

HOUSE BILL NO. 27

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES FEIGE, COSTELLO, AND GATTIS, Peggy Wilson

Introduced: 1/16/13

Referred: Education, Finance

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 secondary school vocational and technical instruction funding factor set out in
16 AS 14.17.420(a)(3);

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

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

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

31 (ii) for the second fiscal year after the base fiscal year

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 * **Sec. 10.** AS 14.17.500 is repealed.
- 2 * **Sec. 11.** This Act takes effect July 1, 2015.