

HOUSE
COMMITTEE REPORT

4/17

(7)

Date referred: 3/7/86

FURTHER REFERRALS: FINANCE

HEALTH, EDUCATION AND
SOCIAL SERVICES

DATE: April 16, 1986

The _____ Committee has considered

SSHB 637

"An Act relating to state support for education; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS SSB 637 (new) same title
- new title

and recommends No rec

further referral to the _____ Committee

and attaches:

- letter of intent (*forthcoming*)
- first fiscal note *prop 118*
- new fiscal note
- zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

~~David W. Henderson~~

 Robin L. Taylor

Bill [unclear] no rec

Gene [unclear] No Rec

Katie [unclear] No Rec

Steve [unclear] no rec

Matt [unclear] no rec

Steve F. Kozman co-ch
 Chairman
Matt [unclear] co-ch

Offered: 4/17/86
Referred: Finance

*First Draft
Sep 118*

Ford

Original sponsor: Taylor

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 637 (HESS)

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 AS 14.17.021 is repealed and reenacted to read:

10 Sec. 14.17.021. STATE AID. (a) The amount of state aid that
11 each city and borough school district may qualify for is calculated by
12 multiplying the basic need as defined in (b) of this section by the
13 equalized percentage as defined in (c) of this section. The amount of
14 state aid that each rural educational attendance area may qualify for
15 is calculated by multiplying the basic need as defined in (b) of this
16 section by the equalized percentage as defined in (c) of this section.

17 (b) The basic need of each school district is determined by
18 multiplying the instructional unit allotment of the district as de-
19 termined under AS 14.17.051 by the number of instructional units in
20 the district.

21 (c) The equalized percentage for each district is the greater of
22 80 percent or a percentage computed according to the formula $P_i = 1 -$
23 $(1-k) V_i/V_s$ in which

24 (1) P_i (equalized percentage) = percent of need to be
25 provided by the state;

26 (2) k (level of average state support of basic need) = 97
27 percent;

28 (3) V_i = full and true value of taxable real and personal
29 property within the district multiplied by two mills and divided by

1 the average daily membership of the district and, if a rural educa-
2 tional attendance area, plus the amount per pupil in average daily
3 membership in the rural educational attendance area of the payment
4 received under 20 U.S.C. 236-244, as amended, in the prior fiscal
5 year;

6 (4) $V_s = V_i$ for all districts multiplied by the average
7 daily membership for all districts divided by the total average daily
8 membership of all districts.

9 * Sec. 2. AS 14.17.031(a) is amended to read:

10 (a) The total number of instructional units within each school
11 district is the sum of

12 (1) the number of units for elementary [SCHOOLS] and [THE
13 NUMBER OF UNITS FOR] secondary schools as determined from AS 14.17.-
14 041(a) or [,] (b) [, (c), OR (d)];

15 (2) the number of units for vocational education determined
16 from AS 14.17.041(c) [AS 14.17.041(e)] as approved by the department;

17 (3) the number of units from special education determined
18 from AS 14.17.041(d) [AS 14.17.041(f)] as approved by the department;

19 and

20 (4) [IF THE DISTRICT HAS FIVE OR MORE CORRESPONDENCE PUPILS
21 ENROLLED IN AN APPROVED DISTRICT CORRESPONDENCE STUDY PROGRAM, THE
22 NUMBER OF UNITS FOR CORRESPONDENCE PUPILS DETERMINED BY APPLYING THE
23 NUMBER OF CORRESPONDENCE PUPILS TO AS 14.17.041(a); AND

24 (5)] the number of units for bilingual education determined
25 from AS 14.17.041(e) [AS 14.17.041(g)] as approved by the department.

26 * Sec. 3. AS 14.17 is amended by adding a new section to read:

27 Sec. 14.17.036. SPECIAL EDUCATION INTENSIVE PROGRAMS. The
28 department shall reimburse 100 percent of the costs of special educa-
29 tion intensive programs to each district. The department shall review

1 the costs incurred by each district and may deny reimbursement if the
2 cost incurred was not as a result of a special education intensive
3 program.

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

5 Sec. 14.17.038. FUNDS FOR CENTRALIZED CORRESPONDENCE STUDY.
6 Funds for centralized correspondence study shall be provided by appro-
7 priation from the public school foundation account in an amount equal
8 to the number of instructional units for correspondence pupils de-
9 termined under AS 14.17.041(a), multiplied by the base instructional
10 unit value specified in AS 14.17.056.

11 * Sec. 5. AS 14.17.041 is repealed and reenacted to read:

12 Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS. (a)
13 Elementary and secondary schools:

ADM	No. Instructional Units
under 12	2
12 - 18	3
19 - 26	4
27 - 35	6
36 - 45	7
46 - 56	8
57 - 68	9
69 - 81	10
82 - 95	11
96 - 110	12
111 - 126	13
127 - 143	14
144 - 161	15
162 - 178	16
179 - 200	17

1 (b) A district with average daily membership equal to or greater
 2 than 81 pupils in elementary school and 81 pupils in secondary school
 3 shall receive an additional eight units plus one unit for each
 4 additional 16 pupils or fraction of 16.

5 (c) Vocational education schedule:

ADM	No. Instructional Units
Full-Time Equivalent	
5 - 10	1
11 - 25	2
26 - 40	3
41 and over	3 plus 1 for each 20 pupils or fraction of 20 pupils in Full-Time Equivalent ADM

14 (d) Special education schedule:

ADM	No. Instructional Units
Full-Time Equivalent	
1 - 15	1
16 - 30	2
31 - 45	3
46 and over	4 plus 1 for each 11 pupils or fraction of 11 pupils in Full-Time Equivalent ADM

23 (e) Bilingual education schedule:

Weighted ADM	No. Instructional Units
1 - 12	1
13 - 18	2
19 - 42	3
43 and over	3 plus 1 for each 24 weighted ADM or fraction of

* Sec. 6. AS 14.17.051 is amended to read:

Sec. 14.17.051. INSTRUCTIONAL UNIT ALLOTMENT. The instructional unit allotment for each school district or regional educational attendance area is as follows:

(1) for [GATEWAY BOROUGH SCHOOL DISTRICT, CITY AND BOROUGH OF JUNEAU SCHOOL DISTRICT, AND] Anchorage School District, the district is entitled to receive the base instructional unit allotment;

(2) for Annette Island School District, Borough of Juneau School District, Gateway Borough School District, [PETERSBURG CITY SCHOOL DISTRICT, WRANGELL CITY SCHOOL DISTRICT,] Sitka Borough School District, and Matanuska-Susitna Borough School District, the district or area is entitled to receive 105 [104] percent of the base instructional unit allotment;

(3) for Craig City School District, Hydaburg City School District, Klawock City School District, Kake City School District, Chatham School District, Skagway City School District, [SOUTHEAST ISLAND SCHOOL DISTRICT, AND] Kenai Peninsula Borough School District, [THE DISTRICT OR AREA IS ENTITLED TO RECEIVE 108 PERCENT OF THE BASE INSTRUCTIONAL UNIT ALLOTMENT;

(4) FOR] Pelican City School District, Hoonah City School District, Southeast Island School District, Haines Borough School District and North Star Borough School District, the district or area is entitled to receive 110 [112] percent of the base instructional unit allotment;

(4) [(5)] for Cordova City School District, Valdez City School District, Kodiak Island School District, Wrangell City School District, and Petersburg City School District [HAINES BOROUGH SCHOOL DISTRICT,] the district or area is entitled to receive 115 percent of

1 the base instructional unit allotment;

2 (5) [(6)] for Nenana City School District, Delta School
3 District, Alaska Gateway School District, Upper Railbelt Regional
4 School District, Yakutat City School District, Chugach School Dis-
5 trict, and Copper River School District, the district or area is
6 entitled to receive 120 percent of the base instructional unit allot-
7 ment;

8 (6) [(7)] for Adak Regional School District the area is
9 entitled to receive 140 percent of the base instructional unit allot-
10 ment;

11 (7) [(8)] for Pribilof Islands School District, Aleutian
12 Chain School District, King Cove City School District, Sand Point City
13 School District, and Unalaska City School District, the district or
14 area is entitled to receive 150 percent of the base instructional unit
15 allotment;

16 (8) [(9)] for Yukon Flats School District, Dillingham City
17 School District, Bristol Bay Borough School District, Regional
18 School District, Lake Peninsula School District, Koyukuk
19 kwim School District, Galena City School District, Kuspuk School
20 District, Yukon-Koyukuk School District, Northwest Arctic School
21 District, Tanana [SELAWIK] City School District, Nome City School
22 District, Bering Straits School District, Iditarod Area School Dis-
23 trict, North Slope Borough School District, Lower Yukon School Dis-
24 trict, Yupit School District, Kashunamiut School District, and St.
25 Mary's City School District, the district or area is entitled to
26 receive 155 percent of the base instructional unit allotment [;

27 (10) FOR KODIAK ISLAND SCHOOL DISTRICT, THE DISTRICT IS
28 ENTITLED TO RECEIVE 116 PERCENT OF THE BASE INSTRUCTIONAL UNIT
29 ALLOTMENT].

1 * Sec. 7. AS 14.17.056 is amended to read:

2 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base in-
3 structional unit value for fiscal years beginning on or after July 1,
4 1986 [1982], is \$49,000 [\$42,450]. [THE BASE INSTRUCTION UNIT VALUE
5 FOR THE FISCAL YEAR BEGINNING JULY 1, 1981, IS \$38,590.]

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

7 Sec. 14.17.072. REQUIRED LOCAL EFFORT. (a) Payment of state
8 aid to a local school district under this chapter is contingent upon
9 matching by the district in the amount of the required local effort
10 for that district in the ratio of:

11 required local effort to state contribution = $1:Pi/(1-Pi)$.

12 (b) For purposes of this section, Pi = equalized percentage as
13 defined in AS 14.17.021(c).

14 * Sec. 9. AS 14.17.250(4) is repealed and reenacted to read:

15 (4) "elementary school" means a school consisting of grades
16 K - 7;

17 * Sec. 10. AS 14.17.250(9) is repealed and reenacted to read:

18 (9) "secondary school" means a school consisting of grades
19 7 - 12;

20 * Sec. 11. AS 14.17.022, 14.17.023, 14.17.031(b) and (c) are repealed.

21 * Sec. 12. This Act takes effect July 1, 1986.

Introduced: 3/7/86
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY TAYLOR

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 637

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 14.17.021 is repealed and reenacted to read:

10 Sec. 14.17.021. STATE AID. (a) The amount of state aid that
11 each school district with an assessed valuation under AS 14.17.140 may
12 qualify for is calculated by multiplying the basic need as defined in
13 (b) of this section by the equalized percentage as defined in (c) of
14 this section. A school district that does not have an assessed val-
15 uation under AS 14.17.140, may qualify for an amount of state aid
16 calculated by multiplying the basic need as defined in (b) of this
17 section by the equalized percentage as defined in (d) of this section.

18 (b) The basic need of each school district is determined by
19 multiplying the instructional unit allotment of the district as de-
20 termined under AS 14.17.051 by the number of instructional units in
21 the district.

22 (c) The equalized percentage for each school district with an
23 assessed valuation is the greater of 85 percent or a percentage com-
24 puted according to the formula $P_i = 1 - (1-k) V_i/V_a$ in which

25 (1) P_i (equalized percentage) = percent of need to be
26 provided by the state;

27 (2) k (level of average state support of basic need) = 85
28 percent;

29 (3) V_i (valuation per pupil in average daily membership in

1 the district) = full and true value of taxable real and personal
2 property within the district divided by the average daily membership
3 of the district;

4 (4) V_s = average of the valuation per pupil in average
5 daily membership for all the districts of the state.

6 (d) The equalized percentage for each school district without an
7 assessed valuation is computed according to the formula $P_i = 1 - (1-k)$
8 B_1/B_2 in which

9 (1) P_i (equalized percentage) = percent or need to be
10 provided by the state;

11 (2) k (level of average state support of basic need) = 85
12 percent;

13 (3) B_1 = amount per pupil in average daily membership in
14 the district of the payment received under 20 U.S.C. 236-244, as
15 amended, in the prior fiscal year;

16 (4) B_2 = amount per pupil in average daily membership for
17 all of the districts in the state or the payment received under 20
18 U.S.C. 236-244, as amended, in the prior fiscal year.

19 * Sec. 2. AS 14.17.031(a) is amended to read:

20 (a) The total number of instructional units within each school
21 district is the sum of

22 (1) the number of units for elementary schools and the
23 number of units for secondary schools as determined from AS 14.17.-
24 041(a) or [.] (b) [.] (c), OR (d);

25 (2) the number of units for vocational education determined
26 from AS 14.17.041(c) [AS 14.17.041(e)] as approved by the department;

27 (3) the number of units from special education determined
28 from AS 14.17.041(d) [AS 14.17.041(f)] as approved by the department;

29 and

1 (4) [IF THE DISTRICT HAS FIVE OR MORE CORRESPONDENCE PUPILS
2 ENROLLED IN AN APPROVED DISTRICT CORRESPONDENCE STUDY PROGRAM, THE
3 NUMBER OF UNITS FOR CORRESPONDENCE PUPILS DETERMINED BY APPLYING THE
4 NUMBER OF CORRESPONDENCE PUPILS TO AS 14.17.041(a); AND

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7 * Sec. 3. AS 14.17 is amended by adding a new section to read:

8 Sec. 14.17.036. SPECIAL EDUCATION INTENSIVE AND ASSESSMENT
9 PROGRAMS. The department shall reimburse 100 percent of the costs of
10 special education intensive programs and programs for assessing poten-
11 tially handicapping conditions of pupils, to each district. The
12 department shall review the costs incurred by each district and may
13 deny reimbursement if the cost incurred was not as a result of a
14 special education intensive program or a program for assessing poten-
15 tial handicapping conditions of pupils.

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

17 Sec. 14.17.038. FUNDS FOR CENTRALIZED CORRESPONDENCE STUDY.
18 Funds for centralized correspondence study shall be provided by appro-
19 priation from the public school foundation account in an amount equal
20 to the number of instructional units for correspondence pupils de-
21 termined under AS 14.17.041(a), multiplied by the base instructional
22 unit value specified in AS 14.17.056.

23 * Sec. 5. AS 14.17.041 is repealed and reenacted to read:

24 Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS. (a)
25 Elementary schools:

ADM	No. Instructional Units
under 20	2
20 - 32	3
33 - 46	4

1	47 - 62	5
2	63 - 80	6
3	81 - 999	6 plus 1 for each 18 pupils or fraction of 18
4		
5	(b) Secondary schools:	
6	ADM	No. Instructional Units
7	under 33	3
8	33 - 46	4
9	47 - 62	5
10	63 - 80	6
11	81 - 999	6 plus 1 for each 18 pupils or fraction of 18
12		
13	(c) Vocational education schedule:	
14	ADM	No. Instructional Units
15	Full-Time Equivalent	
16	5 - 10	1
17	11 - 25	2
18	26 - 40	3
19	41 and over	3 plus 1 for each 20 pupils or fraction of 20 pupils in Full-Time Equivalent ADM
20		
21		
22	(d) Special education schedule:	
23	ADM	No. Instructional Units
24	Full-Time Equivalent	
25	1 - 15	1
26	16 - 30	2
27	31 - 45	3
28	46 and over	4 plus 1 for each 11 pupils or fraction of 11 pupils in
29		

Full-Time Equivalent ADM

(a) Bilingual education schedule:

Weighted ADM	No. Instructional Units
1 - 12	1
13 - 18	2
19 - 42	3
43 and over	3 plus 1 for each 24 weighted ADM or fraction of 24 weighted ADM

* Sec. 6. AS 14.17.051 is amended to read:

Sec. 14.17.051. INSTRUCTIONAL UNIT ALLOTMENT. The instructional unit allotment for each school district or regional educational attendance area is as follows:

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(2) for Annette Island School District, Borough of Juneau School District, [PETERSBURG CITY SCHOOL DISTRICT, WRANGELL CITY SCHOOL DISTRICT,] Sitka Borough School District, and Matanuska-Susitna Borough School District, the district or area is entitled to receive 105 [104] percent of the base instructional unit allotment;

(3) for Craig City School District, Gateway Borough School District, Hydaburg City School District, Klawock City School District, Kake City School District, Chatham School District, Skagway City School District, [SOUTHEAST ISLAND SCHOOL DISTRICT, AND] Kenai Peninsula Borough School District, [THE DISTRICT OR AREA IS ENTITLED TO RECEIVE 108 PERCENT OF THE BASE INSTRUCTIONAL UNIT ALLOTMENT;

(4) FOR] Pelican City School District, Heonah City School District, Haines Borough School District and North Star Borough School

1 District, the district or area is entitled to receive 110 [(112)] per-
2 cent of the base instructional unit allotment;

3 (4) [(5)] for Cordova City School District, Valdez City
4 School District, Southeast Island School District, Kodiak Island
5 School District, Wrangell City School District, and Petersburg City
6 School District [HAINES BOROUGH SCHOOL DISTRICT,] the district or area
7 is entitled to receive 115 percent of the base instructional unit
8 allotment;

9 (5) [(6)] for Nenana City School District, Delta School
10 District, Alaska Gateway School District, Upper Railbelt Regional
11 School District, Yukutat City School District, Chugach School Dis-
12 trict, and Copper River School District, the district or area is
13 entitled to receive 120 percent of the base instructional unit allot-
14 ment;

15 (6) [(7)] for Adak Regional School District the area is
16 entitled to receive 140 percent of the base instructional unit allot-
17 ment;

18 (7) [(8)] for Pribilof Islands School District, Aleutian
19 Chain School District, King Cove City School District, Sand Point City
20 School District, and Unalaska City School District, the district or
21 area is entitled to receive 150 percent of the base instructional unit
22 allotment;

23 (8) [(9)] for Yukon Flats School District, Dillingham City
24 School District, Bristol Bay Borough School District, Southwest Re-
25 gional School District, Lake Peninsula School District, Lower Kusko-
26 kwim School District, Galena City School District, Kuspuk School
27 District, Yukon-Koyukuk School District, Northwest Arctic School
28 District, Selawik City School District, Nome City School District,
29 Bering Straits School District, Iditarod Area School District, North

1 Slope Borough School District, Lower Yukon School District, Yupit
2 School District, Kashunamiut School District, and St. Mary's City
3 School District, the district or area is entitled to receive 155
4 percent of the base instructional unit allotment [;

5 (10) FOR KODIAK ISLAND SCHOOL DISTRICT, THE DISTRICT IS
6 ENTITLED TO RECEIVE 116 PERCENT OF THE BASE INSTRUCTIONAL UNIT ALLOT-
7 MENT].

8 * Sec. 7. AS 14.17.056 is amended to read:

9 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base in-
10 structional unit value for fiscal years beginning on or after July 1,
11 1986 [1982], is \$48,495 [\$42,450]. [THE BASE INSTRUCTION UNIT VALUE
12 FOR THE FISCAL YEAR BEGINNING JULY 1, 1981, IS \$38,590.]

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

14 Sec. 14.17.072. REQUIRED LOCAL EFFORT. (a) Payment of state
15 aid to a local school district under this chapter is contingent upon
16 matching by the district in the amount of the required local effort
17 for that district in the ratio of required local effort:

18 state contribution = $1:P_i/(1-P_i)$.

19 (b) For purposes of this section, P_i = equalized percentage as
20 defined in AS 14.17.021(c) or (d).

21 * Sec. 9. AS 14.17.250(9) is amended to read:

22 (9) "secondary school" means a school of grades 7 - 12
23 [SEVEN THROUGH TWELVE], or an appropriate combination of grades within
24 that range; when grades 7, 8, 9, or 10 [SEVEN, EIGHT, NINE, OR TEN]
25 are organized separately as a middle or junior high school, or grades
26 10 - 12 [TEN THROUGH TWELVE] are organized separately as a senior high
27 school, each school is considered a separate secondary school for the
28 purposes of AS 14.17.010 - 14.17.250 if

29 (A) the school is conducted in a separate school plant

1 facility;

2 (B) the school is accredited by the Northwest Accred-
3 iting Association;

4 (C) the school, if a middle or junior high school,
5 includes a minimum ADM of 200 [10] students in any combination of
6 grades seven, eight or nine [, IF THE SCHOOL WAS IN OPERATION
7 BEFORE JULY 1, 1980; OR

8 (D) THE SCHOOL, IF A MIDDLE OR JUNIOR HIGH SCHOOL,
9 INCLUDES A MINIMUM ADM OF 20 STUDENTS IN ANY COMBINATION OF
10 GRADES SEVEN, EIGHT OR NINE, IF THE SCHOOL FIRST BEGAN OPERATION
11 ON OR AFTER JULY 1, 1980];

12 * Sec. 10. This Act takes effect July 1, 1986.
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CC
LETTER OF INTENT FOR FOUNDATION FUNDING BILLS
CS HB 604 (HESS) AND CS SS HB 637 (HESS)
HOUSE HESS COMMITTEE

It is the intent of the HESS Committee that reductions in public school funding be met by local school districts in a manner that has the least possible impact on programs that directly affect the education of the children for whom they are responsible. To that end, we urge that experienced teachers be retained and that class size and the pupil/teacher ratio be as low as finances allow. Cutting central office personnel should be considered before class size is increased or classroom teachers dismissed. It is important that basic education programs and the personnel needed to fully implement those programs not be lost. By basic educational programs we mean a full complement of programs including: basic academics (including languages); physical education; vocational education; special education; music; art; bi-lingual and bi-cultural education; and counseling, library and health care programs.

We realize that situations differ from community to community and that the opportunity for local control brings with it the responsibilities for local decision making and for local support. Communities should consider the extent to which the schools can be assisted by use of state-provided municipal assistance or other funds by other local income sources. Smaller districts should explore consolidating service functions sharing purchasing, maintenance, curriculum and other special services, including joint superintendencies as is done by many school districts in other states.

State funds should not be used for consultant/lobbying contracts, the payment of professional membership dues, fees and assessments, or for out of-state-travel.

Where further economies must be achieved, the committee urges districts to meet lowered funding levels through:

- (1) full utilization of all operating and capital budget carry-over funds;
- (2) delaying capital improvements;
- (3) changing existing programmatic priorities within the budget;
- (4) limiting out-of-district travel and extracurricular activities;
- (5) prohibiting new programs;
- (6) selling assets of the district;

LETTER OF INTENT FOR FOUNDATION FUNDING BILLS
CS HB 604 (HESS) AND CS SS HB 637 (HESS)
HOUSE HESS COMMITTEE
PAGE TWO

- (7) maximizing the district's revenue raising capacity
- (8) lower administrative, upper-level and management salaries; and
- (9) voluntary demotion in lieu of layoff, and attrition from offering early retirement incentives, job-sharing, shorter work week, sabbatical leaves at half-pay, and various forms of leave without pay including long-term leaves without pay but with full return and seniority rights.

If these measures are not sufficient, cuts may have to be made in administrative and non-institutional personnel and non-educational services.



REPRESENTATIVE NIILLO KOPONEN, CO-CHAIR



REPRESENTATIVE MAX F. GRUENBERG, JR., CO-CHAIR

FINDINGS REGARDING FOUNDATION FUNDING PROPOSALS
HOUSE HESS COMMITTEE

CSHB 604(HESS) and CSSSHB 637(HESS)

Five issues require special attention:

- 1). Vocational Education - It is the opinion of the HESS Committee that a foundation funding formula should include specific set-asides for vocational education. When set-asides for vocational education were eliminated years ago and funds were lumped, it was not with any logical reasoning or specific intent.
- 2). Fund Balances - Fund balances must be examined. We recognize the potential usefulness of maintaining the current statutory limits for a fund balance of 7% or 10%. However, fund balances in excess of these limits should be subtracted from the district's state aid entitlement. The Department of Education must watchdog fund balances and protect them from current or potential abuses.
- 3). Special Education/ARMSI - The method for funding special education differs in the various foundation formula bills. In determining the most appropriate method and the level of such funding, the Finance Committee should consider HB 543 and SB 319 in conjunction with foundation funding proposals to ensure that special education intensive services are funded in a comprehensive, service effective, cost-effective, and non-duplicative manner.
- 4). Local Contribution - The issue of local contribution is a confusing one because of the differences in local taxation powers, tax bases, property values, and PL 81-874. We wish to encourage local contribution. Whether it is most beneficial to require it at a given level, what that level is to be, and whether a higher local contribution should be reimbursed are other concerns which must be addressed. Certain districts in the state have been supplemented with a much higher than average local contribution. We wish to assure that this extraordinary local contribution level is not required as a result of funding inequities between districts in Alaska and, on the other hand, we wish to encourage the participation of localities providing for educational needs. The Alaska Constitution clearly mandates funding for basic education as a responsibility of the State and that responsibility must not be abrogated.
- 5). PL 81-874 - Regardless of the formula to be utilized for FY87 foundation funding, how P.L. 81-874 funds are utilized is a critical issue for school districts and the state.

PL 81-874 issues include:

1. If the state continues to deduct P.L. 81-874 revenues from state foundation entitlements, the state must pass the federal disparity test. Non-equalized local revenues provide the major source of disparities.
2. If the state passes the federal disparity test, the amount of P.L. 81-874 deduction in a district is limited by federal regulation to the percentage that the "Local Revenues included in the State Equalization Plan" is of "Total Local Revenues" in the district. Presently, with no local revenues from city/boroughs included in the State foundation plan, no P.L. 81-874 revenues can be deducted in city/boroughs. With no local revenues in REAAs, the formula does not apply, and theoretically all P.L. 81-874 revenues can be deducted.
3. If the state reduces or eliminates the deduction for P.L. 81-874 revenues from REAAs, the result will be significant revenue shifts among districts with high P.L. 81-874 districts benefiting the most.
4. The state is a direct applicant for P.L. 81-874 funds which results in a direct revenue to the state of approximately 20.0 million dollars from P.L. 81-874, primarily based upon students attending on-base schools. The federal government is questioning this practice which, if disallowed, would require state statutory changes and would result in loss of state revenue and extreme revenue shifts among districts.

Presently, the state deducts 80% of the prior year's P.L. 81-874 revenues received by a REAA from the district's foundation entitlement. This deduction statewide (approximately \$30.0 million in FY86) is in effect "state" revenue for the purpose of foundation funding. There is no deduction of local taxes or P.L. 81-874 revenues from city/borough school districts. The 80% deduction from REAAs (approximately \$30.0 million) is in effect redistributed throughout the entire state. The city/boroughs, who contribute nothing, receive a share of the REAAs' P.L. 81-874 funds.

By federal statute and regulation the amount of P.L. 81-874 funds which can be deducted in each district is restricted to the percentage calculated as follows:

$$\text{Percentage} = \frac{\text{Local revenues included in State equalization plan}}{\text{Total Local Revenues}} \times 100$$

The formula is applicable to city/borough school districts but not to REAAs.


In city/borough districts, which have local revenues, but none of which are included in the State's equalization plan, the formula percentage is zero -- no P.L. 81-874 revenue can be deducted. In REAAs, which have no local revenues, the formula does not apply. However, before any P.L. 81-874 revenues can be utilized in the State equalization plan, the federal disparity test must be passed by the state. Non-equalized local revenue is the primary determinant of disparities among districts.

If there is a change in the present 80% deduction of P.L. 81-874 revenues from REAAs, there will be revenue shifts among districts.

With a lower percentage deduction, high P.L. 81-874 districts will show increasing revenues and low P.L. 81-874 districts will receive less. City/borough districts, with no deduction for P.L. 81-874 revenues, will have less revenue.

Approximately another 20.0 million dollars of P.L. 81-874 revenue is received directly by the state for those students for whom the state is the applicant agency. The vast majority of the students being counted in this category is students from military bases being served in "on-base" schools in Anchorage and Fairbanks. At this writing, the state's practice of being a direct applicant for P.L. 81-874 revenues is being questioned formally by the federal government. If it was ruled by the federal government that the state could not be an applicant, statutory changes would be required to permit the local districts serving these students to claim them for P.L. 81-874 funding. The fiscal impact would fall on districts and the state. There would be a net loss of revenue to the state which would impact all school districts. Local school districts claiming the students would have increased revenues from P.L. 81-874. Tuition payments could be terminated to city/borough districts for the students who would be claimed for P.L. 81-874.

In the future, instead of the current, arbitrary 80%/20% split, the State should take credit for 100% of PL 81-874 monies less the actual percentage due for the inclusion of special education students.


REPRESENTATIVE MILLI KOPONEN, CO-CHAIR

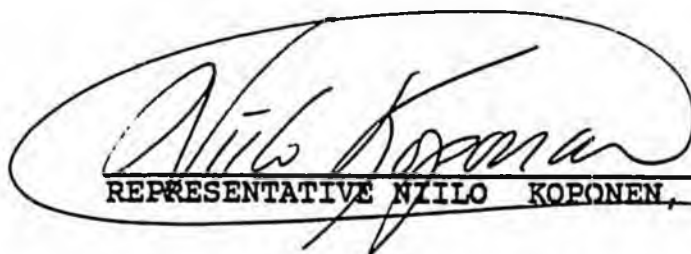

REPRESENTATIVE MAX F. GRUENBERG, JR., CO-CHAIR

LETTER OF INTENT REGARDING DEPARTMENT OF EDUCATION BUDGET
HOUSE HESS COMMITTEE

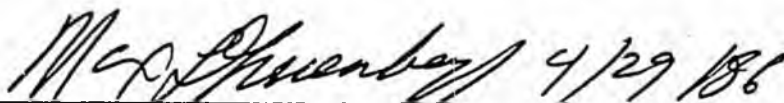
CSHB 604(HESS) and CSSSHB 637(HESS)

In consideration of the Department of Education budget, we urge that the Department maintain both direct pupil services and the planning and statistical analysis functions upon which the Legislature depends for reasonable public policy development.

We are pleased to note the progress the Department has made in requiring school districts to report fiscal and statistical data in a uniform and comprehensive manner. The Legislature desires that this process continue and be perfected, in order that the costs of educational services can be analyzed adequately. Only in this manner can finances be directed to yield the best educational result for each child; and costs due to isolation, distance and problems of scale (thus beyond the control of school management) be equalized. Past failure to provide data that the public and the Legislature could have confidence in, combined with political pressure, has created a flagrant inequity in the distribution of state funds among districts and exacerbated the difficulties in arriving at a workable, equitable formula and in dealing with the decline in state revenues as it effects public education.



REPRESENTATIVE NIILLO KOPONEN, CO-CHAIR



REPRESENTATIVE MAX F. GRØENBERG, JR., CO-CHAIR

02
4/17/86

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CSSSHB 637(HESS)
 Title : "An Act relating to state support for education; and providing for an effective date."
 Sponsor : House HESS
 Requestor : House HESS
 Date of Request : 4/17/86

FISCAL DETAIL

Agency Affected : Dept. of Education
 BRU : _____

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		[1479.614]				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary This fiscal note for FY87 is an estimate and the fiscal impact in other years is dependent upon enrollment and appropriations.

Prepared by : House HESS Phone : 465-3759
 Division : _____ Date : 4/17/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ALASKA STATE LEGISLATURE

14th... Legislature **SECOND** Session

SPONSOR SUBSTITUTE

HOUSE ... **BILL** NO. ... **637**..

By **TAYLOR**.....

"An Act relating to state support for education; and providing for an effective date."

education

Introduced in the House ... **3/7**, 19**86**..

HISTORY IN THE HOUSE

1986

Mar 7

Read first time and referred to Committee on

HESS AND FINANCE

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

Offered: 4/17/86
Referred: Finance

Original sponsor: Taylor

1 IN THE HOUSE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 637 (HESS)
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 14.17.021 is repealed and reenacted to read:
10 Sec. 14.17.021. STATE AID. (a) The amount of state aid that
11 each city and borough school district may qualify for is calculated by
12 multiplying the basic need as defined in (b) of this section by the
13 equalized percentage as defined in (c) of this section. The amount of
14 state aid that each rural educational attendance area may qualify for
15 is calculated by multiplying the basic need as defined in (b) of this
16 section by the equalized percentage as defined in (c) of this section.
17 (b) The basic need of each school district is determined by
18 multiplying the instructional unit allotment of the district as de-
19 termined under AS 14.17.051 by the number of instructional units in
20 the district.
21 (c) The equalized percentage for each district is the greater of
22 80 percent or a percentage computed according to the formula $P_i = 1 -$
23 $(1-k) V_i/V_s$ in which
24 (1) P_i (equalized percentage) = percent of need to be
25 provided by the state;
26 (2) k (level of average state support of basic need) = 97
27 percent;
28 (3) V_i = full and true value of taxable real and personal
29 property within the district multiplied by two mills and divided by

1 the average daily membership of the district and, if a rural educa-
2 tional attendance area, plus the amount per pupil in average daily
3 membership in the rural educational attendance area of the payment
4 received under 20 U.S.C. 236-244, as amended, in the prior fiscal
5 year;

6 (4) $V_s = V_i$ for all districts multiplied by the average
7 daily membership for all districts divided by the total average daily
8 membership of all districts.

9 * Sec. 2. AS 14.17.031(a) is amended to read:

10 (a) The total number of instructional units within each school
11 district is the sum of

12 (1) the number of units for elementary [SCHOOLS] and [THE
13 NUMBER OF UNITS FOR] secondary schools as determined from AS 14.17.-
14 041(a) or [,] (b) [, (c), OR (d)];

15 (2) the number of units for vocational education determined
16 from AS 14.17.041(c) [AS 14.17.041(e)] as approved by the department;

17 (3) the number of units from special education determined
18 from AS 14.17.041(d) [AS 14.17.041(f)] as approved by the department;
19 and

20 (4) [IF THE DISTRICT HAS FIVE OR MORE CORRESPONDENCE PUPILS
21 ENROLLED IN AN APPROVED DISTRICT CORRESPONDENCE STUDY PROGRAM, THE
22 NUMBER OF UNITS FOR CORRESPONDENCE PUPILS DETERMINED BY APPLYING THE
23 NUMBER OF CORRESPONDENCE PUPILS TO AS 14.17.041(a); AND

24 (5)] the number of units for bilingual education determined
25 from AS 14.17.041(e) [AS 14.17.041(g)] as approved by the department.

26 * Sec. 3. AS 14.17 is amended by adding a new section to read:

27 Sec. 14.17.036. SPECIAL EDUCATION INTENSIVE PROGRAMS. The
28 department shall reimburse 100 percent of the costs of special educa-
29 tion intensive programs to each district. The department shall review

1 the costs incurred by each district and may deny reimbursement if the
2 cost incurred was not as a result of a special education intensive
3 program.

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

5 Sec. 14.17.038. FUNDS FOR CENTRALIZED CORRESPONDENCE STUDY.
6 Funds for centralized correspondence study shall be provided by appro-
7 priation from the public school foundation account in an amount equal
8 to the number of instructional units for correspondence pupils de-
9 termined under AS 14.17.041(a), multiplied by the base instructional
10 unit value specified in AS 14.17.056.

11 * Sec. 5. AS 14.17.041 is repealed and reenacted to read:

12 Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS. (a)

13 Elementary and secondary schools:

14	ADM	No. Instructional Units
15	under 12	2
16	12 - 18	3
17	19 - 26	4
18	27 - 35	6
19	36 - 45	7
20	46 - 56	8
21	57 - 68	9
22	69 - 81	10
23	82 - 95	11
24	96 - 110	12
25	111 - 126	13
26	127 - 143	14
27	144 - 161	15
28	162 - 178	16
29	179 - 200	17

1 (b) A district with average daily membership equal to or greater
 2 than 81 pupils in elementary school and 81 pupils in secondary school
 3 shall receive an additional eight units plus one unit for each
 4 additional 16 pupils or fraction of 16.

5 (c) Vocational education schedule:

6	ADM	No. Instructional Units
7	Full-Time Equivalent	
8	5 - 10	1
9	11 - 25	2
10	26 - 40	3
11	41 and over	3 plus 1 for each 20 pupils
12		or fraction of 20 pupils in
13		Full-Time Equivalent ADM

14 (d) Special education schedule:

15	ADM	No. Instructional Units
16	Full-Time Equivalent	
17	1 - 15	1
18	16 - 30	2
19	31 - 45	3
20	46 and over	4 plus 1 for each 11 pupils
21		or fraction of 11 pupils in
22		Full-Time Equivalent ADM

23 (e) Bilingual education schedule:

24	Weighted ADM	No. Instructional Units
25	1 - 12	1
26	13 - 18	2
27	19 - 42	3
28	43 and over	3 plus 1 for each 24
29		weighted ADM or fraction of

* Sec. 6. AS 14.17.051 is amended to read:

Sec. 14.17.051. INSTRUCTIONAL UNIT ALLOTMENT. The instructional unit allotment for each school district or regional educational attendance area is as follows:

(1) for [GATEWAY BOROUGH SCHOOL DISTRICT, CITY AND BOROUGH OF JUNEAU SCHOOL DISTRICT, AND] Anchorage School District, the district is entitled to receive the base instructional unit allotment;

(2) for Annette Island School District, Borough of Juneau School District, Gateway Borough School District, [PETERSBURG CITY SCHOOL DISTRICT, WRANGELL CITY SCHOOL DISTRICT,] Sitka Borough School District, and Matanuska-Susitna Borough School District, the district or area is entitled to receive 105 [104] percent of the base instructional unit allotment;

(3) for Craig City School District, Hydaburg City School District, Klawock City School District, Kake City School District, Chatham School District, Skagway City School District, [SOUTHEAST ISLAND SCHOOL DISTRICT, AND] Kenai Peninsula Borough School District, [THE DISTRICT OR AREA IS ENTITLED TO RECEIVE 108 PERCENT OF THE BASE INSTRUCTIONAL UNIT ALLOTMENT;

(4) FOR] Pelican City School District, Hoonah City School District, Southeast Island School District, Haines Borough School District and North Star Borough School District, the district or area is entitled to receive 110 [112] percent of the base instructional unit allotment;

(4) [(5)] for Cordova City School District, Valdez City School District, Kodiak Island School District, Wrangell City School District, and Petersburg City School District [HAINES BOROUGH SCHOOL DISTRICT,] the district or area is entitled to receive 115 percent of

1 the base instructional unit allotment;

2 (5) [(6)] for Nenana City School District, Delta School
3 District, Alaska Gateway School District, Upper Railbelt Regional
4 School District, Yakutat City School District, Chugach School Dis-
5 trict, and Copper River School District, the district or area is
6 entitled to receive 120 percent of the base instructional unit allot-
7 ment;

8 (6) [(7)] for Adak Regional School District the area is
9 entitled to receive 140 percent of the base instructional unit allot-
10 ment;

11 (7) [(8)] for Pribilof Islands School District, Aleutian
12 Chain School District, King Cove City School District, Sand Point City
13 School District, and Unalaska City School District, the district or
14 area is entitled to receive 150 percent of the base instructional unit
15 allotment;

16 (8) [(9)] for Yukon Flats School District, Dillingham City
17 School District, Bristol Bay Borough School District, Southwest Re-
18 gional School District, Lake Peninsula School District, Lower Kusko-
19 kwim School District, Galena City School District, Kuspuk School
20 District, Yukon-Koyukuk School District, Northwest Arctic School
21 District, Tanana [SELAWIK] City School District, Nome City School
22 District, Bering Straits School District, Iditarod Area School Dis-
23 trict, North Slope Borough School District, Lower Yukon School Dis-
24 trict, Yup'it School District, Kashunamiut School District, and St.
25 Mary's City School District, the district or area is entitled to
26 receive 155 percent of the base instructional unit allotment [;

27 (10) FOR KODIAK ISLAND SCHOOL DISTRICT, THE DISTRICT IS
28 ENTITLED TO RECEIVE 116 PERCENT OF THE BASE INSTRUCTIONAL UNIT
29 ALLOTMENT].

1 * Sec. 7. AS 14.17.056 is amended to read:

2 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base in-
3 structional unit value for fiscal years beginning on or after July 1,
4 1986 [1982], is \$49,000 [\$42,450]. [THE BASE INSTRUCTION UNIT VALUE
5 FOR THE FISCAL YEAR BEGINNING JULY 1, 1981, IS \$38,590.]

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

7 Sec. 14.17.072. REQUIRED LOCAL EFFORT. (a) Payment of state
8 aid to a local school district under this chapter is contingent upon
9 matching by the district in the amount of the required local effort
10 for that district in the ratio of:

11 required local effort to state contribution = $1:Pi/(1-Pi)$.

12 (b) For purposes of this section, Pi = equalized percentage as
13 defined in AS 14.17.021(c).

14 * Sec. 9. AS 14.17.250(4) is repealed and reenacted to read:

15 (4) "elementary school" means a school consisting of grades
16 K - 7;

17 * Sec. 10. AS 14.17.250(9) is repealed and reenacted to read:

18 (9) "secondary school" means a school consisting of grades
19 7 - 12;

20 * Sec. 11. AS 14.17.022, 14.17.023, 14.17.031(b) and (c) are repealed.

21 * Sec. 12. This Act takes effect July 1, 1986.

Introduced: 3/7/86
Referred: Health, Education &
Social Services and Finance -

1 IN THE HOUSE

BY TAYLOR

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 637

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 14.17.021 is repealed and reenacted to read:

10 Sec. 14.17.021. STATE AID. (a) The amount of state aid that
11 each school district with an assessed valuation under AS 14.17.140 may
12 qualify for is calculated by multiplying the basic need as defined in
13 (b) of this section by the equalized percentage as defined in (c) of
14 this section. A school district that does not have an assessed val-
15 uation under AS 14.17.140, may qualify for an amount of state aid
16 calculated by multiplying the basic need as defined in (b) of this
17 section by the equalized percentage as defined in (d) of this section.

18 (b) The basic need of each school district is determined by
19 multiplying the instructional unit allotment of the district as de-
20 termined under AS 14.17.051 by the number of instructional units in
21 the district.

22 (c) The equalized percentage for each school district with an
23 assessed valuation is the greater of 85 percent or a percentage com-
24 puted according to the formula $P_i = 1 - (1-k) V_i/V_s$ in which

25 (1) P_i (equalized percentage) = percent of need to be
26 provided by the state;

27 (2) k (level of average state support of basic need) = 85
28 percent;

29 (3) V_i (valuation per pupil in average daily membership in

1 the district) = full and true value of taxable real and personal
2 property within the district divided by the average daily membership
3 of the district;

4 (4) Vs = average of the valuation per pupil in average
5 daily membership for all the districts of the state.

6 (d) The equalized percentage for each school district without an
7 assessed valuation is computed according to the formula $P_i = 1 - (1-k)$
8 B_1/B_2 in which

9 (1) P_i (equalized percentage) = percent or need to be
10 provided by the state;

11 (2) k (level of average state support of basic need) = 85
12 percent;

13 (3) B_1 = amount per pupil in average daily membership in
14 the district of the payment received under 20 U.S.C. 236-244, as
15 amended, in the prior fiscal year;

16 (4) B_2 = amount per pupil in average daily membership for
17 all of the districts in the state or the payment received under 20
18 U.S.C. 236-244, as amended, in the prior fiscal year.

19 * Sec. 2. AS 14.17.031(a) is amended to read:

20 (a) The total number of instructional units within each school
21 district is the sum of

22 (1) the number of units for elementary schools and the
23 number of units for secondary schools as determined from AS 14.17.-
24 041(a) or [,] (b) [, (c), OR (d)];

25 (2) the number of units for vocational education determined
26 from AS 14.17.041(c) [AS 14.17.041(e)] as approved by the department;

27 (3) the number of units from special education determined
28 from AS 14.17.041(d) [AS 14.17.041(f)] as approved by the department;

29 and

1 (4) [IF THE DISTRICT HAS FIVE OR MORE CORRESPONDENCE PUPILS
2 ENROLLED IN AN APPROVED DISTRICT CORRESPONDENCE STUDY PROGRAM, THE
3 NUMBER OF UNITS FOR CORRESPONDENCE PUPILS DETERMINED BY APPLYING THE
4 NUMBER OF CORRESPONDENCE PUPILS TO AS 14.17.041(a); AND

5 (5)] the number of units for bilingual education determined
6 from AS 14.17.041(e) [AS 14.17.041(g)] as approved by the department.

7 * Sec. 3. AS 14.17 is amended by adding a new section to read:

8 Sec. 14.17.036. SPECIAL EDUCATION INTENSIVE AND ASSESSMENT
9 PROGRAMS. The department shall reimburse 100 percent of the costs of
10 special education intensive programs and programs for assessing poten-
11 tially handicapping conditions of pupils, to each district. The
12 department shall review the costs incurred by each district and may
13 deny reimbursement if the cost incurred was not as a result of a
14 special education intensive program or a program for assessing poten-
15 tial handicapping conditions of pupils.

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

17 Sec. 14.17.038. FUNDS FOR CENTRALIZED CORRESPONDENCE STUDY.
18 Funds for centralized correspondence study shall be provided by appro-
19 priation from the public school foundation account in an amount equal
20 to the number of instructional units for correspondence pupils de-
21 termined under AS 14.17.041(a), multiplied by the base instructional
22 unit value specified in AS 14.17.056.

23 * Sec. 5. AS 14.17.041 is repealed and reenacted to read:

24 Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS. (a)

25 Elementary schools:

26	ADM	No. Instructional Units
27	under 20	2
28	20 - 32	3
29	33 - 46	4

1	47 - 62	5
2	63 - 80	6
3	81 - 999	6 plus 1 for each 18 pupils
4		or fraction of 18
5	(b) Secondary schools:	
6	ADM	No. Instructional Units
7	under 33	3
8	33 - 46	4
9	47 - 62	5
10	63 - 80	6
11	81 - 999	6 plus 1 for each 18 pupils ¹
12		or fraction of 18
13	(c) Vocational education schedule:	
14	ADM	No. Instructional Units
15	Full-Time Equivalent	
16	5 - 10	1
17	11 - 25	2
18	26 - 40	3
19	41 and over	3 plus 1 for each 20 pupils
20		or fraction of 20 pupils in
21		Full-Time Equivalent ADM ¹
22	(d) Special education schedule:	
23	ADM	No. Instructional Units
24	Full-Time Equivalent	
25	1 - 15	1
26	16 - 30	2
27	31 - 45	3
28	46 and over	4 plus 1 for each 11 pupils
29		or fraction of 11 pupils in

1		Full-Time Equivalent ADM
2	(e) Bilingual education schedule:	
3	Weighted ADM	No. Instructional Units
4	1 - 12	1
5	13 - 18	2
6	19 - 42	3
7	43 and over	3 plus 1 for each 24
8		weighted ADM or fraction of
9		24 weighted ADM

10 * Sec. 6. AS 14.17.051 is amended to read:

11 Sec. 14.17.051. INSTRUCTIONAL UNIT ALLOTMENT. The instructional
 12 unit allotment for each school district or regional educational atten-
 13 dance area is as follows:

14 (1) for [GATEWAY BOROUGH SCHOOL DISTRICT, CITY AND BOROUGH
 15 OF JUNEAU SCHOOL DISTRICT, AND] Anchorage School District, the dis-
 16 trict is entitled to receive the base instructional unit allotment;

17 (2) for Annette Island School District, Borough of Juneau
 18 School District, [PETERSBURG CITY SCHOOL DISTRICT, WRANGELL CITY
 19 SCHOOL DISTRICT,] Sitka Borough School District, and Matanuska-Susitna
 20 Borough School District, the district or area is entitled to receive
 21 105 [104] percent of the base instructional unit allotment;

22 (3) for Craig City School District, Gateway Borough School
 23 District, Hydaburg City School District, Klawock City School District,
 24 Kake City School District, Chatham School District, Skagway City
 25 School District, [SOUTHEAST ISLAND SCHOOL DISTRICT, AND] Kenai Penin-
 26 sula Borough School District, [THE DISTRICT OR AREA IS ENTITLED TO
 27 RECEIVE 108 PERCENT OF THE BASE INSTRUCTIONAL UNIT ALLOTMENT;

28 (4) FOR] Pelican City School District, Hoonah City School
 29 District, Haines Borough School District and North Star Borough School

1 District, the district or area is entitled to receive 110 [112], per-
2 cent of the base instructional unit allotment;

3 (4) [(5)] for Cordova City School District, Valdez, City
4 School District, Southeast Island School District, Kodiak Island
5 School District, Wrangell City School District, and Petersburg City
6 School District [HAINES BOROUGH SCHOOL DISTRICT,] the district or area
7 is entitled to receive 115 percent of the base instructional unit
8 allotment;

9 (5) [(6)] for Nenana City School District, Delta School
10 District, Alaska Gateway School District, Upper Railbelt Regional
11 School District, Yakutat City School District, Chugach School Dis-
12 trict, and Copper River School District, the district or area is
13 entitled to receive 120 percent of the base instructional unit allot-
14 ment;

15 (6) [(7)] for Adak Regional School District the area is
16 entitled to receive 140 percent of the base instructional unit allot-
17 ment;

18 (7) [(8)] for Pribilof Islands School District, Aleutian
19 Chain School District, King Cove City School District, Sand Point City
20 School District, and Unalaska City School District, the district or
21 area is entitled to receive 150 percent of the base instructional unit
22 allotment;

23 (8) [(9)] for Yukon Flats School District, Dillingham City
24 School District, Bristol Bay Borough School District, Southwest Re-
25 gional School District, Lake Peninsula School District, Lower Kusko-
26 kwim School District, Galena City School District, Kuspuk School
27 District, Yukon-Koyukuk School District, Northwest Arctic School
28 District, Selawik City School District, Nome City School District,
29 Bering Straits School District, Iditarod Area School District, North

1 Slope Borough School District, Lower Yukon School District, Yupiit
2 School District, Kashunamiut School District, and St. Mary's City
3 School District, the district or area is entitled to receive 155
4 percent of the base instructional unit allotment [;

5 (10) FOR KODIAK ISLAND SCHOOL DISTRICT, THE DISTRICT IS
6 ENTITLED TO RECEIVE 116 PERCENT OF THE BASE INSTRUCTIONAL UNIT ALLOT-
7 MENT].

8 * Sec. 7. AS 14.17.056 is amended to read:

9 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base in-
10 structional unit value for fiscal years beginning on or after July 1,
11 1986 [1982], is \$48,495 [\$42,450]. [THE BASE INSTRUCTION UNIT VALUE
12 FOR THE FISCAL YEAR BEGINNING JULY 1, 1981, IS \$38,590.]

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

14 Sec. 14.17.072. REQUIRED LOCAL EFFORT. (a) Payment of state
15 aid to a local school district under this chapter is contingent upon
16 matching by the district in the amount of the required local effort
17 for that district in the ratio of required local effort:

18 state contribution = $1:Pi/(1-Pi)$.

19 (b) For purposes of this section, Pi = equalized percentage as
20 defined in AS 14.17.021(c) or (d).

21 * Sec. 9. AS 14.17.250(9) is amended to read:

22 (9) "secondary school" means a school of grades 7 - 12
23 [SEVEN THROUGH TWELVE], or an appropriate combination of grades within
24 that range; when grades 7, 8, 9, or 10 [SEVEN, EIGHT, NINE, OR TEN]
25 are organized separately as a middle or junior high school, or grades
26 10 - 12 [TEN THROUGH TWELVE] are organized separately as a senior high
27 school, each school is considered a separate secondary school for the
28 purposes of AS 14.17.010 - 14.17.250 if

29 (A) the school is conducted in a separate school plant

1 facility;

2 (B) the school is accredited by the Northwest Accred-
3 iting Association;

4 (C) the school, if a middle or junior high school,
5 includes a minimum ADM of 200 [10] students in any combination of
6 grades seven, eight or nine [, IF THE SCHOOL WAS IN OPERATION
7 BEFORE JULY 1, 1980; OR

8 (D) THE SCHOOL, IF A MIDDLE OR JUNIOR HIGH SCHOOL,
9 INCLUDES A MINIMUM ADM OF 20 STUDENTS IN ANY COMBINATION OF
10 GRADES SEVEN, EIGHT OR NINE, IF THE SCHOOL FIRST BEGAN OPERATION
11 ON OR AFTER JULY 1, 1980];

12 * Sec. 10. This Act takes effect July 1, 1986.