

Original sponsor: Rules Committee by re-
quest of the Governor

Offered: 5/5/70
Referred: Rules

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR 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 AS 14.17.020 - 14.17.075 are repealed.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 AS 14.17.100 - 14.17.120 are repealed.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 AS 14.17.250(7), (10) and (12) are repealed.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.

21 (c) The commissioner may authorize any school district operating
22 a school in a remote area to calculate the number of units to which that
23 school would be entitled if it were a separate district and to include
24 that number of units in the total number of instructional units within
25 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 No. Instructional

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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	160 plus 1 for each 23 pupils and fraction of 23.

(c) Vocational Education Schedule

Full-Time Equivalent	No. Instructional Units
5 - 10	1
11 - 20	2
21 - 50	3

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

7 (d) Special Education Schedule

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

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

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

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

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

26 (4) The instructional unit allotment as determined by (1) -
27 (3) of this section for any school district which does not have access
28 to Anchorage, Ketchikan, or Fairbanks, by road, railroad, or ferry,
29 shall be increased by a total of 5%.

1 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT. (a) The base instruc-
2 tional unit is \$19,000.

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

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

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

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

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

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

22 Sec. 14.17.080. COMPUTATION BY DISTRICT. By October 30 of the
23 pre-fiscal year each district shall submit to the commissioner a pre-
24 liminary report of [ITS] computations for the following fiscal year
25 of the district's basic need as defined in sec. 21 [40] of this chapter;
26 the amount which it expects to match under the provisions of sec. 71 of
27 this chapter; and the amount for supplemental programs which has been
28 approved for funding consideration by the commissioner [ITS REQUIRED
LOCAL EFFORT AS DEFINED BY SEC. 30 OF THIS CHAPTER; AND THE AMOUNT OF

1 STATE AID TO WHICH THE DISTRICT WOULD BE ENTITLED UNDER SEC. 50 OF
2 THIS CHAPTER]. Each district shall make the computations in the manner
3 prescribed by secs. 80 - 150 of this chapter. The computations are the
4 basis for requesting legislative appropriations and for making prelimin-
5 ary payments under the public school foundation program.

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

7 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY LOCAL
8 AFFAIRS AGENCY. To determine the equalized percentage to be applied
9 to basic need under sec. 21 of this chapter, and the matching ratio
10 for required local effort under sec. 71 of this chapter [SUPPLEMENTAL
11 ALLOCATIONS AUTHORIZED BY SEC. 75 OF THIS CHAPTER], the Local Affairs
12 Agency, in consultation with the assessor for each district, shall
13 determine the full value of the taxable real and personal property in
14 each district. Exemptions granted under ch. 129, SLA 1957, known
15 as the Alaska Industrial Incentive Act (AS 43.35), shall be honored.
16 If there is no local assessor or current local assessment for a district,
17 then the Local Affairs Agency shall make the determination of full
18 value from information available. In making the determination, the
19 Local Affairs Agency shall be guided by AS 29.10.396. The determina-
20 tion of full value shall be made before October 1 and sent by certified
21 mail, return receipt requested, before that date to the president of
22 the school board in each district. Duplicate copies shall be sent
23 to the commissioner. The governing body of the borough or city which
24 is the district may obtain judicial review of the determination by
25 filing a motion in the superior court of the judicial district in which
26 the district is located within 30 days after receipt of the determina-
27 tion. The superior court may modify the determination of the Local
28 Affairs Agency only upon a finding of abuse of discretion or upon a
29 finding that there is no substantial evidence to support the

1 determination.

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

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

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

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

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

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

1 account is sufficient to meet each district's state aid [BASIC NEED]
2 for the fiscal year, and, if the money is not sufficient, he shall
3 immediately inform the governor of the amount of additional appropriation
4 he estimates will be necessary to carry out the public school foundation
5 program for the rest of the fiscal year. Beginning February 15 and on
6 the 15th of each subsequent month, one-fifth of the recomputed balance
7 of each district's state aid shall be distributed. However, one-half
8 of the June payment shall be withheld pending a final determination of
9 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 June 16
12 each district shall transmit to the commissioner a final computation
13 of the district's state aid [BASIC NEED]. The commissioner shall process
14 each district's computation in the manner provided by sec. 150(a)
15 of this chapter. Additional state aid shall be obligated by the commis-
16 sioner before June 30. If the district received more state aid [BASIC
17 NEED] money than it was entitled to under this chapter [ITS BASIC NEED],
18 it shall immediately, after notice from the commissioner of the overpay-
19 ment, remit the amount of overpayment to the commissioner to be returned
20 to the public school foundation account.

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

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

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

28 (A) "direct services" include, but are not limited to
29 supplying teacher services, textbooks, reference materials, pupil

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and teacher supplies, as well as utilities and custodial services;

(B) "indirect services" are those auxiliary or supporting functions that complement direct services and include but are not limited to administration, transportation, food, attendance and activities;

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

* Sec. 12. This Act takes effect on July 1, 1970.