

Original sponsor: Rules/Governor

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 126 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST 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 14.17.010 is amended to read:

10 Sec. 14.17.010. PUBLIC SCHOOL FOUNDATION ACCOUNT. (a) The  
11 public school foundation account is established. The account consists  
12 of appropriations for distribution to districts and [OR] for central-  
13 ized correspondence study programs under this chapter.

14 (b) The money of the account may be used only in aid of public  
15 schools, including community school programs, and [OR] for centralized  
16 correspondence study programs as provided by this chapter.

17 \* Sec. 2. AS 14.17.021 is repealed and reenacted to read:

18 Sec. 14.17.021. STATE FOUNDATION AID. (a) The amount of state  
19 foundation aid for which a school district may qualify in a fiscal  
20 year is calculated by subtracting from the basic need defined in (b)  
21 of this section the required local effort under AS 14.17.025(a) and  
22 90 percent of the amount of federal aid received by the district as of  
23 March 1 of that fiscal year as payment for its entitlement for the  
24 application submitted during the preceding fiscal year, including  
25 advance payments and adjustments received since March 1 of the preced-  
26 ing fiscal year from prior year applications, under secs. 2, 3, and 4  
27 of P.L. 81-874 (20 U.S.C. 237 - 239), as amended, to the extent per-  
28 mitted by that Act and regulations adopted under it.

29 (b) The basic need of a school district is determined by

1 multiplying the area cost differential of the district under AS 14.-  
2 17.051 by the number of instructional units in the district under  
3 AS 14.17.031 and then multiplying that product by the instructional  
4 unit value in AS 14.17.056.

5 \* Sec. 3. AS 14.17.022 is amended to read:

6 Sec. 14.17.022. MONEY [FUNDS] FOR CENTRALIZED CORRESPONDENCE  
7 STUDY. Money [FUNDS] for providing centralized correspondence study  
8 programs for students not enrolled in an approved school district  
9 correspondence study program includes [SHALL INCLUDE] an allocation  
10 [APPROPRIATION] from the public school foundation account in an amount  
11 calculated by multiplying the [BASE] instructional unit value in  
12 AS 14.17.056 by the total number of instructional units, as determined  
13 by applying the number of correspondence students to the formula for  
14 elementary schools in AS 14.17.041(b)(1), then multiplying that prod-  
15 uct by 65 percent [AS 14.17.041(a)].

16 \* Sec. 4. AS 14.17 is amended by adding a new section to read:

17 Sec. 14.17.025. LOCAL EFFORT. (a) A city or borough that is a  
18 school district shall appropriate and contribute to the school op-  
19 erating fund of the district for each fiscal year, under AS 14.14.060  
20 and 14.14.065, at least the lesser of

21 (1) the equivalent of a four mill tax levy on the full and  
22 true value of the taxable real and personal property in the district  
23 as of January 1 of the second preceding fiscal year, as determined by  
24 the Department of Community and Regional Affairs under AS 14.17.140  
25 and AS 29.45.110; or

26 (2) 35 percent of the district's basic need for the preced-  
27 ing fiscal year, as determined under AS 14.17.021(b).

28 (b) A city or borough may not contribute more to the school  
29 operating fund of the district in a fiscal year than the equivalent of

1 a six mill tax levy on the full and true value of the taxable real and  
2 personal property in the district as of January 1 of the second pre-  
3 ceding fiscal year, as determined by the Department of Community and  
4 Regional Affairs under AS 14.17.140 and AS 29.45.110.

5 (c) Interest earnings that a district is allowed to keep and  
6 spend on school operations, state tuition payments, and in-kind con-  
7 tributions by the city or borough may be counted toward the local  
8 effort requirement in (a) of this section, and shall be counted under  
9 the contribution limit in (b) of this section, under regulations  
10 adopted by the department. Payments received under P.L. 81-874 (20  
11 U.S.C. 237-239), as amended, may not be counted under (a) or (b) of  
12 this section.

13 (d) A local contribution is not required in a regional educa-  
14 tional attendance area. Interest earnings and other local revenue in  
15 a regional educational attendance area are not considered local reve-  
16 nue for current operating expenditures, and are subject to regulation  
17 and disposition by the department.

18 (e) A state foundation aid payment may not be made to a city or  
19 borough school district in which the requirements of (a) of this  
20 section have not been met.

21 \* Sec. 5. AS 14.17.031 is repealed and reenacted to read:

22 Sec. 14.17.031. ALLOWABLE INSTRUCTIONAL UNITS. (a) The depart-  
23 ment shall adopt regulations defining funding communities within each  
24 district which reflect geographic and attendance area factors. For  
25 the purpose of determining instructional units, students are counted  
26 in the district and the funding community from which they receive  
27 educational services. The total number of instructional units in a  
28 school district is the sum of the following units for each funding  
29 community within the district, as determined by the department:

1 (1) the number of units for elementary and secondary stu-  
2 dents determined under AS 14.17.041(a) or (b);

3 (2) the number of units for vocational education determined  
4 under AS 14.17.043;

5 (3) the number of units for special education determined  
6 under AS 14.17.045; and

7 (4) the number of units for bilingual education determined  
8 under AS 14.17.047.

9 (b) For purposes of (a)(1) of this section, in fiscal years  
10 beginning after July 1, 1987, 90 percent of the district's total  
11 elementary and secondary instructional units for the preceding fiscal  
12 year is used if that number is greater than the district's total under  
13 (a)(1) of this section for the current fiscal year.

14 \* Sec. 6. AS 14.17.041 is repealed and reenacted to read:

15 Sec. 14.17.041. ELEMENTARY AND SECONDARY INSTRUCTIONAL UNITS.

16 (a) For funding communities that have an average daily membership of  
17 less than 200 in grades K-6 or less than 200 in grades 7-12, combined  
18 elementary and secondary instructional units are determined under the  
19 following table:

ADM	Units
1 - 10	2
11 - 20	$2 + ((ADM-10)/5)$
21 - 60	$4 + ((ADM-20)/8)$
61 - 120	$9 + ((ADM-60)/12)$
121 - 525	$14 + ((ADM-120)/15)$

27  
28  
29 (b) For funding communities that are not included under (a) of

1 this section,

2 (1) instructional units for elementary students are de-  
3 termined by the formula:

4 
$$\text{units} = 15 + ((\text{ADM}-200)/17)$$
, where ADM is the number of  
5 students in average daily membership in grades kindergarten through 6;

6 (2) instructional units for secondary students are de-  
7 termined by the formula:

8 
$$\text{units} = 18 + ((\text{ADM}-200)/13)$$
, where ADM is the number of  
9 students in average daily membership in grades 7 through 12.

10 (c) Kindergarten students who attend school less than four hours  
11 a day are counted as 0.5 ADM under (a) and (b) of this section.

12 (d) District correspondence or other students who do not regu-  
13 larly attend school on a daily basis are counted in the appropriate  
14 grade level of the funding community with the highest ADM in the  
15 district.

16 \* Sec. 7. AS 14.17 is amended by adding new sections to read:

17 Sec. 14.17.043. VOCATIONAL EDUCATION INSTRUCTIONAL UNITS. Voca-  
18 tional education instructional units for high-cost vocational educa-  
19 tion courses approved by the department are calculated as the sum, for  
20 all of those courses in the funding community, of the products ob-  
21 tained by multiplying 0.05 by the ADM full-time equivalent of the  
22 course, and then by the cost weighting factor for the course deter-  
23 mined under department regulations. A funding community in which a  
24 high-cost vocational education course approved by the department is  
25 operated receives a minimum of 0.10 instructional units for vocational  
26 education, and each district in which a high-cost vocational education  
27 course is operated receives a minimum of 1.00 instructional units.

28 Sec. 14.17.045. SPECIAL EDUCATION INSTRUCTIONAL UNITS. (a) An  
29 exceptional child, as defined in AS 14.30.350, who is enrolled in a

1 special education program, approved by the department, on the last day  
2 of the counting period for which a determination is being made, gener-  
3 ates 0.025 instructional units if the child receives gifted services,  
4 0.056 instructional units if the child receives resource services, 0.1  
5 instructional units if the child receives self-contained services, or  
6 0.333 instructional units if the child receives intensive or hospi-  
7 tal/homebound services, as those categories of service are defined by  
8 the department by regulation, in the funding community in which the  
9 child is served. A child may be counted in one special education  
10 category only.

11 (b) Notwithstanding (a) of this section, in a district that  
12 offers a special education program each funding community receives a  
13 minimum of 0.25 instructional units for special education and the  
14 district receives a minimum of 1.00 instructional units for special  
15 education.

16 Sec. 14.17.047. BILINGUAL EDUCATION INSTRUCTIONAL UNITS. A  
17 student for whom an appropriate bilingual program must be provided  
18 under regulations adopted by the department, and who is enrolled in a  
19 bilingual program, approved by the department, as of the last day of  
20 the counting period for which a determination is being made, gener-  
21 ates, in the funding community in which the student is served, the  
22 number of bilingual education instructional units that is the product  
23 obtained by multiplying 0.042 by the student's language dominance  
24 category weight under department regulations. A funding community in  
25 which a bilingual program approved by the department is operated  
26 receives a minimum of 0.10 instructional units for bilingual educa-  
27 tion, and a district in which a bilingual program is operated receives  
28 a minimum of 1.00 instructional units.

29 \* Sec. 8. AS 14.17.051 is repealed and reenacted to read:

1           **Sec. 14.17.051. AREA COST DIFFERENTIAL. The area cost differen-**  
2           **tial for a school district is as follows:**

3	<b>School District</b>	<b>Area Cost Differential</b>
4	<b>Adak</b>	<b>1.27</b>
5	<b>Alaska Gateway</b>	<b>1.16</b>
6	<b>Aleutian Region</b>	<b>1.27</b>
7	<b>Anchorage</b>	<b>1.00</b>
8	<b>Annette Island</b>	<b>1.00</b>
9	<b>Bering Strait</b>	<b>1.34</b>
10	<b>Bristol Bay</b>	<b>1.27</b>
11	<b>Chatham</b>	<b>1.00</b>
12	<b>Chugach</b>	<b>1.11</b>
13	<b>Copper River</b>	<b>1.11</b>
14	<b>Cordova</b>	<b>1.11</b>
15	<b>Craig</b>	<b>1.00</b>
16	<b>Delta/Greely</b>	<b>1.16</b>
17	<b>Dillingham</b>	<b>1.27</b>
18	<b>Fairbanks</b>	<b>1.04</b>
19	<b>Galena</b>	<b>1.30</b>
20	<b>Haines</b>	<b>1.05</b>
21	<b>Hoonah</b>	<b>1.05</b>
22	<b>Hydaburg</b>	<b>1.00</b>
23	<b>Iditarod</b>	<b>1.30</b>
24	<b>Juneau</b>	<b>1.00</b>
25	<b>Kake</b>	<b>1.00</b>
26	<b>Kashunamiut</b>	<b>1.30</b>
27	<b>Kenai</b>	<b>1.00</b>
28	<b>Ketchikan</b>	<b>1.00</b>
29	<b>King Cove</b>	<b>1.27</b>

1	Klawock	1.00
2	Kodiak	1.09
3	Kuspuk	1.30
4	Lake & Peninsula	1.27
5	Lower Kuskokwim	1.38
6	Lower Yukon	1.30
7	Matanuska-Susitna	1.00
8	Nenana	1.20
9	Nome	1.34
0	North Slope	1.42
1	Northwest Arctic	1.42
2	Pelican	1.05
3	Petersburg	1.00
4	Pribilof	1.27
5	Railbelt	1.20
6	Sand Point	1.27
7	Sitka	1.00
8	Skagway	1.05
9	Southeast Island	1.00
0	Southwest Region	1.27
1	St. Mary's	1.30
2	Tanana	1.30
3	Unalaska	1.27
4	Valdez	1.11
5	Wrangell	1.00
6	Yakutat	1.05
7	Yukon Flats	1.42
8	Yukon-Koyukuk	1.30
9	Yupitit	1.30

1 \* Sec. 9. AS 14.17.056 is amended to read:

2           Sec. 14.17.056. [BASE] INSTRUCTIONAL UNIT VALUE. The [BASE]  
3 instructional unit value [FOR FISCAL YEARS BEGINNING ON OR AFTER  
4 JULY 1, 1986,] is \$60,000 [\$42,184].

5 \* Sec. 10. AS 14.17.080 is repealed and reenacted to read:

6           Sec. 14.17.080. STUDENT COUNT ESTIMATES. Each district shall  
7 prepare and submit to the department, by October 15 of each fiscal  
8 year, in the manner and on forms prescribed by the department, an  
9 estimate of its average daily membership and other student count data  
10 for the succeeding fiscal year, upon which computations can be made of  
11 the amount of estimated state foundation aid for which the district  
12 will be eligible under AS 14.17.021 in that fiscal year. In making  
13 this estimate, the district shall consider its average daily member-  
14 ship, other student count data, the pattern of growth or decline in  
15 preceding years, and other pertinent information available to the  
16 district. The preliminary reports required by this section are the  
17 basis for estimating the need for state foundation aid for the next  
18 fiscal year.

19 \* Sec. 11. AS 14.17.082 is repealed and reenacted to read:

20           Sec. 14.17.082. FUND BALANCE IN SCHOOL OPERATING FUND. (a) A  
21 district may not accumulate in a fiscal year an unreserved portion of  
22 its year-end fund balance in its school operating fund, as defined by  
23 department regulations, that is greater than five percent of its  
24 expenditures for that fiscal year.

25           (b) The department shall review the annual audit of each dis-  
26 trict for the preceding fiscal year to ascertain its year-end operat-  
27 ing fund balance. The amount by which the unreserved portion of that  
28 balance exceeds the amount permitted in (a) of this section shall be  
29 deducted from the state foundation aid that would otherwise be paid to

1 the district in the current fiscal year.

2 \* Sec. 12. AS 14.17.140 is amended to read:

3 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY DEPART-  
4 MENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) To determine the amount  
5 of local effort under AS 14.17.025 and to aid the department and the  
6 legislature in planning. [EQUALIZED PERCENTAGE TO BE APPLIED TO BASIC  
7 NEED UNDER AS 14.17.021] the Department of Community and Regional  
8 Affairs, in consultation with the assessor for each district, shall  
9 determine the full value of the taxable real and personal property in  
10 each district, as defined in AS 14.17.250. [EXEMPTIONS GRANTED UNDER  
11 CH. 129, SLA 1957, KNOWN AS THE ALASKA INDUSTRIAL INCENTIVE ACT  
12 (AS 43.25), SHALL BE HONORED.] If there is no local assessor or  
13 current local assessment for a district, then the Department of Commu-  
14 nity and Regional Affairs shall make the determination of full value  
15 from information available. In making the determination, the Depart-  
16 ment of Community and Regional Affairs shall be guided by AS 29.45.-  
17 110. The determination of full value shall be made by [BEFORE] Octo-  
18 ber 1 and sent by certified mail, return receipt requested, on or  
19 before that date to the president of the school board in each dis-  
20 trict. Duplicate copies shall be sent to the commissioner. The gov-  
21 erning body of a [THE] borough or city that [WHICH] is a school [THE]  
22 district may obtain judicial review of the determination. The superior  
23 court may modify the determination of the Department of Community and  
24 Regional Affairs only upon a finding of abuse of [OR] discretion or  
25 upon a finding that there is no substantial evidence to support the  
26 determination.

27 (b) Motor vehicles subject to the motor vehicle registration tax  
28 under AS 28.10.431 [AS 28.10.255] shall be treated as taxable property  
29 under [FOR PURPOSES OF (a) OF] this section.

1 \* Sec. 13. AS 14.17.160 is repealed and reenacted to read:

2       Sec. 14.17.160. STUDENT COUNTING PERIODS. (a) Within two weeks  
3 after the end of the 20-school-day period ending the fourth Friday in  
4 October, each district shall transmit a report to the department that,  
5 under regulations adopted by the department, reports its average daily  
6 membership for that counting period, and other student count informa-  
7 tion that will aid the department in making a determination of its  
8 state foundation aid. If it makes the district eligible for more  
9 state foundation aid, a district may transmit, within two weeks after  
10 the 20-school-day period ending the second Friday in February, a  
11 similar report for that counting period. The department may make  
12 necessary corrections in the report submitted, and shall notify the  
13 district of changes made. The commissioner shall notify the governor  
14 of additional appropriations the commissioner estimates to be neces-  
15 sary to fully fund the public school foundation program for the cur-  
16 rent fiscal year.

17       (b) Upon written request and for good cause shown, the commis-  
18 sioner may permit a district to use a 20-school-day counting period  
19 other than the periods set out in (a) of this section. However, the  
20 counting period must be 20 consecutive school days.

21 \* Sec. 14. AS 14.17.170 is repealed and reenacted to read:

22       Sec. 14.17.170. DISTRIBUTION OF STATE FOUNDATION AID. (a) The  
23 department shall determine the state foundation aid for each school  
24 district in a fiscal year on the basis of the district's data reported  
25 under AS 14.17.160 for the counting period that makes the district  
26 eligible for the greatest number of instructional units. On or before  
27 the 15th day of each of the first nine months of each fiscal year, 1/3  
28 of each district's state foundation aid shall be distributed on the  
29 basis of the data reported for the preceding fiscal year. On or

1 before the 15th day of each of the last three months of each fiscal  
2 year, 1/3 of the balance of each district's state foundation aid shall  
3 be distributed, after the balance has been recomputed on the basis of  
4 student count and other data reported for the current fiscal year.

5 (b) If a district receives more state aid money than it is  
6 entitled to receive under this chapter, it shall immediately remit the  
7 amount of overpayment to the commissioner, to be returned to the  
8 public school foundation account. Upon an adequate showing of a cash  
9 flow shortfall, and in the discretion of the commissioner, the depart-  
10 ment may make advance payments to a school district. The total of  
11 advance payments may not exceed the amount of state foundation aid for  
12 which the district is eligible for the fiscal year.

13 \* Sec. 15. AS 14.17.190(b) is amended to read:

14 (b) Each district shall maintain complete financial records of  
15 the receipt and disbursement of public school foundation money, [AND]  
16 money acquired from local effort, and other money received by the  
17 district. The records must be in the form required by the department  
18 [COMMISSIONER] and are subject to audit by the department [COMMIS-  
19 SIONER OR THE BOARD] at any time.

20 \* Sec. 16. AS 14.17.220 is amended to read:

21 Sec. 14.17.220. PURPOSE. It is the intention of the legisla-  
22 ture, in enacting this public school foundation program, to assure an  
23 equitable [ADEQUATE] level of educational opportunities for those in  
24 attendance in the public schools of the state. Except for the limita-  
25 tions of AS 14.17.025, this [THIS] chapter may [SHALL] not be inter-  
26 preted as preventing a public school district from providing educa-  
27 tional services and facilities beyond those assured by the foundation  
28 program.

29 \* Sec. 17. AS 14.17.225 is repealed and reenacted to read:

1           Sec. 14.17.225. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)  
2           This chapter does not create a debt of the state. Each district shall  
3           establish, maintain, and operate under a balanced budget. The state  
4           is not responsible for the debts of a school district.

5           (b) Money to carry out the provisions of AS 14.17.010 - 14.-  
6           17.190 may be appropriated annually by the legislature into the public  
7           school foundation account. If amounts in the account are insufficient  
8           to meet the allocations authorized under AS 14.17.010 - 14.17.190 for  
9           a fiscal year, the instructional unit value in AS 14.17.056 shall be  
10          reduced by the department by regulation as necessary to make the funds  
11          available sufficient to meet the allocations for that fiscal year.

12        \* Sec. 18. AS 14.17.250(1) is amended to read:

13                (1) "ADM full-time equivalent" means the [QUOTIENT OF THE]  
14                aggregate class periods of pupil membership [PER DAY] in specified  
15                classes for the student counting period for which a determination is  
16                being made, divided by the total number of all class periods in the  
17                student counting period [SCHOOL DAY];

18        \* Sec. 19. AS 14.17.250(2) is amended to read:

19                (2) "average daily membership" or "ADM" means the aggregate  
20                days of membership of pupils divided by the actual number of days in  
21                session for the counting period for which a determination is being  
22                made [SCHOOL TERM];

23        \* Sec. 20. AS 14.17.250(11) is amended to read:

24                (11) "taxable real and personal property" means all real and  
25                personal property taxable under the laws of the state [, BUT DOES NOT  
26                INCLUDE HOUSEHOLD GOODS AND PERSONAL EFFECTS];

27        \* Sec. 21. TRANSITION. (a) For the purpose of calculating the re-  
28        quired local effort under AS 14.17.025(a)(2) for fiscal year 1988, and for  
29        the purpose of (d)(2) of this section, each district's basic need for the

1 preceding fiscal year is as determined by the department based on its  
2 projections of student count data for fiscal year 1988 and the allowable  
3 instructional units and instructional unit value as contained in this Act.

4 (b) In fiscal years 1988, 1989, and 1990, a district may receive  
5 state aid, in addition to its state foundation aid under AS 14.17.021(a),  
6 in the lesser amount of

7 (1)  $(p \times \text{sum87} \times \text{current ADM/ADM87})$  - current need; or

8 (2)  $(p \times \text{state87} \times \text{current ADM/ADM87})$  - current state.

9 (c) In (b) of this section

10 (1) "ADM87" means the average daily membership of the district  
11 in the student counting period used for funding for fiscal year 1987;

12 (2) "current ADM" means the average daily membership of the  
13 district in the student counting period used for funding for the current  
14 fiscal year;

15 (3) "current need" means the basic need of the district under  
16 AS 14.17.021(b), as amended by sec. 2 of this Act, for the current fiscal  
17 year;

18 (4) "current state" means the state foundation aid to the dis-  
19 trict under AS 14.17.021(a), as amended by sec. 2 of this Act, for the  
20 current fiscal year;

21 (5) "p" means the transition percentage, which is 90 percent in  
22 fiscal year 1988, 80 percent in fiscal year 1989, and 70 percent in fiscal  
23 year 1990;

24 (6) "state87" means the state aid received by the district for  
25 fiscal year 1987 under AS 14.17.021, as it read before July 1, 1987;

26 (7) "sum87" means the sum of

27 (A) state aid received by the district under AS 14.17.021,  
28 as it read before July 1, 1987, for fiscal year 1987;

29 (B) 90 percent of that portion of the federal impact aid

1 received by the district in fiscal year 1987 under secs. 2 - 4 of P.L.  
2 81-874 (20 U.S.C. 237 - 239), as amended, to the extent that that  
3 money could be considered as local resources under that Act and the  
4 regulations adopted under it; and

5 (C) for city or borough school districts, the total of

6 (i) the district's revenue from earnings in the dis-  
7 trict's operating fund in fiscal year 1987;

8 (ii) state tuition payments to the district in fiscal  
9 year 1987; and

10 (iii) city or borough appropriations or in-kind contri-  
11 butions for fiscal year 1987.

12 (d) The amount determined under (c)(7)(C) of this section may not  
13 exceed the lesser of

14 (1) the equivalent of a four-mill tax levy on the full and true  
15 value of taxable real and personal property in the district as of January  
16 1, 1986, as determined by the Department of Community and Regional Affairs  
17 under AS 14.17.170; or

18 (2) 35 percent of the district's basic need as determined under  
19 (a) of this section.

20 (e) Notwithstanding AS 14.17.021(a), in fiscal year 1988 amounts  
21 received by a district under P.L. 81-874 (20 U.S.C. 237 - 239), as amended,  
22 between March 1, 1987, and July 1, 1987, based upon applications submitted  
23 before or during fiscal year 1986 may not be subtracted from the district's  
24 basic need under AS 14.17.021(b).

25 \* Sec. 22. AS 14.17.023, 14.17.027, 14.17.061, 14.17.090, 14.17.150,  
26 14.17.180, 14.17.205, 14.17.250(5), 14.17.250(7), 14.17.250(10), and 14.-  
27 17.250(12) are repealed.

28 \* Sec. 23. Sections 4 and 21 of this Act take effect immediately under  
29 AS 01.10.070(c).

1 \* Sec. 24. Sections 1 - 3, 5 - 10, 12 - 20, and 22 of this Act take  
2 effect July 1, 1987.

3 \* Sec. 25. Section 11 of this Act takes effect July 1, 1988.