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Referred: Health, Education &
Social Services and Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 257

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 * Section 1. AS 14.17 is amended by adding a new section to read:

11 Sec. 14.17.065. LOCAL EFFORT PARTICIPATION PROGRAM. (a) The
12 commissioner shall increase a district's state aid by an amount equal
13 to 50 percent of the district's local appropriation, expended for the
14 operation of schools, that exceeds the amount that would be generated
15 by a three mill levy on the full and true value of taxable real and
16 personal property in the district, as determined under AS 14.17.140.

17 (b) The commissioner shall distribute the funds authorized under
18 this section in the manner provided in AS 14.17.160 - 14.17.190,
19 except that the commissioner shall withhold 10 percent of the funds
20 until expenditure of the district's local appropriation is verified in
21 an audit performed under AS 14.14.050.

22 (c) In this section, "local appropriation" means funds made
23 available for expenditure by the district for the operation of elemen-
24 tary or secondary schools in a single fiscal year, but does not in-
25 clude federal money received under 20 U.S.C. 236 - 244 (P.L. 81-874)
26 or money appropriated for the retirement of school construction debt.
27 A district that has its bonded indebtedness for a school construction
28 project retired by the state at the rate of 50 percent under
29 AS 14.11.100(a)(5) may include as "local appropriation" funds expended

1 in a fiscal year for the retirement of school construction debt that
2 are not refunded by the state.
3 * Sec. 2. This Act takes effect July 1, 1985.