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Referred: Health, Education and
Social Services and
Finance

5-0324A

1 IN THE SENATE BY KERTTULA AND FISCHER
2 SENATE BILL NO. 45
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 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 14.11.115(c) is amended to read:
10 (c) For purposes of this section,
11 (1) "debt" means the principal amount of the direct and
12 general obligation indebtedness of the municipality for which all
13 taxable property is subject to taxation to pay the bond, note or other
14 evidence of the debt [, DETERMINED AND REPORTED IN ACCORDANCE WITH
15 AS 14.17.140(c)];
16 (2) "valuation" means the full and true value of the real
17 and personal property of the municipality [DETERMINED IN ACCORDANCE
18 WITH AS 14.17.140(a)].
19 * Sec. 2. AS 14.17 is amended by adding new sections to read:
20 Sec. 14.17.011. STATE AID. (a) The amount of state aid for
21 which a district is eligible is the sum of personnel costs under
22 AS 14.17.012 and nonpersonnel costs under AS 14.17.032 less the fol-
23 lowing:
24 (1) if a city or borough school district, the amount in
25 excess of \$100,000 that a 3.5 mill tax on real and personal property
26 would generate;
27 (2) if permitted under 20 U.S.C. 240(d), as amended, and
28 the regulations adopted under that section (45 C.F.R. 115.60 -
29 115.66), 100 percent of the entitlement of the district to federal

1 financial assistance under 20 U.S.C. 236 - 244, as amended, for the
2 prior fiscal year.

3 (b) The reduction to state aid for which a district is eligible
4 under (a)(1) and (2) of this section may not exceed 40 percent of the
5 sum of personnel costs under AS 14.17.012 and nonpersonnel costs under
6 AS 14.17.032.

7 Sec. 14.17.012. PERSONNEL COSTS. Personnel costs are determined
8 by multiplying the personnel units allotted to each district under
9 AS 14.17.013 by \$3,300.

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

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

14 (2) the number of units for small schools as determined
15 under AS 14.17.014(b);

16 (3) the number of units based on the district's special
17 programs as determined under AS 14.17.014(c) and (d);

18 (4) the number of units for training and experience deter-
19 mined under AS 14.17.015;

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

22 Sec. 14.17.014. CALCULATION OF PERSONNEL UNITS. (a) A district
23 shall receive personnel units equal to the sum of the weighted average
24 daily membership of the district's education programs. Weighted
25 average daily membership is calculated by multiplying a district's
26 average daily membership in the education programs listed in this
27 section by the following assigned weighted values:

28 Program	Weight	Units
29 K	1.30	(ADM x 1.30)

1	1 - 2	1.15	(ADM x 1.15)
2	3 - 6	1.00	(ADM x 1.00)
3	7 - 12	1.25	(ADM x 1.25)

4 (b) A district that consists of a single city or unincorporated
5 community and has an average daily membership in grades K-12 that is
6 less than or equal to 500 pupils shall receive an additional alloca-
7 tion of units as follows:

8	ADM	Units
9	1 - 10	25
10	11 - 15	25 + (4 x (ADM - 10))
11	16 - 25	45 + (1 x (ADM - 15))
12	26 - 200	55 + (0.5 x (ADM - 25))
13	201 - 500	142.5 + (0.025 x (ADM - 200))

14 (c) A district shall receive additional units for special educa-
15 tion programs as follows:

16 (1) in a district with pupils receiving resource services,
17 23 units for the first 18 pupils or fraction thereof, plus 23/18 unit
18 for each additional pupil over 18;

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

22 (3) in a district with pupils receiving gifted or talented
23 services, 23 units for the first 40 pupils or fraction thereof, plus
24 23/40 unit for each additional pupil over 40.

25 (d) A district with pupils receiving bilingual education ser-
26 vices shall receive additional units equal to the number of pupils in
27 average daily membership multiplied by 0.7.

28 Sec. 14.17.015. TRAINING AND EXPERIENCE ADJUSTMENT. The person-
29 nel units for each district shall be increased by the amount obtained

1 by multiplying 40 percent of the units calculated under AS 14.17.-
2 013(1), (2) and (3), by a training and experience factor for school
3 teachers in the district. The department shall determine the factor
4 for each district and revise the factor annually.

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

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

10 (2) for Delta School District, Upper Railbelt Regional
11 School District, Copper River School District, Bristol Bay Borough
12 School District, Southwest Regional School District, St. Mary's City
13 School District, Yukon-Koyukuk School District, and Galena City School
14 District, the district is entitled to receive an additional six per-
15 cent;

16 (3) for Iditarod Area School District, Adak Regional School
17 District, Lower Kuskokwim School District, Lake Peninsula School
18 District, and Kuspuk School District, the district or area is entitled
19 to receive an additional eight percent;

20 (4) for Alaska Gateway School District, Sand Point City
21 School District, King Cove City School District, Unalaska City School
22 District, and Dillingham City School District, the district or area is
23 entitled to receive an additional 10 percent;

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

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

29 (7) for Nome City School District, Northwest Arctic School

1 District, and Bering Straits School District, the district or area is
2 entitled to receive an additional 16 percent;

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

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

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

9 Sec. 14.17.032. NONPERSONNEL COSTS. A district is eligible to
10 receive for nonpersonnel costs the greater of the following:

11 (1) 25 percent of personnel costs as determined under
12 AS 14.17.012; or

13 (2) an average of actual nonpersonnel costs of the district
14 as determined under AS 14.17.034.

15 Sec. 14.17.034. DETERMINATION OF NONPERSONNEL COSTS. (a)
16 Nonpersonnel costs are the actual expenditures made for operation of
17 the district that are not expenditures for personnel or items of
18 capital expenditure eligible for reimbursement by the state under
19 AS 14.11.

20 (b) Each nonpersonnel cost incurred by a district shall be
21 averaged over the two most recent fiscal years for that district. If
22 the department makes a written determination that one or both of the
23 two most recent fiscal years are not fairly representative of the
24 average costs incurred by the district, the average may be increased
25 or decreased by the department to reflect actual costs of the dis-
26 trict. The department shall provide notice and opportunity for a
27 hearing to the district if the department determines not to accept the
28 two most recent fiscal years as fairly representative of the average
29 costs incurred by the district.

1 (c) The commissioner shall adopt regulations to implement this
2 section.

3 Sec. 14.17.036. SPECIAL EDUCATION INTENSIVE PROGRAMS. The
4 department shall reimburse 100 percent of the costs of special educa-
5 tion intensive programs to each district. The department shall review
6 the costs incurred by each district and may deny reimbursement if the
7 cost incurred was not as a result of a special education intensive
8 program.

9 * Sec. 4. AS 14.17 is amended by adding new sections to read:

10 Sec. 14.17.062. SUPPLEMENTAL PROGRAMS. The commissioner may
11 recommend funding of supplemental programs in addition to the amounts
12 authorized under this chapter.

13 Sec. 14.17.064. FUNDS FOR CENTRALIZED CORRESPONDENCE STUDY.
14 Funds for centralized correspondence study shall be provided by appro-
15 priation from the public school foundation account in an amount equal
16 to the number of personnel units that would be received under AS 14.-
17 17.014(a) for a district with the same average daily membership as
18 that of centralized correspondence study, multiplied by the unit
19 amount specified in AS 14.17.012.

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

21 Sec. 14.17.080. COMPUTATION BY DISTRICT. By October 15 of the
22 pre-fiscal year each district shall submit to the department, in the
23 manner and on forms to be prescribed by the commissioner, a prelimi-
24 nary report pursuant to this chapter of estimates and data upon which
25 computations can be made of the amount of state aid for which the
26 district is eligible the following fiscal year under AS 14.17.011
27 [AS 14.17.021]. The preliminary reports required by this section are
28 the basis for requesting legislative appropriations and for making
29 preliminary payments under the public school foundation program for

1 the following fiscal year.

2 * Sec. 6. AS 14.17.082(a) is amended to read:

3 (a) Each district [HAVING AT LEAST 400 INSTRUCTIONAL UNITS UNDER
4 AS 14.17.031(a)] may accumulate a fund balance in the school operating
5 fund of 10 [SEVEN] percent of its expenditures. [EACH DISTRICT HAVING
6 LESS THAN 400 INSTRUCTIONAL UNITS MAY ACCUMULATE A FUND BALANCE OF 10
7 PERCENT OF ITS EXPENDITURES.]

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

9 (a) The commissioner shall examine the preliminary reports
10 submitted by each district to determine that they are correctly
11 computed. If the allotments are incorrectly computed, the commis-
12 sioner shall either (1) obtain a correct computation from the dis-
13 trict, or (2) make a correct computation based on information avail-
14 able, and give notice of the corrected computation to the district.
15 [THE COMMISSIONER SHALL REVIEW SUPPLEMENTAL PROGRAM APPLICATIONS AND
16 NOTIFY THE DISTRICT WHETHER ITS SUPPLEMENTAL PROGRAM IS APPROVED FOR
17 INCLUSION IN ITS FOUNDATION PROGRAM COMPUTATIONS.]

18 * Sec. 8. AS 14.17.180 is amended to read:

19 Sec. 14.17.180. PAYMENT UNDER FINAL COMPUTATION. Before June 16
20 each district shall transmit to the commissioner a final computation
21 of the district's state aid. The commissioner shall process each
22 district's computation in the manner provided by AS 14.17.150(a).
23 However, in no event may the entitlement of a school district to state
24 aid under AS 14.17.011 [AS 14.17.021] be less than that computed under
25 this section for the preceding year, except as otherwise provided [IN
26 AS 14.17.031, OR] under AS 14.17.170 [, WHICHEVER IS GREATER]. Addi-
27 tional state aid shall be obligated by the commissioner before
28 June 30. If the district received more state aid money than it was
29 entitled to under this chapter, it shall immediately, after notice

1 from the commissioner of the overpayment, remit the amount of overpay-
2 ment to the commissioner to be returned to the public school founda-
3 tion account.

4 * Sec. 9. AS 14.17.205 is amended to read:

5 Sec. 14.17.205. STATE AID TO DISTRICTS OPERATING APPROVED SCHOOL
6 FOOD SERVICE PROGRAMS. A school district that qualifies for and
7 provides free and reduced-price lunches to students who qualify under
8 the Federal Nutrition Act shall receive state aid in an amount for
9 each free or reduced-price meal equal to the federal allowances in-
10 creased [MULTIPLIED] by the school district's area geographic differ-
11 ential in AS 14.17.016 [AS 14.17.051].

12 * Sec. 10. AS 29.60.030(d) is amended to read:

13 (d) The full and true assessed property value shall be deter-
14 mined by the department [IN THE MANNER PROVIDED FOR THE COMPUTATION OF
15 STATE AID TO EDUCATION UNDER AS 14.17.140]. When the determination of
16 locally generated revenue includes revenue of a utility received under
17 AS 29.60.010(c)(1)(E), the full and true assessed property value shall
18 include the computed assessed value of the utility, determined by
19 dividing the amount of the payment in place of taxes made by the
20 utility by the millage rate that would apply to the utility if the
21 utility were subject to levy and collection of taxes under AS 29.45.

22 * Sec. 11. AS 44.47.305(c) is amended to read:

23 (c) A grant under (a) of this section may not exceed \$50 per
24 month for each child the child care facility cares for, or for each
25 full-time equivalent, as determined by the department. The grant
26 shall be adjusted on a geographic basis by the same percentages as
27 personnel units [INSTRUCTIONAL UNIT ALLOTMENTS] are adjusted under
28 AS 14.17.016 [AS 14.17.051].

29 * Sec. 12. AS 14.17.021, 14.17.022, 14.17.023, 14.17.031, 14.17.041,

1 14.17.051, 14.17.056, 14.17.061, 14.17.140, and 14.17.250(1), (7), (11) and
2 (12) are repealed.

3 * Sec. 13. This Act takes effect July 1, 1987.