

SENATE BILL NO. 178

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

BY THE SENATE FINANCE COMMITTEE

Introduced: 5/12/07
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to school funding, the base student allocation, district cost factors, the**
2 **local contribution, and the intensive services adjustment for state funding of public**
3 **education; providing for an effective date by repealing the delayed effective date of sec.**
4 **6, ch. 41, SLA 2006; and providing for an effective date."**

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

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

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

9 (1) state aid equals basic need minus a required local contribution and
10 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
11 obtained under (D) of this paragraph, multiplied by the base student allocation set out
12 in AS 14.17.470; district adjusted ADM is calculated as follows:

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

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

3 (C) the ADMs of each school in a district, as adjusted
4 according to (A) and (B) of this paragraph, are added; the sum is then
5 multiplied by the special needs factor set out in AS 14.17.420(a)(1);

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

9 **(E) notwithstanding (A) - (C) of this paragraph, if a school**
10 **district's ADM adjusted for school size under (A) of this paragraph**
11 **decreases by five percent or more from one fiscal year to the next fiscal**
12 **year, the school district may use the last fiscal year before the decrease as**
13 **a base fiscal year to offset the decrease, according to the following method:**

14 **(i) for the first fiscal year after the base fiscal year**
15 **determined under this subparagraph, the school district's ADM**
16 **adjusted for school size determined under (A) of this paragraph is**
17 **calculated as the district's ADM adjusted for school size, plus 75**
18 **percent of the difference in the district's ADM adjusted for school**
19 **size between the base fiscal year and the first fiscal year after the**
20 **base fiscal year;**

21 **(ii) for the second fiscal year after the base fiscal**
22 **year determined under this subparagraph, the school district's**
23 **ADM adjusted for school size determined under (A) of this**
24 **paragraph is calculated as the district's ADM adjusted for school**
25 **size, plus 50 percent of the difference in the district's ADM**
26 **adjusted for school size between the base fiscal year and the second**
27 **fiscal year after the base fiscal year;**

28 **(iii) for the third fiscal year after the base fiscal year**
29 **determined under this subparagraph, the school district's ADM**
30 **adjusted for school size determined under (A) of this paragraph is**
31 **calculated as the district's ADM adjusted for school size, plus 25**

1 percent of the difference in the district's ADM adjusted for school
 2 size between the base fiscal year and the third fiscal year after the
 3 base fiscal year;

4 (F) the method established in (E) of this paragraph is
 5 available to a school district for the three fiscal years following the base
 6 fiscal year determined under (E) of this paragraph only if the district's
 7 ADM adjusted for school size determined under (A) of this paragraph for
 8 each fiscal year is less than the district's ADM adjusted for school size in
 9 the base fiscal year;

10 (G) the method established in (E) of this paragraph does
 11 not apply to a decrease in the district's ADM adjusted for school size
 12 resulting from a loss of enrollment that occurs as a result of a boundary
 13 change under AS 29;

14 (2) the required local contribution of a city or borough school district is
 15 the equivalent of a three [FOUR] mill tax levy on the full and true value of the taxable
 16 real and personal property in the district as of January 1 of the second preceding fiscal
 17 year, as determined by the Department of Commerce, Community, and Economic
 18 Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a
 19 district's basic need for the preceding fiscal year as determined under (1) of this
 20 subsection.

21 * **Sec. 2.** AS 14.17.420(a) is amended to read:

22 (a) As a component of public school funding, a district is eligible for special
 23 needs funding and may be eligible for intensive services funding as follows:

24 (1) special needs funding is available to a district to assist the district
 25 in providing special education, gifted and talented education, vocational education,
 26 and bilingual education services to its students; a special needs funding factor of 1.20
 27 shall be applied as set out in AS 14.17.410(b)(1);

28 (2) in addition to the special needs funding for which a district is
 29 eligible under (1) of this subsection, a district is eligible for intensive services funding
 30 for each special education student who needs and receives intensive services and is
 31 enrolled on the last day of the count period; for each such student, intensive services

1 funding is equal to

2 (A) two percent of the district's ADM, excluding
 3 correspondence students, multiplied by five for a district with an ADM of
 4 at least 1,000;

5 (B) the intensive student count multiplied by five for all other
 6 districts.

7 * **Sec. 3.** AS 14.17.460(a) is amended to read:

8 (a) For purposes of calculating a district's adjusted ADM under
 9 AS 14.17.410(b)(1), the district cost factor for a school district is as follows:

10 DISTRICT	DISTRICT COST FACTOR
11 Alaska Gateway	<u>1.443</u> [1.367]
12 Aleutians East	<u>1.707</u> [1.565]
13 Aleutians Region	<u>1.838</u> [1.787]
14 Anchorage	1.000
15 Annette Island	<u>1.175</u> [1.093]
16 Bering Strait	<u>1.762</u> [1.643]
17 Bristol Bay	<u>1.370</u> [1.316]
18 Chatham	<u>1.348</u> [1.234]
19 Chugach	<u>1.395</u> [1.345]
20 Copper River	<u>1.246</u> [1.211]
21 Cordova	<u>1.165</u> [1.131]
22 Craig	<u>1.108</u> [1.059]
23 Delta/Greely	<u>1.174</u> [1.140]
24 Denali	<u>1.323</u> [1.318]
25 Dillingham	<u>1.300</u> [1.277]
26 Fairbanks	<u>1.055</u> [1.047]
27 Galena	<u>1.370</u> [1.359]
28 Haines	<u>1.104</u> [1.056]
29 Hoonah	<u>1.227</u> [1.141]
30 Hydaburg	<u>1.295</u> [1.190]
31 Iditarod	<u>1.658</u> [1.564]

1	Juneau	<u>1.075</u> [1.040]
2	Kake	<u>1.242</u> [1.134]
3	Kashunamiut	<u>1.504</u> [1.447]
4	Kenai Peninsula	<u>1.088</u> [1.046]
5	Ketchikan	<u>1.085</u> [1.043]
6	Klawock	<u>1.160</u> [1.088]
7	Kodiak Island	<u>1.191</u> [1.142]
8	Kuspuk	<u>1.584</u> [1.509]
9	Lake and Peninsula	<u>1.776</u> [1.667]
10	Lower Kuskokwim	<u>1.577</u> [1.534]
11	Lower Yukon	<u>1.650</u> [1.544]
12	Matanuska-Susitna	<u>1.040</u> [1.025]
13	Mt. Edgecumbe	<u>1.098</u> [1.049]
14	Nenana	<u>1.304</u> [1.287]
15	Nome	<u>1.385</u> [1.352]
16	North Slope	<u>1.648</u> [1.576]
17	Northwest Arctic	<u>1.686</u> [1.618]
18	Pelican	<u>1.384</u> [1.337]
19	Petersburg	<u>1.122</u> [1.061]
20	Pribilof	<u>1.555</u> [1.487]
21	Sitka	<u>1.098</u> [1.049]
22	Skagway	<u>1.159</u> [1.151]
23	Southeast Island	<u>1.264</u> [1.194]
24	Southwest Region	<u>1.554</u> [1.489]
25	St. Mary's	<u>1.488</u> [1.419]
26	Tanana	<u>1.641</u> [1.569]
27	Unalaska	<u>1.343</u> [1.294]
28	Valdez	<u>1.133</u> [1.114]
29	Wrangell	<u>1.080</u> [1.040]
30	Yakutat	<u>1.229</u> [1.138]
31	Yukon Flats	<u>1.892</u> [1.780]

1 Yukon/Koyukuk **1.669** [1.585]

2 Yupiit **1.596**[1.533].

3 * **Sec. 4.** AS 14.17.470 is amended to read:

4 **Sec. 14.17.470. Base student allocation.** The base student allocation is **\$5,580**
5 [\$5,380].

6 * **Sec. 5.** AS 14.17.490(b) is amended to read:

7 (b) A city or borough school district is not eligible for additional funding
8 authorized under (a) of this section unless, during the fiscal year in which the district
9 receives funding under (a) of this section, the district received a local contribution
10 equal to at least the equivalent of a **three** [FOUR] mill tax levy on the full and true
11 value of the taxable real and personal property in the district as of January 1 of the
12 second preceding fiscal year as determined by the Department of Commerce,
13 Community, and Economic Development under AS 14.17.510 and AS 29.45.110.

14 * **Sec. 6.** AS 14.17.510(c) is repealed.

15 * **Sec. 7.** Section 6, ch. 41, SLA 2006, is repealed.

16 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 **RETROACTIVITY.** If this Act takes effect after July 1, 2007, secs. 1 - 3, 5 - 7, and 9
19 of this Act are retroactive to July 1, 2007.

20 * **Sec. 9.** Section 11, ch. 41, SLA 2006, providing an effective date for AS 14.17.460(a), as
21 amended by sec. 6, ch. 41, SLA 2006, is repealed.

22 * **Sec. 10.** Section 4 of this Act takes effect July 1, 2008.

23 * **Sec. 11.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

24 * **Sec. 12.** Except as provided in secs. 10 and 11 of this Act, this Act takes effect July 1,
25 2007.