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CS FOR HOUSE BILL NO. 406(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE EDUCATION COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to the calculation of state aid for schools that consolidate; relating to the determination of the number of schools in a district; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 14.17.410(b) is amended to read:

(b) Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:

(1) state aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum obtained under (D) of this paragraph, multiplied by the base student allocation set out in AS 14.17.470; district adjusted ADM is calculated as follows:

(A) the ADM of each school in the district is calculated by applying the school size factor to the student count as set out in AS 14.17.450;

(B) the number obtained under (A) of this paragraph is

multiplied by the district cost factor described in AS 14.17.460;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added; the sum is then multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the secondary school vocational and technical instruction funding factor set out in AS 14.17.420(a)(3);

(D) the number obtained for intensive services under AS 14.17.420(a)(2) and the number obtained for correspondence study under AS 14.17.430 are added to the number obtained under (C) of this paragraph **or under (H) and (I) of this paragraph**;

(E) notwithstanding (A) - (C) of this paragraph, if a school district's ADM adjusted for school size under (A) of this paragraph decreases by five percent or more from one fiscal year to the next fiscal year, the school district may use the last fiscal year before the decrease as a base fiscal year to offset the decrease, according to the following method:

(i) for the first fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 75 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the first fiscal year after the base fiscal year;

(ii) for the second fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 50 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the second fiscal year after the base fiscal year;

(iii) for the third fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 25 percent of the

difference in the district's ADM adjusted for school size between the base fiscal year and the third fiscal year after the base fiscal year;

(F) the method established in (E) of this paragraph is available to a school district for the three fiscal years following the base fiscal year determined under (E) of this paragraph only if the district's ADM adjusted for school size determined under (A) of this paragraph for each fiscal year is less than the district's ADM adjusted for school size in the base fiscal year;

(G) the method established in (E) of this paragraph does not apply to a decrease in the district's ADM adjusted for school size resulting from a loss of enrollment that occurs as a result of a boundary change under AS 29;

(H) notwithstanding (A) - (C) of this paragraph, if one or more schools close and consolidate with one or more other schools in the same community and district and, as a result of the consolidation, basic need generated by the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph decreases, the district may use the last fiscal year before the consolidation as the base fiscal year to offset that decrease for the first four fiscal years following consolidation according to the following method:

(i) for the first two fiscal years after the base fiscal year, the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph is calculated by dividing the sum of the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph for the base fiscal year by the sum of the district's ADM of the consolidated schools for the base fiscal year without adjustment, and subtracting the quotient obtained by dividing the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph by the sum of the district's ADM of the consolidated schools for the current fiscal year without adjustment, multiplying that number by the sum of the district's ADM of the consolidated schools for the

current fiscal year without adjustment, and adding that number to the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph;

(ii) for the third fiscal year after the base fiscal year, the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph is calculated by dividing the sum of the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph for the base fiscal year by the sum of the district's ADM of the consolidated schools for the base fiscal year without adjustment, and subtracting the quotient obtained by dividing the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph by the sum of the district's ADM of the consolidated schools for the current fiscal year, multiplying that number by the sum of the district's ADM of the consolidated schools for the current fiscal year without adjustment, multiplying that number by 66 percent, and adding that number to the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph;

(iii) for the fourth fiscal year after the base fiscal year, the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph is calculated by dividing the sum of the district's ADM of the consolidated schools as adjusted under (A) - (C) of this paragraph for the base fiscal year by the sum of the district's ADM of the consolidated schools for the base fiscal year without adjustment, and subtracting the quotient obtained by dividing the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph by the sum of the district's ADM of the consolidated schools for the current fiscal year, multiplying that number by the sum of the district's ADM of the consolidated schools for the

current fiscal year without adjustment, multiplying that number by 33 percent, and adding that number to the sum of the district's ADM of the consolidated schools for the current fiscal year as adjusted under (A) - (C) of this paragraph;

(iv) to calculate the district's basic need for each fiscal year, the number obtained through the calculation in (i), (ii), or (iii) of this subparagraph is added to the number obtained under (C) of this paragraph for the remainder of the district;

(I) if the basic need calculated under (H)(i) - (iii) of this paragraph for one of the first four fiscal years after consolidation is less than the basic need calculated under (A) - (C) of this paragraph for that fiscal year, the basic need may not be adjusted under (H) of this paragraph for that fiscal year;

(J) a district may not offset a decrease under both (E) and (H) of this paragraph in the same fiscal year;

(K) a district may not offset a decrease under (H) of this paragraph if a new facility is constructed in the district for the consolidation;

(L) a district may not reopen and reconsolidate a school that was consolidated in the district more than once every seven years for purposes of the calculations made under (H) of this paragraph;

(M) a district offsetting a decrease under (H) of this paragraph shall provide the department with the list of schools participating in the consolidation and the corresponding ADM;

(2) the required local contribution of a city or borough school district is the equivalent of a 2.65 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 Commerce, 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.

*** Sec. 2.** AS 14.17.905 is amended by adding a new subsection to read:

(c) Notwithstanding (a)(2) and (a)(3) of this section, in a community with an ADM of greater than 425 that has only one facility administered as a school for students in grades kindergarten through 12, the number of schools for the community shall be counted under (a)(2) of this section.

*** Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 14.17.410(b), as amended by sec. 1 of this Act, applies to schools that consolidate on or after the effective date of this Act.

*** Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).