

SENATE BILL NO. 36

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATORS PHILLIPS, Taylor, Halford, Wilken

Introduced: 1/13/97

Referred: HESS, Finance

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 local
3 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 an appropriate amount of
9 eligible transportation reimbursement to a school district under this subsection, the
10 department shall **provide** [REVIEW] the **same** level of reimbursement for
11 transportation provided on a motor vehicle owned by the school district **as** [AND] for
12 transportation provided on a motor vehicle operated under a contract with the school
13 district.

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

1 (a) With regard to projects for which grants are requested under AS 14.11.011,
2 the department shall

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

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

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

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 14.17.010(a) is amended to read:

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

1 correspondence study programs under this chapter.

2 * **Sec. 4.** AS 14.17.025(a) is amended to read:

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

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

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

9 (2) if the amount determined under (1) of this subsection is greater
10 than the district's basic need for the current fiscal year as determined under
11 AS 14.17.021(c), shall be [35 PERCENT OF] the district's basic need for the current
12 [PRECEDING] fiscal year, as determined under AS 14.17.021(c) [AS 14.17.021(b)].

13 * **Sec. 5.** AS 14.17.025 is amended by adding new subsections to read:

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

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

21 * **Sec. 6.** AS 14.17.031 is amended to read:

22 **Sec. 14.17.031. Allowable instructional units.** (a) The department shall
23 adopt regulations defining funding communities within each district that reflect
24 geographic and attendance area factors and that include at least 10 students in
25 average daily membership. For the purpose of determining instructional units,
26 students are counted in the district and the funding community from which they
27 receive educational services. The total number of instructional units in a school
28 district is the sum of the following units for each funding community within the
29 district, as determined by the department:

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

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

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

5 (4) the number of units for bilingual education determined under
6 AS 14.17.047; **and**

7 **(5) the number of units for gifted and talented education**
8 **determined under AS 14.17.048.**

9 (b) If the total elementary and secondary instructional units that a school
10 district is eligible to receive under (a) of this section decrease by **five** [10] percent or
11 more from one fiscal year to the next, the school district may use the last fiscal year
12 before the reduction as a base fiscal year and offset its reduction according to the
13 following schedule: (1) for the first fiscal year after the base fiscal year, the school
14 district is eligible to receive the total elementary and secondary instructional units
15 determined under (a)(1) of this section plus 75 percent of the difference in total
16 elementary and secondary instructional units between the base fiscal year and the first
17 fiscal year after the base fiscal year; (2) for the second fiscal year after the base fiscal
18 year, the school district is eligible to receive the total elementary and secondary
19 instructional units determined under (a)(1) of this section plus 50 percent of the
20 difference in total elementary and secondary instructional units between the base fiscal
21 year and the second fiscal year after the base fiscal year; (3) for the third fiscal year
22 after the base fiscal year, the school district is eligible to receive the total elementary
23 and secondary instructional units determined under (a)(1) of this section plus 25
24 percent of the difference in total elementary and secondary instructional units between
25 the base fiscal year and the third fiscal year after the base fiscal year. The schedule
26 established in this subsection is available to a school district for the three fiscal years
27 following the base fiscal year only if the total elementary and secondary instructional
28 units received by the school district under (a)(1) of this section for each fiscal year are
29 less than the total elementary and secondary instructional units received by the school
30 district in the base fiscal year. This subsection does not apply to a decrease in total
31 elementary and secondary instructional units resulting from a loss of enrollment that

1 occurs as a result of a boundary change under AS 29.

2 * **Sec. 7.** AS 14.17.041(a) is amended to read:

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

6	ADM	No. Instructional Units
7	[1 - 10	2]
8	<u>10</u> [11] - 20	2 + ((ADM-10)/5)
9	21 - 60	4 + ((ADM-20)/8)
10	61 - 120	9 + ((ADM-60)/12)
11	121 - 525	14 + ((ADM-120)/15).

12 * **Sec. 8.** AS 14.17.041 is amended by adding a new subsection to read:

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

17	District ADM	Factor
18	1 - 250	1.12
19	251 - 525	1.08
20	526 - 900	1.06.

21 * **Sec. 9.** AS 14.17.045(a) is amended to read:

22 (a) An exceptional child, **other than a gifted child**, as **both are** defined in
23 AS 14.30.350, who is enrolled in a special education program, approved by the
24 department, on the last day of the counting period for which a determination is being
25 made, generates [0.025 INSTRUCTIONAL UNITS IF THE CHILD RECEIVES
26 GIFTED SERVICES,] 0.056 instructional units if the child receives resource services,
27 0.1 instructional units if the child receives self-contained services, or 0.333
28 instructional units if the child receives intensive or hospital/homebound services, as
29 those categories of service are defined by the department by regulation, in the funding
30 community in which the child is served. A child may be counted in one special
31 education category only.

1 * **Sec. 10.** AS 14.17.045(b) is amended to read:

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

8 * **Sec. 11.** AS 14.17.047 is amended to read:

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

22 * **Sec. 12.** AS 14.17 is amended by adding a new section to read:

23 **Sec. 14.17.048. Gifted and talented instructional units.** Gifted and talented
24 instructional units for a funding community in a district are calculated by

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

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

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

1 **Sec. 14.17.065. Supplemental equalization aid.** (a) In addition to state
2 foundation aid for which a district may qualify under AS 14.17.021, a school district
3 is eligible to receive supplemental equalization funds as follows:

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

6 (A) state share under the following formula:

7 funding = $V_s / (V_s + V_i) \times V_s \times 2.5$ mills x district ADM;

8 (B) local share under the following formula:

9 funding = $V_s \times 2.5$ mills x district ADM - the amount
10 determined under (A) of this paragraph;

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

14 (b) In this section,

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

19 (2) "Vs" means the amount determined by dividing the sum of the
20 property valuations of all districts in the state by the total ADM of all districts in the
21 state.

22 * **Sec. 14.** AS 14.17.080 is amended to read:

23 **Sec. 14.17.080. Student count estimates.** Each district shall prepare and
24 submit to the department, by **November 20** [OCTOBER 15] of each fiscal year, in the
25 manner and on forms prescribed by the department, an estimate of its average daily
26 membership and other student count data for the succeeding fiscal year, upon which
27 computations can be made of the amount of estimated state foundation aid for which
28 the district will be eligible under AS 14.17.021 in that fiscal year. In making this
29 estimate **for the succeeding fiscal year**, the district shall consider its average daily
30 membership **in the current fiscal year**, other student count data, the pattern of growth
31 or decline in preceding years, and other pertinent information available to the district.

1 The preliminary reports required by this section are the basis for estimating the need
2 for state foundation aid for the next fiscal year.

3 * **Sec. 15.** AS 14.17.160(b) is amended to read:

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

8 * **Sec. 16.** TRANSITION: REGULATIONS. The Department of Education may
9 immediately proceed to adopt regulations necessary to implement this Act. The regulations
10 take effect under the Administrative Procedure Act, but not before July 1, 1997.

11 * **Sec. 17.** Section 16 of this Act takes effect immediately under AS 01.10.070(c).

12 * **Sec. 18.** Except as provided in sec. 17 of this Act, this Act takes effect July 1, 1997.