¹⁵

GRAY: Mr. Chairman, I would like to ask the Committee a question. Is it possible under Section 5 that the city council complete would also be complete in the assembly? Is it quite possible?

V. FISCHER: I think that would be possible only if the borough was the same size as the city, or if the legislature provided that the people outside of the city shall have no representation.

GRAY: It could be so?

V. FISCHER: I could not imagine it happening.

- ¹³ The Alaska Supreme Court adhered to the same priorities in *re 2001 Redistricting Cases*, 44 P.3d 141 (Alaska 2002).
- ¹⁴ The Commission recognizes that AS 29.45.580 authorizes city governments to establish differential property tax zones. In some respects, those are the city equivalent to a borough service area. However, the Commission still considers Article X, Section 5 to be evidence of the intended large scale of boroughs.
- ¹⁵ The dialog was also relevant in terms of original Article X, Section 4 of Alaska's constitution which provided in relevant part that:

Each city of the first class, and each city of any other class designated by law, shall be represented on the assembly by one or more members of its council. The other members of the assembly shall be elected from and by the qualified voters resident outside such cities.

The provision was repealed in 1972.

Finally, Article X, Section 13 authorizes cities to transfer, and revoke transfer of city power and functions to the borough in which it is located. There is no similar constitutional provision for transfer of borough powers and duties to cities. This asymmetry is consistent with the notion that boroughs would have broader jurisdiction than cities.

6. The Constitution Encourages a Minimum Number of Boroughs.

Article X, Section 1 of the Constitution of the State of Alaska provides, in part, that "[t]he purpose of this article is to provide for maximum local selfgovernment with a minimum of local government units. . ."

Vic Fischer indicates that one of the fundamental principles concerning borough formation set forth by the Local Government Committee was that, "units should be large enough to prevent too many subdivisions in Alaska . . ." Victor Fischer, *supra*, p. 119.

The Commission concludes that the creation of boroughs should be limited, not to a specific total number, but by the principle that only the minimum number of governments necessary to provide effective and efficient local self-government should be created.

7. Borough Boundaries Should be Established at the State Level to Reflect State-Wide Considerations as well as Regional Criteria and Local Interests.

Article X, Section 12 of Alaska's constitution provides for the establishment of the Local Boundary Commission. Of the 116 active State boards and commissions, only the Local Boundary Commission and four others have origins in the constitution.¹⁶ The Alaska Supreme Court observed that the Commission was created to serve as an impartial body to review, from a statewide perspective, proposals relating to the establishment and alteration of municipal governments. Specifically, the Court stated:

An examination of the relevant minutes of [the Local Government Committee of the Constitutional Convention] shows clearly the concept that was in mind when the local boundary commission section was being considered: that local political decisions do not usually create proper boundaries and that boundaries should be established at the state level. The advantage of the method proposed, in the words of the committee:

... lies in placing the process at a level where area-wide or state-wide needs can be taken into account. By placing authority in this third party, arguments for and against boundary change can be analyzed objectively.

Fairview Public Utility District No. 1 v. City of Anchorage, 368 P.2d 540, 543 (Alaska 1962).

8. Alaska's Constitution Encourages the Extension of Borough Government; However, All Standards Must be Met and the Commission is not Obliged to Approve Proposals that Only Minimally Meet the Standards.

Article X, Section 1 of Alaska's constitution promotes maximum local self-government which encourages the extension of borough government in areas that satisfy the standards for borough incorporation and annexation. In this regard, the Alaska Supreme Court held as follows:

¹⁶ The other four are the (legislative) Redistricting Board, Judicial Council, Commission on Judicial Conduct, and the University Board of Regents. Our review of the record has been undertaken in light of the statement of purpose accompanying article X, the local government article, of the Alaska constitution. Section 1 declares in part:

The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions....

We read this to favor upholding organization of boroughs by the Local Boundary Commission whenever the requirements for incorporation have been minimally met.

Mobil Oil, supra, at 99.

However, the Commission stresses that it is prohibited from approving any borough proposal if the application does not meet each applicable standard established in the Constitution of the State of Alaska, Alaska Statutes, and the Alaska Administrative Code. Specifically, Alaska Statute 29.05.100(a) provides as follows:

The Local Boundary Commission may amend the petition and may impose conditions on the incorporation. If the commission determines that the incorporation, as amended or conditioned if appropriate, meets applicable standards under the state constitution and commission regulations, meets the standards for incorporation under ... 29.05.031, and is in the best interests of the state, it may accept the petition. Otherwise it shall reject the petition.

The use of the term "shall" in the third sentence of AS 29.05.100(a) clearly indicates that the Commission must reject any proposal if it does not meet each of the applicable standards, with or without amendments and/or conditions.

While the Supreme Court held in the *Mobil Oil* case that Article X, Section 1 of the constitution should be read to favor upholding of an LBC-approved incorporation whenever the requirements for incorporation have been minimally met, the Court also held in a subsequent case that the Commission is not obligated to approve any minimally acceptable petition. Specifically, the Court stated:

Petitioners' arguments, however, reflect the mistaken premise that the LBC must approve any minimally acceptable petition for incorporation and has only limited authority to consider or adopt "the most desirable" borough boundaries.

It is difficult to conjecture circumstances under which the Commission would reject a borough proposal if it met each of the applicable standards; however, the Commission clearly has that prerogative. The use of the term "may" in the second sentence of AS 29.05.100(a) leaves no doubt that the Commission has discretion to approve any borough incorporation petition, even if it meets all requisite standards.

9. Boroughs Should Not Be Prematurely Formed when Local Government Needs Can Be Met by City Annexation or Incorporation.

Occasionally, communities in the unorganized borough express interest in borough formation, particularly, single-community boroughs, when the expansion of boundaries of an existing city or the incorporation of a new city would be more fitting and would serve the needs of the territory in question.

Appendix I

Letter from Attorney General Norman Gorsuch to Governor Bill Sheffield, May 21, 1985, HCS CSSB 208 (HESS)

May 21, 1985

Honorable Bill Sheffield Governor State of Alaska Pouch A Juneau, Alaska 99811

> Re: HCS CSSB 208(HESS) -federal transfer regional educational attendance areas Our file No. 388-052-85

Dear Governor Sheffield:

At Ray Gillespie's request on your behalf, we have reviewed HCS CSSB 208(HESS). This bill relates specifically to two of the state's regional educational attendance areas (REAA's), the Lower Yukon School District and the Lower Kuskokwim School District. Although it raises practical and constitutional issues, we are not necessarily recommending a veto.

The REAA system was created in 1976 to deliver education services in the unorganized borough. The state, outside of municipal school districts, was divided into 21 geographic areas with the exact boundaries drawn to reflect cultural and socio-economic variations among the REAA's. The REAA's represented a major departure from past efforts by the state and federal government to provide educational opportunities to rural children. Those previous mechanisms were centralized in either the state or the Bureau of Indian Affairs (BIA).

In Akiachak, Akiak, Tuluksak, Chevak, and Chefornak, the BIA finances day schools for grades K through 8, while a state regional educational attendance area operates the high schools. The actual operation of the BIA schools is accomplished under a contract between the BIA and the local village entity. On June 30, 1985, the BIA will cease financing the operation of its schools, and their operation and the necessary facilities will pass to the state.

HCS CSSB 208(HESS) is an effort to continue the "local control," consistent with state law, in Akiachak, Akiak,

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Tuluksak, Chevak, and Chefornak which existed under the former BIA contracts. Section 1 of the bill is a clear statement that it is the legislature's intent to achieve that result by establishing new federal transfer regional education attendance areas for these communities.

Section 2 sets up the mechanism by which the communities may participate in the new REAA's. The bill provides for two REAA's, one containing Akiachak, Akiak, Tuluksak, and Chefornak and a second containing Chevak. If a majority of the qualified voters in each of the villages votes in favor of being in the appropriate new REAA, then the village is included. If the election is not held by August 13, 1985 or the village votes against inclusion in the new REAA, then the village will be included within the REAA that currently operates the high school. If new REAA's are formed, the operation of the high schools will be transferred to the appropriate new REAA, which will also assume all existing contractual rights and obligations related to the operation of those schools.

Section 3 provides that each of the federal transfer REAA's will be subject to the requirements of AS 14.08 as any other REAA in the unorganized borough and will be financed under AS 14.17 as if it were part of the school district which surrounds it.

Section 4 provides for an immediate effective date, although the substantive part of the bill recognizes that implementation of the bill will take a certain amount of time; i.e. it allows until August 13, 1985 for the election under sec. 2 to occur.

The bill presents a number of implementation and legal difficulties. First, each of the BIA facilities that the new REAA's will be using requires upgrading to meet fire and safety codes. Those steps could be easily accomplished by the start of school in late August. However, at present there is no entity in operation which can accomplish that work except the current REAA operating the high school in each community. Similarly, there is no one to provide for purchasing the necessary supplies and services for the operation of the respective schools, nor to contract with teachers for the schools except the current REAA. Indeed, given the sensitivity required in hiring a superintendent, it is likely, if the option to form a new REAA is exercised by the respective villages, that functioning school districts could not be in full operation until some time after the start of the 1985-86 school year. We reach this conclusion because a second election will be necessary to elect a school board for each Honorable Bill Sheffield 388-052-85

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of the new school districts which is the body that hires its superintendent.

The probable outcome of the tight scheduling imposed by the bill and the start of the 1985-86 school year is that the Lower Yukon School District and the Lower Kuskokwim School District will, with the advice and direction of the Department of Education, need to make the necessary arrangements for school to start in each of these communities. Any other course of action could result in the students in each of these BIA day schools receiving instruction by correspondence study.

The elections required by sec. 2 also present some special problems. First, the State of Alaska is subject to the preclearance requirements of sec. 5 of the Voting Rights Act of 1965, 42 USC §§ 1973 et seq. This means that the election procedures in HCS CSSB 208(HESS) must be submitted to the U.S. attorney general for approval. A second consideration is that the bill requires the approval of over half of the qualified voters in each community. The election will be occurring when many of the voters will be engaged in commercial and subsistence fishing away from their villages. There is the strong possibility that the required numbers of voters will not be able to participate in the election due to the imperatives of the fishing season. A final consideration that must be addressed is who will supervise the elections. Each of the designated communities is a second class city that could conduct the election. Another alternative is for the division of elections to supervise the election.

In addition to the difficulties of implementation, the bill presents a serious constitutional question under art. II, sec. 19, of the Alaska Constitution. That section provides that the legislature shall pass no local or special act, if a general act can be made applicable.

Article VII, sec. 1, of the Alaska Constitution mandates that the legislature shall provide for public education in the state. AS 14.08 is the expression of a law of general application to the problem of providing education services in the unorganized borough. Indeed, the application of that statute has resulted in the operation of the local high school in each of these villages by an REAA. If AS 14.08 is followed, all of the schools in each of the communities would be operated by the existing REAA. The impact of HCS CSSB 208(HESS) is to carve a special exception out of the general statutory pattern to accommodate the circumstance that the BIA chose to operate these five day schools under contract with the local village entity, which has no relationship to the rationale behind the creation of the REAA's under AS 14.08. Honorable Bill Sheffield 388-052-85

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The prohibition against local and special legislation found in art. II, sec. 19, of the Alaska Constitution limits all powers that the legislature might otherwise exercise under the powers conferred upon it by the constitution. <u>State v. Lewis</u>, 559 P.2d 630 (Alaska 1977), cert. denied 432 U.S. 901 (1977). While the legislature has broad power to regulate public education, it may be argued that this specific application of its power is improper.

To avoid the prohibition against local and special legislation, a bill does not require even application in all areas of the state, but rather it must be reasonably related to a matter of common interest to the whole state. <u>State v. Lewis</u>, <u>supra</u> and <u>Abrams v. State</u>, 534 P.2d 91 (1975).

Under <u>Abrams</u>, HCS CSSB 208(HESS) could be found unconstitutional. In <u>Abrams</u>, special procedures were enacted for the establishment of a new borough in the Eagle River area which was already in the Greater Anchorage Area Borough. In fact the statute had no application, as here, in any other locality and was at a significant variation from existing statutory procedures governing the creation of boroughs. These considerations led to the court holding that statute unconstitutional. While it is a valid legislative purpose to maximize local control of public education, serious questions can be raised when that local control, as in the case of HCS CSSB 208(HESS), is furthered without regard to the factors that led to the creation of the state's existing REAA's and without regard to the impact upon other school districts of the transfer of BIA schools in general.

A better legislative response to the transfer of the BIA schools to the state's system of public education would be the amendment of AS 14.08. By those amendments, the impact of the BIA transfers could be accommodated and considerations of local control could be addressed throughout the unorganized borough.

Notwithstanding our comments, if you sign the bill into law or let it become law without your signature, we believe that the legislation may be defended in good faith. We reach this conclusion because of the imprecision with which courts have addressed local and special problems. However, its successful defense is by no means certain. If you wish to veto this bill, a draft veto message is enclosed for your use. (Or, if you so deHonorable Bill Sheffield 388-052-85 May 21, 1985 Page 5

cide, it could be modified to serve as a law-without-signature message.)

Sincerely yours,

Norman C. Gorsuch Attorney General

NCG:WFC:prm


History of Haines Borough Incorporation and Annexations

In 1947, residents of the greater Haines area formed the Haines Independent School District. (Karl Ward, A Short History of Haines Local Government, 1980). Independent school districts were authorized under a 1935 Territorial law to provide a unified school system encompassing a central incorporated community, suburban areas and rural areas. (Foundation Study, p. 36.)

Seven other areas of Alaska besides Haines had also formed independent school districts. Those were Anchorage, Fairbanks, Juneau-Douglas, Ketchikan, Kodiak, Palmer, and Sitka. (*Id.*)

Independent school districts were not recognized under the Constitution of the State of Alaska, which took effect January 3, 1959. The Constitution provided that the legislature must enact measures for the transition of independent school districts into governmental units that were recognized under the Constitution.

Two years later, the Legislature adopted the Borough Act of 1961 establishing standards and procedures for borough formation. That Act provided that independent school districts and public utility districts must be dissolved and their functions integrated into constitutionally recognized local governments by July 1, 1963.

When the 1963 Legislature convened, none of the eight independent school districts had been dissolved in favor of borough governments. Less than six months remained before the July 1 deadline for dissolution of the independent school districts.

Representative John L. Rader (D-Anchorage) considered the lack of progress on the issue of dissolution of special districts and formation of boroughs to be the "greatest unresolved political problem of the State." (John L. Rader, "Legislative

History," in Ronald C. Cease and Jerome R. Saroff (eds.), *The Metropolitan Experiment in Alaska*, A Study of Borough Government, Frederick A. Praeger, Publishers, New York, 1968, p. 93.)

Consequently, Representative Rader drafted and introduced House Bill No. 90 extending the deadline for dissolution of independent school districts by one year to July 1, 1964. House Bill No. 90 also provided that nine areas of the state (including the eight State House election districts encompassing independent school districts) would be incorporated as boroughs by legislative fiat if the voters in those regions failed to form boroughs prior to January 1, 1964. The nine regions were designated in Section 3 of House Bill No. 90, as follows:

- (1) Anchorage Election District;
- (2) Lynn Canal Icy Straits Election District;
- (3) Ketchikan Prince of Wales Election District;
- (4) Kodiak Election District;
- (5) Palmer Wasilla Talkeetna Election District;
- (6) Sitka Election District;
- (7) Fairbanks Fort Yukon Election District;
- (8) Juneau Election District; and
- (9) Kenai Cook Inlet Election District.



The Lynn Canal – Icy Straits Election District was defined in the December 7, 1961, proclamation of the governor as follows:

That part of the mainland, not included in District No. 4, drained by streams flowing into Lynn Canal, Glacier Bay, Icy Strait, Cross Sound, and their tributaries, and the Pacific Ocean, to and including the area drained into Icy Bay to the west; those parts

¹ At the time of this proclamation District No. 4 was the Juneau Election District defined as:

The mainland north of District No. 2 (Wrangell Petersburg) up to and including the area drained by streams flowing into Berners Bay on the north; and that area of Admiralty Island north of District No. 2 and drained by streams flowing into Stephens Passage, Seymour Canal, Lynn Canal, and their tributaries; and including Douglas, Shelter, and Benjamin Islands, and other small adjacent islands. of Admiralty and Chichagof Island drained by streams flowing into Icy Strait, Cross Sound, and their tributaries; and Yakobi, Lemesurier, and Pleasant Islands, and other smaller adjacent islands.¹

During the course of legislative deliberations, House Bill No. 90 was amended to exclude the Lynn Canal – Icy Straits Election District. According to a local account, the Lynn Canal – Icy Straits Election district was excluded from the Act "due apparently to a 'political compromise' effected by Morgan Reed, Skagway representative." (Haines Borough, *Brief History of the Third Class Haines Borough*, p. 1.)

Following the amendment, House Bill No. 90 (commonly known as the Mandatory Borough Act) passed by one vote in the Senate. Governor Egan signed House Bill No. 90 into law. While Haines and other communities in the Lynn Canal – Icy Straits Election District were excluded from the areas required to form boroughs under the Mandatory Borough Act, the general provisions of the Act still required the Haines Independent School District to transition to a constitutionally recognized form of government by July 1, 1964.

In March 1964, the Commission approved a proposal to incorporate a first class borough in Haines. However, voters rejected the proposal. The Haines Independent School District was dissolved on July 1, 1964, under the general provisions of the Mandatory Borough Act.

In August 1964, the Commissioner of the Alaska Department of Education formed the Haines-Port Chilkoot Special School District under an obscure statutory provision. The 1966 Legislature repealed authority for such special school districts. Even though it lacked legal authority to carry on, the Haines-Port Chilkoot Special School District continued to operate.

In the Spring of 1967, the Commission approved a second petition to incorporate a borough in Haines, this time as a second class borough. Voters also rejected that proposal. In October 1967, the State Attorney General advised the Department of Education to discontinue funding for the Haines-Port Chilkoot Special School District because it had no legal basis.

Following the action by the State Attorney General's office, the City of Haines and second class City of Port Chilkoot each organized city school districts. The State school district served students outside the two cities. Thus, three school districts served a total of 346 students in the Haines area in 1967.

A third proposal to form a borough – again, a second class borough – was prepared shortly after voters rejected the second proposal in October 1967. Excluded from the boundaries of that proposal were "The lands comprising the Klukwan Indian Reservation established by Executive Order numbered 1764 dated April 21, 1913." (Incorporation of the Haines Borough, Local Affairs Agency, January 1968, p. 3.)

The Commission's records for the first two Haines borough proposals are incomplete; however, there is no indication that the boundaries of the third proposal were different from the first two proposals. It is presumed that the Klukwan Indian Reservation was excluded from the proposed borough because, at the time, the BIA operated the school at Klukwan. Additionally, property within the reservation would not have been subject to ad valorem taxes levied by the borough. The borough boundary standard in place at the time (former AS 07.10.030(2)) provided as follows:²

2 While former AS 07.10.030(2)) required the exclusion of certain areas including military reservations from organized boroughs, current law (3 AAC 110.040(d)) creates a rebuttable presumption that a proposed borough with enclaves fails to meet applicable borough incorporation standards. The current law certainly conforms better to the constitutional principles calling for boroughs to encompass an entire natural region. It is noteworthy, however, that current law (AS 29.35.160) provides that, "A military reservation in a borough is not part of the borough school district until the military mission is terminated or until inclusion in the borough school district is approved by the Department of Education and Early Development. However, operation of the military reservation schools by the borough school district may be required by the Department of Education and Early Development under AS 14.14.110. If the military mission of a military reservation terminates or continued management and control by a regional educational attendance area is disapproved by the Department of Education and Early Development, operation, management, and control of schools on the military reservation transfers to the borough school district in which the military reservation is located."

The boundaries of the proposed organized borough shall conform generally to the natural geography of the area proposed for incorporation, shall include all areas necessary and proper for the full development of integrated local government services, but shall exclude all areas such as military reservations, glaciers, icecaps, and uninhabited and unused lands unless such areas are necessary or desirable for integrated local government.

As was the case with the first two Haines borough proposals, the third proposal to form a borough in Haines was also rejected by the voters. Residents of the Haines area subsequently lobbied the legislature to create a new class of borough; one whose areawide powers would be limited to education and taxation. The legislature enacted a law providing for third class boroughs.

On May 28, 1968, voters in Haines petitioned to incorporate a third class borough. Like the third proposal, the fourth proposal to incorporate a borough serving Haines excluded the Klukwan Indian Reservation. The Commission subsequently approved the proposal with the exclusion of another federal reservation – the military petroleum distribution facility at Lutak Inlet in accordance with the above-mentioned standard in AS 07.10.030(2).

On August 28, 1968, voters in Haines approved incorporation of the Haines Borough by a vote of 180 to 61. The Borough was incorporated following certification of the election results on August 29, 1968. The boundaries of the Borough encompassed approximately 2,200 square miles.

Klukwan's Indian reservation status was revoked on December 18, 1971 by Section 19(a) of the Alaska Native Claims Settlement Act ("ANCSA"). Shareholders of the Klukwan Village Corporation subsequently elected to acquire title to their former reserve as provided by section 19(b) of the Alaska Native Claims Settlement Act.³ That territory, comprising 892.2 acres (1.4 square miles), was conveyed to Klukwan, Incorporated, by the Bureau of Land Management on May 24, 1974. In 1974, the Haines Borough petitioned for annexation of approximately 420 square miles to the south. The area proposed for annexation encompassed the commercial fish processing facility at Excursion Inlet as well as an estimated 442,354 acres of Tongass National Forest lands.⁴ The annexation was approved by the Commission and took effect following review by the Legislature in 1975.

In 1976, ANCSA was amended to allow the Klukwan village corporation to select twenty-three thousand and forty acres of land. The amendment also provided that "Such Corporation and the shareholders thereof shall otherwise participate fully

³ Section 19(b) of ANCSA states:

Notwithstanding any other provision of law or of this Act, any Village Corporation or Corporations may elect within two years to acquire title to the surface and subsurface estates in any reserve set aside for the use or benefit of its stockholders or members prior to the date of enactment of this Act. If two or more villages are located on such reserve the election must be made by all of the members or stockholders of the Village Corporations concerned. In such event, the Secretary shall convey the land to the Village Corporation or Corporations, subject to valid existing rights as provided in subsection 14(g), and the Village Corporation shall not be eligible for any other land selections under this Act or to any distribution of Regional Corporation funds pursuant to section 7, and the enrolled residents of the Village Corporation shall not be eligible to receive Regional Corporation stock.

⁴ The January 1968 Local Affairs Agency's report on the Haines Borough incorporation estimated that there were 474,000 acres of National Forest lands within the area proposed for incorporation. There are currently 916,354 acres of National Forest lands within the Haines Borough according to <u>Community Financial Assistance</u>, DCRA, (Fiscal Year 1998). Thus, it is estimated that the 1975 annexation added 442,354 acres of National Forest lands to the Haines Borough, an increase of 93.3 percent of such lands within the Borough. in the benefits provided by this Act to the same extent as they would have participated had they not elected to acquire title to their former reserve as provided by section 19(b) of this Act."

The amendment required the Klukwan village corporation to convey the former 892.2 acre reserve to the Chilkat Indian Village, a federal corporation organized under the Indian Reorganization Act. The amendment stipulated that the lands were to be "conveyed and confirmed to said Chilkat Indian Village in fee simple absolute, free of trust and all restrictions upon alienation, encumbrance, or otherwise." The lands in question were subsequently conveyed to the Chilkat Indian Village on February 7, 1976. In 1976, the Haines Borough petitioned for annexation of the former military petroleum distribution facility at Lutak Inlet. The former Klukwan Indian reservation was not included in the annexation proposal. Annexation of the former military reservation at Lutak Inlet was approved by the Commission in 1977 and took effect in 1978 following review by the Legislature.⁵

The corporate boundaries of the Haines Borough have remained unchanged since 1978.

By the mid-1980s BIA funding for schools in Alaska had been largely withdrawn, and the BIA schools had been transferred to the State.

⁵ The Chilkoot Indian Association, a federal corporation organized under the Indian Reorganization Act serving members in Haines, is seeking transfer of ownership of the former military reservation from the federal government to the Association.



Model Borough Boundaries

I. Legal Basis for Model Borough Boundaries.

Consideration of "model borough boundaries" by the Commission in reviewing the suitability of any borough incorporation proposal is provided for in 3 AAC 110.060(b). Specifically, it states:

Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond any model borough boundaries.

Additionally, 3 AAC 110.190(c) provides for consideration of model borough boundaries by the Commission in reviewing the suitability of any borough annexation proposal. Specifically, it states:

Absent a specific and persuasive showing to the contrary, the commission will not approve annexation of territory to a borough extending beyond the model borough boundaries developed for that borough.

II. Proper Construction of the Standard.

In a narrow sense, the standards allow any boundary proposal that does not exceed the model borders. However, in a broader sense, the standard at issue concerns the fundamental relationship between the boundaries of a proposed new or expanded borough and its respective model.

In past borough incorporation and annexation proceedings, the Commission has considered this standard in that broad context. For example, in 1998, the Ketchikan Gateway Borough petitioned the Commission to annex all but 21.4 square miles of the territory within its model borough boundaries. The exclusion of the 21.4 square miles would have rendered Hyder an enclave consisting of 17.9 square miles inhabited by 151 residents. Additionally, Meyers Chuck would have become a near-enclave of 3.5 square miles in which 28 individuals lived. The Commission viewed the two exclusions as problematic and invited the Borough to amend its petition to include those areas. After the Borough declined to do so, the Commission denied its petition. In doing so, the Commission noted as follows:

The effect and significance of the failure of a borough proposal to conform to its model boundaries must be judged in the unique circumstances presented by each petition. . . .

The Commission believes that some deference is owed to the model borough boundaries beyond that called for in a narrow interpretation of 19 AAC 10.190(c).¹

... [T]he Borough's model boundaries also reflect the application of all borough boundary standards and relevant constitutional principles to the pertinent facts in the Borough's circumstances. In the record, there is insufficient justification for deviation from those model boundaries here.

(Commission, Statement of Decision in the Matter of the February 28, 1998 Petition of the Ketchikan Gateway Borough for Annexation of 5,524 Square Miles, April 16, 1999, p. 7.)

Since renumbered as 3 AAC 110.190(c).



III. Establishment of Model Borough Boundaries.

The Commission defined model borough boundaries for unorganized areas of Alaska from 1990 through 1992 using the constitutional, statutory, and regulatory standards for the creation of boroughs.

During the three-year effort, the Commission concluded that, in many instances, the boundaries of REAAs were also model boundaries for future boroughs. REAAs are regional institutions established more than a quarter century ago for the efficient and effective delivery of educational services. REAAs have a single function – education. It is significant that education is also one of the few mandatory duties of boroughs and is their greatest responsibility as measured by expenditures.

Statutory standards for REAAs set out in AS 14.08.031 are very similar to those for boroughs. When REAAs were created in 1975, they were widely perceived as forerunners to organized boroughs. REAA boundaries have strong parallels to borough boundaries. The historical record demonstrates the fundamental relevance of REAAs in terms of establishing boundaries of boroughs.

Alaska's Constitution requires the division of the entire state into organized and/or unorganized boroughs. The division must occur according to standards including population, geography, economy, transportation, and other factors. Each organized and unorganized borough must embrace an area and population with common interests. (Article X, Section 3.) The Constitution also favors a minimum number of boroughs. (Article X, Section 1.)

The Borough Act of 1961 created a single unorganized borough encompassing all of Alaska not within an organized borough.² Since there were no organized boroughs at that time, the entire state was initially configured as a single unorganized borough.

² Ch. 146, SLA 1961.

"Dividing" the entire state into a single borough brushed aside the constitutional requirement that each borough embrace an area of common interests. Alaska, of course, has tremendous diversity with respect to social, cultural, economic, transportation, geographic, and other relevant characteristics.

Today, more than four decades after the Borough Act of 1961, the single residual unorganized borough encompasses an estimated 374,843 square miles – 57 percent of Alaska. The area of the unorganized borough is larger than the countries of France and Germany combined.

As currently configured, the unorganized borough ranges in a noncontiguous fashion from the southernmost tip of Alaska to an area approximately 150 miles above the Arctic Circle. It also extends in a non-contiguous manner from the easternmost point in Alaska (at Hyder) to the westernmost point in Alaska at the tip of the Aleutian Islands. The unorganized borough encompasses:

- portions of each of Alaska's 4 judicial districts;
- 11 entire census districts;
- all or portions of 10 State House election districts;
- all or portions of 6 State Senate election districts;
- ➔ 19 entire REAAs;
- all or portions of 10 of Alaska's 12 regional Native corporations formed under ANCSA;
- 18 entire model boroughs;³ and
- model borough territory for 5 existing organized boroughs.
 - ³ With the consolidation of the Aleutians West Model Borough and the Aleutians Model Borough, the number of model unorganized boroughs was reduced from nineteen to eighteen.

Clearly, the unorganized borough remains a vast area with extremely diverse interests rather than common interests as required by the constitution. This is particularly evident from the fact that the unorganized borough spans so many election districts, census districts, REAAs, regional Native corporations, and model borough boundaries.

In the late 1980s, the Commission received a number of competing proposals to annex and incorporate various portions of the unorganized borough.⁴ The Commission concluded that it would be best to examine those and future borough proposals in

4 In October 1988, the Kodiak Island Borough petitioned to annex an estimated 12,825 square miles (including submerged land and water beyond the State's jurisdictional limits). That prompted residents of the Alaska Peninsula to file a competing petition for the incorporation of the Lake and Peninsula Borough. The proposed Lake and Peninsula Borough contained an estimated 16,675 square miles, including much of the territory proposed for annexation to the Kodiak Island Borough. In May 1989, the Fairbanks North Star Borough petitioned to annex 216 square miles. Annexation was widely opposed by residents of the adjacent unorganized area. The Fairbanks annexation petition prompted the adjacent region to conduct a study of the feasibility of forming a borough; however, no competing petition was filed. In June 1989, the City and Borough of Juneau petitioned to annex 140 square miles. Again, while the annexation proposal was opposed by inhabitants of the adjacent region, no competing borough proposal was filed. In June 1989, the Matanuska-Susitna Borough petitioned to annex an estimated 9,844 square miles to and including Healy. In October of that year, residents of the Railbelt REAA filed a competing petition for the formation of the Denali Borough. The boundaries of the proposed Denali Borough encompassed an estimated 9,406 square miles, including much of the territory proposed for annexation by the Matanuska-Susitna Borough. That same month, another group of residents filed a third competing petition for incorporation of the Valleys Borough. The Valleys Borough proposal encompassed about 14,900 square miles, including most of the proposed Denali Borough as well as the community of Nenana.

the context of model boundaries based on constitutional, statutory, and regulatory standards for borough incorporation.

Consequently, the Commission initiated the effort to define model borough boundaries in 1990. The project was completed at the end of 1992. The Alaska Legislature appropriated funding for the project. The Commission conducted hearings regarding model borough boundaries in person or by teleconference in 88 communities.

IV. Relationship Between Model Borough Boundaries and REAA Boundaries.

A. Nine model boroughs conform precisely to REAAs.

Nine model boroughs have boundaries that correspond precisely to individual regional educational attendance areas (REAAs) as listed below.

- 1. The Annette Island Model Borough boundaries are identical to those of the Annette Island REAA.
- 2. The Bering Strait Model Borough boundaries are identical to those of the Bering Strait REAA (including the City of Nome).
- 3. The Copper River Model Borough boundaries are identical to those of the Copper River REAA.
- 4. The Dillingham-Nushagak-Togiak Model Borough boundaries are identical to those of the Southwest Region REAA (including the City of Dillingham).
- 5. The Iditarod Model Borough boundaries are identical to those of the Iditarod REAA.
- 6. The Kuspuk Model Borough boundaries are identical to those of the Kuspuk REAA.

- 7. The Pribilof Islands Model Borough boundaries are identical to those of the Pribilof Islands REAA.
- 8. The Prince William Sound Model Borough boundaries are identical to those of the Chugach REAA (including the City of Cordova and the City of Valdez).
- 9. The Aleutian Region Model Borough boundaries are identical to those of the Aleutian Region REAA (including the City of Unalaska).

B. Two additional model boroughs conform to REAAs except that they also include tiny federal transfer REAAs which are enclaves within the REAAs.

There are currently 19 REAAs in Alaska. Only 17 of those were created in 1975 according to regional standards in AS 14.08.031. The remaining two – Kashunamiut and Yupiit – were established according to an act of the Legislature (Ch. 66, SLA 1985).

The Kashunamiut REAA and the Yupiit REAA are referred to in the 1985 law authorizing their creation as "federal transfer REAAs". The two FTREAAs lack the regional characteristics of the 17 REAAs established under AS 14.08.031. Instead, two exhibit community-level characteristics similar to those of city school districts.

The Kashunamiut FTREAA is a relatively tiny enclave within the Lower Yukon REAA. The boundaries of the Kashunamiut FTREAA are identical to those of the second class City of Chevak (population 765).⁵ They encompass slightly more than

⁵ In effect, this circumstance allows residents of a second class city in the unorganized borough a similar level of local control over school functions as is accorded organized boroughs and home rule and first class cities in the unorganized borough. Unlike municipal school districts, however, the FTREAAs are not subject to the local contribution requirements that applies to municipal school districts.

1 square mile. In contrast, the Lower Yukon REAA encompasses an estimated 19,302 square miles. The first class City of Saint Mary's is also within the Lower Yukon Model Borough.

The Yupiit FTREAA is made up of three small noncontiguous enclaves within the Lower Kuskokwim REAA. One is the territory within the boundaries of the City of Akiak (encompassing approximately 2 square miles), another is the territory within the former City of Akiachak (encompassing less than 12 square miles), and the third is the territory within the former City of Tuluksak (encompassing approximately 4 square miles). Collectively those three noncontiguous enclaves encompass approximately 18 square miles. In contrast, the Lower Kuskokwim REAA comprises an estimated 23,792 square miles.

The Lower Yukon Model Borough and Lower Kuskokwim Model Borough are inhabited by an estimated 21,461 residents. That population, together with the estimated 29,158 residents of the eight previously noted model boroughs, contains approximately 61.9 percent of the population of the unorganized borough.

C. Two other model boroughs largely conform to REAAs except for the placement of relatively small portions of the REAAs within the model boundaries of adjoining existing organized boroughs.

AS 14.08.031 requires the division of the entire unorganized borough into REAAs. In some cases, the result has been unnatural or contrived REAA boundaries. For example, Klukwan, which is an enclave in the core of the Haines Borough, is a noncontiguous component of the Chatham REAA. In the Commission's view, Klukwan has greater social, cultural, economic, geographic, transportation, and other ties to the area within the Haines Borough than it does to communities served by the Chatham REAA. Consequently, the Commission placed Klukwan in the same model borough as the Haines Borough. For similar reasons, the Commission placed parts of the unorganized borough within the model boundaries of four other existing organized boroughs.

In two of the five cases, remnant model boroughs were created that largely conform to their respective REAAs. Those are the Yukon Flats Model Borough and the Yukon Koyukuk Model Borough.

The Yukon Flats Model Borough boundaries are identical to those of the Yukon Flats REAA except that Livengood and Central were placed within the Fairbanks North Star Borough model boundaries. The Commission concluded that Livengood and Central had more in common with the area inside the Fairbanks North Star Borough than it did with the remainder of the area within the Yukon Flats REAA. In particular, road connections, proximity, and economic ties between Fairbanks, Livengood, and Central were significant factors guiding the Commission's decision.

Livengood and Central comprise 163 residents, representing approximately 10 percent of the population of the Yukon Flats REAA. In other words, approximately 90 percent of the Yukon Flats REAA population remains within the Yukon Flats Model Borough.



Similarly, the Yukon Koyukuk Model Borough boundaries are identical to those of the Yukon Koyukuk REAA, except that Nenana and the nearby settlement of Four Mile Road were placed within the Denali Borough model boundaries. Here again, the Commission concluded that Nenana and Four Mile Road had more in common with the area inside the Denali Borough than they did with the remainder of the area within the Yukon Koyukuk REAA. Road connections, proximity, and economic ties were critical factors leading to the Commission's action.

Nenana and Four Mile Road are inhabited by 440 residents, or 12.0 percent of the

3,669 residents within the Yukon Koyukuk REAA (including Tanana, Galena, and Nenana). In this case, 88 percent of the population of the Yukon Koyukuk REAA remains intact as the Yukon Flats Model Borough.

The Yukon Flats Model Borough and the Yukon Koyukuk Model Borough encompass an estimated 4,188 residents. That population, together with the estimated 50,619 residents of the ten previously noted model boroughs, includes approximately 67.0 percent of the population of the unorganized borough.

D. One model borough encompasses two existing REAAs.

The Upper Tanana Basin Model Borough covers the combined areas of the Delta Greely REAA and the Alaska Gateway REAA. When the boundaries of the Upper Tanana Basin Model Borough were defined, the prospect existed for base realignment and closure at Fort Greely in the Delta Greely REAA. That, in part, prompted the Commission to combine the two REAAs into one model borough.

With the recent selection of Fort Greely as a research site for the U.S. missile defense system, and the prospect for development of the Pogo mineral deposit as a world-class gold mine, the economic



future for the Delta Greely region is brighter than it was in the early 1990s. Changing circumstances in that part of the unorganized borough might warrant modification of the previously established model boundaries. The Upper Tanana Basin Model Borough encompasses an estimated 6,316 residents, or 7.7 percent of the unorganized borough population.

E. Southeast Alaska is divided into four model boroughs.

Except for relatively small portions of Alaska's panhandle that are included within the model boundaries of existing boroughs, the Commission divided the unorganized areas of southeast Alaska into four model boroughs. Those are the Glacier Bay Model Borough, Chatham Model Borough, Prince of Wales Model Borough, and Wrangell-Petersburg Model Borough.

The Glacier Bay Model Borough encompasses communities that are presently within the Chatham REAA. The population of the Glacier Bay Model Borough (1,739) comprises approximately 50.5 percent of the population of the Chatham REAA. Because of the particularly unnatural or contrived nature of the Chatham REAA boundaries (e.g., comprised of three noncontiguous



components), 29.1 percent of its population is found within the model boundaries of an existing borough. The remaining 20.4 percent of the Chatham REAA population is grouped with Kake in the Chatham Model Borough.

The Prince of Wales Model Borough is within the Southeast Island REAA. Its population is 4,651, or 40.9 percent of the population of the area within the Southeast Island REAA. The Wrangell-Petersburg Model Borough comprises 48.6 percent of the population within the Southeast Island REAA boundaries. The balance of the population within the Southeast Island REAA is comprised of Kake, Hyder, and Meyers Chuck, whose location within model boroughs was addressed previously.

The Commission views model borough boundaries as a credible and useful tool in guiding future policy decisions regarding the establishment and alteration of borough governments. Recently, the concept of model borough boundaries has been challenged by certain interested organizations. The challenge seems to have its roots in a recent decision of the Commission to reject a particular borough proposal.

On September 27, 2002, the Commission unanimously denied a petition to incorporate a Skagway borough principally because the proposal lacked the regional nature that is fundamental to boroughs. Petitioners for the Skagway borough subsequently filed a judicial appeal.⁶ As reflected in the following newspaper account, Skagway also pledged to undertake an effort to encourage the legislature to review the model borough boundaries and other borough standards.⁷

- ⁶ The appeal was filed in Superior Court in Juneau on November 27, 2002 (Case No. 1JU-02-01024CI).
- ⁷ Juneau Empire, November 15, 2002.



Consultant Kathleen Wasserman testifying at Skagway hearing.

In addition to a legal path, Skagway plans to take its concerns about borough formation to the state Legislature, [Skagway City Manager and Petitioner's Representative Bob] Ward said. The community has asked the Alaska Municipal League and the Southeast Conference, a regional organization, for support.

'We're asking the Legislature to look at the Model Borough Boundaries Act⁸ and look at the standards ... with an eye to considering whether or not those things are still pertinent in the Alaska of today as opposed to the Alaska envisioned by the members of the Constitutional Convention in 1956,' Ward said. 'I'm not sure if it will help us, but it may help the borough process in general.'

At the apparent behest of Skagway, the Southeast Conference,⁹ Alaska Municipal League,¹⁰ and the City of Petersburg adopted resolutions in 2002 declaring the model borough boundaries to be outdated and unfeasible. The resolutions adopted by those three organizations declared "... the economics of the State have dramatically declined and changed within the past ten years, rendering the Model Borough Boundary proposal of 1992¹¹ obsolete and impractical."

None of the organizations advised the Commission about the proposed resolutions before they acted on them. Consequently, the Commission had no opportunity to comment on the matter while it was under consideration by those organizations. The Commission differs with the views expressed by those organizations in two fundamental respects. The first concerns the claim that Alaska's economy has "dramatically declined" during the past decade. The second concerns the relationship between the state of the economy and model borough boundaries.

With respect to the first issue, while particular segments of Alaska's economy (e.g., commercial salmon fishing and timber) have indeed suffered sharp declines over the past decade, other

- ⁸ There is no "Model Borough Boundaries Act". As noted above, model borough boundaries were defined by the Local Boundary Commission with support from the Legislature. However, the Legislature never formally adopted the model borough boundaries. The Commission adopted model borough boundaries by regulation.
- ⁹ The Southeast Conference describes itself as a "regional, nonprofit corporation that advances the collective interests of the people, communities and businesses in southeast Alaska. Members include municipalities, Native corporations and village councils, regional and local businesses, civic organizations and individuals from throughout the region. Our mission is to undertake and support activities that promote strong economies, healthy communities and a quality environment in southeast Alaska." < <u>http://www.seconference.org/</u>>
- ¹⁰ The Alaska Municipal League (AML) is a voluntary, nonprofit, nonpartisan, statewide organization of over 140 cities, boroughs, and unified municipalities in Alaska, representing over 98 percent of Alaskan residents. AML also offers "associate" status to organizations and commercial firms, and "affiliate" status to professional associations of municipal officials. <<u>http://www.akml.org/index.asp?Type=B_BASIC&SEC={5F567EBE-14AF-4F10-B368-B5A3C16F017B}</u>>
- ¹¹ There is no "Model Borough Boundary proposal of 1992". As noted above, model borough boundaries were defined and formally adopted in regulation by the Commission.

components of Alaska's economy have grown. In the Commission's view, Alaska's economy has not "dramatically declined" overall during the last ten years. Certainly, there has been no economic decline comparable to the post-TAPS construction downturn of the late 1970s or the statewide recession of the mid-to-late 1980s. Consider, for example, the following comparison of six important economic measures for the most recent year on record vis-àvis the previous ten years:

- Alaska's gross state product increased by 12.0 percent.¹²
- Employment rose by 19.8 percent (over 49,800 new jobs created).¹³
- ➡ The rate of unemployment dropped by 27.6 percent (from 8.7 percent to 6.3 percent).¹⁴
- Per capita personal income climbed 33.2 percent.¹⁵
- ➔ Personal income grew by 48.3 percent.¹⁶
- The value of taxable property increased by 63.1 percent.¹⁷

Regarding the second issue, the Commission takes the view that even if Alaska's economy had "dramatically declined," model borough boundaries would not have been rendered "obsolete and impractical". Significant reductions in the *strength* of the economy may affect the *economic viability* of prospective borough governments. However, model borough boundaries are dependent upon economic interrelationships and other factors (not the strength of the economy).

The Commission cannot apply a different set of borough standards to existing organized boroughs than it applies to unorganized areas of Alaska. Thus, if economic changes during the past decade had rendered model borough boundaries "obsolete and impractical", it would have had the same effect on the formal corporate boundaries of organized boroughs. The same would hold true for REAAs. Yet, there has been only one borough boundary change in the past ten years. That change resulted in an *expansion* of the boundaries of the Yakutat borough. Moreover, there have been no changes in the boundaries of REAAs during the past ten years.

As noted in the foregoing, with few exceptions, model borough boundaries closely follow REAA boundaries. In fact, the vast majority of residents of the unorganized borough live in model boroughs that are identical to the REAAs in which they live. The fact that there is no clamor to change the boundaries of REAAs suggests to the Commission that those advocating changes in or abandonment of model borough boundaries are more fundamentally opposed to borough government boundaries as embodied in Alaska's Constitution,

- ¹² In 2000, Alaska's gross state product was \$27,747,000,000; the comparable figure in 1990 was \$24,774,000,000. That represents an increase of 12 percent. Source: Bureau of Economic Analysis.
- ¹³ Annual average employment in 2001 was 301,792; the comparable figure for 1991 was 251,940. Source: Alaska Department of Labor.
- ¹⁴ The annual average unemployment rate in 1991 was 8.7 percent; the comparable figure for 2001 was 6.3 percent. That represents a drop of 2.4 percentage points or a 27.6 percent drop in the rate of unemployment. Source: Alaska Department of Labor.
- ¹⁵ Per capita personal income in 2001 was \$30,936, which was \$7,710 higher than the 1991 figure of \$23,226. Source: Bureau of Economic Analysis.
- ¹⁶ Personal income in 2001 was \$19,641,252,000; the comparable 1991 figure was \$13,242,314,000.
 Source: Bureau of Economic Analysis.
- ¹⁷ The 2002 full and true value of taxable property in Alaska (excluding oil and gas property) was \$41,725,315,500. That figure was 63.1 percent higher than the comparable 1992 figure of \$25,576,072,700. Source: State Assessor.

rather than just the model borough boundaries.¹⁸ In any case, insofar as model borough boundaries are based on standards cited in Article X, Section 3 of Alaska's Constitution, the presumptive regulatory standard (3 AAC 110.060(c)) requiring conformity of proposed borough and REAA boundaries is subordinate to the authority of those constitutional standards.

F. The remainder of the unorganized borough population lies within the model boundaries of existing organized boroughs.

As noted earlier, the Commission found in the course of the model borough boundaries project that five areas of the unorganized borough had greater ties to existing organized boroughs than they did to other areas of the unorganized borough. Specifically, the Commission determined the following:

- the City and Borough of Juneau model boundaries were defined to include Hobart Bay (population 3);
- the Denali Borough model boundaries were defined to include Nenana (population 402) and Four Mile Road (population 38);
- the Fairbanks North Star Borough model boundaries were defined to include Livengood (population 29) and Central (population 134);
- the Ketchikan Gateway Borough model boundaries were defined to include Meyers Chuck (population 21) and Hyder (population 97); and
- the Lynn Canal Borough model boundaries (encompassing the existing Haines Borough) were defined to include Klukwan (population 139) and Skagway (population 862).

¹⁸ Alaska is probably the only state that sets regional governmental jurisdictional boundaries on the basis of relevant geo-political standards such as natural geography, social, cultural, transportation, economy, and communications factors. Elsewhere, regional governmental boundaries largely reflect such factors as surveyors' section lines, rivers rather than natural drainage basins and like unifying natural geographic features, centuries-old post-colonial county boundaries, etc. Further, unlike Alaska, boundaries of regional governments in other states are typically much harder to revise to reflect changing socioeconomic and other conditions.

Appendix L

July 9, 1962, Memorandum from Hugh J. Wade, Alaska Secretary of State, to Governor William A. Egan Regarding Bristol Bay Borough

MEMORANDUM

State of Alaska

TO: Governor William A. Egan

DATE : July 9, 1962

FROM: Hugh J. Wade, Secretary of State SUBJECT: Incorporation of Bristol Bay borough

This is a matter which I had intended to call to your attention before I left on my trip with the Task Force. The attached notice, copy of which may have been made available to you, reached me while I was away. I have been following the proceedings in connection with the hearings on this proposed borough and have discussed from time to time the proposed action with the Local Affairs Agency. The proposed borough just doesn't make sense to me. In fact, its defects were so obvious to me that I felt that the Boundary Commission would never approve it. I was mistaken, and apparently after hearings in Dillingham, Naknek, and King Salmon the Boundary Commission followed the recommendation of the Local Affairs Agency and reduced the area of the borough even smaller than it was originally proposed, and now we are confronted with holding an election in the area embraced within the proposed boundaries for this borough and undoubtedly it will be favorably voted upon.

My objection to the proposed borough, of course, is that it takes the principal tax resources in the area and makes that tax resource available only to a limited number of people--less than 600 I believe--to the exclusion of all other people in the Bay area. They even excluded from the area the Village of Levelock which is only a few miles north of the boundary line. Carl Nunn of Dillingham, when he was in Juneau a few months ago, was protesting the proposed borough and then when the hearing was held in Dillingham he apparently appeared on behalf of the Chamber of Commerce and objected to the establishment of the borough, but I notice from the findings of fact report of the Local Affairs Agency that his testimony was disregarded and the protest of that community passed over very lightly. When I was in Dillingham with the Task Force, Mr. Nunn again questioned me about the proposed borough, and when I asked him if he had received a copy of the Local Affairs Agency's report and recommendation to the Boundary Commission, he said he had not. In fact he expressed great surprise to learn that the report had already been made to approve the borough. Just yesterday I asked Mr. Pegues if it were true that the attached report was not sent to Dillingham, and he confirmed the fact, but stated that he would mail them a copy right away. -2-

I know the Local Affairs Agency is very anxious to establish a borough and I, too, am anxious to get a start in establishing them throughout the State, but I just can't help but feel that this will get us off to a poor start. It is bound to be met with great resistance in the Bristol Bay area, and in my opinion it is fundamentally wrong to allow this relatively small area to grab this rich tax resource and set up a borough government which will be financed entirely by the tax revenue from the raw fish packed by the canneries at Naknek. Local people will not be required to contribute in any way to a local government, and when the other areas in Bristol Bay start looking for some sort of a tax base to establish local government, they are going to find that this relatively small area has taken all of the rich tax resource for the benefit of a relatively few people.

I am required under Chapter 146 of SLA 1961 to order an election to be held in the area of the proposed borough, and according to this law I have 30 days to call the election and it must be held within 90 days after the date I issue the order of election. The notice was received in my office on June 18, and it would appear, therefore, that the election would have to be held sometime before the 18th of October. It is my understanding that the Local Affairs Agency is urging that the election be held early in September. Personally, I am disposed to take the full time allowed me under the law for fixing the date of the election, because I think that the people in that area should be given all time possible to take whatever action they may now take at this late date to enjoin creation of this borough.

It is difficult for me to conceive of a borough established in the Bristol Bay area that did not include the community of Dillingham and the other villages in that area that are now excluded from this proposed borough.

HJW/w



Department of Education and Early Development Calculation of Foundation Formula Savings in the 10 City School Districts with Less Than 250 Students

Alaska Department of Education & Early Development School District Consolidation Information based on FY03 Foundation Prepared 12-17-03

First class cities under 250 dissolve education duties and role to existing REAA Estimated foundation formula changes due to consolidation

FY04 foundation		As City	As REAA	City
229 students		Galena	Yukon Koyukuk	less
				REAA
	Basic Need	\$14,938,277	\$15,203,718	\$265,441
	Required Local Effort	(72,361)	0	72,361
	Deductible Impact Aid	(26,878)	(1,037,777)	(1,010,899)
	Quality School Grants	57,331	58,350	1,019
	State Aid	14,896,369	14,224,291	(672,078)
		As City	As REAA	City
188 students		Hoonah	Chatham	less
				REAA
	Basic Need	\$1,615,188	\$1,707,378	\$92,190
	Required Local Effort	(125,616)	0	125,616
	Deductible Impact Aid	(135,173)	(532,595)	(397,422)
	Quality School Grants	6,445	6,812	367
	State Aid	1,360,844	1,181,595	(179,249)
				Cite
02		AS CITY	AS KEAA	
92 students		Hydaburg	Southeast Island	
	Pasia Need	\$775 404	\$802 682	KEAA \$27.188
	Required Local Effort	(33,386)	\$802,082	33 386
	Deductible Impact Aid	(33,380) (42,472)	(307 993)	(265,521)
	Quality School Grants	3 094	3 203	(205,521)
	State Aid	702,730	497,892	(204,838)
			,	
		As City	As REAA	City
152 students		Kake	Southeast Island	less
				REAA

			KEAA
Basic Need	\$1,231,872	\$1,348,884	\$117,012
Required Local Effort	(71,262)	0	71,262
Deductible Impact Aid	(82,652)	(396,603)	(313,951)
Quality School Grants	4,915	5,382	467
State Aid	1,082,873	957,663	(125,210)

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Alaska Department of Education & Early Development School District Consolidation Information based on FY03 Foundation Prepared 12-17-03

First class cities under 250 dissolve education duties and role to existing REAA

Estimated foundation formula changes due to consolidation

		As City	As REAA	City
152 students		Klawock	Southeast Island	less
				REAA
	Basic Need	\$1,313,596	\$1,445,445	\$131,849
	Required Local Effort	(128,048)	0	128,048
	Deductible Impact Aid	(190,748)	(529,414)	(338,666)
	Quality School Grants	5,241	5,767	526
	State Aid	1,000,041	921,798	(78,243)
		As City	As REAA	City
204 students		Nenana	Yukon Koyukuk	less REAA
	Basic Need	\$5,376,817	\$5,723,593	\$346,776
	Required Local Effort	(70,372)	0	70,372
	Deductible Impact Aid	(369)	(369)	0
	Quality School Grants	21,454	22,837	1,383
	State Aid	5,327,530	5,746,061	418,531
		As City	As REAA	City
18 students		Pelican	Chatham	less
				REAA
	Basic Need	\$265,863	\$233,542	(\$32,321)
	Required Local Effort	(48,089)	0	48,089
	Deductible Impact Aid	0	0	0
	Quality School Grants	1,061	932	(129)
	State Aid	218,835	234,474	15,639
		As City	As REAA	City
167 students		St. Mary's	Lower Yukon	less
		-		REAA
	Basic Need	\$1,690,696	\$1,798,285	\$107,589
	Required Local Effort	(18,446)	0	18,446
	Deductible Impact Aid	(44,737)	(60,504)	(15,767)

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Alaska Department of Education & Early Development School District Consolidation Information based on FY03 Foundation Prepared 12-17-03

First class cities under 250 dissolve education duties and role to existing REAA

	Quality School Grants	6,746	7,175	429
	State Aid	1,634,259	1,744,956	110,697
		As City	As REAA	City
110 students		Skagway	Chatham	less
				REAA
	Basic Need	\$1,020,866	\$1,000,375	(\$20,491)
	Required Local Effort	(498,222)	0	498,222
	Deductible Impact Aid	0	0	0
	Quality School Grants	4,073	3,991	(82)
	State Aid	526,717	1,004,366	477,649

	As City	As REAA	City
62 students	Tanana	Yukon Koyukuk	less
			REAA
Basic Need	\$833,238	\$836,245	\$3,007
Required Local Effort	(22,840)	0	22,840
Deductible Impact Aid	(21,900)	(73,490)	(51,590)
Quality School Grants	3,325	3,337	12
State Aid	791,823	766,092	(25,731)

Change in state aid by consolidating first class cities with fewer than 250 students (262,833)



Governor Murkowski's January 13, 2004, State-of-the-State Speech

The State of the State Securing Alaska's Future

An Address to the Twenty-Third Alaska State Legislature

By the Honorable Frank H. Murkowski

Governor of Alaska

Happy New Year to all of you. The good news is there are only 17 more Saturdays until the Session ends.

Mr. President, Mr. Speaker and members of the Alaska State Legislature -- I appreciate this opportunity to address you, and all Alaskans, on the state of our state.

- My theme tonight is securing Alaska's future.
- First, let me introduce my indispensable partner, the state's first lady, Nancy, who is here in the gallery.
- Also here tonight is Lieutenant Governor Loren Leman and in the gallery, his wife Caroline and members of my cabinet. I want to thank them all for their service to Alaskans.
- What we have accomplished this past year is a result of teamwork, and I know the spirit of cooperation -- and the spirit of service -- will continue to reap benefits for Alaska's future.
- Alaska's greatest resource is our people. The energy -- the enthusiasm -- the spirit of Alaskans is what makes us strong.
- Many Alaskans are far from home this year, serving in our Armed Forces -- so that we can enjoy the benefits of freedom at home.

Two are here with us tonight.

- Michael Boyscout, was raised in Chevak and graduated from the Alaska Military Youth Academy before joining the Marines.
- Last September he was deployed to Quwait.
- As part of the Marine's 60th Engineer Support Batallion, Corporal Boyscout rolled into Iraq one day after the ground war started. He proudly served our country until returning home to Anchorage in December.
- Join me in welcoming Michael Boyscout home.
- Sitting next to Michael is Lieutenant Colonel Steve Williams of the Alaska Army National Guard.
- He spent nine years on active duty in the Army before returning to Alaska. He has served with the Guard for the past 10 years.

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- On September 11, 2001, Colonel Williams was in Washington, D.C. -- attending the National War College – where he watched smoke billowing from the Pentagon attack.
- Shortly thereafter Colonel Williams began service on the U.S. Counter-Terrorism Task Force.
- He then asked to be deployed to Afghanistan, where he served with the 82nd Airborne. His job was to bring order to the Southern Region.
- Let's welcome Colonel Williams.
- Steve and Michael -- on behalf of all Alaskans -- I want you to know that we recognize and appreciate the great sacrifices that service men and women and their families have made in the War on Terrorism.

With one year in office now passed, my enthusiasm and optimism for Alaska is brighter than ever.

The state of our state is strong!

- The opportunity -- and the responsibility -- lie before all of us to make an even better future for Alaskans.
 - Before becoming your governor, I promised that I would:
 - launch an aggressive resource development program,
 - impose no income tax, and
 - rein in state spending,
- I take my promises seriously.
- And I am proud to report that we are implementing our fiscal program to keep our promises. In just one year we have accomplished a great deal for which all Alaskans can be proud.
 - We instituted a meaningful program to stimulate natural resource development in a responsible way. It includes: a streamlined permitting process, --new incentives to encourage private investment, -- and a business-friendly regulatory climate -- without relaxing our strict environmental safeguards.
 - We held firm on the imposition of no new income tax.
 - And we reduced General Fund spending by \$245 million dollars.
- I recognize that a government's budget is about more than just how much money is spent. It's also about our responsibility to see that those dollars produce results. And, -- it's about getting a return on the dollars invested in services.
- But most important it's about people, their lives and their children. What we approve during this legislative session will have a great

impact on the future of our children, who make up nearly one third of the population.

- We still have much to do.
- Indeed, we are going to be held accountable by future generations for how well we conduct our stewardship responsibilities today.
- In an address I intend to make on March 9th I will detail the many initiatives and developments of my administration. They include oil, gas and mineral development -- new roads, revitalized timber and fisheries, and new services -- especially for senior citizens.
- In fact, each of you has on your desk a special report describing what we are doing in these areas. Others can find the report on the state's web site.
- Our initiatives promise great results for Alaskans.
- But to achieve these results, we must create an investment climate based on financial stability and certainty. -- Everything else depends on it.

When I delivered my proposed budget on December 15th, I promised to discuss my long-term fiscal program with you tonight.

- This subject is so important that it's the primary topic of my remarks.
- It will chart our shared future.
- And the key to that future is financial stability. Throughout our short history -- Alaskans have demonstrated the ability and resolve, to balance individual and shared needs.
- Tonight -- I will call Alaskans to the task again.
- The Alaska Constitution bestows extraordinary authority and responsibility on the Governor -- and along with that authority, goes the responsibility to lead. I eagerly shoulder this responsibility, and tonight I am proposing a fiscal program that sets a path to financial stability for us to follow together.
- This path is consistent with my promise to develop jobs, a strong economy and to control state spending without undue burden on our citizens.
 - My fiscal program is based on sound economic principles.
 - It recognizes that development of our resources, both human and natural, is the only long-term foundation for fiscal stability for Alaska.
- This program recognizes that building a vibrant and sustainable economy will not be served by simply taxing the income of hard working Alaskans.
- People don't tax themselves to prosperity.
- They invest to prosperity.

Let me discuss the five elements of my fiscal program.

- 30 years ago, the Trans-Alaska Pipeline was designed and built to carry two million barrels of oil a day. It only reached that capacity briefly in the late 1980s when the nation was gearing up for the Persian Gulf War. Today, the pipeline moves less than 1 million barrels and in the years to come we can continue to expect less (unless) we act now to explore and develop new oil fields.
- New oil in the pipeline coupled with new developments in natural gas, form the first element of my program. The state will help build the infrastructure -- and create the economic atmosphere -- to increase oil flow and move gas to market.
- The top priority of this administration is the construction of a gas pipeline -- to move to market the 35 trillion cubic feet of gas stranded in Prudhoe Bay.
- Remember though Prudhoe Bay took 8 years to develop after it was discovered. It will likewise take time for new developments like the natural gas pipeline, the National Petroleum Reserve, and oil and gas from the Alaska Peninsula. The state will gain the jobs and economic lift from these activities by the end of the decade.

The second element of my program is fiscal discipline. My commitment to this element of my fiscal program is unwavering. This means:

- Control state spending -- and be accountable for delivering results for every dollar spent; and
- Emphasize the essential responsibilities of government such as education, public health and safety, transportation and environmental protection -- all of which, are hallmarks of a strong and caring society.
- Spending by state government cannot serve as the underpinning of our state economy. Government spending cannot be our economy. The role for state government is to enable Alaska's economy to grow by encouraging the development of our land and its resources.
- My Administration has taken the first step with our state's budgets for fiscal years 2004 and 2005. These budgets do control state spending and are needed to preserve our Constitutional Budget Reserve until we realize the financial benefits from our resource investments.
 - Over the last 13 years \$5 billion dollars of the \$7 billion in the Constitutional Budget Reserve has been used to prop up every day spending.
- We are committed to end this drain on the Constitutional Budget Reserve.
- We will spend less than the preceding year and narrow the gap between spending and current revenue.
 - By spending less we extend the life of our Constitutional Budget Reserve.
- Let me thank the Legislature for its leadership in the "Missions and Measures" process by which state departments define their purpose and measure the effectiveness of their results.
 - In fact, this is the first time in 27 years that this kind of comprehensive review of departments has been undertaken.
 - I thank also the state employees who are essential in making this initiative successful and delivering results.
- I am proud that we are fulfilling this element of my program and have been able to maintain funding for essential state services while keeping our roads open in winter and parks open in the summer.

The third element of my program is that the costs of government should be borne as much as possible by the direct users of services.

• My fiscal program expects that those who directly benefit from state services pay a fair share -- through modest fees and taxes that do not interfere with personal savings and investment.

The fourth cornerstone of my program is local responsibility for local needs. Local governments should look first to local revenue sources to help fund schools, public facilities, fire and safety services.

- The regional and local development of timber, fisheries, minerals and tourism provides jobs. It also provides a tax base that strengthens local economies, which then will need less financial support from the state. It also means greater local control. We encourage even our smallest communities to support economic development that will create local jobs.
 - After all, one of the best social programs is a good job.

Finally, the fifth element is whether to use a portion of the Permanent Fund income to maintain public services. While one can argue whether this should happen in an election year or some other time, I think the time has come to begin this process.

- Over the last quarter century Alaskans have shown foresight and ability to make tough choices. Guided first by Governor Hammond, and later by Governor Hickel, citizens prudently developed both the Permanent Fund and the Constitutional Budget Reserve from the wealth produced by oil.
- The Constitutional Budget Reserve was intended to be a savings account to serve as a shock absorber against a drop in oil prices -- not as a source of funds for everyday spending.

- We must maintain a cushion to protect funding for essential public services when oil prices go down, and keep sufficient cash in the bank to maintain our cash flow.
- In spite of our reduced spending and high oil prices, the Constitutional Budget Reserve is projected to dip below one billion dollars in July 2006.
- Allowing the Constitutional Budget Reserve to drop below a billion dollars in order to continue to underwrite the budget deficit will not happen on my watch!
- Both the Permanent Fund and the Constitutional Budget Reserve were voted in by the people. I am trusting the people to again consider the interests of all Alaskans and I am calling on the Legislature to join me in allowing Alaskans to decide.
- We all acknowledge the Permanent Fund was established for the future. The opening contribution to the fund was 54 million dollars. Today the Fund is 27 billion dollars.
- The income has flowed in two ways: into dividends and back into the principle.
- The principle has grown so large that the income created by the Fund often has exceeded the revenue the state received from oil.
- Let me repeat that -- The principle has grown so large that the income created by the Fund exceeds the revenue the state receives from oil.
- At the same time we are threatened with an erosion of essential public services. Alaskans need to consider the health of our society in terms of both the dividends they receive and shared services.
- How much and for how long do we allow the Fund to grow -- and public services to decline -- before we Alaskans address using a portion of the Permanent Fund's annual income to support our most important public services?
- Tonight I am announcing a process to do just that.

Let's start the discussion now.

- There are two paths before us. One is the easy road -- avoid the issue, do nothing and wait. The other is the course I propose. It will require that we move beyond the rhetoric and the politics of the past to protect our future.
- I am calling for a non-partisan Conference of Alaskans to determine whether the time has come to use a portion of the Permanent Fund income to maintain essential public services. Such a proposal would be in the form of a Conference Resolution that will be developed into a bill for submission to the Legislature.

The State of the State Page 6 of 10 As the Conference deliberates, let it be clear to Alaskans that there are two important principles on which I will insist for use of any portion of the Permanent Fund income:

- First, the people of Alaska must agree. We must have a vote on the proposal in November.
- Second, I will work with the Legislature for an effective Constitutional Spending Limit in order to assure Alaskans that government will be frugal and efficient.
- This spending limit must also be on the November ballot.
- I have worked hard to find a diverse group of knowledgeable and fair-minded Alaskans to convene this Conference.
- Please join me in recognizing these Alaskans. Sitting in the gallery are: Mike Burns who will serve as Chair, and Steve Frank, Clark Gruening, Marc Langland, Helvi Sandvik, Arliss Sturgulewski, and Eric Wohlforth who will serve as convenors.
- I want the Conference to get straight to work: Former Representative Brian Rogers -- who is also with us in the gallery tonight -- will facilitate the Conference.
- Any ballot question addressing the Permanent Fund, must reflect the best thinking of the people of this state. It must represent broad-based, non-partisan consensus and focus only on the best interest of Alaskans.
- There will be 55 participants in the Conference. This is the same number that sat in the United States Constitutional Convention in 1787, and the same number who traveled to Fairbanks for our own Constitutional Convention in 1955.
- The Legislature's Majority and Minority leaders are included as members of the Conference. The seven convenors will select the remaining participants by a vote of at least six of the convenors who must reflect the many faces of Alaska and a wide range of thinking.
- Those selected will be knowledgeable about the issues and willing to work cooperatively with other Alaskans to come up with the best recommendation. As with our Constitutional Convention in 1955, those chosen must be prepared to put politics aside and focus solely on what is best for Alaska. Like Judge Tom Stewart, who was the Secretary to Alaska's Constitutional Convention almost a half century ago.
- Judge Stewart has agreed to be Honorary Chair of the Conference and he is here with us tonight.
- I am pleased to announce the Conference will take place at the University of Alaska Fairbanks on February 10-12, 2004.
- It's not going to be just another government task force or a collection of words. It will be a fast-moving, results-oriented group

that will debate one issue -- whether and how to use the Permanent Fund income to protect our future.

- Please note, I am not asking the Conference to address a broadbased tax plan for Alaska.
- I charge the members to reach a consensus in the form of a Resolution which addresses the following four questions:
 - First: Should the use of income from the Permanent Fund be limited by the Constitution to 5% of the Funds' value, as the Permanent Fund Trustees have proposed?
 Second: Should a portion of the income of the Permanent Fund be used for essential state services, such as education?
 Third: Should the use of the income of the Permanent Fund for dividends and possibly for other purposes be determined annually by the Legislature, as is currently the case? Or should it be dedicated in the
 - Fourth: Constitution? Fourth: Should the state maintain a minimum balance in the Constitutional Budget Reserve to stabilize state finances against fluctuation in oil production or prices?
- I am asking the Conference to address specifically these four issues so that Alaskans can assess what will happen to the dividend if we also use some of the Permanent Fund income to pay for essential public services? Also, what will happen to our economy, jobs and public services if we do not?
- The Resolution received from the Conference will be the basis for legislation that I will present to the Legislature.
- Tonight I am calling the Legislature into special Session on March 1st to consider legislation that I will propose. I believe this issue warrants the focused attention and limited agenda of a special session.
- I will work closely with the Legislative Leadership to make sure the Legislature approves a ballot proposal.
- I then will ask Conference members to join with my administration, the Legislature and other Alaskans in discussing the proposal in preparation for the November election.
- This education process must be comprehensive and explain the proposal's impact on dividends, future state spending, jobs, Alaska's economy, and the value and management of the Permanent Fund itself.

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- Throughout my long public service career I have been consistent in my trust in the people. It is time to engage them again. They will make the choice.
- Tonight, I thank in advance those who will participate in the Conference.
- I also thank those Alaskans who will wait, listen and carefully consider the proposal and give the process a chance.

In conclusion, my program is consistent with my promises:

- To generate new income from oil and gas.
- To control government spending.
- To avoid an income tax.
- To grow strong local economies and provide job opportunities which support strong local governments.
- To give Alaskans the opportunity to implement two of the purposes of our healthy and growing Permanent Fund,
 - One: to meet shared public needs, and
 - Two: to provide fiscal stability.
- Finally a little reflection on the state of our state. Consider what we have:
 - 20% of the nation's known oil reserves
 - 15% of the nation's natural gas
 - 50% of the commercial harvest from the sea
 - spectacular open land with limitless tourism potential
 - pristine environment
 - engaged citizens and
 - 27 billion dollars in the bank
 - Most states can only dream of our wealth.
- The Permanent Fund plays a unique role in defining our past. Wealth from oil was a springboard to growth throughout the state and remains an annual stimulus to our economy.
- But remember, the Fund was and is dedicated to Alaska's future.
- The Permanent Fund program converts our non-renewable resources to the sustainable and renewable resource of annual income for those of us here now and for future generations.
- That wealth is part of our present currency and will be our children's inheritance. But an inheritance without the benefit of a great education, a sound economy, and job opportunities would be a cruel hoax on our children and grandchildren. One third of Alaskans are under the age of 20. We are told that nearly 40% of our young people leave Alaska after graduation. We must turn this around.

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- Our wealth arose from our collective efforts and a portion of its renewable income should accrue to the shared burdens and benefits of citizenship in our Great Land.
- Bold moves are not without controversy.
- I was elected to make decisions that affect people's daily lives.
- I pledge to do what is right for Alaska, and I will -- controversy or not.

Our generation of Alaskans has something to learn from our pioneers, who left a legacy of commitment to future generations.

- Our legacy can be a vibrant economy and jobs for our children -- to allow them to stay here in the state and raise their own families.
- Our legacy can be the highest quality of life in the United States.
- Our legacy will rest on whether we place a higher priority on investment than consumption.
- I welcome all Alaskans to join me along the way.
- Our shared future is bright. Our Northern frontiers are open.
- I look forward to our journey.
- God Bless the United States of America and God Bless Alaska.