

Original sponsor(s): Rules/Governor

1 IN THE HOUSE BY THE HESS COMMITTEE
2 CS FOR HOUSE BILL NO. 398 (HESS)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act providing authority for the Department of
7 Education to adjust a school district's state founda-
8 tion aid in a fiscal year to correct for previous
9 underpayments; relating to the number of allowable
10 total elementary and secondary instructional units in
11 determining state foundation aid for a school dis-
12 trict; and providing for an effective date."
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
14 * Section 1. AS 14.17.021(a) is amended to read:
15 (a) The amount of state foundation aid for which a school dis-
16 trict may qualify in a fiscal year is calculated by subtracting from
17 the basic need defined in (b) of this section the required local
18 contributions under AS 14.17.025(a) and 90 percent of eligible federal
19 impact aid for that fiscal year. The department may make adjustments
20 to a district's state foundation aid for a fiscal year to correct
21 underpayments made in previous fiscal years.
22 * Sec. 2. AS 14.17.031(b) is repealed and reenacted to read:
23 (b) If the total elementary and secondary instructional units
24 that a school district is eligible to receive under (a) of this sec-
25 tion decrease by 10 percent or more from one fiscal year to the next,
26 the school district may use the last fiscal year before the reduction
27 as a base fiscal year and offset its reduction according to the fol-
28 lowing schedule: (1) for the first fiscal year after the base fiscal
29 year, the school district is eligible to receive the total elementary

1 and secondary instructional units determined under (a)(1) of this
2 section plus 75 percent of the difference in total elementary and
3 secondary instructional units between the base fiscal year and the
4 first fiscal year after the base fiscal year; (2) for the second
5 fiscal year after the base fiscal year, the school district is eligi-
6 ble to receive the total elementary and secondary instructional units
7 determined under (a)(1) of this section plus 50 percent of the differ-
8 ence in total elementary and secondary instructional units between the
9 base fiscal year and the second fiscal year after the base fiscal
10 year; (3) for the third fiscal year after the base fiscal year, the
11 school district is eligible to receive the total elementary and sec-
12 ondary instructional units determined under (a)(1) of this section plus
13 25 percent of the difference in total elementary and secondary in-
14 structional units between the base fiscal year and the third fiscal
15 year after the base fiscal year. The schedule established in this
16 subsection is available to a school district for the three fiscal
17 years following the base fiscal year only if the total elementary and
18 secondary instructional units received by the school district under
19 (a)(1) of this section for each fiscal year are less than the total
20 elementary and secondary instructional units received by the school
21 district in the base fiscal year. This subsection does not apply to a
22 decrease in total elementary and secondary instructional units result-
23 ing from a loss of enrollment that occurs as a result of a boundary
24 change under AS 29.

25 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).