

Offered: 6/20/83

Original sponsors: Tischer, Adams,  
Fuller and Lindauer

1 IN THE HOUSE

BY THE CONFERENCE COMMITTEE

2

CONFERENCE CS FOR HOUSE BILL NO. 251

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to state support for education; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43.18.100(a)(4) is amended to read:

10 (4) subject to (h) and (i) of this section up to 90 percent  
11 of

12 (A) payments made by the municipality during the  
13 current fiscal year for the retirement of principal and interest  
14 on outstanding bonds, notes or other indebtedness incurred after  
15 December 31, 1981, and authorized by the qualified voters of the  
16 municipality before July 1, 1983, to pay costs of school con-  
17 struction, additions to schools, and major rehabilitation pro-  
18 jects that exceed \$25,000 and are approved under AS 14.07.-  
19 020(11); and

20 (B) cash payments made after June 30, 1982, and before  
21 July 1, 1983, by the municipality during the fiscal year two  
22 years earlier to pay costs of school construction, additions to  
23 schools, and major rehabilitation projects that exceed \$25,000  
24 and are approved under AS 14.07.020(11); and

25 (C) payments made by the municipality during the  
26 current fiscal year for the retirement of principal and interest  
27 on outstanding bonds, notes, or other indebtedness to pay costs  
28 of school construction, additions to schools, and major rehabili-  
29 tation projects that exceed \$25,000 and are submitted to the

1           Department of Education for approval under AS 14.07.020(11)  
2           before July 1, 1983, and approved by the qualified voters of the  
3           municipality before October 15, 1983, not to exceed a total  
4           project cost of (i) \$6,600,000 if the annual growth rate of  
5           average daily membership of the municipality is more than 7  
6           percent but less than 12 percent, or (ii) \$20,000,000 if the  
7           annual growth rate of average daily membership of the  
8           municipality is 12 percent or more; payments made by a munic-  
9           ipality under this paragraph on total project costs that exceed  
10           the amounts set out in (i) and (ii) of this paragraph are subject  
11           to (a)(5)(A) of this section.

12       \* Sec. 2. AS 43.18.100(a) is amended by adding a new paragraph to read:

13                   (5) subject to (h) and (i) of this section, 50 percent of

14                           (A) payments made by the municipality during the fiscal  
15                   year for the retirement of principal and interest on outstanding  
16                   bonds, notes or other indebtedness authorized by the qualified  
17                   voters of the municipality after June 30, 1983 to pay costs of  
18                   school construction, additions to schools, and major rehabilita-  
19                   tion projects that exceed \$25,000 and are approved under AS 14.-  
20                   07.020(11); and

21                           (B) cash payments made after June 30, 1983 by the  
22                   municipality during the fiscal year two years earlier to pay  
23                   costs of school construction, additions to schools, and major  
24                   rehabilitation projects that exceed \$25,000 and are approved  
25                   under AS 14.07.020(11).

26       \* Sec. 3. AS 43.18.100 is amended by adding a new subsection to read:

27                   (j) The state may not allocate money to a municipality for a  
28                   school construction project under (a)(5) of this section unless the  
29                   project is approved by the commissioner before the local vote on the

1 bond issue for the project. In approving a project under this sub-  
2 section, the commissioner shall require

3 (1) the municipality to include on the ballot for the bond  
4 issue the estimated total cost of each project and the estimated  
5 amounts that will be paid by the state and by the municipality;

6 (2) that the bonds may not be refunded unless the annual  
7 debt service on the refunding issue is not greater than the annual  
8 debt service on the original issue;

9 (3) that the bonds must be repaid in approximately equal  
10 annual principal payments or approximate equal debt service payments  
11 over a period of at least 10 years;

12 (4) the municipality to demonstrate need for the project by  
13 factors such as increased enrollment in the school district, the  
14 health and safety of the students, and the factors listed in AS 14.-  
15 11.010(c).

16 \* Sec. 4. FINDINGS. The legislature finds that the present system of  
17 providing assistance to school systems should be studied for modification  
18 and improvement. The legislature further finds that during the period of  
19 study an alternative mechanism to the existing foundation support system is  
20 desirable.

21 \* Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,  
22 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056, 14.17.-  
23 082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of 14.17.170  
24 that requires the withholding of one-half of the June payment of state aid  
25 pending a final determination of each school district's state aid is sus-  
26 pended from July 1, 1983, through June 30, 1984. During the period of  
27 suspension, the provisions of AS 14.17.031(d) remain in effect except that  
28 the number of students in average daily membership in each school district  
29 shall be used instead of instructional units to calculate reductions in

1 state aid. During the period of suspension, funding for the basic state  
2 aid and supplemental equalization aid that otherwise would have been pro-  
3 vided under the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023  
4 shall be provided to school districts and for centralized correspondence  
5 study in accordance with the provisions of sec. 6 of this Act.

6 \* Sec. 6. For fiscal year 1984 the amount of state aid for each school  
7 district and for centralized correspondence study is the following amount,  
8 subject to adjustment under AS 14.17.021(b), for each pupil in average  
9 daily membership less any aid overpaid as determined by the commissioner of  
10 education:

11	Anchorage School District	\$ 3,310
12	Bristol Bay Borough School District	9,732
13	Cordova City School District	5,029
14	Craig City School District	6,734
15	Dillingham City School District	8,673
16	Fairbanks North Star Borough School District	3,688
17	Galena City School District	9,995
18	Haines Borough School District	6,345
19	Hoonah City School District	6,224
20	Hydaburg City School District	9,163
21	City and Borough of Juneau School District	3,622
22	Kake City School District	7,109
23	Kenai Peninsula Borough School District	3,900
24	Ketchikan Gateway Borough School District	3,399
25	King Cove City School District	9,376
26	Klawock City School District	7,417
27	Kodiak Island School District	5,488
28	Matanuska-Susitna Borough School District	3,504
29	Nenana City School District	10,507

1	Nome City School District	7,165
2	North Slope Borough School District	9,202
3	Pelican City School District	12,438
4	Petersburg City School District	4,049
5	Sand Point City School District	8,283
6	Sitka Borough School District	3,711
7	Skagway City School District	5,379
8	St. Mary's City School District	14,946
9	Tanana School District	13,361
10	Unalaska City School District	8,210
11	Valdez City School District	4,786
12	Wrangell City School District	4,726
13	Yakutat City School District	7,749
14	Adak Regional School District	6,643
15	Alaska Gateway School District	8,639
16	Aleutian Chain School District	16,674
17	Annette Island School District	6,572
18	Bering Straits School District	12,197
19	Chatham School District	8,682
20	Chugach School District	11,758
21	Copper River School District	7,178
22	Delta School District	5,915
23	Iditarod Area School District	14,972
24	Kuspuk School District	16,376
25	Lake and Peninsula School District	15,476
26	Lower Kuskokwim School District	11,033
27	Lower Yukon School District	9,864
28	Northwest Arctic School District	10,387
29	Pribilof Islands School District	11,475

1	Upper Railbelt Regional School District	9,551
2	Southeast Island School District	9,665
3	Southwest Regional School District	13,305
4	Yukon Flats School District	15,498
5	Yukon Koyukuk School District	13,191
6	Central Correspondence	2,508

7 \* Sec. 7. The Commissioner shall determine the state aid for each  
8 school district on the basis of the reports submitted under AS 14.17.170  
9 for fiscal year 1983. Beginning July 15 of the fiscal year, and on the  
10 15th of each month, for seven successive months, 1/12th of each district's  
11 state aid shall be distributed.

12 \* Sec. 8. Appropriations made for fiscal year 1984 for supplemental  
13 programs under AS 14.17.061(a) may be used only for average daily member-  
14 ship increases beyond the average daily membership reported by school  
15 districts under AS 14.17.170 for fiscal year 1983. If the amount appro-  
16 priated for fiscal year 1984 is insufficient to meet the average daily  
17 membership allocations authorized under sec. 6 of this Act with respect to  
18 the increased average daily membership, the available funds shall be dis-  
19 tributed on a pro rata basis among the school districts with increases in  
20 average daily membership.

21 \* Sec. 9. During the period of suspension under sec. 5 of this Act, a  
22 school district shall continue to provide services to students in programs  
23 of bilingual, special, and vocational education commensurate with the needs  
24 of the students and in strict accordance with applicable state and federal  
25 laws and regulations.

26 \* Sec. 10. The commissioner of education shall recommend to the legis-  
27 lature a method of revising and improving the public school foundation pro-  
28 gram no later than January 9, 1984. If the commissioner of education has  
29 not made recommendations to the legislature by January 9, 1984, the

1 provisions of AS 14.17 notwithstanding, the amount of basic state aid to  
2 each school district and regional educational attendance area under the  
3 public school foundation program as calculated by fiscal year 1984 revised  
4 average daily membership calculations, beginning in fiscal year 1985, shall  
5 be adjusted and identified in January 1984 to reflect the changes in the  
6 Consumer Price Index for all Urban Consumers for the Anchorage Metropolitan  
7 Area compiled by the Bureau of Labor Statistics, United States Department  
8 of Labor in January 1984, for the preceding twelve-month period. The index  
9 for January 1983 is the reference base index.

10 \* Sec. 11. Sections 4 - 10 of this Act are repealed June 30, 1985.

11 \* Sec. 12. Sections 1 - 3 of this Act take effect July 1, 1983.

12 \* Sec. 13. Sections 4 - 13 of this Act take effect immediately in  
13 accordance with AS 01. 10.070(c).