

Introduced: 1/20/87
Referred: Health, Education and
Social Services and
Finance

5-0324B

1 IN THE SENATE BY KERTTULA AND FISCHER

2 SPONSOR SUBSTITUTE FOR 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 AS 14.17.21 is repealed and reenacted to read:

10 Sec. 14.17.021. BASIC STATE AID. (a) The amount of basic state
11 aid for which each school district is eligible is calculated by deter-
12 mining the basic need for the school district under (b) of this
13 section and subtracting

14 (1) for city and borough school districts, the amount in
15 excess of \$100,000 that would be generated by a five-mill levy on the
16 full and true value of taxable real and personal property in the
17 district, as determined under AS 14.17.140, for the preceding fiscal
18 year; and

19 (2) 100 percent of the entitlement of the district to
20 federal financial assistance under PL 81-874, as amended (20 U.S.C.
21 236-244), for the preceding fiscal year.

22 (b) The amount of basic need for each school district is cal-
23 culated by adding the requirements for salary costs, as determined
24 under (c) of this section, and nonsalary costs, as determined under
25 AS 14.17.032.

26 (c) Salary costs are the total of

27 (1) teacher salaries, as calculated under AS 14.17.028(a);
28 (2) superintendent's salary, as calculated under AS 14.17.-
29 028(b);

- 1 (3) administrator salaries, as calculated under AS 14.17.-
 2 028(c);
- 3 (4) benefits and employer burden for certificated person-
 4 nel, calculated at 20 percent of total salaries;
- 5 (5) salaries of classified employees, as calculated under
 6 AS 14.17.028(d); and
- 7 (6) benefits and employer burden for classified employees,
 8 calculated at 30 percent of total salaries.

9 (d) The salaries and numbers of employees calculated under
 10 AS 14.17.024 - 14.17.029 and the nonsalary costs calculated under
 11 AS 14.17.032 are for determining basic need under this section and are
 12 not intended to restrict the actual salary and nonsalary costs in-
 13 curred or the number of employees hired by a school district.

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

15 Sec. 14.17.024 CALCULATION OF NUMBER OF TEACHERS. (a) For
 16 determining teacher salaries, each district is entitled to the follow-
 17 ing number of teachers per attendance center:

18 ADM Of Attendance Center	Allowable No. Of Teachers
19 1 - 8	1
20 9 - 16	2
21 17 - 30	3
22 31 - 45	4
23 46 - 106	4 plus 1 for each 12 ADM over
24	45, and a fraction of 1 for an
25	increment of less than 12 ADM
26 107 - 200	9 plus 1 for each 14 ADM over
27	106, and a fraction of 1 for
28	an increment of less than 14
29	ADM

1 201 and over 16 plus 1 for each 20 ADM over
2 200, and a fraction of 1 for
3 an increment of less than 20
4 ADM

5 (b) Correspondence school pupils in a district shall be con-
6 sidered as attending a separate attendance center.

7 (c) Additional teachers are allocated for pupils enrolled in
8 special education, gifted and talented, and bilingual programs as
9 follows:

10 (1) special education resource services - one teacher for
11 every six ADM and a fraction of one for an increment of less than six;

12 (2) special education self-contained - one teacher for
13 every 10 ADM and a fraction of one for an increment of less than 10;

14 (3) special education intensive - one teacher for every six
15 ADM and a fraction of one for an increment of less than six;

16 (4) gifted and talented - one teacher for every 20 ADM and
17 a fraction of one for an increment of less than 20;

18 (5) bilingual - one teacher for every 20 ADM and a fraction
19 of one for an increment of less than 20.

20 Sec. 14.17.025. CALCULATION OF NUMBER OF ADMINISTRATORS. (a)
21 For determining administrator salaries, each school district is enti-
22 tled to calculate one superintendent plus district headquarters admin-
23 istrators, principals, and vice-principals, as provided in this sec-
24 tion.

25 (b) Each district is entitled to the following number of dis-
26 trict headquarters administrators, excluding the superintendent:

27	Total District ADM	Number Of Administrators
28	100 or less	0
29	101 - 300	1 for the first 101 ADM and a

1		fraction of 1 for an increment
2		of less than 200 ADM
3	301 - 600	2 for the first 301 ADM and a
4		fraction of 1 for an increment
5		of less than 300 ADM
6	601 - 2800	3 for the first 601 ADM and a
7		fraction of 1 for an increment
8		of less than 2200 ADM
9	2801 - 6000	4 for the first 2801 ADM and a
10		fraction of 1 for an increment
11		of less than 3200 ADM
12	Over 6000	5 for the first 6000 ADM and 1
13		for each increment of 5000 ADM
14		over 6000 ADM and a fraction
15		of 1 for an increment of less
16		than 5000 ADM

17 (c) Each district is entitled to the following number of prin-
 18 cipals per attendance center:

19	ADM Of Attendance Center	Number Of Principals
20	Less than 17	0
21	17 - 30	.5
22	31 or more	1

23 (d) Each district is entitled to one vice-principal for each
 24 attendance center having one or more buildings with 24 or more class-
 25 rooms in use as regular classrooms with teachers assigned to any of
 26 the grades between K - 12.

27 Sec. 14.17.026. CALCULATION OF NUMBER OF CLASSIFIED EMPLOYEES.
 28 Each school district is entitled to two classified employees for every
 29 three certificated employees, as determined under AS 14.17.024 and

1 14.17.025.

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

3 Sec. 14.17.028. SALARIES. (a) To calculate teacher salaries,
4 the following training and experience ratio schedule shall be used;
5 the basic unit of 1.00 is equivalent to \$26,078:

6	Years Of						
7	Exper.	BA-0	MID BA	MA-0	MA-18	MA-36	MA-54
8	0 - 1	1.00	1.05	1.15	1.20	1.25	1.30
9	2 - 4	1.10	1.15	1.25	1.30	1.35	1.40
10	5 - 7	1.25	1.30	1.40	1.45	1.50	1.55
11	8 - 9	1.35	1.40	1.50	1.55	1.60	1.65
12	10 - 11		1.50	1.60	1.65	1.70	1.75
13	12 - 14			1.65	1.70	1.75	1.80
14	15 or more			1.75	1.80	1.85	2.00

15 (b) Superintendent salaries are 1.40 times the teacher salary
16 set out in (a) of this section for districts with less than 1000 ADM
17 and 1.60 times the teacher salary set out in (a) of this section for
18 districts with 1000 or more ADM.

19 (c) Salaries of principals and of district headquarters adminis-
20 trators other than the superintendent are 1.30 times the teacher
21 salary set out in (a) of this section. The salary of a vice-principal
22 is 1.15 times the teacher salary set out in (a) of this section.

23 (d) Classified employee salaries are \$23,000 per employee.

24 Sec. 14.17.029. AREA SALARY DIFFERENTIALS. Salaries under
25 AS 14.17.028 shall be adjusted according to the following area differ-
26 ential multipliers:

27 (1) for Anchorage School District, Kenai Peninsula Borough
28 School District, and Matanuska-Susitna Borough School District, 1;

29 (2) for Haines Borough School District, City and Borough of

1 Juneau School District, Ketchikan Gateway Borough School District,
2 Petersburg City School District, Skagway City School District,
3 Wrangell City School District, and Chatham School District, 1.06;

4 (3) for Alaska Gateway School District, Annette Island
5 School District, Craig City School District, Hydaburg City School
6 District, Kake City School District, Klawock City School District,
7 Pelican City School District, Southeast Island School District, Hoonah
8 City School District, Yakutat City School District, Chugach School
9 District, Cordova City School District, Kodiak Island School District,
10 Valdez City School District, Copper River School District, Delta
11 School District, Tanana School District, North Star Borough School
12 District, Nenana City School District, and Upper Railbelt Regional
13 School District, 1.12;

14 (4) for Adak Regional School District, Bristol Bay Borough
15 School District, Dillingham City School District, King Cove City
16 School District, Lake and Peninsula School District, Nome City School
17 District, Pribilof Islands School District, Sand Point City School
18 District, Southwest Regional School District, and Unalaska City School
19 District, 1.2;

20 (5) for Bering Strait School District, Galena City School
21 District, Iditarod Area School District, Kashunamiut School District,
22 Kuspuk School District, Lower Kuskokwim School District, Lower Yukon
23 School District, Northwest Arctic School District, St. Mary's City
24 School District, Yukon Flats School District, Yukon-Koyukuk School
25 District, and Yupiit School District, 1.24;

26 (6) for North Slope Borough School District and Aleutian
27 Chain School District, 1.4.

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

29 Sec. 14.17.032. NONSALARY COSTS. Each school district is

1 entitled to receive for nonsalary costs the greater of the following
2 amounts:

3 (1) 20 percent of salary costs as determined under AS 14.-
4 17.021(c); or

5 (2) the average of the adjusted actual nonsalary costs of
6 the school district averaged over the two previous fiscal years of the
7 school district, as determined under AS 14.17.034.

8 Sec. 14.17.034. CALCULATION OF ADJUSTED ACTUAL NONSALARY COSTS.

9 (a) Actual nonsalary costs under AS 14.17.032(2) are calculated by
10 adding the reasonable and necessary costs of:

11 (1) fuel and heating, excluding electricity or natural gas,
12 for each school and other heated facility; fuel and heating costs
13 shall be adjusted to reflect the estimated cost of heating a new
14 facility, savings resulting from a building that has been disposed of
15 or is no longer heated, and changes in fuel, fuel delivery, or fuel
16 storage cost;

17 (2) utilities, including electricity, natural gas, and
18 refuse collection, but excluding telephone costs; utility costs shall
19 be adjusted to reflect the estimated utility costs associated with a
20 new facility or addition, savings resulting from a building that has
21 been disposed of or is no longer used, and changes in utility tariffs;

22 (3) travel and per diem, other than school board travel and
23 per diem;

24 (4) contractual and consultant services, including account-
25 ing, legal, and educational consultant services; however, contractual
26 and consultant costs may not exceed two percent of the basic need of
27 the district, as determined under AS 14.17.021(b) for the previous
28 fiscal year;

29 (5) supplies, excluding fuel and capital expenses eligible

1 for reimbursement under AS 14.11; however, supply costs may not exceed
2 two percent of the basic need of the district, as determined under
3 AS 14.17.021(b) for the previous fiscal year;

4 (6) property and liability insurance, to the extent that
5 the department determines that the school district has applied its
6 best efforts and reasonable procedures to obtain the lowest cost
7 coverage;

8 (7) salaries, fees, travel, per diem, and other expenses of
9 the school board in an amount not to exceed one percent of the basic
10 need, as determined under AS 14.17.021(b) for the previous fiscal
11 year, of districts with 1000 or more ADM, and two percent of the basic
12 need, as determined under AS 14.17.021(b) for the previous fiscal
13 year, of districts with less than 1000 ADM; and

14 (8) other nonsalary expenditures of the district not in-
15 cluded in (1) - (7) of this subsection in an amount not to exceed two
16 percent of the basic need of the district, as determined under AS 14.-
17 17.021(b) for the previous fiscal year.

18 (b) The department may make equitable adjustments in cost data
19 submitted under this section to reflect extraordinary factors includ-
20 ing changes in the school district accounting system, payment of
21 expenses before or after the applicable fiscal year, and casualty
22 losses.

23 (c) Where there is an absence of reliable school district data
24 for a cost category, the department may rely upon cost information
25 developed by the school district for the current fiscal year or ear-
26 lier fiscal years and the cost experience of similarly situated school
27 districts for that cost category.

28 (d) The department shall require each school district to main-
29 tain cost records according to a statewide table of accounts. To the

1 extent practicable, separate costs shall be developed for each school
2 or facility for teacher salaries, administrator salaries, classified
3 employee salaries, benefits and employer burden, and nonsalary costs.

4 Sec. 14.17.036. DIRECT REIMBURSEMENT OF SPECIAL EDUCATION COSTS.
5 If a school district's expenditures in a fiscal year for approved
6 costs of special education intensive programs exceed by 80 percent the
7 amount made available to a school district for special education
8 intensive teacher salary costs, the department shall directly reim-
9 burse the district for the excess of the approved costs.

10 Sec. 14.17.038. FUNDS FOR STATE CONTRACT SERVICES. Funds for
11 centralized correspondence study programs for pupils not enrolled in
12 an approved school district correspondence study program, out of
13 district placements, School for the Deaf, Mt. Edgecumbe, Alaska Psy-
14 chiatric Institute, multi-handicapped and special education outreach
15 cooperative services for low incidence children shall be requested by
16 the Department of Education in an appropriation request separate from
17 the public school foundation account.

18 * Sec. 5. AS 14.17.082(a) is amended to read:

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

24 * Sec. 6. AS 14.17.170 is amended to read:

25 Sec. 14.17.170. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each
26 district shall make a report of its enrollment as of October 15 of the
27 school year [AT THE END OF THE 20-SCHOOL-DAY PERIOD ENDING THE FOURTH
28 FRIDAY IN OCTOBER, AND MAY MAKE A REPORT AT THE END OF THE 20-SCHOOL-
29 DAY PERIOD ENDING THE SECOND FRIDAY IN FEBRUARY,] which, in accordance

1 with regulations adopted by the department, reports its average daily
2 membership for that counting period, and other information which will
3 aid the commissioner in making a more accurate determination of each
4 district's state aid. The [OCTOBER] report [, OR THE FEBRUARY REPORT
5 IF IT MAKES THE DISTRICT ELIGIBLE FOR MORE STATE AID,] is the basis
6 for the computation and distribution of each district's state aid for
7 the balance of the fiscal year. As soon as possible after receiving
8 each district's report, the commissioner shall notify each district of
9 changes made in the number of funding units calculated for that dis-
10 trict. The commissioner shall also determine whether the money in the
11 public school foundation account is sufficient to meet each district's
12 state aid for the fiscal year, and, if the money is not sufficient,
13 the commissioner shall immediately inform the governor of the amount
14 of additional appropriation the commissioner estimates will be neces-
15 sary to carry out the public school foundation program for the rest of
16 the fiscal year. Beginning April 15 and on the 15th of each subse-
17 quent month, one-third of the recomputed balance of each district's
18 state aid must be distributed.

19 * Sec. 7. AS 14.17.170 is amended by adding a new subsection to read:

20 (b) If a district's enrollment, as reported in (a) of this
21 section, has decreased by more than five percent from the previous
22 fiscal year, the department may calculate the number of teachers and
23 administrators for determining the basic aid of the district by using
24 an enrollment figure from any date after April 1 of the previous
25 school year.

26 * Sec. 8. AS 14.17 is amended by adding a new section to read:

27 Sec. 14.17.175. EXTRAORDINARY COSTS. The department may reim-
28 burse a school district with fewer than 1000 pupils for extraordinary
29 and substantial costs that could not have been reasonably foreseen if

1 the department determines that failure to reimburse the costs would
2 seriously impair the ability of the school district to meet the basic
3 need of its pupils. Costs reimbursed under this section shall immedi-
4 ately be reported to the legislative budget and audit committee.

5 * Sec. 9. AS 14.17.180 is amended to read:

6 Sec. 14.17.180. PAYMENT UNDER FINAL COMPUTATION. Before June 16
7 each district shall transmit to the commissioner a final computation
8 of the district's state aid. The commissioner shall process each
9 district's computation in the manner provided by AS 14.17.150(a).
10 However, in no event may the entitlement of a school district to state
11 aid under AS 14.17.021 be less than that computed under this section
12 for the preceding year, except as otherwise provided [IN AS 14.17.031,
13 OR] under AS 14.17.170 [, WHICHEVER IS GREATER]. Additional state aid
14 shall be obligated by the commissioner before June 30. If the dis-
15 trict received more state aid money than it was entitled to under this
16 chapter, it shall immediately, after notice from the commissioner of
17 the overpayment, remit the amount of overpayment to the commissioner
18 to be returned to the public school foundation account.

19 * Sec. 10. AS 14.17.205 is amended to read:

20 Sec. 14.17.205. STATE AID TO DISTRICTS OPERATING APPROVED SCHOOL
21 FOOD SERVICE PROGRAMS. A school district that qualifies for and
22 provides free and reduced-price lunches to students who qualify under
23 the Federal Nutrition Act shall receive state aid in an amount for
24 each free or reduced-price meal equal to the federal allowances
25 multiplied by the school district's area salary differential under
26 AS 14.17.029 [IN AS 14.17.051].

27 * Sec. 11. AS 14.17.250 is amended by adding new a paragraph to read:

28 (13) "attendance center" means a public school or group of
29 schools in a single community that functions as a distinct

1 administrative unit and is allocated a half-time or full-time princi-
2 pal by the district school board; however, the State Board of Educa-
3 tion may designate a school as an attendance center if it determines
4 that the school should be considered an attendance center because of
5 the dedication of the school to a special program.

6 * Sec. 12. AS 44.47.305(c) is amended to read:

7 (c) A grant under (a) of this section may not exceed \$50 per
8 month for each child the child care facility cares for, or for each
9 full-time equivalent, as determined by the department. The grant
10 shall be adjusted on a geographic basis by the same multipliers [PER-
11 CENTAGES] as salaries [INSTRUCTIONAL UNIT ALLOTMENTS] are adjusted
12 under AS 14.17.029 [AS 14.17.051].

13 * Sec. 13. AS 14.17.022, 14.17.023, 14.17.027, 14.17.031, 14.17.041,
14 14.17.051, 14.17.056, 14.17.061, 14.17.080, and 14.17.250(7) are repealed.

15 * Sec. 14. This Act takes effect July 1, 1987.