

SENATE BILL NO. 94

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

BY SENATOR TAYLOR

Introduced: 2/15/01

Referred: Health, Education and Social Services, Finance

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 14.17.300(a) is amended to read:

4 (a) The public school account is established. The account consists of
5 **municipal contributions made under AS 14.17.410(g) and** appropriations for
6 distribution to school districts, the state boarding school, and for centralized
7 correspondence study under this chapter.

8 *** Sec. 2.** AS 14.17.410(b) is amended to read:

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

11 (1) state aid equals basic need minus a required local contribution and
12 **100** [90] percent of eligible federal impact aid for that fiscal year; **in a regional**
13 **educational attendance area, the reduction of eligible federal impact aid is in lieu**
14 **of a contribution of funds from local taxes;** basic need equals the sum obtained
15 under (D) of this paragraph, multiplied by the base student allocation set out in

1 AS 14.17.470; district adjusted ADM is calculated as follows:

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

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

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

8 (i) multiplied by the special needs factor set out in
9 AS 14.17.420(a)(1); **and**

10 **(ii) multiplied by the vocational education factor set**
11 **out in AS 14.17.420(a)(2);**

12 (D) **the number obtained for special needs funding under**
13 **(C)(i) of this paragraph, the number obtained for vocational education**
14 **funding under (C)(ii) of this paragraph,** the number obtained for intensive
15 services under **AS 14.17.420(a)(3),** [AS 14.17.420(a)(2)] and the number
16 obtained for correspondence study under AS 14.17.430 are added to the
17 number **that represents the total ADM of the district as adjusted under (A)**
18 **and (B)** [OBTAINED UNDER (C)] of this paragraph;

19 (2) the required local contribution of a city or borough school district is

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

25 (B) the [, NOT TO EXCEED 45 PERCENT OF A] district's
26 basic need for the **current** [PRECEDING] fiscal year as determined under (1)
27 of this subsection **if the required local contribution amount determined**
28 **under (A) of this paragraph is greater than the district's basic need for the**
29 **current fiscal year as determined under (1) of this subsection.**

30 * **Sec. 3.** AS 14.17.410 is amended by adding a new subsection to read:

31 (g) A city or borough school district that is required to make a local

1 contribution under (b)(2)(B) of this section shall also pay into the public school
 2 foundation account an amount determined by subtracting the amount under (b)(2)(B)
 3 of this section from the amount under (b)(2)(A) of this section in that district.

4 * **Sec. 4.** AS 14.17.420(a) is amended to read:

5 (a) As a component of public school funding, a district is eligible for special
 6 needs funding **and for vocational education funding** and may be eligible for
 7 intensive services funding as follows:

8 (1) special needs funding is available to a district to assist the district
 9 in providing special education, gifted and talented education, [VOCATIONAL
 10 EDUCATION,] and bilingual education services to its students; a special needs
 11 funding factor of **0.20** [1.20] shall be applied as set out in AS 14.17.410(b)(1);

12 (2) **vocational education funding is available to a district to assist**
 13 **the district in providing vocational education services to its students; a vocational**
 14 **education funding factor of 0.03 shall be applied as set out in AS 14.17.410(b)(1);**

15 (3) in addition to the special needs funding for which a district is
 16 eligible under (1) **and (2)** of this subsection, a district is eligible for intensive services
 17 funding for each special education student who needs and receives intensive services
 18 and is enrolled on the last day of the count period; for each such student, intensive
 19 services funding is equal to the intensive student count multiplied by five.

20 * **Sec. 5.** AS 14.17.420(b) is amended to read:

21 (b) If a district offers special education, gifted and talented education,
 22 vocational education, or bilingual education services, in order to receive funding under
 23 (a)(1) **or (2)** of this section, the district must file with the department a plan that
 24 indicates the services that will be provided to students who receive these services.

25 * **Sec. 6.** AS 14.17.440(a) is amended to read:

26 (a) Except as provided in AS 14.17.400(b), funding for state boarding schools
 27 established under AS 14.16.010 includes an allocation from the public school account
 28 in an amount calculated by

29 (1) determining the ADM of state boarding schools by applying the
 30 school size factor to the student count as described in AS 14.17.450;

31 (2) multiplying the number obtained under (1) of this subsection by the

1 special needs factor in AS 14.17.410(b)(1)(C)(i);

2 (3) multiplying the number obtained under (1) of this subsection
 3 by the vocational education factor in AS 14.17.410(b)(1)(C)(ii);

4 (4) adding the numbers obtained under (1), (2), and (3) of this
 5 subsection [AS 14.17.420(a)(1)] and multiplying that number [PRODUCT] by the
 6 base student allocation; and

7 (5) [(3)] multiplying the number [PRODUCT] determined under (4)
 8 [(2)] of this subsection by the district cost factor that is applicable to calculation of the
 9 state aid for the adjacent school district under AS 14.17.460.

10 * **Sec. 7.** AS 14.17.460(b) is repealed and reenacted to read:

11 (b) The cost factors established under (a) of this section change biennially on
 12 July 1, according to changes in district costs as determined by the department.

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

14 **Sec. 14.17.485. Declining funding adjustment.** In addition to funding
 15 provided under AS 14.17.410(b), if the ADM in a school district decreases by four
 16 percent or more from one fiscal year to the next or seven percent or more within two
 17 consecutive fiscal years, the school district may, subject to appropriation for the
 18 purpose of this section, use the last fiscal year before the decline in ADM that
 19 qualified the district for additional state aid as a base fiscal year and offset any
 20 reduction in state aid according to the following schedule: (1) for the first fiscal year
 21 after the base fiscal year, the school district is eligible to receive state aid determined
 22 under AS 14.17.410(b)(1) plus 75 percent of the difference in state aid between the
 23 base fiscal year and the first fiscal year after the base fiscal year; (2) for the second
 24 fiscal year after the base fiscal year, the school district is eligible to receive state aid
 25 determined under AS 14.17.410(b)(1) plus 50 percent of the difference in state aid
 26 between the base fiscal year and the second fiscal year after the base fiscal year; (3)
 27 for the third fiscal year after the base fiscal year, the school district is eligible to
 28 receive state aid determined under AS 14.17.410(b)(1) plus 25 percent of the
 29 difference in state aid between the base fiscal year and the third fiscal year after the
 30 base fiscal year. The schedule established in this section is available to a school
 31 district for the three fiscal years following the base fiscal year only if the state aid

1 received by the school district under AS 14.17.410(b)(1) for each fiscal year is less
 2 than the state aid received by the school district in the base fiscal year. This section
 3 does not apply to a decrease in ADM resulting from a loss of enrollment that occurs as
 4 a result of a boundary change under AS 29.

5 * **Sec. 9.** AS 14.17.470 is amended to read:

6 **Sec. 14.17.470. Base student allocation.** The base student allocation is
 7 \$4,150 [\$3,940].

8 * **Sec. 10.** AS 14.17.905 is amended to read:

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

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

13 (2) a community with an ADM of at least 101, but not more than **400**
 14 [750], shall be counted as

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

17 (B) one secondary school, which includes students in grades
 18 seven [7] through 12;

19 (3) in a community with an ADM of greater than **400** [750], each
 20 facility that is administered as a separate school shall be counted as one school, except
 21 that each alternative school with an ADM of less than 200 shall be counted as a part of
 22 the school in the district with the highest ADM.

23 * **Sec. 11.** AS 14.17.490(d) is repealed.

24 * **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to
 25 read:

26 TRANSITION. (a) The Department of Education and Early Development may
 27 immediately proceed to adopt regulations necessary to implement this Act. The regulations
 28 take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2001.

29 (b) The first change in cost factors required under AS 14.17.460(b) shall occur on
 30 July 1, 2002.

31 * **Sec. 13.** Section 12(a) of this Act takes effect immediately under AS 01.10.070(c).

1 * **Sec. 14.** Except as provided in sec. 13 of this Act, this Act takes effect July 1, 2001.