

MEMORANDUM

TO: Charles Wohlforth, Executive Director , Citizens for the Educational Advancement of Alaska's Children (CEAAC); The Board and Membership of CEAAC

FROM: Tom Begich, Political Director

DATE: April 30, 2012

RE: 2012 Legislative Session Summary: More than expected, and setting a stage for tomorrow

After reviewing last year's brief report, I am struck by how much stays the same and how much is different... Last Year, as the 2011 Session ended, the Legislature was also hung up on oil taxes and set for a Special Session, but then many of our issues were unresolved and, though we had Capital Budget success, we faced a difficult future. Our lawsuits remained unresolved, schools were yet to be funded and issues such as pre-K and mentoring were under assault. This year we faced a new reality and we had a stream of success that sets us up beautifully for the next Legislature.

Following the successful, negotiated settlements of both *Kasayulie* and *Moore*, (the first prior to and the second just after the Session began), we were able to get the Governor to introduce the next two *Kasayulie* schools, put the *Moore* Settlement funds in the budget, and ensure the beginning of the selection of the *Moore* Committee with the Department of Education and Early Development. This report summarizes those and other developments.

Kasayulie

While the Governor did introduce both the Emmonak and Koliganek K-12 School funding, the funds for these schools initially drew on both the General Fund and the new Regional Educational Attendance Area (REAA) Fund. It was not our intent that these new schools, covered under the *Kasayulie* Consent Decree, be funded from the REAA Fund so we worked closely with Senator Lyman Hoffman and his staff (Jay Lively and Pat Walker) to ensure that the funding source was changed and the REAA Fund held harmless. We will watch for this in next year's budget and work over the interim to try and ensure that the Governor seeks to fund the remaining three schools covered under the Consent Decree from the General Fund.

This matters in particular as we move down the Department's Schools and Major Maintenance lists as it provides more flexibility to fund future items and ensures that we continue to maximize capital resources for Rural Alaska – the essence of the *Kasayulie* litigation.

The bill also included the next thirteen items on the Major Maintenance List , many of which are from our member Districts.(See attached list)

Final Outcome: As of April 30, this bill was waiting transmittal to the Governor. It is expected to be signed into law by the Governor within 30 days of receipt. Our schools should be fine in the budget, as should the Major Maintenance

Of Interest: the Capital Budget also included \$973,000 for the Alaska Pilot Pre-K Project. While we did not advocate for this directly, we see this as a positive outcome of our efforts around Pre-K during the Session (see *Moore* below).

Moore

The Governor put the *Moore* Settlement funding and Attorney's Fees for *Kasayulie* in the Supplemental Appropriations bill which passed earlier in the session and was signed into law. That codification of *Moore* was crucial to our efforts later in the session in protecting Pre-K funds in the Operating Budget and in helping to restore funding for teacher mentors. When the Operating budget reached the House Finance Committee, 25% of already existing Pre-K funding had been eliminated (\$500,000) from the Governor's proposed budget. We were able to exercise section 10 of the *Moore* agreement to remind the Legislature that there could be no diminution of funding in areas supported by the *Moore* Settlement. Representative Tammy Wilson and Representative Bill Thomas understood this and restored the funds to the budget. In the Senate, thanks to the efforts of Senator Dennis Egan and his staff, these funds were forged into the "base" budget and an additional \$2,000,000 was added for Pre-K Pilot funding. Together this restoration of \$500,000 and additional \$2 million represents a direct impact of the *Moore* Settlement.

Final Outcome: *Moore* Settlement funds are now at DEED and the *Moore* Settlement is codified; Pre K Funding was enhanced and protected; Mentoring funding was restored, *Kasayulie* Settlement Attorney's Fees for CEAAC were secured.

Of Interest: Additional funds added to Pre-K and the building of a stronger, more positive relationship with DEED.

Additional Education issues

Toward the end of the Session an "omnibus" Education bill was proposed and passed. This bill, initially the Pupil Transportation legislation, became the home for substantial increases in various funds, including Vocational Education and one-time additions to overall education. The bill also added \$3.76 million for Parents as Teachers (a program supported by some CEAAC members in the past). More importantly, the legislation granted relief for most School Districts which presently have the capacity to bond for school construction. This meant that REAAs and districts in the Unorganized Borough, without taxing or bonding authority, did not receive these additional funds – again reflecting the Legislative tendency to benefit more urban over rural schools. While this does benefit some of our member districts, this also helps set the stage for our future efforts to secure more favorable funding in coming years for School Districts in the Unorganized Borough simply based on the fairness argument.

This issue and other related discussions around both *Kasayulie* and *Moore* have helped provide us a leg-up on the next Session. Depending of the makeup of the Legislature post-Reapportionment, we believe we will be able to advocate for at least the following items next year:

- 1) The expansion of the REAA Construction Fund to cover Single-Site schools with enrollments of 300 or less;
- 2) Continued funding of the *Kasayulie* schools;
- 3) Continued protection of Pre-K and other areas covered in the *Moore* Settlement;
and
- 4) Continued efforts to increase Rural School funding consistent with our initiatives

It should be noted that efforts were initiated in both the Senate and the House to reform both the process of DEED School District intervention and in application of reasonable standards. While these efforts made little headway, they have opened up a dialogue in both areas and we were invited to participate in that dialogue to help craft these potential policies. We anticipate that this type of inclusion – as well as our connections to the media and others when it comes to education issues – will continue in the coming years.

Major Maintenance

Whittier K-12 School Heating System Upgrade (HD 16-32)	815,725
Kaltag K-12 School Mechanical and Electrical Upgrades (HD 6)	853,165
Kake High School Kitchen Renovation (HD 5)	25,121
Metlakatla High School Annex Roof Replacement (HD 5)	41,345
Angoon High School Mechanical Upgrades (HD 5)	47,818
Merrelaine A Kangas K-12 School Renovation, Ruby (HD 6)	5,078,282
Akutan K-12 School Siding Replacement (HD 37)	66,625
Shaktoolik K-12 School Renovation (HD 39)	9,176,358
Kake High School Shower Repairs (HD 5)	43,205
Kake Elementary School Mechanical Ventilation Completion (HD 5)	59,200
Bristol Bay School Voc Ed Wing Renovation (HD 37)	1,538,395
Craig Elementary and Middle School Alternative Wood Heat Installation (HD 5)	161,172
Sand Point K-12 School Pool Major Maintenance (HD 37)	72,774