

**HOUSE CS FOR CS FOR SENATE BILL NO. 244(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/3/96

Referred: Rules

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

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to transportation of public school students; relating to school  
2 construction grants; relating to state foundation aid and supplementary state aid  
3 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 an appropriate amount of**  
9 **eligible transportation reimbursement to a school district under this subsection,**  
10 **the department shall review the level of reimbursement for transportation**  
11 **provided on a motor vehicle owned by the school district and for transportation**  
12 **provided on a 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 facilities and the district has a**  
12 **population greater than 10,000;**

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

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

17 (E) achieve an operating cost savings;

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

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

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

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

28 \* **Sec. 3.** AS 14.17.021 is repealed and reenacted to read:

29 Sec. 14.17.021. STATE FOUNDATION AID. (a) Beginning July 1, 1995,  
30 the amount of state foundation aid for which a city or borough school district may  
31 qualify in a fiscal year is calculated by subtracting from the basic need defined in (c)

1 of this section the required local contributions under AS 14.17.025(a) and 90 percent  
2 of eligible federal impact aid for that fiscal year.

3 (b) Beginning July 1, 1995, the amount of state foundation aid for which a  
4 regional educational attendance area may qualify in a fiscal year is calculated by  
5 subtracting from the basic need defined in (c) of this section 96 percent of eligible  
6 federal impact aid for that fiscal year.

7 (c) The basic need of a school district is determined by multiplying the area  
8 cost differential of the district under AS 14.17.051 by the number of instructional units  
9 in the district under AS 14.17.031 and then multiplying that product by the  
10 instructional unit value in AS 14.17.056.

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

13 \* **Sec. 4.** AS 14.17 is amended by adding a new section to read:

14 Sec. 14.17.026. SUPPLEMENTARY STATE AID FOR REGIONAL  
15 EDUCATIONAL ATTENDANCE AREAS. Beginning July 1, 1995, in addition to the  
16 state foundation aid for which a regional educational attendance area may qualify  
17 under AS 14.17.021(b), a regional educational attendance area may qualify for  
18 supplementary state aid. The amount of supplementary state aid for which a regional  
19 educational attendance area may qualify in a fiscal year is calculated by multiplying  
20 the area cost differential of the regional educational attendance area under  
21 AS 14.17.051 by the number of instructional units in the regional educational  
22 attendance area determined under AS 14.17.031 and then multiplying that product by  
23 a unit allotment of \$500.

24 \* **Sec. 5.** TRANSITION. Notwithstanding the provisions of this Act, if, for fiscal year  
25 1996, a city or borough school district or a regional educational attendance area would receive  
26 less foundation aid under this Act than the city or borough school district or regional  
27 educational attendance area would have received under AS 14.17 without enactment of this  
28 Act, the school district or attendance area is eligible to receive foundation aid for fiscal year  
29 1996 equal to the amount that would have been received under AS 14.17 without the  
30 enactment of this Act.

31 \* **Sec. 6.** Notwithstanding any other provision of law AS 14.17 shall not be applied for

- 1 funding public education after June 30, 1997.
- 2 \* **Sec. 7.** Sections 3 - 5 of this Act are retroactive to July 1, 1995.
- 3 \* **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).