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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
FIRST JUDICIAL DISTRICT AT KETCHIKAN

KETCHIKAN GATEWAY BOROUGH, an Alaska municipal corporation and political subdivision; AGNES MORAN, an individual, on her own behalf and on behalf of her minor son; JOHN COSS, a minor; JOHN HARRINGTON, an individual; and DAVID SPOKELY, an individual;

Plaintiffs,
v.

STATE OF ALASKA; MICHAEL HANLEY, COMMISSIONER OF ALASKA DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, in his official capacity;

Defendants.

CASE No. 1KE-14-00016CI

FILED in the Trial Courts
State of Alaska First District
at Ketchikan
FEB 09 2015
Clerk of the Trial Courts
By _____ Deputy

AFFIDAVIT OF ROBERT BOYLE KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

SUPERINTENDENT

STATE OF ALASKA)
FIRST JUDICIAL DISTRICT) ss.

Robert Boyle, being first duly sworn, states as follows:

- 1. I have been the superintendent of the Ketchikan Gateway Borough School District (District) since July 1, 2007.

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2. During my time as superintendent I have been responsible for preparation and submission of the annual District budget. Under AS 14.14.060 and KGB Code 2.35.050 the State and the Ketchikan Gateway Borough (Borough) require the District to submit their budget to the local municipality by May 1 each year.

3. The school budget process is ongoing. We begin in the fall of the year prior to the start of the fiscal year, when the Department of Education and Early Development (DEED) provides an estimate of the Basic Need amount calculated based upon estimated student counts and the Base Student Allocation under AS 14.17.470. The School District takes those DEED estimates of our State Aid entitlement, from February through April prepares a proposed budget for approval by the School Board and for submission to the Borough for approval as to total amount.

4. The maximum funding we identify in our budget planning is the Basic Need plus 23% of the Basic Need amount which may be received as voluntary contributions. The minimum we identify is the Basic Need amount. The Basic Need amount is a set entitlement amount based upon the

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adjusted Average Daily Membership (ADM) of students multiplied by the Base Student Allocation (BSA) in AS 14.17.470. Normally we do not plan on receiving voluntary local contributions to the 23% cap, but we expect substantial voluntary local contributions. The school budget approval process generally centers on how much of the 23% potential voluntary contributions will be funded by the Borough in a given year.

5. The school budget is always variable and uncertain until the legislature adjourns and we know how much money the State is providing in State Aid under AS 14.17.400, supplemental State funds through the Quality School Funding under AS 14.17.480; Pupil Transportation funding under AS 14.09.010, other grant programs such as the direct grants made by CH 18 SLA 2014 and CH15 SLA 2014 which provided special grant funding over 3 years to school districts, and whether the legislature has amended the BSA in AS 14.17.470. For example, the Governor's recent proposal to eliminate the special grant funding in CH 18 SLA 2014 and CH15 SLA 2014 is projected to cost the District \$611,000 in FY 2016 if the legislature makes the cuts recommended by the

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Governor. However, we will not know the outcome of that proposed cut until after the legislature adjourns April 19, 2015.

6. Even after the legislature adjourns, there is some uncertainty until Borough voluntary contributions are established in May of each year. Some uncertainty continues to exist even after the fiscal year begins because the final Basic Need calculation which determines the district entitlement to State Aid is dependent on the final student count which occurs in October.

7. Even after that student count is completed and submitted to DEED, there may be adjustments dependent upon whether DEED accepts or rejects the student count numbers reported. We are never certain where we will end up until the student count process is complete in mid-March, about $\frac{3}{4}$ of the way through a given fiscal year. The amounts are always a moving target. For example, the FY 2015 budget, (July 1, 2014- June 30, 2015) is still unsettled.

8. In FY 2014 (July 2013-June 2014) significant changes in funding occurred in February 2014, late in the fiscal year, because DEED rejected several (2) intensive needs

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student count assertions by the District.

9. In the current fiscal year (July 2014-June 2015) there is still uncertainty as to the Basic Need amount due to disputed treatment of 142 students by DEED, a matter which currently is under appeal to DEED.

10. Each year when I construct the budget I focus on the BSA and the student count for the ADM which make up the Basic Need calculation. The amount of the Required Local Contribution (RLC) is not significant to budget planning because it is not a factor in calculating the District's Basic Need. Rather, the significant issues are the Basic Need amount as determined by the formula, the Base Student Allocation in AS 14.17.470, and the ADM (student count). The only local contribution amounts which are a variable impacting budget planning and preparation, are the amount of the voluntary local contribution, and the amount of contracted services, which are included as part of the voluntary contribution as "in-kind" contributions.

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FURTHER AFFIANT SAYETH NOT

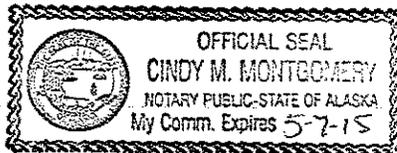
EXECUTED at Ketchikan, Alaska, this 5th day of February, 2015.

KETCHIKAN GATEWAY BOROUGH
SCHOOL DISTRICT SUPERINTENDENT

By: Robert Boyle
Robert Boyle
KGBS Superintendent

SUBSCRIBED AND SWORN to before me this 5th day of February,
2015.

(Seal)



Cindy M. Montgomery
Notary Public for Alaska

My commission expires: 5-7-15

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I hereby certify that the annexed instrument
is a true and correct copy of the original on
file in my office.

ATTEST: [Signature]

CLERK-TRIAL COURTS
State of Alaska
KETCHIKAN