

CS FOR SENATE BILL NO. 70(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/15/96

Referred: Rules

Sponsor(s): SENATOR PHILLIPS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to transportation of public school students; relating to school
2 construction grants; relating to the public school foundation program and to
3 local aid for education; and providing for an effective date."

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

5 * **Section 1.** AS 14.09.010(b) is amended to read:

6 (b) Each school district mentioned in (a)(1) of this section is entitled to receive
7 reimbursement from the state for the operation of the transportation system on a unit
8 cost basis determined by the department. **In determining a school district's amount**
9 **of eligible transportation reimbursement under this subsection, the department**
10 **shall provide the same level of reimbursement for transportation provided on a**
11 **motor vehicle owned by the school district as for transportation provided on a**
12 **motor vehicle operated under a contract with the school district.**

13 * **Sec. 2.** AS 14.11.013(a) is amended to read:

14 (a) With regard to projects for which grants are requested under AS 14.11.011,

1 the department shall

2 (1) annually review the six-year plans submitted by each district under
3 AS 14.11.011(b) and recommend to the board a revised and updated six-year capital
4 improvement project grant schedule that serves the best interests of the state and each
5 district; in recommending projects for this schedule, the department shall verify that
6 each proposed project meets the criteria established under AS 14.11.014(b) and
7 qualifies as a project required to

8 (A) avert imminent danger or correct life-threatening situations;

9 (B) house students who would otherwise be unhoused; **for**
10 **purposes of this subparagraph, students are considered unhoused if the**
11 **students attend school in temporary relocatable facilities;**

12 (C) protect the structure of existing school facilities;

13 (D) correct building code deficiencies that require major repair
14 or rehabilitation in order for the facility to continue to be used for the
15 educational program;

16 (E) achieve an operating cost savings;

17 (F) modify or rehabilitate facilities for the purpose of improving
18 the instructional program;

19 (G) meet an educational need not specified in (A) - (F) of this
20 paragraph, identified by the department;

21 (2) prepare an estimate of the amount of money needed to finance each
22 project;

23 (3) provide to the governor, by November 1, and to the legislature
24 within the first 10 days of each regular legislative session, a revised and updated six-
25 year capital improvement project grant schedule, together with a proposed schedule of
26 appropriations.

27 * **Sec. 3.** AS 14.17.010(a) is amended to read:

28 (a) The public school foundation account is established. The account consists
29 of **municipal contributions made under AS 14.17.025(i) and** appropriations for
30 distribution to school districts, the state boarding school, and for centralized
31 correspondence study programs under this chapter.

1 * **Sec. 4.** AS 14.17.021(a) is amended to read:

2 (a) The amount of state foundation aid for which a school district may qualify
3 in a fiscal year is calculated by subtracting from the basic need defined in (b) of this
4 section the required local contributions under AS 14.17.025(a) and **100** [90] percent
5 of eligible federal impact aid for that fiscal year. **In a rural educational attendance**
6 **area, the reduction of eligible federal impact aid is in lieu of a contribution of**
7 **funds from local taxes.** The department may make adjustments to a district's state
8 foundation aid for a fiscal year to correct underpayments made in previous fiscal years.

9 * **Sec. 5.** AS 14.17.025(a) is amended to read:

10 (a) Local contributions to a city or borough school district

11 (1) shall **be** [INCLUDE AT LEAST THE LESSER OF

12 (1)] the equivalent of a **4.5** [FOUR] mill tax levy on the full and true
13 value of the taxable real and personal property in the district as of January 1 of the
14 second preceding fiscal year, as determined by the Department of Community and
15 Regional Affairs under AS 14.17.140 and AS 29.45.110; or

16 (2) **if the amount determined under (1) of this subsection is greater**
17 **than the district's basic need for the current fiscal year as determined under**
18 **AS 14.17.021(b), shall be** [35 PERCENT OF] the district's basic need for the **current**
19 [PRECEDING] fiscal year, as determined under AS 14.17.021(b).

20 * **Sec. 6.** AS 14.17.025 is amended by adding new subsections to read:

21 (i) A city or borough school district that is required to make a local
22 contribution under (a)(2) of this section shall also pay into the public school foundation
23 account an amount determined by subtracting the amount under (a)(2) of this section
24 from the amount under (a)(1) of this section in that district.

25 (j) In addition to the amount contributed under (a) of this section, a city or
26 borough school district shall make a local contribution that is equal to the amount
27 determined under AS 14.17.065(a)(1)(B).

28 * **Sec. 7.** AS 14.17.031(a) is amended to read:

29 (a) The department shall adopt regulations defining funding communities
30 within each district that reflect geographic and attendance area factors, **and that**
31 **include at least 10 students in average daily membership.** For the purpose of

1 determining instructional units, students are counted in the district and the funding
2 community from which they receive educational services. The total number of
3 instructional units in a school district is the sum of the following units for each
4 funding community within the district, as determined by the department:

5 (1) the number of units for elementary and secondary students
6 determined under AS 14.17.041(a) or (b);

7 (2) the number of units for vocational education determined under
8 AS 14.17.043;

9 (3) the number of units for special education determined under
10 AS 14.17.045; [AND]

11 (4) the number of units for bilingual education determined under
12 AS 14.17.047; and

13 (5) the number of units for gifted and talented education
14 determined under AS 14.17.048.

15 * **Sec. 8.** AS 14.17.031(b) is amended to read:

16 (b) If the total elementary and secondary instructional units that a school
17 district is eligible to receive under (a) of this section decrease by **five** [10] percent or
18 more from one fiscal year to the next, the school district may use the last fiscal year
19 before the reduction as a base fiscal year and offset its reduction according to the
20 following schedule: (1) for the first fiscal year after the base fiscal year, the school
21 district is eligible to receive the total elementary and secondary instructional units
22 determined under (a)(1) of this section plus 75 percent of the difference in total
23 elementary and secondary instructional units between the base fiscal year and the first
24 fiscal year after the base fiscal year; (2) for the second fiscal year after the base fiscal
25 year, the school district is eligible to receive the total elementary and secondary
26 instructional units determined under (a)(1) of this section plus 50 percent of the
27 difference in total elementary and secondary instructional units between the base fiscal
28 year and the second fiscal year after the base fiscal year; (3) for the third fiscal year
29 after the base fiscal year, the school district is eligible to receive the total elementary
30 and secondary instructional units determined under (a)(1) of this section plus 25
31 percent of the difference in total elementary and secondary instructional units between

1 the base fiscal year and the third fiscal year after the base fiscal year. The schedule
2 established in this subsection is available to a school district for the three fiscal years
3 following the base fiscal year only if the total elementary and secondary instructional
4 units received by the school district under (a)(1) of this section for each fiscal year are
5 less than the total elementary and secondary instructional units received by the school
6 district in the base fiscal year. This subsection does not apply to a decrease in total
7 elementary and secondary instructional units resulting from a loss of enrollment that
8 occurs as a result of a boundary change under AS 29.

9 * **Sec. 9.** AS 14.17.041(a) is amended to read:

10 (a) For funding communities that have an average daily membership of less
11 than 200 in grades K-6 or less than 200 in grades 7-12, combined elementary and
12 secondary instructional units are determined under the following table:

13 ADM	No. Instructional Units
14 [1 - 10	2]
15 <u>10</u> [11] - 20	2 + ((ADM-10)/5)
16 21 - 60	4 + ((ADM-20)/8)
17 61 - 120	9 + ((ADM-60)/12)
18 121 - 525	14 + ((ADM-120)/15).

19 * **Sec. 10.** AS 14.17.041 is amended by adding a new subsection to read:

20 (e) A district with an ADM of 900 or less that consists of one funding
21 community shall increase the elementary and secondary instructional units received
22 under (a) or (b) of this section by multiplying the instructional units by a factor
23 determined under the following table:

24 District ADM	Factor
25 1 - 250	1.12
26 251 - 525	1.08
27 526 - 900	1.06.

28 * **Sec. 11.** AS 14.17.045(a) is amended to read:

29 (a) An exceptional child, **other than a gifted child**, as **both are** defined in
30 AS 14.30.350, who is enrolled in a special education program, approved by the
31 department, on the last day of the counting period for which a determination is being

1 made, generates [0.025 INSTRUCTIONAL UNITS IF THE CHILD RECEIVES
2 GIFTED SERVICES,] 0.056 instructional units if the child receives resource services,
3 0.1 instructional units if the child receives self-contained services, or 0.333
4 instructional units if the child receives intensive or hospital/homebound services, as
5 those categories of service are defined by the department by regulation, in the funding
6 community in which the child is served. A child may be counted in one special
7 education category only.

8 * **Sec. 12.** AS 14.17.045(b) is amended to read:

9 (b) Notwithstanding (a) of this section, in a district that offers a special
10 education program **for exceptional children other than gifted children, as both are**
11 **defined in AS 14.30.350,** each funding community receives a minimum of 0.25
12 instructional units for special education for each funding community in which **such** a
13 child is served or the district receives a minimum of 1.00 instructional units for special
14 education, whichever is greater.

15 * **Sec. 13.** AS 14.17.047 is amended to read:

16 Sec. 14.17.047. BILINGUAL EDUCATION INSTRUCTIONAL UNITS. A
17 student for whom an appropriate bilingual program must be provided under regulations
18 adopted by the department, and who is enrolled in a bilingual program, approved by
19 the department, as of the last day of the counting period for which a determination is
20 being made, generates, in the funding community in which the student is served, **0.021**
21 **instructional units** [THE NUMBER OF BILINGUAL EDUCATION
22 INSTRUCTIONAL UNITS THAT IS THE PRODUCT OBTAINED BY
23 MULTIPLYING 0.042 BY THE STUDENT'S LANGUAGE DOMINANCE
24 CATEGORY WEIGHT UNDER DEPARTMENT REGULATIONS]. A funding
25 community in which a bilingual program approved by the department is operated
26 receives a minimum of 0.10 instructional units for bilingual education, or a district in
27 which a bilingual program is operated receives a minimum of 1.00 instructional units,
28 whichever is greater.

29 * **Sec. 14.** AS 14.17 is amended by adding a new section to read:

30 Sec. 14.17.048. GIFTED AND TALENTED INSTRUCTIONAL UNITS.
31 Gifted and talented instructional units for a funding community in a district are

1 calculated by

2 (1) multiplying by .045 the elementary and secondary student
3 enrollment in the funding community on the last day of the student counting period
4 under AS 14.17.160; and

5 (2) multiplying the product obtained under (1) of this section by a
6 supplemental revenue weighting factor specified in regulations adopted by the
7 department.

8 * **Sec. 15.** AS 14.17 is amended by adding a new section to read:

9 Sec. 14.17.065. SUPPLEMENTAL EQUALIZATION AID. (a) In addition
10 to state foundation aid for which a district may qualify under AS 14.17.021, a school
11 district is eligible to receive supplemental equalization funds as follows:

12 (1) in a city or borough school district, supplemental equalization aid
13 is equal to a

14 (A) state share under the following formula:

15
$$\text{funding} = \frac{V_s}{(V_s + V_i)} \times V_s \times 2.5 \text{ mills} \times \text{District ADM};$$

16 (B) local share under the following formula:

17
$$\text{funding} = V_s \times 2.5 \text{ mills} \times \text{District ADM} - \text{the amount}$$

18 determined under (A) of this paragraph;

19 (2) in a regional educational attendance area, supplemental equalization
20 aid is equal to the amount determined under the formula provided under (1)(A) of this
21 subsection in that regional educational attendance area.

22 (b) In this section,

23 (1) "Vi" means the amount determined by dividing the full and true
24 value of the taxable real and personal property in the district as calculated under
25 AS 14.17.140 and AS 29.45.110 by the District ADM for the same fiscal year for
26 which the valuation of real and personal property was made;

27 (2) "Vs" means the amount determined by dividing the sum of the
28 property valuations of all districts in the state by the total ADM of all districts in the
29 state.

30 * **Sec. 16.** AS 14.17.080 is amended to read:

31 Sec. 14.17.080. STUDENT COUNT ESTIMATES. Each district shall prepare

1 and submit to the department, by **November 20** [OCTOBER 15] of each fiscal year,
2 in the manner and on forms prescribed by the department, an estimate of its average
3 daily membership and other student count data for the succeeding fiscal year, upon
4 which computations can be made of the amount of estimated state foundation aid for
5 which the district will be eligible under AS 14.17.021 in that fiscal year. In making
6 this estimate **for the succeeding fiscal year**, the district shall consider its average daily
7 membership **in the current fiscal year**, other student count data, the pattern of growth
8 or decline in preceding years, and other pertinent information available to the district.
9 The preliminary reports required by this section are the basis for estimating the need
10 for state foundation aid for the next fiscal year.

11 * **Sec. 17.** AS 14.17.160(b) is amended to read:

12 (b) Upon written request and for good cause shown, the commissioner may
13 permit a district to use a 20-school-day counting period **from the same school year**
14 other than the periods set out in (a) of this section. However, the counting period must
15 be 20 consecutive school days.

16 * **Sec. 18.** TRANSITION: REGULATIONS. The Department of Education may
17 immediately proceed to adopt regulations necessary to implement this Act. The regulations
18 take effect under the Administrative Procedure Act, but not before July 1, 1996.

19 * **Sec. 19.** Section 18 of this Act takes effect immediately under AS 01.10.070(c).

20 * **Sec. 20.** Except as provided in sec. 19 of this Act, this Act takes effect July 1, 1996.