

Introduced: 1/15/70
Referred: Health,
Welfare & Education
and Finance

BY THE RULES COMMITTEE
BY REQUEST OF GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 378

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 AS 14.17.020 ✓ 14.17.075 are repealed.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 AS 14.17.100 - 14.17.120 are repealed.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 AS 14.17.250(7), (10) and (12) are repealed.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 is 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. 051 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 $P_i = 1 - (1-k) V_i/V_s$ wherein

23 (1) P_i (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_i (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 Sec. 14.17.031. INSTRUCTIONAL UNITS. (a) The total number of
5 instructional units within each school district is the sum of

6 (1) the number of units for elementary schools and the
7 number of units for secondary schools as determined from sec. 041(a)
8 or sec. 041(b) of this chapter;

9 (2) the number of units for vocational education deter-
10 mined from sec. 041(c) of this chapter;

11 (3) the number of units from special education deter-
12 mined from sec. 041(d) of this chapter; and

13 (4) if the district has five or more correspondence
14 pupils, the number of units for correspondence pupils determined by
15 applying the number of correspondence pupils to sec. 041(a) of this
16 chapter.

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

20 (c) The commissioner may authorize any school district
21 operating a school having an average daily membership of fewer than
22 301 pupils in a remote area to calculate the number of units to
23 which that school would be entitled if it were a separate district
24 and to include that number of units in the total number of instruc-
25 tional units within that district.

26 Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS.

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

29 ADM No. Instructional

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	<u>Units</u>
under 10	1
10 - 20	2
21 - 32	3
33 - 46	4
47 - 62	5
63 - 80	6
81 - 999	6 plus 1 for each 18 pupils or fraction of 18.

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

<u>ADM</u>	<u>No. Instructional Units</u>
under 10	1
10 - 20	2
21 - 32	3
33 - 46	4
47 - 62	5
63 - 80	6
81 - 100	7
101 - 3000	7 plus 1 for each 20 pupils and fraction of 20
3000 and over	152 plus 1 for each 24 pupils and fraction of 24

(c) Vocational Education Schedule

<u>ADM</u>	<u>No. Instructional Units</u>
<u>Full-Time</u>	
<u>Equivalent</u>	
5 - 10	1
11 - 20	2

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

(d) Special Education Schedule

<u>ADM</u>	<u>No. Instructional Units</u>
5 - 8	1
9 - 15	2
16 - 23	3
24 - 32	4
33 and over	4 plus 1 for each 9 pupils 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 instructional unit allotment for that district is \$14,500;

(2) If the school district is in the central area of the state as defined in AS 14.20.275 the instructional unit allotment for that district is \$15,225;

(3) If the school district is in the northwest area of the state as defined in AS 14.20.275 the instructional unit allotment for that district is \$15,950;

(4) The instructional unit allotment as determined by (1) - (3) of this section for any school district which does not have access to Anchorage, Ketchikan, or Fairbanks, by road, railroad, or

1 ferry, shall be increased by a total of \$725.

2 Sec. 14.17.061. SUPPLEMENTAL PROGRAMS. (a) In addition to
3 the amounts authorized to be paid to school districts under this
4 chapter, funding of supplemental programs may be recommended by the
5 commissioner.

6 (b) Applications for supplemental program funds shall be
7 submitted by each school district to the commissioner by September
8 30 of the pre-fiscal year in the form prescribed by the commissioner.

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

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

$$\frac{1}{(1-P_i)}$$

17 (b) For purposes of this section, P_i = equalized percentage
18 as defined in sec. 021(c) of this chapter.

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

20 Sec. 14.17.080. COMPUTATION BY DISTRICT. By October 30 of the
21 pre-fiscal year each district shall submit to the commissioner a
22 preliminary report of [ITS] computations for the following fiscal
23 year of the district's basic need as defined in sec. 021 [40] of
24 this chapter; the amount which it expects to match under the
25 provisions of sec. 051 of this chapter; and the amount for supple
26 mental programs which has been approved for funding consideration by
27 the commissioner [ITS REQUIRED LOCAL EFFORT AS DEFINED BY SEC. 30 OF
28 THIS CHAPTER; AND THE AMOUNT OF STATE AID TO WHICH THE DISTRICT WOULD
29 BE ENTITLED UNDER SEC. 50 OF THIS CHAPTER]. Each district shall make

1 the computations in the manner prescribed by secs. 80 - 150 of this
2 chapter. The computations are the basis for requesting legislative
3 appropriations and for making preliminary payments under the public
4 school foundation program.

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

6 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY LOCAL
7 AFFAIRS AGENCY. To determine the equalized percentage to be applied
8 to basic need under sec. 021 of this chapter, and the matching ratio
9 for required local effort under sec. 051 of this chapter [SUPPLE-
10 MENTAL ALLOCATIONS AUTHORIZED BY SEC. 75 OF THIS CHAPTER], the Local
11 Affairs Agency, in consultation with the assessor for each district,
12 shall determine the full value of the taxable real and personal
13 property in each district. Exemptions granted under ch. 129, SLA
14 1957, known as the Alaska Industrial Incentive Act (AS 43.35), shall
15 be honored. If there is no local assessor or current local assess-
16 ment for a district, then the Local Affairs Agency shall make the
17 determination of full value from information available. In making
18 the determination, the Local Affairs Agency shall be guided by AS 29.
19 10.396. The determination of full value shall be made before October
20 1 and sent by certified mail, return receipt requested, before that
21 date to the president of the school board in each district.

22 Duplicate copies shall be sent to the commissioner. The district may
23 obtain judicial review of the determination by filing a motion in the
24 superior court of the judicial district in which the district is
25 located within 30 days after receipt of the determination. The
26 superior court may modify the determination of the Local Affairs
27 Agency only upon a finding of abuse of discretion or upon a finding
28 that there is no substantial evidence to support the determination.

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

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

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

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

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

19 Sec. 14.17.170. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each
20 district shall make a report at the end of the first nine weeks of
21 school, which contains a new estimate of its average daily member-
22 ship for the fiscal year and other information which will aid the
23 commissioner in making a more accurate determination of each dis-
24 trict's state aid [BASIC NEED]. The commissioner shall, on the basis
25 of this new estimate and information, make a recomputation of each
26 district's state aid [BASIC NEED]. Before December 2, the commission-
27 er shall notify each district of changes made in its state aid
28 [BASIC NEED]. The commissioner shall also determine whether the
29 money in the public school foundation account is sufficient to meet

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

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

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

22 * Sec. 11. AS 14.17.250 is amended by adding a new subsection to
23 read:

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

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