

**HOUSE BILL NO. 262**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON EDUCATION

Introduced: 4/11/03

Referred: House Special Committee on Education, Health, Education and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to public school 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 is amended by adding a new section to article 1 to read:

4 **Sec. 14.17.495. Declining funding adjustment.** (a) In addition to funding  
5 provided under AS 14.17.410(b) and 14.17.490, if the adjusted ADM in a school  
6 district calculated under AS 14.17.410(b)(1)(A) decreases by 10 percent or more from  
7 one fiscal year to the next, the school district may, subject to appropriation for the  
8 purpose of this section, use the fiscal year immediately preceding the fiscal year in  
9 which the decrease occurs as a base fiscal year and offset any reduction in basic need  
10 under AS 14.17.410(b)(1) according to the following schedule:

11 (1) for the first fiscal year after the base fiscal year, the school district  
12 is eligible to receive basic need as determined under AS 14.17.410(b)(1) plus 75  
13 percent of the difference in basic need between the base fiscal year and the first fiscal  
14 year after the base fiscal year;

15 (2) for the second fiscal year after the base fiscal year, the school

1 district is eligible to receive basic need determined under AS 14.17.410(b)(1) plus 50  
2 percent of the difference in basic need between the base fiscal year and the second  
3 fiscal year after the base fiscal year;

4 (3) for the third fiscal year after the base fiscal year, the school district  
5 is eligible to receive basic need determined under AS 14.17.410(b)(1) plus 25 percent  
6 of the difference in basic need between the base fiscal year and the third fiscal year  
7 after the base fiscal year.

8 (b) The schedule established in (a) of this section is available to a school  
9 district for the three fiscal years following the base fiscal year only if the basic need  
10 determined under AS 14.17.410(b)(1) for each following fiscal year is less than the  
11 amount of basic need in the base fiscal year.

12 (c) This section does not apply to a decrease in adjusted ADM calculated  
13 under AS 14.17.410(b)(1)(A) resulting from a loss of enrollment that occurs as a result  
14 of a boundary change under AS 29.

15 \* **Sec. 2.** This Act takes effect July 1, 2003.