

Original sponsor: Rules Committee by request of the Governor

Offered: 5/1/70
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR 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 AS 14.17.020 - 14.17.075 are repealed.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 AS 14.17.100 - 14.17.120 are repealed.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 AS 14.17.250(7), (10) and (12) are repealed.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. 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 $P_1 = 1 - (1-k) V_1/V_s$ in which

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 in
28 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 constitute
5 at least 90 per cent of the basic need as defined by the department of
6 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) or
11 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 pupils,
17 the number of units for correspondence pupils determined by applying
18 the number of correspondence pupils to sec. 41(a) of this chapter.

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

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

28 Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS.

29 (a) Elementary and Secondary Schools.

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in Districts with ADM under 1,000

ADM	No. Instructional Units
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

ADM	No. Instructional Units
under 10	1
10 - 20	2
21 - 32	3
33 - 46	4
47 - 62	5
63 - 80	6
81 - 99	7
100 - 3005	7 plus 1 for each 19 pupils and fraction of 19
3006 and over	152 plus 1 for each 24 pupils and fraction of 24.

(c) Vocational Education Schedule

ADM	No. Instructional Units
Full-Time Equivalent	
5 - 10	1

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

9 (d) Special Education Schedule

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

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

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

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

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

28 (4) The instructional unit allotment as determined by (1) -
 29 (3) of this section for any school district which does not have access

1 to Anchorage, Ketchikan, or Fairbanks, by road, railroad, or ferry,
2 shall be increased by a total of \$725.

3 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT. (a) The base instruc-
4 tional unit shall be 1.45 times the Greater Anchorage Borough school
5 district salary average for the preceding year.

6 (b) The Greater Anchorage Borough salary average is the average
7 salary of all the teachers employed in the district on the second
8 Wednesday of each October of such year, when their training and experi-
9 ence is applied to the teacher salary scales established by AS 14.20.-
10 220(d).

11 (c) If the legislature changes the scale by a law effective during
12 the year for which the average is to be applied, the average is recom-
13 puted as if the new scale had been in effect during the preceding year.

14 Sec. 14.17.061. SUPPLEMENTAL PROGRAMS. (a) In addition to the
15 amounts authorized to be paid to school districts under this chapter,
16 funding of supplemental programs, on the same basis as determined in
17 the computation of state aid for the applicable district, may be recom-
18 mended by the commissioner.

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

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

25 Sec. 14.17.071. REQUIRED LOCAL EFFORT. (a) Payment of state
26 aid to a local school district under this chapter is contingent upon
27 matching by the district in the amount of the required local effort
28 for that district in the ratio of required local effort: state contri-
29 bution = $1:P_1$
($1-P_1$)

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

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

4 Sec. 14.17.080. COMPUTATION BY DISTRICT. By October 30 of the
5 pre-fiscal year each district shall submit to the commissioner a pre-
6 liminary report of [ITS] computations for the following fiscal year
7 of the district's basic need as defined in sec. 21 [40] of this chapter;
8 the amount which it expects to match under the provisions of sec. 71 of
9 this chapter; and the amount for supplemental programs which has been
10 approved for funding consideration by the commissioner [ITS REQUIRED
11 LOCAL EFFORT AS DEFINED BY SEC. 30 OF THIS CHAPTER; AND THE AMOUNT OF
12 STATE AID TO WHICH THE DISTRICT WOULD BE ENTITLED UNDER SEC. 50 OF
13 THIS CHAPTER]. Each district shall make the computations in the manner
14 prescribed by secs. 80 - 150 of this chapter. The computations are the
15 basis for requesting legislative appropriations and for making prelimin-
16 ary payments under the public school foundation program.

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

18 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY LOCAL
19 AFFAIRS AGENCY. To determine the equalized percentage to be applied
20 to basic need under sec. 21 of this chapter, and the matching ratio
21 for required local effort under sec. 71 of this chapter [SUPPLEMENTAL
22 ALLOCATIONS AUTHORIZED BY SEC. 75 OF THIS CHAPTER], the Local Affairs
23 Agency, in consultation with the assessor for each district, shall
24 determine the full value of the taxable real and personal property in
25 each district. Exemptions granted under ch. 129, SLA 1957, known
26 as the Alaska Industrial Incentive Act (AS 43.35), shall be honored.
27 If there is no local assessor or current local assessment for a district,
28 then the Local Affairs Agency shall make the determination of full
29 value from information available. In making the determination, the

1 Local Affairs Agency shall be guided by AS 29.10.396. The determina-
2 tion of full value shall be made before October 1 and sent by certified
3 mail, return receipt requested, before that date to the president of
4 the school board in each district. Duplicate copies shall be sent
5 to the commissioner. The governing body of the borough or city which
6 is the district may obtain judicial review of the determination by
7 filing a motion in the superior court of the judicial district in which
8 the district is located within 30 days after receipt of the determina-
9 tion. The superior court may modify the determination of the Local
10 Affairs Agency only upon a finding of abuse of discretion or upon a
11 finding that there is no substantial evidence to support the determina-
12 tion.

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

14 (a) The commissioner shall examine the preliminary reports
15 [ALLOTMENT COMPUTATIONS] submitted by each district to determine
16 that they are correctly computed. If the allotments are incorrectly
17 computed, the commissioner shall either (1) obtain a correct computa-
18 tion from the district, or (2) make a correct computation based on
19 information available to him, and give notice of the corrected computa-
20 tion to the district. The commissioner shall review supplemental
21 program applications and notify the district whether its supplemental
22 program is approved for inclusion in its foundation program computa-
23 tions.

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

25 Sec. 14.17.160. ALLOCATION OF FUNDS ON PRELIMINARY COMPUTATION.
26 The commissioner shall determine the state aid [BASIC NEED] for each
27 school district on the basis of the pre-fiscal year computations.
28 Beginning July 15 of the fiscal year and on the 15th of each month,
29 for seven successive months, one-twelfth of each district's state aid

1 shall be distributed.

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

3 Sec. 14.17.170. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each
4 district shall make a report at the end of the first nine weeks of
5 school, which contains a new estimate of its average daily member-
6 ship for the fiscal year and other information which will aid the com-
7 missioner in making a more accurate determination of each district's
8 state aid [BASIC NEED]. The commissioner shall, on the basis of this
9 new estimate and information, make a recomputation of each district's
10 state aid [BASIC NEED]. Before December 2, the commissioner shall
11 notify each district of changes made in its state aid [BASIC NEED]. The
12 commissioner shall also determine whether the money in the public school
13 foundation account is sufficient to meet each district's state aid [BASI
14 NEED] for the fiscal year, and, if the money is not sufficient, he
15 shall immediately inform the governor of the amount of additional
16 appropriation he estimates will be necessary to carry out the public
17 school foundation program for the rest of the fiscal year. Beginning
18 February 15 and on the 15th of each subsequent month, one-fifth of the
19 recomputed balance of each district's state aid shall be distributed.
20 However, one-half of the June payment shall be withheld pending a
21 final determination of the district's state aid [BASIC NEED].

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

23 Sec. 14.17.180. PAYMENT UNDER FINAL COMPUTATION. Before June 16
24 each district shall transmit to the commissioner a final computation
25 of the district's state aid [BASIC NEED]. The commissioner shall
26 process each district's computation in the manner provided by sec. 150(a
27 of this chapter. Additional state aid shall be obligated by the commis-
28 sioner before June 30. If the district received more state aid [BASIC
29 NEED] money than it was entitled to under this chapter [ITS BASIC NEED],

1 it shall immediately, after notice from the commissioner of the overpay-
2 ment, remit the amount of overpayment to the commissioner to be returned
3 to the public school foundation account.

4 * Sec. 11. AS 14.17.250 is amended by adding new subsections to read:

5 (13) "ADM full-time equivalent" means the quotient of the
6 aggregate periods of pupil membership per day in specified classes,
7 divided by the number of class periods in the school day;

8 (14) "instructional unit" means the aggregate of all direct
9 and indirect services necessary to provide a standard level of instruc-
10 tion for a group of pupils;

11 (A) "direct services" include, but are not limited to
12 supplying teacher services, textbooks, reference materials, pupil
13 and teacher supplies, as well as utilities and custodial services;

14 (B) "indirect services" are those auxiliary or support-
15 ing functions that complement direct services and include but are
16 not limited to administration, transportation, food, attendance
17 and activities;

18 (C) "instructional unit" does not include items of
19 community service, capital outlay or debt service.

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