

CS FOR SENATE BILL NO. 174(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/25/01

Referred: Rules

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to education funding; and providing for an effective date."**

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

3 *** Section 1.** AS 14.17.410(b) is amended to read:

4 (b) Public school funding consists of state aid, a required local contribution,
5 and eligible federal impact aid determined as follows:

6 (1) state aid equals basic need minus a required local contribution and
7 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
8 obtained under (D) of this paragraph, multiplied by the base student allocation set out
9 in AS 14.17.470; district adjusted ADM is calculated as follows:

10 (A) the ADM of each school in the district is calculated by
11 applying the school size factor to the student count as set out in AS 14.17.450;

12 (B) the number obtained under (A) of this paragraph is
13 multiplied by the district cost factor described in AS 14.17.460;

14 (C) the ADMs of each school in a district, as adjusted
15 according to (A) and (B) of this paragraph, are added; the sum is then

1 multiplied by the special needs factor set out in AS 14.17.420(a)(1);

2 (D) the number obtained for intensive services under
3 AS 14.17.420(a)(2) and the number obtained for correspondence study under
4 AS 14.17.430 are added to the number obtained under (C) of this paragraph;

5 (2) the required local contribution of a city or borough school district is
6 **the lesser of**

7 (A) the equivalent of a four mill tax levy on the full and true
8 value of the taxable real and personal property in the district as of January 1 of
9 the second preceding fiscal year, as determined by the Department of
10 Community and Economic Development under AS 14.17.510 and
11 AS 29.45.110; **or**

12 (B) **an amount equal to**

13 (i) [, NOT TO EXCEED] 45 percent of a district's basic
14 need for the **current** [PRECEDING] fiscal year as determined under
15 (1) of this subsection **if the full and true value of the taxable real and**
16 **personal property in the district as determined under AS 14.17.510,**
17 **divided by the ADM of the district, is less than or equal to**
18 **\$2,000,000; or**

19 (ii) **100 percent of the district's basic need for the**
20 **current fiscal year as determined under (1) of this subsection if the**
21 **full and true value of the taxable real and personal property in the**
22 **district as determined under AS 14.17.510, divided by the ADM of**
23 **the district, exceeds \$2,000,000.**

24 * **Sec. 2.** AS 14.17.470 is amended to read:

25 **Sec. 14.17.470. Base student allocation.** The base student allocation is
26 **\$3,976** [\$3,940].

27 * **Sec. 3.** AS 14.17.510 is amended by adding a new subsection to read:

28 (c) Notwithstanding AS 14.17.410(b)(2)(A) and the other provisions of this
29 section, if the assessed value in a city or borough school district determined under (a)
30 of this section increases from the base year, only 50 percent of the annual increase in
31 assessed value may be included in determining the assessed value in a city or borough

1 school district under (a) of this section. The limitation on the increase in assessed
 2 value in this subsection applies only to a determination of assessed value for purposes
 3 of calculating the required contribution of a city or borough school district under
 4 AS 14.17.410(b)(2)(A) and 14.17.490(b). In this subsection, the base year is 1999.

5 * **Sec. 4.** AS 14.17.905 is amended to read:

6 **Sec. 14.17.905. Facilities constituting a school.** For purposes of this chapter,
 7 the determination of the number of schools in a district is subject to the following:

8 (1) a community with an ADM of at least 10, but not more than 100,
 9 shall be counted as one school;

10 (2) a community with an ADM of at least 101, but not more than **425**
 11 [750], shall be counted as

12 (A) one elementary school, which includes those students in
 13 grades kindergarten through **six** [6]; and

14 (B) one secondary school, which includes students in grades
 15 **seven** [7] through 12;

16 (3) in a community with an ADM of greater than **425** [750], each
 17 facility that is administered as a separate school shall be counted as one school, except
 18 that each alternative school with an ADM of less than 200 shall be counted as a part of
 19 the school in the district with the highest ADM.

20 * **Sec. 5.** This Act takes effect July 1, 2001.