

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 420

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating a Public School Foundation Program; providing a system for allocating state aid to local school districts; repealing certain laws in conflict therewith; and providing for an effective date."

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

ARTICLE I

STATE AID TO LOCAL SCHOOL DISTRICTS

Section 1.01. DECLARATION OF INTENT. It is the intention of the legislature, in enacting this public school foundation program, to assure an adequate level of educational opportunities for those in attendance in the public schools of the state. This Act shall not be interpreted as preventing any public school district from providing educational services and facilities beyond those assured by the foundation program.

Sec. 1.02. BASIC NEED. For the purposes of this Act, the "basic need" for each school district shall be the sum of the following:

- (1) the teachers' salary allotment (Sec. 1.04);
- (2) the average daily membership allotment (Sec. 1.05);

and

- (3) the attendance center allotment (Sec. 1.06).

Sec. 1.03. STATE AID. The amount of state aid shall be determined by subtracting the required local effort (Sec. 1.07)

1 from the basic need (Sec. 1.02).

2 Sec. 1.04. TEACHERS' SALARY ALLOTMENT. a. The teachers'
3 salary allotment for each district shall be the product of the
4 "teacher salary average" times the "allowable number of teacher
5 units."

6 b. The teacher salary average is the sum derived by
7 dividing the total amount which the district was required to
8 pay to the full-time teachers employed by the district in the
9 year two years prior to the fiscal year under the state minimum
10 salary schedule, divided by the total number of full-time
11 teachers employed by the district in the year two years prior to
12 the fiscal year. If the legislature raises the state minimum
13 salary scale by a law effective during the fiscal year, the teach-
14 er salary average shall be recomputed as if the new salary scale
15 had been in effect in the year two years prior to the fiscal
16 year.

17 c. The allowable number of teacher units for each district
18 is the number of teachers employed by the district for the fiscal
19 year, but not to exceed the number of teacher units which is
20 allowed to the district for the fiscal year by this subsection.

21 (1) Each district is entitled to the number of teacher
22 units for elementary schools which corresponds to the average
23 daily membership for its elementary schools in the following
24 elementary schedule. Each district is entitled to the number
25 of teacher units for secondary schools which corresponds to the
26 average daily membership for its secondary schools in the follow-
27 ing secondary schedule; provided, that if a school district has
28 two or more secondary attendance centers, it shall separately
29 compute the allowable number of teacher units for each of its

1 secondary attendance centers which has an average daily member-
 2 ship of 301 or more pupils.

3 SCHEDULE OF ALLOWABLE NUMBER OF TEACHER UNITS

4	<u>Elementary Schedule</u>		<u>Secondary Schedule</u>	
5	<u>Average daily</u>	<u>Allowable No.</u>	<u>Average daily</u>	<u>Allowable No.</u>
6	<u>membership</u>	<u>of teacher</u>	<u>membership</u>	<u>of teacher</u>
7		<u>units</u>		<u>units</u>
7	8-15	1	Under 10	1
8	16-30	2	10-15	2
9	31-45	3	16-25	3
10	46-60	4	26-40	4
11	61-75	5	41-60	5
12	76-100	6	61-80	6
13			81-100	7
14	101-300	6 plus 1 for	101-300	7 plus 1 for
15		each 20 pupils,		each 20 pupils,
16		or major fraction		or major fraction
17		thereof, between		thereof, between
18		101 and 300		101 and 300
19	301 & over	16 plus 1 for	301 & over	17 plus 1 for
20		each 25 pupils,		each 25 pupils,
21		or major fraction		or major fraction
22		thereof, over 300		thereof, over 300

20 (2) If a district has less than 600 pupils in average
 21 daily membership it shall not be allowed any teacher units for
 22 administrators in excess of teacher units allowed by paragraph (1)
 23 of this subsection.

24 (3) If a school district has an average daily member-
 25 ship of 600 or more students it is entitled to teacher units, as
 26 an allowance for superintendents and assistants, in addition to
 27 those otherwise allowed in this subsection. Each such district
 28 is entitled to the number of teacher units which corresponds to
 29 the total elementary and secondary average daily membership in

1 the following schedule.

2	<u>Total average daily membership</u>	<u>Allowable No. of teacher units</u>
3	601-3000	1
4	3001-5999	2
5	Over 6000	3

6 (4) Each district is entitled to additional teacher
7 units as an allowance for principals and vice-principals as
8 follows:

9 (a) A school district with an average daily
10 membership of 700 or more is allowed a teacher unit for each
11 building with eight or more classrooms, as an allowance for a
12 principal for such building.

13 (b) A school district having one or more build-
14 ings with 24 or more classrooms in use as regular classrooms
15 with teachers assigned, is also allowed a teacher unit for each
16 such building, as an allowance for a vice-principal for such
17 building.

18 (5) This schedule of allowable number of teacher units
19 is only for use in determining allotments under the public school
20 foundation program, and does not prohibit a district from hiring
21 a greater number of teachers to be paid from its own funds.

22 Sec. 1.05. AVERAGE DAILY MEMBERSHIP ALLOTMENT. The average
23 daily membership allotment for each district shall be as follows:

24 (1) If the district lies in the Southeastern Senate
25 District: \$140.00 times average daily membership.

26 (2) If the district lies in the Southcentral Senate
27 District: \$150.00 times average daily membership.

28 (3) If the district lies in the Central and Northwest
29 Senate District and that part of the Southcentral Senate District
CS for HB #420 as amended

1 lying west of 152 degrees west longitude: \$160.00 times the
2 average daily membership.

3 Sec. 1.06. ATTENDANCE CENTER ALLOTMENT. The attendance
4 center allotment for each district shall be the product of the
5 number of attendance centers in the school district times
6 \$1,000.00. For the purposes of this section "attendance center"
7 means each elementary or secondary school which functions as a
8 distinct administrative unit and is allocated a principal by the
9 district school board; provided, that the State Board of Educa-
10 tion may designate as attendance centers, in addition to those
11 which qualify under this definition, those schools which it
12 determines should be considered as attendance centers because
13 of remote location or other special circumstances.

14 Sec. 1.07. REQUIRED LOCAL EFFORT. a. The required local
15 effort of each district shall be the sum of the required local
16 tax effort of the district and one-half of any Public Law 874
17 monies received from the federal government in the pre-fiscal
18 year.

19 b. The required local tax effort for each district is the
20 amount of revenue raised from local sources which is equivalent
21 to the amount which would be raised from a mill levy on the full
22 and true value of taxable real and personal property within the
23 district. The specific amount of this mill levy shall be estab-
24 lished by the first session of the third Alaska legislature. The
25 amount of the required local tax effort may be raised from any
26 source available to the district and does not have to be derived
27 from property taxes.

28 c. Every district which is charged by law with the respon-
29 sibility of providing public education or which has assumed such

1 responsibility voluntarily, is required to raise each year a sum
2 equivalent to the required local tax effort.

3 Sec. 1.08. PUBLIC SCHOOL FOUNDATION ACCOUNT. a. There is
4 hereby established the public school foundation account consist-
5 ing of appropriations for distribution to districts in accordance
6 with the provisions of this Act.

7 b. The monies of the public school foundation account shall
8 be used only in aid of public schools as provided by this Act.

9 c. Any monies in the public school foundation account which
10 are not allocated, as provided in this Act, prior to the end of
11 the fiscal year for which appropriated shall revert to the
12 general fund.

13 ARTICLE II

14 PREPARATION OF PUBLIC SCHOOL FOUNDATION BUDGET

15 Sec. 2.01. COMPUTATION BY DISTRICT. By October 30 of the
16 pre-fiscal year each district shall submit to the commissioner
17 its computations, for the following fiscal year, of the district's
18 basic need as defined by Sec. 1.02; its required local effort as
19 defined by Sec. 1.07; and the amount of state aid to which the
20 district would be entitled under Sec. 1.03. Each district shall
21 make the computations in the manner prescribed in this Article.
22 Such computations shall serve as the basis for requesting legis-
23 lative appropriations, and for preliminary payments under the pub-
24 lic school foundation program.

25 Sec. 2.02. ESTIMATED AVERAGE DAILY MEMBERSHIP. Each
26 district shall prepare an estimate of its average daily member-
27 ship for the fiscal year. In making this estimate the district
28 shall take into consideration its average daily membership in
29 preceding years, the pattern of growth or decline in preceding

1 years, and any other pertinent information available to the
2 district. The result of this estimate shall be known as the
3 "estimated average daily membership."

4 Sec. 2.03. COMPUTATION OF TEACHERS' SALARY ALLOTMENT. a.
5 In computing the teachers' salary allotment, the district shall
6 first determine:

7 (1) the number of teachers which it will be allowed for
8 the fiscal year under the schedule of allowable number of teachers
9 set forth in Sec. 1.04c; provided, that the average daily member-
10 ship figure to be used in that schedule is the "estimated average
11 daily membership" as defined by Sec. 2.02; and

12 (2) the number of teachers which it plans to hire for
13 the fiscal year.

14 b. The district shall use the lower number of teachers
15 computed under paragraphs (1) and (2) of Subsec. a. as the
16 "allowable number of teachers" in computing the teachers' salary
17 allotment under the provisions of Sec. 1.04.

18 Sec. 2.04. COMPUTATION OF AVERAGE DAILY MEMBERSHIP ALLOT-
19 MENT. The average daily membership allotment of each district
20 shall be computed as required by Sec. 1.05 except that the
21 "estimated average daily membership" as defined by Sec. 2.02,
22 shall be used in place of "average daily membership."

23 Sec. 2.05. COMPUTATION OF ATTENDANCE CENTER ALLOTMENT. The
24 attendance center allotment for each district shall be computed
25 by using the number of attendance centers which are or will be in
26 operation by the end of the pre-fiscal year.

27 Sec. 2.06. COMPUTATION OF REQUIRED LOCAL EFFORT. a. In
28 computing the required local tax effort, the district shall use
29 the "full and true value of the taxable real and personal property
CS for HB #420 as amended -7-

1 within the district" as determined by the Local Affairs Agency.
2 Once the local tax effort is correctly computed it shall be the
3 final figure in satisfaction of Sec. 1.07b, and it shall not be
4 recomputed during the fiscal year.

5 b. The district shall estimate the amount of Public Law 874
6 monies it will receive in the pre-fiscal year and one-half of the
7 estimate of monies to be received shall be included in the total
8 sum of required local effort as provided by Sec. 1.07a. This
9 figure shall be adjusted at a later time but before final account-
10 ing for the fiscal year, to reflect one-half of the Public Law 874
11 monies actually paid or credited to the district during the pre-
12 fiscal year.

13 Sec. 2.07. DETERMINATION OF FULL AND TRUE VALUE BY LOCAL
14 AFFAIRS AGENCY. The Local Affairs Agency, in consultation with the
15 assessor for each district, shall determine the full and true value
16 of the taxable real and personal property within each district.
17 Exemptions granted under Chapter 129, SLA 1957, known as the Alaska
18 Industrial Incentive Act shall be honored. If there is no local
19 assessor or current local assessment for a district then the Local
20 Affairs Agency shall make the determination of full and true value
21 from such information as is available. In making the determination
22 the Local Affairs Agency shall be guided by Sec. 11, Ch. 174, SLA
23 1957. The determination of full and true value shall be made on or
24 before September 15 and sent by registered mail on or before that
25 date to the president of the school board in each district. Dupli-
26 cate copies shall be sent to the commissioner. The district may
27 obtain judicial review of the determination by filing a motion in
28 the superior court of the judicial district in which the district
29 is located within 10 days after receipt of the determination. The

1 superior court may modify the determination of the Local Affairs
2 Agency only upon a finding of abuse of discretion or upon a finding
3 that there is no substantial evidence to support the determination

4 Sec. 2.08. DUTY OF COMMISSIONER TO EXAMINE AND TABULATE
5 COMPUTATIONS. a. The commissioner shall examine the allotment
6 computations submitted by each district to determine that they
7 are correctly computed. If the allotments are incorrectly computed,
8 the commissioner shall either obtain a correct computation from
9 the district, or make a correct computation based on information
10 available to him, with notice of the corrected computation being
11 given to the district.

12 b. The commissioner shall reduce these computations to a
13 report in tabular form or such other form as will assist in
14 examining the computations of the districts and shall transmit
15 the report to the governor. The commissioner shall maintain
16 additional copies of this report in his office as a matter of
17 public record. This report shall be entitled "Public School
18 Foundation Program Computations."

19 ARTICLE III

20 PROCEDURE FOR PAYMENT OF PUBLIC SCHOOL

21 FOUNDATION FUNDS TO DISTRICTS

22 Sec. 3.01. ALLOCATION OF FUNDS ON PRELIMINARY COMPUTATIONS.
23 The commissioner shall determine on or before June 15 of each
24 year the amount of state aid to which each district is entitled
25 on the basis of the pre-fiscal year computations. Beginning
26 July 15 of the fiscal year and on the fifteenth of each month
27 thereafter, for seven successive months, one-twelfth of each
28 district's state aid entitlement shall be distributed.

29 Sec. 3.02. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each

1 district shall make a report at the end of the first nine weeks
2 of school, which shall contain a new estimate of its average daily
3 membership for the fiscal year and any other information which
4 will aid the commissioner in making a more accurate determination
5 of the amount of state aid to which the district is entitled. The
6 commissioner shall, on the basis of this new estimate and informa-
7 tion, make a recomputation of the total amount of state aid to
8 which each district is entitled. On or before December 1, the
9 commissioner shall notify each district of any changes made in
10 its entitlement to state aid. The commissioner shall also deter-
11 mine at that time whether the monies in the public school founda-
12 tion account are sufficient to meet the obligations for the fiscal
13 year, and if such monies are not sufficient, he shall immediately
14 inform the governor of the amount of additional appropriation he
15 estimates will be necessary to carry out the public school founda-
16 tion program for the rest of the fiscal year. Beginning January 15
17 and on the fifteenth of each month thereafter, each district's
18 recomputed entitlement shall be distributed in five equal install-
19 ments, provided that one-half of the June payment shall be withheld
20 pending a final determination of the district's state aid entitle-
21 ment.

22 Sec. 3.03. PAYMENT UNDER FINAL COMPUTATION. On or before
23 June 15, each district shall transmit to the commissioner a final
24 computation of the state aid to which the district is entitled. The
25 commissioner shall process each district's computation in the manner
26 provided by Sec. 2.08a. Any monies owing to a district shall be
27 obligated by the commissioner prior to June 30. If the district
28 received more monies than its state aid entitlement, it shall imme-
29 diately, after notice from the commissioner of such overpayment,

1 remit the amount of overpayment to the commissioner to be returned
2 to the public school foundation account.

3 Sec. 3.04. RESTRICTIONS GOVERNING RECEIPT AND EXPENDITURE
4 OF MONIES FROM PUBLIC SCHOOL FOUNDATION ACCOUNT. a. The public
5 school foundation monies distributed to any district during any
6 year, together with the monies acquired from local effort, shall
7 be received, held, and expended by the district school board
8 subject to the provisions of law and regulations of the State
9 Board of Education.

10 b. Each district shall maintain financial records of the
11 receipt and disbursement of public school foundation monies and
12 monies acquired from local effort. The records shall be in
13 such form as the State Board of Education shall prescribe by
14 regulation and shall be subject to audit by the commissioner
15 or the State Board of Education at any time.

16 ARTICLE IV

17 GENERAL PROVISIONS

18 Sec. 4.01. REGULATIONS. The commissioner is authorized to
19 promulgate regulations pursuant to the Administrative Procedure
20 Act to implement this Act.

21 Sec. 4.02. DEFINITIONS. As used in this Act, unless the
22 context otherwise requires:

23 (1) "Average daily membership" means the aggregate
24 days of membership of pupils divided by the actual number of days
25 the school is in session for the year.

26 (2) "Commissioner" means the Commissioner of the
27 Department of Education for the State of Alaska.

28 (3) "District" means any independent, incorporated,
29 city or borough school district, but does not include state

1 rural schools.

2 (4) "Elementary school" means a school consisting of
3 grades one through eight, or any appropriate combination of
4 grades within this range.

5 (5) "Fiscal year" means the year, beginning on July 1
6 and ending on June 30, for which allotments and entitlements are
7 computed or distributed.

8 (6) "Pre-fiscal year" means the year immediately
9 prior to the fiscal year.

10 (7) "Public Law 874 monies" means federal funds
11 allowed school districts as provided in Public Law 874 of the
12 81st Congress, as amended, 20 U.S.C., Ch. 13.

13 (8) "Public school foundation account" means the
14 account created by Sec. 1.09 of this Act for use in financing
15 education in public elementary and secondary schools.

16 (9) "Secondary school" means a school consisting of
17 grades seven through twelve, or any appropriate combination of
18 grades within this range. When grades seven through eight, nine
19 or ten are organized separately as a junior high school, or
20 grades ten through twelve are organized separately as a senior
21 high school and are conducted in separate school plant facilities,
22 each shall be considered a separate secondary school for the
23 purposes of this Act.

24 (10) "State minimum salary schedule" means the minimum
25 salaries required by Secs. 37-6-1, 37-6-2 and 37-6-3, ACLA 1949,
26 as last repealed and re-enacted by Ch. 51, SLA 1961, and as
27 further amended or repealed and re-enacted.

28 (11) "Taxable real and personal property" means all
29 real and personal property taxable under the laws of Alaska,

1 but does not include household goods and personal effects.

2 (12) "Teacher" means any regular or special teacher,
3 principal, supervisor, superintendent, librarian, director of
4 pupil personnel, or other member of the teaching or professional
5 staff engaged in the service of a public elementary or secondary
6 school for whom certification is required as a condition of
7 employment.

8 ARTICLE V

9 FORMAL PROVISIONS

10 Sec. 5.01. REPEALER. The following statutes are superceded
11 by this Act in the manner and according to the schedule provided
12 by Sec. 5.04 of this Act, and are repealed effective July 1, 1964:

13 Sec. 37-3-61 as amended by Ch. 49, SLA 1955.

14 Sec. 37-3-62 as amended by Ch. 77, SLA 1951, Ch. 68, SLA
15 1953 and Ch. 49, SLA 1955.

16 Sec. 37-3-63 as amended by Ch. 77, SLA 1951, Ch. 49, SLA
17 1955 and Ch. 129, SLA 1960.

18 Sec. 37-3-64, ACLA 1949, as amended by Ch. 68, SLA 1953.

19 Sec. 37-3-66, ACLA 1949, as amended by Ch. 77, SLA 1951
20 and Ch. 49, SLA 1955.

21 Sec. 5, Ch. 77, SLA 1951 as amended by Ch. 49, SLA 1955.

22 Sec. 6, Ch. 49, SLA 1955 as amended by Ch. 129, SLA 1960.

23 Sec. 5.02. STATE AID TO NEWLY ESTABLISHED DISTRICT SCHOOLS.

24 a. Whenever a state school becomes a district school, the school
25 shall continue to be considered a state school for purposes of
26 financial support until the expiration of a complete fiscal year
27 following the date on which the school becomes a district school.

28 This subsection does not prevent a local government from expend-
29 ing monies to contribute to the financial support of a state

1 school which becomes a district school.

2 b. For each fiscal year thereafter, the state shall disburse
3 to the district only those monies to which the district is en-
4 titled under the public school foundation program.

5 c. For the purposes of this section:

6 (1) "State school" means a school operated by the
7 State Department of Education and entirely financed by state
8 monies, and

9 (2) "District school" means any school which comes
10 under the jurisdiction of a district as that term is defined in
11 this Act.

12 Sec. 5.03. REPEALER. Ch. 90, SLA 1960 as amended is repealed.

13 Sec. 5.04. TRANSITION. Existing law shall be superseded
14 and this Act put into operation in the following manner:

15 (1) For the fiscal year 1962-63, budgets shall be
16 prepared, state aid computed, and appropriations disbursed in
17 accordance with existing law;

18 (2) During the fiscal year 1963-64, state aid shall be
19 disbursed in accordance with existing law;

20 (3) Beginning on July 1, 1963, budgets shall be pre-
21 pared and state aid computed in accordance with this Act;

22 (4) Beginning with the second session of the third
23 Alaska Legislature in 1964, appropriations shall be made in
24 accordance with this Act;

25 (5) Beginning on July 1, 1964, state aid shall be
26 disbursed in accordance with this Act.

27 Sec. 5.05. EFFECTIVE DATE. This Act takes effect July 1,
28 1962.

29