HOUSE CS FOR CS FOR SENATE BILL NO. 182(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/14/12
Referred: Rules

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act amending the amount of state funding provided to school districts for pupil transportation; relating to the local contribution for public education; relating to the vocational and technical instruction funding factor for public school funding; establishing in the Department of Education and Early Development a voluntary parent and early childhood education program for pre-elementary aged children; and providing for an effective date."

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

*** Section 1.** AS 14.09.010(a) is repealed and reenacted to read:

(a) A school district that provides student transportation services for the transportation of students who reside a distance from established schools is eligible to receive funding for operating or subcontracting the operation of the transportation system for students to and from the schools within the student's transportation service area. Subject to appropriation, the amount of funding provided by the state for

operating the student transportation system is the amount of a school district's ADM, less the ADM for the district's correspondence programs during the current fiscal year, multiplied by the per student amount for the school district as follows:

DISTRICT	PER STUDENT AMOUNT	
	(1)	(2)
	for the school year beginning July 1, 2011	for the school years beginning on or after July 1, 2012
Alaska Gateway	$2,081	$2,148
Aleutians East	311	321
Anchorage	435	449
Annette Island	182	188
Bering Strait	48	50
Bristol Bay	2,672	2,758
Chatham	280	289
Copper River	1,586	1,637
Cordova	335	346
Craig	423	437
Delta/Greely	1,656	1,709
Denali	1,808	1,866
Dillingham	1,218	1,257
Fairbanks	817	843
Galena	255	263
Haines	626	646
Hoonah	298	308
Iditarod	211	218
Juneau	604	623
Kake	271	280
Kashunamiut	5	5
Kenai Peninsula	766	944

Ketchikan	727	750
Klawock	584	603
Kodiak Island	799	825
Kuspuk	654	675
Lake and Peninsula	384	396
Lower Kuskokwim	277	286
Lower Yukon	1	1
Matanuska-Susitna	910	939
Nenana	587	606
Nome	621	641
North Slope	1,120	1,156
Northwest Arctic	25	26
Pelican	72	74
Petersburg	374	386
Saint Mary's	193	199
Sitka	428	442
Skagway	36	37
Southeast Island	1,155	1,192
Southwest Region	598	617
Tanana	478	493
Unalaska	648	669
Valdez	735	759
Wrangell	701	723
Yakutat	744	768
Yukon Flats	264	272
Yukon/Koyukuk	299	309
Yupiit	2	2.

*** Sec. 2.** AS 14.09.010 is amended by adding a new subsection to read:

(d) The department shall adopt regulations that provide for oversight of and support to school districts in achieving a safe and cost-effective student transportation system. The regulations must include a requirement for contract terms of not less than

three years, if feasible, standardized conditions and bid periods, and standards that ensure cost efficiencies and exclusions.

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

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

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

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

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

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added; the sum is then multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the **secondary school vocational and technical instruction funding** [HIGH SCHOOL VOCATIONAL EDUCATION] factor set out in AS 14.17.420(a)(3);

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

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

(i) for the first fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 75 percent of the

difference in the district's ADM adjusted for school size between the base fiscal year and the first fiscal year after the base fiscal year;

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

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

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

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

(2) the required local contribution of a city or borough school district is the equivalent of a **<u>2.65</u>** [FOUR] mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

*** Sec. 4.** AS 14.17.410(e) is amended to read:

(e) If a city or borough school district is established after July 1, 1998, for the first three fiscal years in which the city or borough school district operates schools, local contributions may be less than the amount that would otherwise be required under (b)(2) of this section, except that

(1) in the second fiscal year of operations, local contributions must be at least the greater of

(A) the local contributions, excluding federal impact aid, for the previous fiscal year; or

(B) the sum of 10 percent of the district's eligible federal impact aid for that year and the equivalent of a **one** [TWO] mill tax levy on the full and true value of the taxable real and personal property in the city or borough school district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110; and

(2) in the third year of operation, local contributions must be at least the greater of

(A) the local contributions, excluding federal impact aid, for the previous fiscal year; or

(B) the sum of 10 percent of the district's eligible federal impact aid for that year and the equivalent of a **two** [THREE] mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110.

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

(a) As a component of public school funding, a district is eligible for special needs and **secondary** [HIGH] school vocational and technical instruction funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of 1.20

shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by 13;

(3) in addition to the special needs and intensive services funding available under (1) and (2) of this subsection, **secondary** [HIGH] school vocational and technical instruction funding is available to assist districts in providing vocational and technical instruction to students who are enrolled in **a secondary school; a secondary** [GRADES NINE THROUGH 12; A HIGH] school vocational and technical instruction funding factor of **1.015** [1.01] shall be applied as set out in AS 14.17.410(b)(1); in this paragraph, "vocational and technical instruction" excludes costs associated with

(A) administrative expenses; and

(B) instruction in general literacy, mathematics, and job readiness skills.

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

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

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

(2) multiplying the number obtained under (1) of this subsection by the special needs factor in AS 14.17.420(a)(1) and the **secondary school vocational and technical instruction funding** [HIGH SCHOOL VOCATIONAL EDUCATION] factor set out in AS 14.17.420(a)(3) and multiplying that product by the base student allocation; and

(3) multiplying the product determined under (2) of this subsection by the district cost factor that is applicable to calculation of the state aid for the adjacent school district under AS 14.17.460.

*** Sec. 7.** AS 14.17.490(b) is amended to read:

(b) A city or borough school district is not eligible for additional funding authorized under (a) of this section unless, during the fiscal year in which the district receives funding under (a) of this section, the district received a local contribution equal to at least the equivalent of a **2.65** [FOUR] mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110.

*** Sec. 8.** AS 14.17.510(c) is repealed.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

STUDENT TRANSPORTATION FUNDING ADJUSTMENT. For fiscal years 2014 and 2015, funding provided to a school district under AS 14.09.010(a), as repealed and reenacted in sec. 1 of this Act, shall be adjusted annually on October 1 by multiplying the total amount of funding under that section for the previous fiscal year by 1.5 percent.

*** Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to read:

PARENTS AS TEACHERS PROGRAM ESTABLISHED. (a) The department shall devise and implement a statewide parents as teachers program for the benefit of children who are under five years of age. The program must provide a system of early childhood education that

(1) is evidence-based;

(2) involves parents;

(3) is consistent with available research and best practices for high quality early childhood education;

(4) incorporates guidelines adopted by the department for early learning that

(A) enhances school readiness;

(B) increases parent understanding of child development and developmental milestones;

(C) reduces the incidence of child abuse and neglect;

(D) increases identification of health problems and developmental

delays through regular screenings;

(E) improves child health indicators, including immunization rates;

(F) increases parental involvement; and

(5) provides for effective and efficient coordination with or expansion of pre-elementary education programs operating in the state, to the extent permitted by law.

(b) A school district shall, to the extent space is needed and available, provide for the use of a room in a school at no charge to support the program established under this section.

(c) The department shall develop and enter into local partnerships to implement the program established under this section.

(d) On or before January 15, 2015, the department shall provide a report to the legislature on the effectiveness and participation rates of the program established in this section. The report must include measures of efficiency and effectiveness that demonstrate the effects of the program on school readiness.

(e) The program established under this section terminates on July 1, 2015.

(f) In this section, "department" means the Department of Education and Early Development.

*** Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVE EFFECT. If sec. 1 of this Act takes effect after June 30, 2012, sec. 1 of this Act is retroactive to June 30, 2012.

*** Sec. 12.** Section 1 of this Act takes effect June 30, 2012.

*** Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2012.