

HOUSE BILL NO. 452

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/26/96

Referred: Health, Education and Social Services, State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state foundation aid and supplementary state aid for
2 education; and providing for an effective date."

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

4 * **Section 1.** AS 14.17.021 is repealed and reenacted to read:

5 Sec. 14.17.021. STATE FOUNDATION AID. (a) The amount of state
6 foundation aid for which a city or borough school district may qualify in a fiscal year
7 is calculated by subtracting from the basic need defined in (c) of this section the
8 required local contributions under AS 14.17.025(a) and 90 percent of eligible federal
9 impact aid for that fiscal year.

10 (b) The amount of state foundation aid for which a regional educational
11 attendance area may qualify in a fiscal year is calculated by subtracting from the basic
12 need defined in (c) of this section 95 percent of eligible federal impact aid for that
13 fiscal year.

14 (c) The basic need of a school district is determined by multiplying the area

1 cost differential of the district under AS 14.17.051 by the number of instructional units
2 in the district under AS 14.17.031 and then multiplying that product by the
3 instructional unit value in AS 14.17.056.

4 (d) The department may make adjustments to a district's state foundation aid
5 for a fiscal year to correct underpayments made in previous fiscal years.

6 * **Sec. 2.** AS 14.17 is amended by adding a new section to read:

7 Sec. 14.17.026. SUPPLEMENTARY STATE AID FOR REGIONAL
8 EDUCATIONAL ATTENDANCE AREAS. (a) In addition to the state foundation
9 aid for which a regional educational attendance area may qualify under AS
10 14.17.021(b), a regional educational attendance area may qualify for supplementary
11 state aid. The amount of supplementary state aid for which a regional educational
12 attendance area may qualify in a fiscal year is calculated by multiplying the area cost
13 differential of the regional educational attendance area under AS 14.17.051 by the
14 number of instructional units in the regional educational attendance area determined
15 under AS 14.17.031 and then multiplying that product by a unit allotment of \$500.

16 (b) The department may, by regulation, increase the unit allotment specified
17 in (a) of this section if necessary to keep revenue disparities among school districts in
18 the state in compliance with federal equalization requirements.

19 * **Sec. 3.** AS 14.17.031(a) is amended to read:

20 (a) The department shall adopt regulations defining funding communities
21 within each district that reflect geographic and attendance area factors. For the
22 purpose of determining instructional units, students are counted in the district and the
23 funding community from which they receive educational services. The total number
24 of instructional units in a school district is the sum of the following units for each
25 funding community within the district, as determined by the department:

26 (1) the number of units for elementary and secondary students
27 determined under AS 14.17.041 [AS 14.17.041(a) OR (b)];

28 (2) the number of units for vocational education determined under
29 AS 14.17.043;

30 (3) the number of units for special education determined under
31 AS 14.17.045; and

1 (4) the number of units for bilingual education determined under
2 AS 14.17.047.

3 * **Sec. 4.** AS 14.17.041 is amended by adding a new subsection to read:

4 (e) For districts that consist of one funding community with an ADM of 900
5 or less, the elementary and secondary instructional units determined under (a) or (b)
6 of this section are increased by multiplying those units by the percentage set out in the
7 following table:

8	ADM	Percentage
9	1 - 250	12
10	251 - 525	8
11	526 - 900	6

12 * **Sec. 5.** This Act takes effect July 1, 1996.