

NOME SCHOOL BOARD LEGISLATIVE PRIORITIES
TO BE INCORPORATED INTO THE CITY OF NOME LEGISLATIVE PRIORITIES
Submitted to the Nome Common Council, January 2010

The Nome School Board recognizes that Nome Public Schools benefits from the understanding and support of our Nome Common Council and the community. We also recognized the important role the State Legislature has in supporting our educational program financially in Nome. Funding is a critical part in the overall outcome for each student we serve. In order to serve each student adequately these funding requests and other suggestions herein outline FY10 Legislative Priorities critical to Nome Public Schools.

Summary of Nome Public Schools Facilities Priorities Presented to Nome Common Council:

Facilities Priorities requested by Nome Public Schools

1. Nome Elementary School Hot Water Boiler System Replacement (\$480,000, est.)
2. Nome Elementary School Gym Floor Replacement (\$100,000-\$160,000, est.)
3. NBHS HVAC Direct Digital Control Project Phase II - Completion (\$90,000, est.)
4. Lighting Upgrade to all District Facilities (\$100,000.)

Nome Public School and Alaska Association of School Boards Joint Priorities:

1. *Sustained, Reliable and Adequate Educational Funding for Alaska's Students Through a Non-Volatile Funding Source*
2. *Urging the Legislature to Increase the 20 Percent Block Grant for Special Needs*
3. *Insurance Costs*
4. *Energy Cost Relief*
5. *Urging Revisions to the Step-Down Hold-Harmless Clause for Reductions in ADM*
6. *Urging the State to Mitigate the Impacts of Excess Facility Space in Districts*
7. *Relating to Defined Benefit Retirement*
8. *Relating to Health Care Costs and Medical Insurance*
9. *Supporting Universal Access to Education for Alaska's 3- and 4-Year Old Learners*
10. *School Construction Debt Retirement for Bonded Indebtedness*
11. *Forward Funding for Schools*
12. *Increased Formula Funding*
13. *Addressing the Teacher, Specialist, And Administrative Shortage*
14. *Supporting the Recommendation of the Joint Legislative Education funding Task Force*
15. *Following the Capital Improvement Project Priority List for Non-Bonded Projects*
16. *Fully Fund the Federal No Child Left Behind (NCLB) Mandates*

Anvil City Science Academy Charter School Presents the Following Legislative Priority Request:

1. *ACSA supports fair and adequate funding for charter schools and urges the legislature to amend the statute so small charter schools are funded equitably with other same size schools in the district.*

Rationale of Nome Public School's (4) Facilities Priorities

1. Nome Elementary School Hot Water Boiler System Replacement (\$480,000)

The hot water boiler system at the Elementary School is inadequate and has become undependable presenting safety and code concerns. The 20-year old existing system has become costly to maintain and has been completely shut down on several occasions. Outages of this type consistently threaten an interim period of school closure. This year (FY10) we are expending \$49,000 for the design study that will facilitate going out to bids in early 2010. In addition we also budgeted \$20,000 for breakdown contingencies in order to keep this system in operation until complete the replacement design and bid process for this outdated system is completed. The system has reached the end of the design's service life and continues to malfunction. We have expended thus far \$5,000 of the \$20,000 breakdown contingency for this system.

Rationale: This project presents a standard end-of service life project dynamics. In order to address the replacement costs, NPS will be requesting **\$480,000** that reflects escalation and contingency costs since the USKH Boiler condition was completed in 12-7-07 to cover the entire cost of replacing this system.

2. Nome Elementary School Gym Floor Replacement (\$100,000-\$160,000)

The Nome Elementary gym floor is over twenty-two years old and needs to be replaced. The replacement costs, depending on the type of replacement plan for similar rubberized floor products range from \$100K to \$160K. An analysis by Team Alaskan Industries, a company that specialized in school gym flooring, suggested that an industry standard shock resilience value for a new floor should be around 14%. The current rubberized flooring because of its extreme age has deteriorated to 3% value of shock absorption resilience. Team Alaska indicates that continued use of floor, in the absence of a higher shock resilience values, could have a potentially adverse impact on students in the course of regular play or falls.

Rationale: The NES gym is used almost constantly for school, after-school, and community events by organizations throughout the City of Nome. Replacement of the flooring is an excellent investment for a structurally superior school facility NES is and will be used by almost everyone in Nome. A new floor will increase the shock absorption resilience and provide protection appropriate for the younger students of this K-6 school and the public evening groups at large. The cost will depend on the quality and type of synthetic floor surface covering selected.

3. NBHS HVAC Direct Digital Control (DDC) Project Phase II (\$90,000-\$110,000)

Recent renovations have brought the gym and cafeteria onto a digital control system. The rest of the NBHS complex needs to be updated and connected to this same system, which will save energy and maintenance costs. The estimated cost is \$10,000 for design study, which will determine not only the overall costs but also the cost savings over future years.

Rationale: Energy cost savings over time as well as more enhanced operating efficiency. costs. The estimated cost is \$10,000 for design study, which will determine not only the overall costs but also the cost savings over future years. This priority is an extension of the worked completed at the Nome Elementary School where DDC technology now controls all aspect of the environment and hot water heat.

4. Lighting Upgrade to LED, Interior – Nome Elementary & NBHS gym (\$100,000)

Rationale: Presently the majority of Nome Public Schools facilities are lit with florescent tube technology that is set for retirement by the industry per Federal mandates. Our own studies conducted by local and state contractors show that lighting upgrades now available provide certified energy savings in the 50-60% ranges. A local example is the NJUS project with City street lights. In FY10 a portion of stimulus money has been dedicated to lighting upgrades. Converting all of the NPS facility is planned for a four-year period and is comprised mostly of work the school district can facilitate from our Maintenance department. Year One of planned lighting upgrades will take place in summer 2010 at the Nome Elementary School with a secondary project site identified at Building G on the Beltz campus.

Rationale for Nome Public School and Alaska Association of School Boards Joint Priorities:

1. Sustained, Reliable and Adequate Educational Funding for Alaska’s Students Through a Non-Volatile Funding Source

The sustainability, reliability and adequacy of Alaska’s funding for public education are of highest concern to the Association of Alaska School Boards. AASB urges the Legislature to develop a fiscal plan that provides a long-term approach to funding the costs of public education and other services upon which Alaska’s students and their families depend.

Rationale. The State of Alaska provides a wide range of services to a diverse population spread over a logistically complex area. Providing these services historically cost more than the state has received in recurring revenue. A long-term plan that ensures reliability of funding for education and other state services that impact the delivery of education, regardless of variation in volatile resource markets, is needed to provide a stable business climate and to ensure the citizens of necessary services.

2. Urging the Legislature to Increase the 20 Percent Block Grant for Special Needs.

AASB urges the 26th Alaska Legislature to adjust the 20 percent block grant for special needs and intensive services funding (AS 14.17.420) to recognize that additional funds are needed for the multiple services funded by this category of formula spending. AASB suggests that the grant be increased to 25 percent immediately pending determination by the Education Committee of the true amount necessary to adequately fund these services.

Rationale. The enactment of SB 36 in 1998 changed the foundation program for K-12 education to provide 20 percent block grants to districts for all special education, vocational technology, bilingual and bicultural programs, and gifted and talented programs. In reality, most districts consume their block grants for special education, leaving little if any funding for vocational and other programs. An increase in block grant

funding for vocational technology, gifted and talented, and bilingual/bicultural programs would help revive these services in many districts.

3. Insurance Costs

The Nome Public Schools Board of Education and the Alaska Association of School Boards urges legislation to be enacted that would provide for a statewide plan in which public entities may participate to mitigate increases to insurance costs.

Rationale: The health care costs for the district are increasing at an alarming rate; draining needed resources for the classroom. All indications are that this is a growing cost adding to the administrative overhead of all districts. The costs of health and liability coverage, in particular, have added to the escalation of fixed costs faced by districts.

4. Energy Cost Relief

Nome Public Schools and AASB urges the Alaska State Legislature to take action, through increased or supplemental funding to mitigate the huge increase in energy costs facing all school districts due to higher fuel prices. The relief should be based on actual energy costs and be part of an overall program to address conservation of energy, development of alternative energy programs and deferred maintenance of public facilities and buildings.

Rationale. The State of Alaska has benefited from sustained, high yields of oil revenue, but for consumers of energy, higher prices have depleted funding for other needs. As one of the state's largest consumers of energy, public schools deserve the same consideration as municipalities, which have received financial assistance from the state to help defray increased fuel cost. The cost of fuel has risen significantly over the last three years, placing a hardship on schools and biting deeply into the maximum administrative cost share. This relief should be based on actual energy cost.

Today, the kilowatt-hour charge for electricity can be three to five times higher than the average KWH rate of 12.87 cents in Anchorage, Fairbanks or Juneau. Possible relief measures *should* include returning school facilities to the Power Cost Equalization Program or initiating an Energy Cost Increase Factor in the foundation formula, thereby putting funding back in the classroom.

5. Urging Revisions to the Step-Down Hold-Harmless Clause for Reductions in ADM.

The Nome Board of Education and AASB urges the Alaska Legislature to revise from 5 percent to 2.5 percent the hold-harmless threshold (AS14.17.450) for reductions in average daily membership.

Rationale. Passage of HB 273 by the 25th Alaska Legislature included a provision that if a school district's ADM adjusted for school size decreases by 5 percent or more from one fiscal year to the next, the school district may use the last fiscal year before the decrease as a base fiscal year to offset the decrease. The provision includes a step-down clause holding districts harmless for a portion of the ADM decrease during the next three fiscal years, if the 5 percent enrollment decline continues and none of the decline is attributable to a loss of students caused by a boundary change under AS 29.

Under AS14.17.250, school districts that experience enrollment declines of anywhere between 2 and 5 percent would be impacted severely because they would not qualify for the step-down provision.

6. Urging the State to Mitigate the Impacts of Excess Facility Space in Districts

AASB urges the Alaska Department of Education & Early Development or other appropriate agencies to investigate the financial impacts on school districts when reduced enrollment leaves excess school facility

infrastructure, and to make recommendations to mitigate the burden on per-student funding posed by facilities no longer required for reduced enrollment.

Rationale. School districts report instances of excess facility infrastructure that were built before the advent of state guidelines for construction or because of declining enrollment or both. In some cases, schools have been closed because ADM fell below 10. Excess space must be insured, operated and maintained regardless of whether the funds generated under the foundation formula are sufficient. Even closed schools must be insured and should incur some operation and maintenance expenses to ensure that they will be usable if ADM should later warrant reopening them.

7. Relating to Defined Benefit Retirement

NPS and AASB supports reestablishment of a defined benefit retirement plan, for educational employees at a price affordable to Alaska school districts.

Rationale. Secure retirement benefits are important for recruiting the best personnel to Alaska schools.

8. Relating to Health Care Costs and Medical Insurance

Nome Public Schools and AASB call upon the Legislature and the Congress to address health care costs in Alaska and the U.S.

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

9. Supporting Universal Access to Education for Alaska's 3- and 4-Year Old Learners

NPS and AASB lend their full support to fully implementing and funding a voluntary education program for every 3- and 4-year-old child in Alaska.

Rationale. The foundation of cognition is established early in childhood, and research clearly demonstrates the efficacy of educational programming for 3- and 4-year-olds. Access to these programs is important for every child in Alaska.

10. School Construction Debt Retirement for Bonded Indebtedness

The Nome Public Schools Board of Education and AASB calls upon the Legislature and the administration to fully honor all past commitments for bonded indebtedness reimbursement and to meet future school construction needs by extending beyond November, 2008 and continuing to fully fund the school debt reimbursement program.

Rationale. Article 7, Sec. 1 of the Alaska State Constitution states that the Legislature shall establish and maintain a system of public schools open to all children. Under AS 14.11.100 the State of Alaska agreed to repay school districts at set percentage rates for school construction bonded indebtedness in past

years. Extending that program into the future will help meet school construction needs in areas of the state that are able to bond.

Over the past years of high growth many regions of the State have bonded for school construction with the expectation that the State would honor its obligation. In the past these good faith agreements have sometimes not been fully honored, placing a heavy burden on local taxpayers. This aforementioned tax burden has created a hardship for taxpayers and resulted in a loss of local revenue for classroom education.

11. Forward Funding for Schools

AASB and the Nome Board of Education supports forward funding for schools. This would provide sufficient time for school districts to prepare and submit their budgets in a timely manner without spending unnecessary time and resources revising budgets based on legislative action after the local budget process has begun.

Rationale. When state oil revenues start to decline, the amount spent on education might also decline, but local school districts would have a full fiscal year to prepare for the reduction in revenue. Forward funding will provide fiscal stability for districts so they can make long-term decisions, reduce administrative cost and enable school districts to focus on student instruction rather than constant budget revisions.

While early funding of the education budget – i.e., a signed education funding bill within the first 30 days of the session – would also reduce the administrative burden on school districts, the legislature does not receive its revenue projections in time to accomplish that goal.

12. Increased Formula Funding

The Nome Public Schools Board of Education and the Alaska Association of School Boards call on the state policy makers to immediately fully implement Area Cost Differential and Intensive Needs funding in the foundation formula.

Rationale: The Legislative Task Force recognized the need for additional funding for the inadequacies of current cost differentials acknowledging the higher cost of doing business in a District with remote and rural sites as well as the inadequacy of current funding for intensive needs students. Rather than phase in the changes, immediately implement the full ACD and intensive needs funding to eliminate inequities still present and provide funding for services currently being provided. Appropriating an adequate amount of funding is a legislative responsibility and has been recommended by your Joint Legislative Education Funding Task Force.

School boards know from experience that “full funding” of the education funding formula by state policy-makers does not necessarily equate to “adequate” funding. Our success as a state in meeting the requirements of NCLB will require an investment in people, processes, and accountability measures. AASB is committed to do its part to ensure success, but also note that an increase in formula funding will remain inequitable unless the accuracy of the area cost differential is also addressed.

Our parents and communities are calling for decreased class size, additional support for at-risk students, adequate textbooks and teaching materials, and updated technology, all of which require additional funding. The state needs to provide funds to prevent declines in current educational services and to provide for strengthening into the future.

13. Addressing the Teacher, Specialist, And Administrative Shortage

The Nome Board of Education and the Association of Alaska School Boards does hereby urge the Alaska

State Legislature, Alaska State Board of Education, and Teacher Education Programs in Alaska's universities to address the severe shortage of teachers, specialists, and administrators in the State of Alaska. Suggested strategies may include:

- Incentives (salary bonuses, loan forgiveness, loan assumption, competitive retirement benefits, interest rate reduction, etc.);
- State supported marketing and licensure assistance to recruit teachers;
- Flexibility in certification requirements and reciprocity;
- Improve availability and/or quality of teacher housing;
- Mentoring programs for new teachers;
- Rehire of retired (RIP'd) teachers and administrators;
- Professional support/development.

Rationale. It has been painfully demonstrated that a severe shortage of teachers, specialists, and administrators is being experienced in the school districts in every region of Alaska. Attracting and retaining quality teachers has become a critical issue facing school districts as they work to improve education in Alaska's public schools.

A teacher's job satisfaction is gauged by a number of factors, including a sense of accomplishment, professional support, decent living conditions, and adequate compensation/benefits. The degree to which Alaska meets these needs is a statement of the value we place on our educators.

14. Supporting the Recommendation of the Joint Legislative Education funding Task Force

NPS and AASB endorse the comprehensive package recommended by the Legislative Education Funding Task Force in its report of September 1, 2007, with the understanding that rapidly increasing costs require annual increases to the BSA greater than the "minimum" noted in that report. AASB supports setting the BSA in statute at \$5,580 for FY 09, \$5,780 for FY 10 and \$5,980 for FY 11.

Rationale. The foundation-funding program for K-12 schools is driven by the Base Student Allocation. While the BSA has been increased steadily since 2004, most of the increase has been devoted to offsetting higher retirement costs for the PERS-TRS system. The 1998 law (SB 36) instituting the BSA included a District Cost Factor for schools outside of Anchorage, with the proviso that the legislature revises the cost factors every two years. To date, that revision has not occurred. The same inaction has caused state support for intensive needs students to become woefully inadequate.

The Legislative Education Funding Task Force recommendations form a comprehensive package that should be fully enacted to address many of the current inequities in the funding formula. The Task Force acknowledged that the proposed \$100 annual increases to the BSA were the "minimum" increases, and AASB recognizes that those increases are approximately one-half of what is needed. Critical to the report's recommendations is enactment of SB 125 to shift a large portion of the PERS-TRS payments away from school districts. AASB also supports immediate phased implementation of the ISER District Cost Factors as recommended by the task force. Also critical is the review of the District Cost Factors with the understanding that after this review the cost factors may be larger or smaller than the ISER cost factors. Whatever the correct factors are, those factors should be fully implemented.

15. Following the Capital Improvement Project Priority List for Non-Bonded Projects

NPS and AASB strongly advises the legislature to follow the priority list for non-bonded projects as presented by the Department of Education and Early Development with no adjustments, deletions, or additions that would not otherwise be of an emergency basis.

Rationale. The Capital Improvement Projects list goes through a very comprehensive prioritization process developed and implemented, based on need, by the Department of Education and Early Development.

16. Fully Fund the Federal No Child Left Behind (NCLB) Mandates

The Nome Public Schools Board of Education and AASB urge the legislature to fund all No Child Left Behind mandates.

Rationale. In order to meet the requirements of the No Child Left Behind Act, federal funding must be sustainable, reliable and adequate. NCLB requirements for assessment, targeted student services, teacher and paraprofessional qualifications and services for children in transition require funding support far above current funding levels. Restrictions on transferability of funds for districts in improvement hinder the ability of these districts to effectively address identified needs and therefore need to be relaxed. Less restrictive transferability regulations would allow for increased learning opportunities for struggling learners in high poverty areas and low performing student groups.