

**CS FOR HOUSE BILL NO. 452(HES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 3/18/96

Referred: State Affairs, Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**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4 \* **Section 1.** AS 14.17.021 is repealed and reenacted to read: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 required  
8 local contributions under AS 14.17.025(a) and 90 percent of eligible federal impact aid  
9 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 fiscal  
13 year.

14           (c) The basic need of a school district is determined by multiplying the area  
15 cost differential of the district under AS 14.17.051 by the number of instructional units

1 in the district under AS 14.17.031 and then multiplying that product by the instructional  
2 unit value in AS 14.17.056.

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

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

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

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

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

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

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

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

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

31 (4) the number of units for bilingual education determined under  
32 AS 14.17.047.

**1** \* **Sec. 4.** This Act takes effect July 1, 1996.