

**CS FOR HOUSE BILL NO. 313(EDC)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE EDUCATION COMMITTEE**

**Offered: 3/5/12**

**Referred: Finance**

**Sponsor(s): REPRESENTATIVE FEIGE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to student counts, unreserved school operating fund balances,**  
2 **restrictions on school district money, and estimates for public school funding; and**  
3 **providing for an effective date."**

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

5 **\* Section 1.** AS 14.11.100(o) is amended to read:

6 (o) The total amount of school construction projects approved for  
7 reimbursement by the department under (a)(10) of this section

8 (1) may not exceed \$190,644,901; and

9 (2) after June 30, 1998, and until July 1, 2006, shall be allocated as  
10 follows:

11 (A) \$77,897,000 to projects in a municipality with a public  
12 school enrollment of 25,000 or more students in fiscal year 2000, as  
13 determined under **former** AS 14.17.500;

14 (B) \$14,571,000 to projects in a municipality with a public

1 school enrollment of at least 15,000 but less than 25,000 students in fiscal year  
2 2000, as determined under **former** AS 14.17.500;

3 (C) \$14,143,000 to projects in a municipality with a public  
4 school enrollment of at least 10,000 but less than 15,000 students in fiscal year  
5 2000, as determined under **former** AS 14.17.500;

6 (D) \$7,429,000 to projects in a municipality with a public  
7 school enrollment of at least 7,500 but less than 10,000 students in fiscal year  
8 2000, as determined under **former** AS 14.17.500;

9 (E) \$20,712,912 to projects in a municipality with a public  
10 school enrollment of at least 5,000 but less than 7,500 students in fiscal year  
11 2000, as determined under **former** AS 14.17.500;

12 (F) \$2,660,000 to projects in a municipality with a public  
13 school enrollment of at least 2,750 but less than 3,000 students in fiscal year  
14 2000, as determined under **former** AS 14.17.500;

15 (G) \$454,000 to projects in a municipality with a public school  
16 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as  
17 determined under **former** AS 14.17.500;

18 (H) \$46,869,989 to projects in a municipality with a public  
19 school enrollment of at least 2,050 but less than 2,400 students in fiscal year  
20 2000, as determined under **former** AS 14.17.500;

21 (I) \$329,000 to projects in a municipality with a public school  
22 enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as  
23 determined under **former** AS 14.17.500;

24 (J) \$286,000 to projects in a municipality with a public school  
25 enrollment of at least 650 but less than 725 students in fiscal year 2000, as  
26 determined under **former** AS 14.17.500;

27 (K) \$519,000 to projects in a municipality with a public school  
28 enrollment of at least 500 but less than 525 students in fiscal year 2000, as  
29 determined under **former** AS 14.17.500;

30 (L) \$2,224,000 to projects in a municipality with a public  
31 school enrollment of at least 425 but less than 482 students in fiscal year 2000,

1 as determined under **former** AS 14.17.500;

2 (M) \$2,550,000 to projects in a municipality with a public  
3 school enrollment of at least 290 but less than 305 students in fiscal year 2000,  
4 as determined under **former** AS 14.17.500.

5 \* **Sec. 2.** AS 14.11.100(p) is amended to read:

6 (p) The total amount of school construction projects approved for  
7 reimbursement by the department under (a)(13) and (a)(14) of this section

8 (1) may not exceed \$177,256,000;

9 (2) after June 30, 1999, and until October 31, 2006, shall be allocated  
10 as follows:

11 (A) \$61,925,000 to projects in a municipality with a public  
12 school enrollment of 45,000 or more students in fiscal year 2005, as  
13 determined under **former** AS 14.17.500;

14 (B) \$40,570,000 to projects in a municipality with a public  
15 school enrollment of at least 14,600 but less than 20,000 students in fiscal year  
16 2005, as determined under **former** AS 14.17.500;

17 (C) \$20,000,000 to projects in a municipality with a public  
18 school enrollment of at least 10,000 but less than 14,600 students in fiscal year  
19 2005, as determined under **former** AS 14.17.500;

20 (D) \$2,588,000 to projects in a municipality with a public  
21 school enrollment of at least 7,500 but less than 10,000 students in fiscal year  
22 2005, as determined under **former** AS 14.17.500;

23 (E) \$5,995,000 to projects in a municipality with a public  
24 school enrollment of at least 4,000 but less than 6,000 students in fiscal year  
25 2005, as determined under **former** AS 14.17.500;

26 (F) \$1,237,000 to projects in a municipality with a public  
27 school enrollment of at least 2,400 but less than 2,800 students in fiscal year  
28 2005, as determined under **former** AS 14.17.500;

29 (G) \$1,100,000 to projects in a municipality with a public  
30 school enrollment of at least 2,200 but less than 2,400 students in fiscal year  
31 2005, as determined under **former** AS 14.17.500;

1 (H) \$7,164,000 to projects in a municipality with a public  
2 school enrollment of at least 1,300 but less than 1,500 students in fiscal year  
3 2005, as determined under **former** AS 14.17.500;

4 (I) \$1,260,000 to projects in a municipality with a public  
5 school enrollment of at least 740 but less than 757 students in fiscal year 2005,  
6 as determined under **former** AS 14.17.500;

7 (J) \$608,000 to projects in a municipality with a public school  
8 enrollment of at least 650 but less than 700 students in fiscal year 2005, as  
9 determined under **former** AS 14.17.500;

10 (K) \$32,000,000 to projects in a municipality with a public  
11 school enrollment of at least 500 but less than 600 students in fiscal year 2005,  
12 as determined under **former** AS 14.17.500;

13 (L) \$2,809,000 to projects in a municipality with a public  
14 school enrollment of at least 370 but less than 390 students in fiscal year 2005,  
15 as determined under **former** AS 14.17.500.

16 \* **Sec. 3.** AS 14.11.100(q) is amended to read:

17 (q) The total amount of school construction projects approved for  
18 reimbursement by the department under (a)(15) of this section

19 (1) may not exceed \$14,644,000;

20 (2) after June 30, 1999, and until October 31, 2006, shall be allocated  
21 as follows:

22 (A) \$6,522,000 to projects in a municipality with a public  
23 school enrollment of at least 1,925 but less than 2,025 students in fiscal year  
24 2005, as determined under **former** AS 14.17.500;

25 (B) \$8,122,000 to projects in a municipality with a public  
26 school enrollment of at least 398 but less than 400 students in fiscal year 2005,  
27 as determined under **former** AS 14.17.500.

28 \* **Sec. 4.** AS 14.14.060(c) is amended to read:

29 (c) Except as otherwise provided by municipal ordinance, the borough school  
30 board shall submit the school budget for the following school year to the borough  
31 assembly by May 1 for approval of the total amount. Within 30 days after receipt of

1 the budget, the assembly shall determine the total amount of money to be made  
 2 available from local sources for school purposes and shall furnish the school board  
 3 with a statement of the sum to be made available. If the assembly does not, within 30  
 4 days, furnish the school board with a statement of the sum to be made available, the  
 5 amount requested in the budget is automatically approved. Except as otherwise  
 6 provided by municipal ordinance, by June 30, the assembly shall appropriate the  
 7 amount to be made available from local sources from money available for the purpose.

8 **The assembly may not reallocate or reappropriate for another purpose the**  
 9 **amount appropriated from local sources to the district for school purposes unless**  
 10 **the unrestricted portion of the year-end balance in the district's school operating**  
 11 **fund exceeds the amount set in AS 14.17.505(a).**

12 \* **Sec. 5.** AS 14.16.050(a) is amended to read:

13 (a) The following provisions apply with respect to the operation and  
 14 management of a state boarding school as if it were a school district:

15 (1) requirements relating to school district operations:

16 (A) AS 14.03.030 - 14.03.050 (defining the school term, day in  
 17 session, and school holidays);

18 (B) AS 14.03.083 - 14.03.140 (miscellaneous provisions  
 19 applicable to school district operations);

20 (C) regulations adopted by the board under authority of  
 21 AS 14.07.020(a) that are applicable to school districts and their schools, unless  
 22 the board specifically exempts state boarding schools from compliance with a  
 23 regulation;

24 (D) AS 14.12.150 (authorizing school districts to establish and  
 25 participate in the services of a regional resource center);

26 (E) AS 14.14.050 (imposing the requirement of an annual  
 27 audit);

28 (F) AS 14.14.110 (authorizing cooperation with other school  
 29 districts);

30 (G) AS 14.14.140(b) (establishing a prohibition on  
 31 employment of a relative of the chief school administrator);

1 (H) AS 14.18 (prohibiting discrimination based on sex in  
2 public education);

3 (2) requirements relating to the public school funding program and the  
4 receipt and expenditure of that funding:

5 (A) [AS 14.17.500 (RELATING TO STUDENT COUNT  
6 ESTIMATES);

7 (B)] AS 14.17.505 (relating to school operating fund balances);

8 **(B) AS 14.17.505 - 14.17.910** [(C) AS 14.17.500 - 14.17.910]  
9 (setting out the procedure for payment of public school funding and imposing  
10 general requirements and limits on money paid);

11 (3) requirements relating to teacher employment and retirement:

12 (A) AS 14.14.105 and 14.14.107 (relating to sick leave);

13 (B) AS 14.20.095 - 14.20.215 (relating to the employment and  
14 tenure of teachers);

15 (C) AS 14.20.220 (relating to the salaries of teachers  
16 employed);

17 (D) AS 14.20.280 - 14.20.350 (relating to sabbatical leave  
18 provisions for teachers);

19 (E) AS 23.40.070 - 23.40.260 (authorizing collective  
20 bargaining by certificated employees), except with regard to teachers who are  
21 administrators and except that the board may delegate some or all of its  
22 responsibilities under those statutes;

23 (F) AS 14.25 (provisions regarding the teachers' retirement  
24 system);

25 (4) requirements relating to students and educational programs:

26 (A) AS 14.30.180 - 14.30.350 (relating to educational services  
27 for children with disabilities);

28 (B) AS 14.30.360 - 14.30.370 (establishing health education  
29 program standards);

30 (C) AS 14.30.400 - 14.30.410 (relating to bilingual and  
31 bicultural education).

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

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

4 (1) state aid equals basic need minus a required local contribution and  
5 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum  
6 obtained under (D) of this paragraph, multiplied by the base student allocation set out  
7 in AS 14.17.470; district adjusted ADM is calculated as follows:

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

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

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

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

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

24 (i) for the first fiscal year after the base fiscal year  
25 determined under this subparagraph, the school district's ADM adjusted  
26 for school size determined under (A) of this paragraph is calculated as  
27 the district's ADM adjusted for school size, plus 75 percent of the  
28 difference in the district's ADM adjusted for school size between the  
29 base fiscal year and the first fiscal year after the base fiscal year;

30 (ii) for the second fiscal year after the base fiscal year  
31 determined under this subparagraph, the school district's ADM adjusted

1 for school size determined under (A) of this paragraph is calculated as  
 2 the district's ADM adjusted for school size, plus 50 percent of the  
 3 difference in the district's ADM adjusted for school size between the  
 4 base fiscal year and the second fiscal year after the base fiscal year;

5 (iii) for the third fiscal year after the base fiscal year  
 6 determined under this subparagraph, the school district's ADM adjusted  
 7 for school size determined under (A) of this paragraph is calculated as  
 8 the district's ADM adjusted for school size, plus 25 percent of the  
 9 difference in the district's ADM adjusted for school size between the  
 10 base fiscal year and the third fiscal year after the base fiscal year;

11 (F) the method established in (E) of this paragraph is available  
 12 to a school district for the three fiscal years following the base fiscal year  
 13 determined under (E) of this paragraph only if the district's ADM adjusted for  
 14 school size determined under (A) of this paragraph for each fiscal year is less  
 15 than the district's ADM adjusted for school size in the base fiscal year;

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

20 **(H) notwithstanding (A) - (C) of this paragraph, if a**  
 21 **district's ADM adjusted for school size under (A) of this paragraph**  
 22 **increases by the lesser of 200 students or three percent or more from one**  
 23 **fiscal year to the next fiscal year, the department shall provide**  
 24 **supplemental funding that is equal to the increase in the adjusted ADM**  
 25 **for the current fiscal year; however, if a district is otherwise unable to**  
 26 **meet current fiscal year funding needs and the district does not qualify for**  
 27 **supplemental funding under this subparagraph, the district may apply to**  
 28 **the department for, and the department may provide, supplemental**  
 29 **funding for the current fiscal year;**

30 (2) the required local contribution of a city or borough school district is  
 31 the equivalent of a four mill tax levy on the full and true value of the taxable real and

1 personal property in the district as of January 1 of the second preceding fiscal year, as  
 2 determined by the Department of Commerce, Community, and Economic  
 3 Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a  
 4 district's basic need for the preceding fiscal year as determined under (1) of this  
 5 subsection.

6 \* **Sec. 7.** AS 14.17.505(a) is amended to read:

7 (a) A district may not accumulate in a fiscal year an unreserved portion of its  
 8 year-end fund balance in its school operating fund, as defined by department  
 9 regulations, that is greater than 15 [10] percent of its expenditures for that fiscal year.

10 \* **Sec. 8.** AS 14.17.600(a) is amended to read:

11 (a) Within two weeks after the end of the 20-school-day period ending the  
 12 fourth Friday in October, each district shall transmit a report to the department that,  
 13 under regulations adopted by the department, reports its ADM for that count period  
 14 and other student count information that will aid the department in making a  
 15 determination of its state aid **for the succeeding fiscal year following the count**  
 16 **period** under the public school funding program. For centralized correspondence  
 17 study, the October report shall be based on the period from July 1 through the fourth  
 18 Friday in October. The department may make necessary corrections in the report  
 19 submitted and shall notify the district of changes made. The commissioner shall notify  
 20 the governor of additional appropriations the commissioner estimates to be necessary  
 21 to fully finance the public school funding program for the current fiscal year.

22 \* **Sec. 9.** AS 14.17.600 is amended by adding new subsections to read:

23 (c) A student count shall be adjusted for the current fiscal year as provided  
 24 under AS 14.17.410(b)(1).

25 (d) Part-time students shall be included in the student count data in accordance  
 26 with regulations adopted by the department.

27 (e) When reporting a district's ADM, a part-time student who is a  
 28 correspondence student may not be counted as more than one full-time equivalent  
 29 student.

30 \* **Sec. 10.** AS 14.17.500 is repealed.

31 \* **Sec. 11.** This Act takes effect July 1, 2014.