

Introduced: 2/14/86
Referred: Health, Education
Social Services and Finance

1 IN THE HOUSE

BY LARSON

2 HOUSE BILL NO. 575

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND 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 14.17 is amended by adding new sections to read:

10 Sec. 14.17.011. STATE AID. (a) The amount of state aid for
11 which a district is eligible is the sum of personnel costs under
12 AS 14.17.012 and operation and maintenance costs under AS 14.17.032
13 less the following:

14 (1) if a city or borough school district, that amount in
15 excess of \$100,000 that a 3.5 mill tax on real and personal property
16 would generate;

17 (2) if permitted under 20 U.S.C. 240(d), as amended, and
18 the regulations adopted under that section (45 C.F.R. 115.60 - 115.-
19 66), that amount in excess of \$100,000 of the allotment of the dis-
20 trict to federal financial assistance under 20 U.S.C. 236 - 244, as
21 amended, for the prior fiscal year.

22 (b) The sum of (a)(1) and (2) of this section may not exceed 40
23 percent of the sum of personnel costs under AS 14.17.012 and operation
24 and maintenance costs under AS 14.17.032.

25 Sec. 14.17.012. PERSONNEL COSTS. Personnel costs are determined
26 by multiplying the personnel units allotted to each district under
27 AS 14.17.013 by the amount of \$2,885.

28 Sec. 14.17.013. PERSONNEL UNITS. The total number of personnel
29 units allotted to each school district is the sum of the following:

1 (1) the number of units based on the district's weighted
2 average daily membership as determined under AS 14.17.014(a);

3 (2) the number of units for small districts as determined
4 under AS 14.17.014(b);

5 (3) the number of units for small schools as determined
6 under AS 14.17.014(c);

7 (4) the number of units based on the district's special
8 programs as determined under AS 14.17.014(d);

9 (5) the number of units for the district's geographic
10 differential determined under AS 14.17.016.

11 Sec. 14.17.014. CALCULATION OF PERSONNEL UNITS. (a) A district
12 shall receive personnel units equal to the sum of the weighted average
13 daily membership of the district's education programs. Weighted
14 average daily membership is calculated by multiplying a district's
15 average daily membership in the education programs listed in this
16 section by the following assigned weighted values:

17 Program	Weight	Units
18 K	1.30	(ADM x 1.30)
19 1 - 2	1.15	(ADM x 1.15)
20 3 - 6	1.00	(ADM x 1.00)
21 7 - 12	1.25	(ADM x 1.25)

22 (b) A district that contains cities or unincorporated commu-
23 nities with average daily membership in grades K-12 that are less than
24 or equal to 500 pupils shall receive an additional allocation of units
25 for each city or unincorporated community as follows:

26 ADM	Units
27 1 - 10	25
28 11 - 15	25 + (4 x (ADM - 10))
29 16 - 25	45 + (1 x (ADM - 15))

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

26 - 200 55 + (0.5 x (ADM - 25))

201 - 500 142.5 + (0.025 x (ADM - 200))

(c) A district comprised of a single city or unincorporated community that has an average daily membership in grades K-12 greater than 500 and not more than 3,500 shall receive an additional allocation of units according to the following formula:

$$\text{Units} = ((3,500 - \text{ADM})/3,000) \times 150$$

(d) A district shall receive additional units for special education programs as follows:

(1) in a district with pupils receiving resource services, 23 units for the first 18 pupils or fraction thereof, plus 23/18 units for each additional pupil over 18;

(2) in a district with pupils in a self-contained classroom, 23 units for the first 10 pupils or fraction thereof, plus 23/10 units for each additional pupil over 10;

(3) in a district with pupils receiving gifted or talented services, 23 units for the first 40 pupils or fraction thereof, plus 23/40 units for each additional pupil over 40.

(e) In determining average daily membership under (a), (b), and (c) of this section, a district may not include pupils receiving special education services in a self-contained classroom.

Sec. 14.17.015. PUBLIC SCHOOL EMERGENCY ACCOUNT. (a) There is established as a separate account the public school emergency account. The account consists of appropriations of income earned from investment of the principal of the public school fund under AS 37.14.110. The money in the account may not be used for costs of school construction or for purposes other than emergency support of public education operating programs.

(b) A district may apply for public school emergency account

1 funds by application to the commissioner on the form prescribed by the
2 commissioner. The application must also be submitted to the Legisla-
3 tive Budget and Audit Committee. The Legislative Budget and Audit
4 Committee shall review the application and recommend that the commis-
5 sioner either grant or deny the application.

6 (c) The commissioner shall submit an annual report on actions
7 taken by the commissioner under this section to the Legislative Budget
8 and Audit Committee by April 15 of each year.

9 (d) In this section "costs of school construction" has the
10 meaning given in AS 14.11.135.

11 Sec. 14.17.016. GEOGRAPHIC DIFFERENTIAL ADJUSTMENT. A dis-
12 trict's personnel units as determined under AS 14.17.013(1), (2) and
13 (3) shall be increased by an area geographic differential as follows:

14 (1) for North Star Borough School District, the district is
15 entitled to receive an additional four percent;

16 (2) for Delta School District, Upper Railbelt Regional
17 School District, Copper River School District, Bristol Bay Borough
18 School District, Southwest Regional School District, St. Mary's City
19 School District, Yukon-Koyukuk School District, and Galena City School
20 District, the district is entitled to receive an additional six per-
21 cent;

22 (3) for Iditarod Area School District, Adak Regional School
23 District, Lower Kuskokwim School District, Lake Peninsula School
24 District, and Kuspuk School District, the district or area is entitled
25 to receive an additional eight percent;

26 (4) for Alaska Gateway School District, Sand Point City
27 School District, King Cove City School District, Unalaska City School
28 District, and Dillingham City School District, the district or area is
29 entitled to receive an additional 10 percent;

1 (5) for Tanana City School District, the area is entitled
2 to receive an additional 12 percent;

3 (6) for Yukon Flats School District, and Pribilof Islands
4 School District, the district or area is entitled to receive an addi-
5 tional 14 percent;

6 (7) for Nome City School District, Northwest Arctic School
7 District, and Bering Straits School District, the district or area is
8 entitled to receive an additional 16 percent;

9 (8) for Lower Yukon School District and Aleutian Chain
10 School District, the district or area is entitled to receive an addi-
11 tional 22 percent;

12 (9) for North Slope Borough School District the area is
13 entitled to receive an additional 28 percent.

14 * Sec. 2. AS 14.17 is amended by adding new sections to read:

15 Sec. 14.17.032. OPERATION AND MAINTENANCE COSTS. A district is
16 eligible to receive for operation and maintenance costs the greater of
17 the following:

18 (1) 20 percent of personnel costs as determined under
19 AS 14.17.012; or

20 (2) an average of actual operation and maintenance costs of
21 the district as determined under AS 14.17.034.

22 Sec. 14.17.034. DETERMINATION OF OPERATION AND MAINTENANCE
23 COSTS. (a) Operation and maintenance costs are the actual expendi-
24 tures made for operation of the district that are not expenditures for
25 personnel or items of capital expenditure eligible for reimbursement
26 by the state under AS 14.11.

27 (b) Each operation and maintenance cost incurred by a district
28 shall be averaged over the two most recent fiscal years for that
29 district. If the department makes a written determination that one or

1 both of the two most recent fiscal years are not fairly representative
2 of the average costs incurred by the district, the average may be
3 increased or decreased by the department to reflect actual costs of
4 the district. The department shall provide notice and opportunity for
5 a hearing to the district if the department determines not to accept
6 the two most recent fiscal years as fairly representative of the
7 average costs incurred by the district.

8 (c) The commissioner shall adopt regulations to implement this
9 section.

10 Sec. 14.17.036. BILINGUAL AND SPECIAL EDUCATION INTENSIVE PRO-
11 GRAMS. The department shall reimburse 100 percent of the costs of
12 bilingual education services and special education intensive programs
13 to each district. The department shall review the costs incurred by
14 each district and may deny reimbursement if the cost incurred was not
15 as a result of bilingual education services or a special education
16 intensive program.

17 * Sec. 3. AS 14.17 is amended by adding new sections to read:

18 Sec. 14.17.062. SUPPLEMENTAL PROGRAMS. The commissioner may
19 recommend funding of supplemental programs in addition to the amounts
20 authorized under this chapter.

21 Sec. 14.17.064. FUNDS FOR CENTRALIZED CORRESPONDENCE STUDY.
22 Funds for centralized correspondence study shall be provided by appro-
23 priation from the public school foundation account in an amount equal
24 to the number of personnel units that would be received under AS 14.-
25 17.014(a) for a district with the same average daily membership as
26 that of centralized correspondence study, multiplied by the unit
27 amount specified in AS 14.17.012.

28 * Sec. 4. AS 14.17.082 is repealed and reenacted to read:

29 Sec. 14.17.082. FUND BALANCE CHANGES IN SCHOOL OPERATING FUND.

1 (a) Each district having an average daily membership of 500 or more
2 may accumulate unrestricted or undesignated reserves, as defined by
3 the board by regulation in the school operating fund of five percent
4 of its expenditures for the prior fiscal year. Each district having
5 an average daily membership of less than 500 may accumulate unre-
6 stricted or undesignated reserves of seven percent of its expenditures
7 for the prior fiscal year.

8 (b) The commissioner shall review the annual audit of each
9 district to ascertain changes in the year-end operating fund balance
10 of the districts, and notify districts and the board, through a writ-
11 ten report, of any unrestricted or undesignated reserves accumulation
12 greater than that permitted under (a) of this section.

13 (c) The amount of financial assistance that a district is enti-
14 tled to under AS 14.17.011 shall be reduced in any fiscal year by the
15 amount that the district's unrestricted or undesignated reserves
16 exceed the amount permitted under (a) of this section.

17 * Sec. 5. AS 14.17.021, 14.17.022, 14.17.023, 14.17.031, 14.17.041,
18 14.17.051, 14.17.056, and 14.17.061 are repealed.

19 * Sec. 6. This Act takes effect July 1, 1986.
20
21
22
23
24
25
26
27
28
29