

Introduced: 4/10/70
Referred: Finance

BY THE RULES COMMITTEE
BY REQUEST OF THE SPECIAL COM-
MITTEE ON MONETARY INVESTMENT

1 IN THE HOUSE

2 HOUSE BILL NO. 834

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public school foundation
7 program; and providing for an effective date."

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

9 * Section 1. AS 14.17.020 - 14.17.075 are repealed.

10 * Sec. 2. AS 14.17.100 - 14.17.120 are repealed.

11 * Sec. 3. AS 14.17.250(7), (10) and (12) are repealed.

12 * Sec. 4. AS 14.17.1s amended by adding new sections to read:

13 Sec. 14.17.021. STATE AID. (a) The amount of state aid for
14 which each school district may qualify is calculated by multiplying
15 the basic need as defined in (b) of this section by the equalized
16 percentage as defined in (c) of this section.

17 (b) The basic need of each school district is determined by
18 multiplying the instructional unit allotment of the district as
19 defined in sec. 51 of this chapter by the number of instructional
20 units in the district.

21 (c) The equalized percentage for each school district is
22 computed according to the formula $P_1 = 1 - (1-k) V_1/V_2$ wherein

23 (1) P_1 (equalized percentage) = per cent of need to be
24 provided by the state;

25 (2) k (level of average state support of basic need) = 90
26 per cent;

27 (3) V_1 (valuation per pupil in average daily membership
28 in the district) = full and true value of taxable real and personal
29 property within the district divided by the average daily membership

1 of the district;

2 (4) V_s = average of the valuation per pupil in average
3 daily membership for all the districts of the state;

4 (5) state aid as computed under this section shall consti-
5 tute at least 90 per cent of the basic need, as defined by the
6 department, of each school district.

7 Sec. 14.17.031. INSTRUCTIONAL UNITS. (a) The total number of
8 instructional units within each school district is the sum of

9 (1) the number of units for elementary schools and the
10 number of units for secondary schools as determined from sec. 41(a)
11 or sec. 41(b) of this chapter;

12 (2) the number of units for vocational education determined
13 from sec. 41(c) of this chapter as approved by the department;

14 (3) the number of units from special education determined
15 from sec. 41(d) of this chapter; and

16 (4) if the district has five or more correspondence
17 pupils, the number of units for correspondence pupils determined by
18 applying the number of correspondence pupils to sec. 41(a) of this
19 chapter.

20 (b) A school district shall compute separately the number of
21 allowable instructional units for each of its secondary schools
22 having an average daily membership of 301 or more pupils.

23 (c) The commissioner may authorize any school district
24 operating a school having an average daily membership of fewer than
25 301 pupils in a remote area to calculate the number of units to
26 which that school would be entitled if it were a separate district
27 and to include that number of units in the total number of instruc-
28 tional units within that district.

29 Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS.

1 (a) Elementary and Secondary Schools in Districts with ADM
2 under 1,000

3 ADM	No. Instructional Units
4 under 10	1
5 10 - 20	2
6 21 - 32	3
7 33 - 46	4
8 47 - 62	5
9 63 - 80	6
10 81 - 999	6 plus 1 for each 18 pupils 11 or fraction of 18

12 (b) Elementary and Secondary Schools in Districts with ADM
13 of 1,000 or over

14 ADM	No. Instructional Units
15 under 10	1
16 10 - 20	2
17 21 - 32	3
18 33 - 46	4
19 47 - 62	5
20 63 - 80	6
21 81 - 99	7
22 100 - 3005	7 plus 1 for each 19 pupils 23 and fraction of 19
24 3006 and over	170 plus 1 for each 23 pupils 25 and fraction of 23

26 (c) Vocational Education Schedule

27 ADM	No. Instructional Units
28 Full-Time	
29 Equivalent	

1	5 - 10	1
2	11 - 20	2
3	21 - 50	3
4	51 - 90	4
5	91 - 140	5
6	141 - 190	6
7	191 - 240	7
8	241 and over	7 plus 1 for each 50 pupils
9		and fraction of 50 pupils in ADM

(d) Special Education Schedule

	ADM	No. Instructional Units
11		
12	5 - 8	1
13	9 - 15	2
14	16 - 23	3
15	24 - 32	4
16	33 and over	4 plus 1 for each 9 pupils
17		or fraction of 9

Sec. 14.17.051 INSTRUCTIONAL UNIT ALLOTMENT. The instructional unit allotment for each school district is as follows:

(1) if the school district is in the southeastern or southcentral area of the state as defined in AS 14.20.275, the district shall receive the base instructional unit allotment;

(2) if the school district is in the central area of the state as defined in AS 14.20.275, the district shall receive 105 per cent of the base allotment;

(3) if the school district is in the northwest area of the state as defined in AS 14.20.275, the district shall receive 110 per cent of the base allotment;

(4) The instructional unit allotment as determined by

1 (1) - (3) of this section for any school district which does not have
2 access to Anchorage, Ketchikan, or Fairbanks, by road, railroad, or
3 ferry, shall be increased by five per cent.

4 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT. The base instructional
5 unit shall be \$20,000.

6 Sec. 14.17.061. SUPPLEMENTAL PROGRAMS. (a) In addition to
7 the amounts authorized to be paid to school districts under this
8 chapter, funding of supplemental programs may be recommended by the
9 commissioner.

10 (b) Applications for supplemental program funds shall be
11 submitted by each school district to the commissioner by September 30
12 of the pre-fiscal year in the form prescribed by the commissioner.

13 (c) Federal funds available for aid to local school districts
14 will be included with the state's share in applying the matching ratio.

15 Sec. 14.17.071. REQUIRED LOCAL EFFORT. (a) Payment of state
16 aid to a local school district under this chapter is contingent upon
17 matching by the district in the amount of the required local effort
18 for that district in the ratio of required local effort: state
19 contribution = $1:P_1$
20 $(1-P_1)$.

21 (b) For purposes of this section, P_1 = equalized percentage
22 as defined in sec. 21(c) of this chapter.

23 * Sec. 5. AS 14.17.080 is amended to read:

24 Sec. 14.17.080. COMPUTATION BY DISTRICT. By October 30 of the
25 pre-fiscal year, each district shall submit to the commissioner a
26 preliminary report of [ITS] computations for the following fiscal
27 year of the district's basic need as defined by sec. 21 [40] of this
28 chapter; the amount which it expects to match under the provisions
29 of sec. 51 of this chapter; and the amount for supplemental programs
which has been approved for funding consideration by the commissioner

1 [ITS REQUIRED LOCAL EFFORT AS DEFINED BY SEC. 30 OF THIS CHAPTER; AND
2 THE AMOUNT OF STATE AID TO WHICH THE DISTRICT WOULD BE ENTITLED UNDER
3 SEC. 50 OF THIS CHAPTER]. Each district shall make the computations
4 in the manner prescribed by secs. 80 - 150 of this chapter. The
5 computations are the basis for requesting legislative appropriations
6 and for making preliminary payments under the public school foundation
7 program.

8 * Sec. 6. AS 14.17.140 is amended to read:

9 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY LOCAL
10 AFFAIRS AGENCY. To determine the equalized percentage to be applied
11 to basic need under sec. 21 of this chapter, and the matching ratio
12 for required local effort under sec. 51 of this chapter [SUPPLEMENTAL
13 ALLOCATIONS AUTHORIZED BY SEC. 75 OF THIS CHAPTER], the Local Affairs
14 Agency, in consultation with the assessor for each district, shall
15 determine the full value of the taxable real and personal property
16 in each district. Exemptions granted under ch. 129, SLA 1957,
17 known as the Alaska Industrial Incentive Act (AS 43.35), shall be
18 honored. If there is no local assessor or current local assessment
19 for a district, then the Local Affairs Agency shall make the
20 determination of full value from information available. In making
21 the determination, the Local Affairs Agency shall be guided by
22 AS 29.10.396. The determination of full value shall be made before
23 October 1 and sent by certified mail, return receipt requested, before
24 that date to the president of the school board in each district.
25 Duplicate copies shall be sent to the commissioner. The district may
26 obtain judicial review of the determination by filing a motion in the
27 superior court of the judicial district in which the district is
28 located within 30 days after receipt of the determination. The
29 superior court may modify the determination of the Local Affairs

1 Agency only upon a finding of abuse of discretion or upon a finding
2 that there is no substantial evidence to support the determination.

3 * Sec. 7. AS 14.17.150(a) is amended to read:

4 (a) The commissioner shall examine the preliminary reports
5 [ALLOTMENT COMPUTATIONS] submitted by each district to determine
6 that they are correctly computed. If the allotments are incorrectly
7 computed, the commissioner shall either (1) obtain a correct com-
8 putation from the district, or (2) make a correct computation based
9 on information available to him, and give notice of the corrected
10 computation to the district. The commissioner shall review supple-
11 mental program applications and notify the district whether its
12 supplemental program is approved for inclusion in its foundation
13 program computations.

14 * Sec. 8. AS 14.17.160 is amended to read:

15 Sec. 14.17.160. ALLOCATION OF FUNDS ON PRELIMINARY COMPUTATIONS.
16 The commissioner shall determine the state aid [BASIC NEED] for each
17 school district on the basis of the pre-fiscal year computations.
18 Beginning July 15 of the fiscal year and on the 15th of each month,
19 for seven successive months, one-twelfth of each district's state
20 aid shall be distributed.

21 * Sec. 9. AS 14.17.170 is amended to read:

22 Sec. 14.17.170. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each
23 district shall make a report at the end of the first nine weeks of
24 school, which contains a new estimate of its average daily membership
25 for the fiscal year and other information which will aid the
26 commissioner in making a more accurate determination of each district's
27 state aid [BASIC NEED]. The commissioner shall, on the basis of
28 this new estimate and information, make a recomputation of each
29 district's state aid [BASIC NEED]. Before December 2, the commissioner

1 shall notify each district of changes made in its state aid [BASIC
2 NEED]. The commissioner shall also determine whether the money in
3 the public school foundation account is sufficient to meet each
4 district's state aid [BASIC NEED] for the fiscal year, and, if
5 the money is not sufficient, he shall immediately inform the
6 governor of the amount of additional appropriation he estimates will
7 be necessary to carry out the public school foundation program for
8 the rest of the fiscal year. Beginning February 15 and on the 15th
9 of each subsequent month, one-fifth of the recomputed balance of
10 each district's state aid shall be distributed. However, one-half
11 of the June payment shall be withheld pending a final determination
12 of the district's state aid [BASIC NEED].

13 * Sec. 10. AS 14.17.180 is amended to read:

14 Sec. 14.17.180. PAYMENT UNDER FINAL COMPUTATION. Before
15 June 16 each district shall transmit to the commissioner a final
16 computation of the district's state aid [BASIC NEED]. The commis-
17 sioner shall process each district's computation in the manner
18 provided by sec. 150(a) of this chapter. Additional state aid shall
19 be obligated by the commissioner before June 30. If the district
20 received more state aid [BASIC NEED] money than it was entitled to
21 under this chapter [ITS BASIC NEED], it shall immediately, after
22 notice from the commissioner of the overpayment, remit the amount
23 of overpayment to the commissioner to be returned to the public
24 school foundation account.

25 * Sec. 11. AS 14.17.250 is amended by adding a new paragraph to read:

26 (13) "ADM full-time equivalent" as used in this chapter
27 means the quotient of the aggregate periods of pupil membership per
28 day in specified classes, divided by the number of class periods in
29 the school day.

1 * Sec. 12. This Act takes effect on the day after its passage and approval
2 al or on the day it becomes law without approval.

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