

COMMITTEE REPORT

SENATE

FURTHER:

5/1/85

Date 5/1/85

Mr. President

The Committee on FINANCEQ considered SB 147

state support for education; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 147 (2d Filing)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Rick Holland

McKesson

James Stewart

Chairman

Chairman recommendation

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DO PASS

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OTHER RECOMMENDATIONS

Robert Wood

W. B. Mason

James ...

Chairman

Chairman recommendation

Levy
5/3/85 ✓

Original sponsors: Ferguson, Fahrenkamp,
Kerttula, et al

1
2 IN THE SENATE

BY THE FINANCE COMMITTEE

3 CS FOR SENATE BILL NO. 147 (2d Finance)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FOURTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

7 For an Act entitled: "An Act relating to state support for education; and
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
11 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056, 14.17.-
12 082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of 14.17.170
13 that requires the withholding of one-half of the June payment of state aid
14 pending a final determination of each school district's state aid is sus-
15 pended from July 1, 1985, through June 30, 1986. During the period of
16 suspension, the provisions of AS 14.17.031(d) remain in effect except that
17 the number of students in average daily membership in each school district
18 shall be used instead of instructional units to calculate reductions in
19 state aid. During the period of suspension, funding for the basic state
20 aid and supplemental equalization aid that otherwise would have been pro-
21 vided under the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023
22 shall be provided to school districts and for centralized correspondence
23 study in accordance with the provisions of this Act.

24 * Sec. 2. (a) For fiscal year 1986 the amount of state aid for each
25 school district and for centralized correspondence study is the following
26 amount, subject to adjustment under AS 14.17.021(b), for each pupil in
27 average daily membership, less any aid overpaid as determined by the com-
28 missioner of education:

29 Anchorage School District \$ 3,442

Bristol Bay Borough School District 10,121

1	Cordova City School District	5,230
2	Craig City School District	7,581
3	Dillingham City School District	9,020
4	Fairbanks North Star Borough School District	3,836
5	Galena City School District	10,395
6	Haines Borough School District	6,599
7	Hoonah City School District	6,473
8	Hydaburg City School District	9,530
9	City and Borough of Juneau School District	3,767
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11	Kenai Peninsula Borough School District	4,056
12	Ketchikan Gateway Borough School District	3,535
13	King Cove City School District	9,751
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22	Yukon Koyukuk School District	13,719
23	Central Correspondence	2,608

24
25 (b) If the appropriations for state aid to school districts are
26 insufficient to meet the allocations authorized under this section for
27 fiscal year 1986, the available funds shall be distributed on a pro
28 rata basis among school districts.

29 * Sec. 3. (a) The Department of Education shall allocate 75 percent of
the funds remaining after the allocations under sec. 2 of this Act are

1 recomputed in accordance with AS 14.17.170 to school districts whose

2 (1) local contribution to education for each student in average
3 daily membership in fiscal year 1985 exceeds the statewide average local
4 contribution to education for each pupil in average daily membership for
5 fiscal year 1985; and
6

7 (2) local contribution to education for fiscal year 1985 exceeds
8 the amount that would be generated by a two-mill levy on the full and true
9 value of taxable real and personal property in the district, as determined
10 under AS 14.17.140, for fiscal year 1985.

11 (b) In fiscal year 1986, the Department of Education shall allocate
12 to each school district that qualifies for funds under (a) of this section
13 an amount equal to the portion of the school district's local contribution
14 to education for each student in average daily membership in fiscal year
15 1985 that exceeds the statewide average local contribution to education for
16 each student in average daily membership in fiscal year 1985. If the
17 available funds under (a) of this section are insufficient to meet the
18 allocations authorized under this subsection, the available funds shall be
19 distributed pro rata among the eligible school districts. If the available
20 funds under (a) of this section exceed the allocations authorized under
21 this subsection, the excess funds shall be distributed pro rata among the
22 eligible districts.

23 (c) In this section

24 (1) "local contribution to education" means the local tax con-
25 tribution that was actually expended for education in fiscal year 1985, as
26 determined by the audit conducted under AS 14.14.050;

27 (2) "statewide average" means the total local contribution to
28 education in the state for fiscal year 1985 divided by the total number of
29 students in average daily membership in fiscal year 1985.

(d) The Department of Education may use funds remaining after the
CSSB 147(2d Fin)

1 allocations under (b) of this section to help a school district remedy
2 unique or emergency circumstances that cannot be remedied using other funds
3 available to the school district for fiscal year 1986. During fiscal year
4 1986, a school district may apply to the commissioner of education for
5 financial assistance under this subsection. The commissioner shall adopt
6 regulations to establish standards of eligibility for funds under this
7 subsection.

8
9 (e) The commissioner of education may expend funds under (d) of this
10 section only in accordance with the following procedures:

11 (1) the commissioner shall submit the proposed expenditures to
12 the Legislative Budget and Audit Committee for review;

13 (2) 45 days shall elapse before commencement of expenditures
14 under (d) of this section unless the Legislative Budget and Audit Committee
15 earlier recommends that the expenditures be made;

16 (3) should the Legislative Budget and Audit Committee recommend
17 within the 45-day period that the expenditures not be made, the commis-
18 sioner shall again review the proposed expenditures and if the commissioner
19 determines to authorize the expenditures, the commissioner shall provide
20 the Legislative Budget and Audit Committee with a statement of the commis-
21 sioner's reasons before commencement of the expenditures.

22 * Sec. 4. During the period of suspension under sec. 1 of this Act, a
23 school district shall continue to provide services to students in programs
24 of bilingual, special, and vocational education commensurate with the needs
25 of the students and in strict accordance with applicable state and federal
26 laws and regulations.

27 * Sec. 5. This Act is repealed June 30, 1986.

28 * Sec. 6. This Act takes effect July 1, 1985.

Offered: 4/26/85
Referred: Rules

Original sponsors: Ferguson, Fahrenkamp,
Kerttula, et al

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21 shall be provided to school districts and for centralized correspondence
22 study in accordance with the provisions of sec. 2 of this Act.

23 * Sec. 2. (a) Except as provided in (b) of this section, for fiscal
24 year 1986 the amount of state aid for each school district and for cen-
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26 ment under AS 14.17.021(b), for each pupil in average daily membership,
27 less any aid overpaid as determined by the commissioner of education:

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23	Central Correspondence	2,608

24 (b) The student enrollment increase account is established. The
25 Department of Education shall use funds appropriated to the account
26 for state aid for each pupil in average daily membership in fiscal
27 year 1986 exceeding the actual number of pupils in average daily
28 membership in fiscal year 1985. Funds in the account shall be dis-
29 tributed on a pro rata basis so that an equal amount is paid for each

1 new student. Increases in enrollment shall be recomputed and reported
2 to the department each month during the school year and the department
3 shall adjust payments from the student enrollment increase account
4 accordingly.

5 * Sec. 3. During the period of suspension under sec. 1 of this Act, a
6 school district shall continue to provide services to students in programs
7 of bilingual, special, and vocational education commensurate with the needs
8 of the students and in strict accordance with applicable state and federal
9 laws and regulations.

10 * Sec. 4. If the appropriations for state aid to school districts are
11 insufficient to meet the allocations authorized under this Act for fiscal
12 year 1986, the available funds shall be distributed on a pro rata basis
13 among school districts.

14 * Sec. 5. The school district interim assistance account is estab-
15 lished. The Department of Education may use funds appropriated to the
16 account to help a school district remedy unique or emergency circumstances
17 that cannot be remedied using other funds available to the school district
18 for fiscal year 1986. During fiscal year 1986, a school district may apply
19 to the commissioner of education for financial assistance from the account.
20 The commissioner shall adopt regulations to establish standards of eligi-
21 bility for funds from the account. The disbursement of funds from the
22 interim assistance account must be approved by the Legislative Budget and
23 Audit Committee before funds are released to a school district.

24 * Sec. 6. This Act is repealed June 30, 1986.

25 * Sec. 7. This Act takes effect July 1, 1985.

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FURTHER:

4/15/85

Date 4/26/85

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state support for education; etd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

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- replace with/or adopt CS for SB 147 (Fin)
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- same title and recommends "do pass"
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MEMBERS SIGNING

DO PASS

MEMBERS HAVING

OTHER RECOMMENDATIONS

[Handwritten signatures]

Chairman

[Handwritten signature]
Chairman recommendator



Official Business

Alaska State Legislature

Senate

Committee on Finance

LETTER OF INTENT
FOR
CS SB 147 (FIN)

Pouch V
State Capitol
Juneau, Alaska 99811

Since suspension of the school foundation formula in 1983, state aid to school districts has been calculated based on the number of students in average daily membership. Pending development of a revised foundation formula, CS SB 147 (Fin) provides for continuation of state aid on a per-student basis.

The Legislature recognizes that the existing funding rates have created hardships for some districts, and that current state budget restraints limit the assistance that can be provided this fiscal year. To address these hardship cases, Section 5 of CS SB 147 (Fin) establishes an interim assistance account as a source of funds for school districts that experience unique or emergency circumstances.

It is the intent of the Legislature that the interim assistance account consist of monies appropriated by the Legislature, monies that become available from the student enrollment increase account established in Section 2 of the bill, and additional PL 874 impact aid that may be forthcoming from the federal government prior to the end of the fiscal year.

Under existing law, state aid for increased enrollment is provided based on estimated enrollments submitted to the Department by each school district during the preceding fiscal year. To validate enrollments and ensure that an accurate amount of funding is provided to school districts, Section 2 would require a monthly recomputation and reporting to the Department of new student populations. It is the intent of the Legislature that any excess funds available through an over-estimate of new student population be distributed through the interim assistance account to eligible districts.

Appropriations from the interim assistance account will be made upon application by an impacted district and a demonstration that a unique or emergency situation exist. It is the intent of the Legislature that, the Lower Kuskokwim School District which will be gaining approximately 600 new students in FY 86 and the Lower Yukon School District which will gain approximately 185 new students in FY 86 due to the transfer to the state of several schools currently under operation by the U.S. Bureau of Indian Affairs, the emergency situations in the Skagway City School District and Copper River School District which have suffered substantial declines in student population over the last two years, the Department of Education and Legislative Budget and Audit Committee shall consider and fund the applications from these four districts as a first priority before any other applications. Other applications may be considered only after the four districts in this letter have had their unique or emergency situations satisfied.

4/26/85



From The
SENATE
FINANCE COMMITTEE

Incorporate the following AMENDMENT
into Sec. 5 of CSSB 147 (Fin), adopted
4/26/85:

page 4, line 22, after "account." insert:

"The disbursement of funds from the
interim assistance account must be
approved by the legislative budget
and audit committee prior to release
of funds to the school district."

p: 4/line 22. after "account." INSEX



From The

SENATE FINANCE COMMITTEE

The disbursement of funds
from the interim
assistance account ^{MUST} ~~is~~
~~be~~ ^{approved} ~~subject~~ ^{to} review by
the Legislative Budget &
Audit Committee prior
to the ~~time~~ ^{of funds} they are
released to the
school district.

Franker
4/26/85
CS 283 147 (Fin)



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SENATE
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WORK DRAFT

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*Fairfax am
page 4, line 22*

Levy
4/25/85

Original sponsors: Ferguson, Fahrenkamp,
Kerttula, et al

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22 shall be provided to school districts and for centralized correspondence
23 study in accordance with the provisions of sec. 2 of this Act.

24 * Sec. 2. (a) Except as provided in (b) of this section, for fiscal
25 year 1986 the amount of state aid for each school district and for cen-
26 tralized correspondence study is the following amount, subject to adjust-
27 ment under AS 14.17.021(b), for each pupil in average daily membership
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* Sec. 6. This Act is repealed June 30, 1986.

* Sec. 7. This Act takes effect July 1, 1985.

Offered: 4/26/85
Referred: Rules

Original sponsors: Ferguson, Fahrenkamp,
Kerttula, et al

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8	Hydaburg City School District	9,530
9	City and Borough of Juneau School District	3,810
10	Kake City School District	7,393
11	Kenai Peninsula Borough School District	4,056
12	Ketchikan Gateway Borough School District	3,956
13	King Cove City School District	9,751
14	Klawock City School District	7,714
15	Kodiak Island School District	5,708
16	Matanuska-Susitna Borough School District	3,764
17	Nenana City School District	10,927
18	Nome City School District	7,452
19	North Slope Borough School District	9,570
20	Pelican City School District	12,936
21	Petersburg City School District	4,446
22	Sand Point City School District	8,614
23	Sitka Borough School District	4,112
24	Skagway City School District	5,594
25	St. Mary's City School District	15,544
26	Tanana School District	13,895
27	Unalaska City School District	8,538
28	Valdez City School District	4,977
29	Wrangell City School District	4,915

1	Yakutat City School District	8,059
2	Adak Regional School District	6,909
3	Alaska Gateway School District	8,985
4	Aleutian Chain School District	17,341
5	Annette Island School District	6,835
6	Bering Straits School District	12,685
7	Chatham School District	9,029
8	Chugach School District	12,228
9	Copper River School District	7,465
10	Delta School District	6,152
11	Iditarod Area School District	15,571
12	Kuspuk School District	17,031
13	Lake and Peninsula School District	16,095
14	Lower Kuskokwim School District	11,474
15	Lower Yukon School District	10,259
16	Northwest Arctic School District	10,802
17	Pribilof Islands School District	11,934
18	Upper Railbelt Regional School District	9,933
19	Southeast Island School District	10,052
20	Southwest Regional School District	13,837
21	Yukon Flats School District	16,118
22	Yukon Koyukuk School District	13,719
23	Central Correspondence	2,608

24 (b) The student enrollment increase account is established. The
25 Department of Education shall use funds appropriated to the account
26 for state aid for each pupil in average daily membership in fiscal
27 year 1986 exceeding the actual number of pupils in average daily
28 membership in fiscal year 1985. Funds in the account shall be dis-
29 tributed on a pro rata basis so that an equal amount is paid for each

1 new student. Increases in enrollment shall be recomputed and reported
2 to the department each month during the school year and the department
3 shall adjust payments from the student enrollment increase account
4 accordingly.

5 * Sec. 3. During the period of suspension under sec. 1 of this Act, a
6 school district shall continue to provide services to students in programs
7 of bilingual, special, and vocational education commensurate with the needs
8 of the students and in strict accordance with applicable state and federal
9 laws and regulations.

10 * Sec. 4. If the appropriations for state aid to school districts are
11 insufficient to meet the allocations authorized under this Act for fiscal
12 year 1986, the available funds shall be distributed on a pro rata basis
13 among school districts.

14 * Sec. 5. The school district interim assistance account is estab-
15 lished. The Department of Education may use funds appropriated to the
16 account to help a school district remedy unique or emergency circumstances
17 that cannot be remedied using other funds available to the school district
18 for fiscal year 1986. During fiscal year 1986, a school district may apply
19 to the commissioner of education for financial assistance from the account.
20 The commissioner shall adopt regulations to establish standards of eligi-
21 bility for funds from the account. The disbursement of funds from the
22 interim assistance account must be approved by the Legislative Budget and
23 Audit Committee before funds are released to a school district.

24 * Sec. 6. This Act is repealed June 30, 1986.

25 * Sec. 7. This Act takes effect July 1, 1985.

AMENDMENT

TO: CS SB 147 (Fin)

By: Senator Faiks

Page 4, Line 21 After the word "account." Delete "The disbursement of funds from the interim assistance account must be approved by the Legislative Budget and Audit Committee before funds are released to a school district."

and insert "The Legislative Budget and Audit Committee shall review the proposed disbursement of funds from the interim assistance account according to the procedures set forth in AS 37.07.080 (h) ."

5/3/85

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 26, 1985

SUBJECT: Legislative approval of disbursement of funds
(CSSB 147 (Finance))

TO: Senator Jan Faiks *KBL*
Chair, Senate Finance Committee

FROM: Keith B. Levy
Legislative Counsel

Section 5 of the CSSB 147 (Finance) sets up a special account in the Department of Education to meet the emergency needs of the school districts. An amendment to that section, added in committee to this version of the bill, requires approval of the Legislative Budget and Audit Committee before funds in the account may be disbursed. This provision is probably unconstitutional.

In State v. A.L.I.V.E. Voluntary, 606 P.2d (1980), the Alaska Supreme Court found unconstitutional a statutory provision that permitted the legislature to annul executive regulations by concurrent resolution. The Court's ruling was based on the finding that, while the legislature does have the power to annul or amend regulations, it may do so only by enacting a law, not by mere resolution. The Court's reasoning was that Article II of the State Constitution sets out a number of requirements for the passage of a law, including provisions that no bill may become law unless the governor has had the opportunity to veto it (Art. II, Sec. 15). Since the statute in A.L.I.V.E. permitted the legislature to annul regulations by resolution, without the governor's approval, it violated this portion of the constitution.

Like the statute struck down in A.L.I.V.E., the provision in CSSB 147 (Finance) gives the executive branch statutory authority, and then allows the legislature to withdraw that authority without enacting a law that the governor has an

Senator Jan Faiks
April 26, 1985
Page 2

opportunity to veto. Accordingly, the provision in CSSB 147 (Finance) is probably unconstitutional.

This problem could be avoided by allowing the Legislative Budget and Audit Committee to review proposed expenditures from the account without requiring the committee's approval. A similar approach is used in AS 37.07.080(h), a copy of which is attached. Under that section, before the governor may spend additional program receipts, a revised program must be submitted to the Legislative Budget and Audit Committee for review. No money may be spent for 45 days unless recommended by the committee within that time period. If the committee recommends within the 45 days that the money not be spent, and the governor decides to spend it anyway, the governor must submit a statement of the reasons to the committee. This procedure gives the Legislative Budget and Audit Committee an opportunity to review the expenditures, but avoids the constitutional problem because the committee does not actually have the power to stop the expenditure.

If I may be of further assistance please feel free to contact me.

KBL:ojb
J14/050

expended on a
balance; these
revenue bond act
programs
are to provide
election date;
normal debit
to be included in
outlay to cover

ce; additional
provided by law for

appropriations from

includes funds
projects;
credit balance;

debit balance;

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finance committees only through the 60th legislative day. (§ 1 ch 188 SLA 1970; am § 1 ch 66 SLA 1977; am § 9 ch 168 SLA 1978; am § 6 ch 2 SLA 1982; am §§ 7, 8 ch 63 SLA 1983)

Effect of amendments. — The 1982 amendment rewrote this section. The 1983 amendment inserted "and capital" in paragraph (1) and substituted "30th" for "45th" in that paragraph and in paragraph (2) substituted "60th" for "75th."

Sec. 37.07.080. Program execution. (a) Except as limited by policy decisions of the governor, appropriations by the legislature, and other provisions of law, the several state agencies have full authority for administering their program service assignments and are responsible for their proper management.

(b) Each state agency shall prepare an annual plan for the operation of each of its assigned programs except for programs that are exempted from this requirement by the office. The operations plan shall be prepared in the form and content and be transmitted on the date prescribed by the office.

(c) The office shall

(1) review each operations plan to determine that it is consistent with the policy decisions of the governor and appropriations by the legislature, that it reflects proper planning and efficient management methods, that appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;

(2) approve the operations plan if satisfied that it meets the requirements under (1) of this subsection; otherwise, the office shall require revision of the operations plan in whole or in part.

(d) No state agency may increase the salaries of its employees, employ additional employees, or expend money or incur obligations except in accordance with law and properly approved operations plan.

(e) Transfers or changes between objects of expenditures or between allocations may be made by the head of a state agency upon approval of the office. No transfers may be made between appropriations except as provided in an act making the transfers between appropriations.

(f) The office shall report quarterly to the governor and the legislature on the operations of each state agency, relating actual accomplishments to those planned and modifying, if necessary, the operations plan of any agency for the balance of the fiscal year.

(g) The governor may direct the withholding or reduction of appropriations to a state agency at any time during the fiscal year only if the governor determines that

(1) the planned expenditures can no longer be made due to factors outside the control of the state which make the expenditure factually impossible; or

(2) estimated receipts and surpluses will be insufficient to provide for appropriations.

(h) The increase of an appropriation item based on additional federal or other program receipts not specifically appropriated by the full legislature may be expended in accordance with the following procedures:

(1) the governor shall submit a revised program to the Legislative Budget and Audit Committee for review;

(2) 45 days shall elapse before commencement of expenditures under the revised program unless the Legislative Budget and Audit Committee earlier recommends that the state take part in the federally or otherwise funded activity;

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the state not initiate the additional activity, the governor shall again review the revised program and if the governor determines to authorize the expenditure, the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons before commencement of expenditures under the revised program. (§ 1 ch 188 SLA 1970; am §§ 1—3 ch 26 SLA 1976; am §§ 2, 3 ch 74 SLA 1977; am §§ 4, 5 ch 60 SLA 1979; am §§ 9-12 ch 63 SLA 1983)

Effect of amendments. — The 1979 amendment substituted "an act making the transfers between appropriations" for "(h) of this section" at the end of the second sentence of subsection (e) and rewrote subsection (h).

The 1983 amendment substituted "office" for "division" in subsections (b), (c), (e), and (f).

Legislative history reports. — For report on ch. 26, SLA 1976 (HB 760 am S), see 1976 House Journal, p. 388.

Opinions of Attorney General. — Vesting authority in the Legislative Budget and Audit Committee to approve

transfers between appropriation items violates the separation of powers doctrine and is an improper delegation of a legislative function to an interim committee. July 22, 1976, Op. Att'y Gen.

Section 13(3) of the 1976 budget bill, which authorized the Budget and Audit Committee to supervise the governor's execution of the budget act, specifically over that portion of it which permitted him to transfer appropriation items, constituted an encroachment on executive power and offended the Alaska Constitution. July 22, 1976, Op. Att'y Gen.

NOTES TO DECISIONS

Budgetary system established by statutes implementing Constitution. — Statutory language implementing Alaska Const., art. IX, § 13, establishes a budgetary system in which all appropria-

tions are made by legislative act. Municipality of Anchorage v. Frohne, Sup. Ct. Op. No. 1477 (File Nos. 3050, 3104), 568 P.2d 3 (1977).

Sec. 37.07.090. Performance reporting. (a) Each state agency shall submit a performance report to the office no later than September 1 for the preceding fiscal year. These reports shall be in the form prescribed by the office after consultation with the legislative finance division, and shall include

(1) an identification of the objectives intended for the program and the problem or need which the activities and operations of the board, commission or program is intended to address;

DELETE PARAGRAPH FIVE OF PROPOSED LETTER OF INTENT FOR CS SB 147(FIN) and
REPLACE WITH THE FOLLOWING:

Appropriations from the interim assistance account will be made upon application by an impacted district and a demonstration that a unique or emergency situation exist. It is the intent of the Legislature that the Lower Kuskokwim School District which will be gaining approximately 600 new students in FY 86 and Lower Yukon School District which will gain approximately 185 new students in FY 86 due to the transfer to the state of several schools currently under operation by the U.S. Bureau of Indian Affairs, the emergency situations in the Skagway City School District and Copper River School District which have suffered substantial declines in student population over the last two years that the Department of Education and Legislative Budget and Audit Committee shall consider and fund the applications from these four districts as a first priority before any other applications. Other applications may be considered only after the four districts in this letter have had their unique or emergency situations satisfied.

Sackett

PARAGRAPH
DELETE SECTION FIVE OF PROPOSED LETTER OF INTENT FOR CS SB 147 (FIN)
and REPLACE WITH THE FOLLOWING:

Appropriations from the interim assistance account will be made upon application by an impacted district and a demonstration that a unique or emergency situation exist. It is the intent of the Legislature that the Lower Kuskokwim School District which will be gaining approximately 600 new students in FY 86 and Lower Yukon School District which will gain approximately 185 new students in FY 86 due to the transfer to the state of several schools currently under operation by the U.S. Bureau of Indian Affairs, the emergency situations in the Skagway City School District and Copper River School District which have suffered substantial declines in student population over the last two years. ^{that} The Department of Education and Legislative Budget and Audit Committee shall consider and fund the applications from these four districts as a first priority before any other applications. Other applications may be considered only after the four districts in this letter have had their unique or emergency situations satisfied.

Adopted

4/26/85

Corrected
SENATE AMENDMENT

By FAHRENKAMP

To: _____ SENATE BILL No. CSSB 147 (FIN)

To: _____ HOUSE BILL No. _____

PAGE: LINE:

page 1, line 28 \$3,442 (\$3,473)

page 2, line 4 \$3,836 (\$4,089)

page 2, line 9 \$3,767 (\$3,810)

page 2, line 12 \$3,535 (\$3,956)

page 2, line 16 \$3,644 (\$3,764)

page 2, line 23 \$3,859 (\$4,112)

page 4, line 5 Add a new subsection 5 and renumber.
(SEE ATTACHED)

CORRECTED AMENDMENT

TO: CSSB 147 (FINANCE)

By Fahrenkamp

Page 4, after line 13, add a new bill section to read:

* Sec. 5. (a) The local contribution account is established. The Department of Education shall allocate funds in the account to school districts whose

(1) local contribution to education for each student in average daily membership in fiscal year 1985 exceeds the statewide average local contribution to education for each pupil in average daily membership for fiscal year 1985; and

(2) local contribution to education for fiscal year 1985 exceeds the amount that would be generated by a 2 mill levy on the full and true value of taxable real and personal property in the district, as determined under AS 14.17.140 for fiscal year 1985.

(b) In fiscal year 1986, the Department of Education shall allocate to each school district that qualifies for funds from the local contribution account under (a) of this section an amount equal to the portion of the school district's local contribution to education for each student in average daily membership in fiscal year 1985 that exceeds the statewide average local contribution to education for each student in average daily membership in fiscal year 1985. If funds in the local contribution account are insufficient to meet the allocations authorized under this section, the available funds shall be distributed pro rata among the eligible school districts.

(c) In this section

(1) "local contribution to education" means the portion of the funds from local sources that was actually expended for education in fiscal year 1985 as determined by the audit conducted under AS 14.14.050.

(2) "statewide average" means the statewide average as calculated based on total student population statewide in FY 85 and total local contribution to education in FY 85 as determined by the audit conducted under AS 14.14.050.

CSSB 147 (FINANCE)

INFORMATION FOR FISCAL NOTE:

ADM Account	\$466,869,386
Student Enrollment Increase Account	17,876,100
Local Contribution Account	5,915,206
Interim Assistance Account	<u>3,771,508</u>
	\$494,432,200

INTENT LANGUAGE:

Funds allocated to the ADM account and the student enrollment increase account which exceed the amounts required shall be transferred to the interim assistance account.

ADDITION TO SENATE FINANCE LETTER OF INTENT, SB 147 (FINAL PARAGRAPH)

All allocations from the increased enrollment account, the interim assistance account, and the local contribution account shall be documented by the Department and presented to the Senate and House Finance Committees and the Legislative Budget and Audit Committee. Included in the documentation shall be the methodology used in developing the per pupil allocation from the increased enrollment account, the criteria used in awarding allocations from the interim assistance account, and the methodology used in developing the statewide average local contribution to education for determining allocations from the local contribution account.

C+V

SENATE AMENDMENT

BY FAHRENKAMP

To: _____ SENATE BILL No. CSSB 147 (FIN)

To: _____ HOUSE BILL No. _____

PAGE: LINE:

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page 2, line 23 \$3,859 (\$4,112)

page 4, line 5 Add a new subsection 5 and renumber.
(SEE ATTACHED)

A M E N D M E N T

Offered in the SENATE

By Fahrenkamp

TO: CSSB 147 (Finance)

Page 4, after line 13, add a new bill section to read:

"* Sec. 5. (a) The local contribution account is established. The Department of Education shall allocate funds in the account to school districts whose

(1) local contribution to education for each student in average daily membership in fiscal year 1984 exceeds the statewide average local contribution to education for each pupil in average daily membership for fiscal year 1984; and

(2) local contribution to education for fiscal year 1984 exceeds the amount that would be generated by a one-and-a-half mill levy on the full and true value of taxable real and personal property in the district as determined under AS 14.17.140, for fiscal year 1984.

(b) In fiscal year 1986, the Department of Education shall allocate to each school district that qualifies for funds from the local contribution account under (a) of this section an amount equal to the portion of the school district's local contribution to education for each student in average daily membership in fiscal year 1984 that exceeds the statewide average local contribution to education for each student in average daily membership in fiscal year 1984. If funds in the local contribution account are insufficient to meet the allocations authorized under this section, the available funds shall be distributed pro rata among the eligible schools.

districts.

(c) In this section "local contribution to education" means the portion of the funds from local sources made available to the school district under AS 14.14.060(c) that was actually expended for education in fiscal year 1984, as determined by the audit conducted under AS 14.14.050."

Renumber remaining sections accordingly.

CSSB 147 (FINANCE)

INFORMATION FOR FISCAL NOTE:

ADM Account	\$466,869,386
Student Enrollment Increase Account	17,876,100
Local Contribution Account	5,915,206
Interim Assistance Account	<u>3,771,508</u>
	\$494,432,200

INTENT LANGUAGE:

Funds allocated to the ADM account and the student enrollment increase account which exceed the amounts required shall be transferred to the interim assistance account.

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT

LETTER OF INTENT
FOR
CS SB 147 (Fin)

Since suspension of the school foundation formula in 1983, state aid to school districts has been calculated based on the number of students in average daily membership. Pending development of a revised foundation formula, CS SB 147 (HESS) provides for continuation of state aid on a per-student basis.

The Legislature recognizes that the existing funding rates have created hardships for some districts, and that current state budget restraints limit the assistance that can be provided this fiscal year. To address these hardship cases, Section 5 of CS SB 147 (HESS) establishes an interim assistance account as a source of funds for school districts that experience unique or emergency circumstances.

It is the intent of the Legislature that the interim assistance account consist of monies appropriated by the Legislature, monies that become available from the student enrollment increase account established in Section 2 of the bill, and additional PL 874 impact aid that may be forthcoming from the federal government prior to the end of the fiscal year.

Under existing law, state aid for increased enrollment is provided based on estimated enrollments submitted to the Department by each school district during the preceding fiscal year. To validate enrollments and ensure that an accurate amount of funding is provided to school districts, Section 2 would require a monthly recomputation and reporting to the Department of new student populations. It is the intent of the Legislature that any excess funds available through an overestimate of new student population be distributed through the interim assistance account to eligible districts.

Appropriations from the interim assistance account will be made upon application by a district and a determination that a unique or emergency situation exists. It is the intent of the Legislature that funds in this account be used to help remedy the unique situation in the Lower Kuskokwim School District, which will be gaining approximately 600 new students in FY 86 due to the transfer to the state of several schools currently under operation by the U.S. Bureau of Indian Affairs, the emergency situations in the Skagway City School District and the Copper River School District, which have suffered substantial declines in student population over the last two years, and others.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate Committee on Health, Education and Social Services

M E M O R A N D U M

TO: Senate Finance Committee Members

FROM: Senator Bettye Fahrenkamp
Chairman

RE: CS SB 147 (HESS)

DATE: April 25, 1985

CS SB 147 (HESS) reflects the budget cap of \$494 million established by the Senate and House Finance Committees, which represents an increase over the FY 85 actual school foundation budget of approximately \$28 million. CS SB 147 (HESS) distributes these dollars among:

- 1) existing students (based on FY 85 actual enrollment figures),
- 2) new students (based on FY 86 initial reports of the Department), and
- 3) districts whose local tax effort exceeds the statewide average local contribution per pupil in "average daily membership" (ADM).

Existing students in districts throughout the state would be funded at the ADM rates listed in Section 2(a) of the bill. These are FY 85 rates, which include a 4% increase since the interim program went into effect in FY 84. In addition, the Petersburg and Craig ADM rates have been corrected based on information from the Department that the figures in the original bill were in error, and the rates for the following communities have been adjusted upward to reflect their large local contribution to education:

Local contribution per ADM

Anchorage	\$1,349
Fairbanks	\$1,585
Juneau	\$1,362
Ketchikan	\$1,777
Mat-Su	\$1,433
Sitka	\$1,595

The average FY 85 tax appropriation per ADM was \$1,316. The six districts that exceeded this average would be compensated at the rate of 91¢ per dollar for the amount of money they contributed in FY 85 that's above the average local contribution. Approximately \$7 million has been identified for this purpose.

Section 2(b) of the bill establishes an "enrollment increase account". Approximately \$17.8 million of the available \$28 million would be placed in this account and distributed on a "per head" basis for each new student in the state. The FY 86 initial reports estimate 5,333 new students statewide, which would allow approximately \$3300 per new student. To validate enrollments and ensure that funds are accurately distributed, SB 147 would require a monthly recomputation and reporting to the Department of new student populations.

Section 5 of the bill establishes an impact account to deal with unique or emergency situations. Approximately \$3.7 million of the available \$28 million would be placed in this account. In addition, the letter of intent accompanying the bill calls for any additional PL 874 impact funds that may be forthcoming from the federal government to be placed in the fund along with excess funds that may be available in the enrollment increase account through an overestimate of new student populations.

A computer run indicating the amount of state aid each district would receive under SB 147 is attached.

STATE OF ALASKA
PUBLIC SCHOOLS FOUNDATION PROGRAM
CS 58147

School District	Revised FY 95 State Aid (1)	Revised FY 95 ADM (2)	Initial FY 96 ADM (3)	Col 2 Col 1 (4)	S/ADM \$8 147 (5)	Col. 2 *Col. 5 (6)	14.17.031d Adjust. (7)	Adjust PL974 (8)	Col. 5 +Col. 7 -Col. 3 (9)	Enroll. Incr. Acct. \$53300 (10)	Est. FY95 State Aid Col. 9+Col. 10 (11)
Anchorage	\$128,472,650	37,325	39,053	1,738	\$3,473	\$129,529,725			\$129,529,725	\$5,735,400	\$135,365,125
Anchorage On Base	\$8,305,546	2,413	2,500	87	\$3,473	\$8,380,349			\$8,380,349	\$237,100	\$8,567,449
Bristol Bay	\$2,317,709	229	219	-10	\$10,121	\$2,317,709			\$2,317,709		\$2,317,709
Cordova	\$1,997,360	382	382		\$5,230	\$1,997,360			\$1,997,360		\$1,997,360
Craig	\$1,231,330	148	163	20	\$7,531	\$1,121,938			\$1,121,938	\$66,000	\$1,187,938
Dillingham	\$3,851,540	427	451	24	\$9,020	\$3,951,540			\$3,951,540	\$79,200	\$3,950,740
Fairbanks	\$39,744,796	10,361	10,796	435	\$4,089	\$42,366,129			\$42,366,129	\$1,435,500	\$43,361,529
Fairbanks On Base	\$8,654,016	2,256	2,300	44	\$4,089	\$9,224,784			\$9,224,784	\$145,200	\$9,369,984
Fbns Contract Fee	\$607,237										
Galena	\$1,517,570	146	144	-2	\$10,395	\$1,517,570			\$1,517,570		\$1,517,570
Gaines	\$2,514,219	331	363	-13	\$6,599	\$2,514,219			\$2,514,219		\$2,514,219
Goodah	\$1,385,222	214	210	-4	\$6,473	\$1,385,222			\$1,385,222		\$1,385,222
Hydaburg	\$953,000	100	98	-2	\$9,530	\$953,000			\$953,000		\$953,000
Juneau	\$17,143,317	4,551	4,700	149	\$3,310	\$17,339,310			\$17,339,310	\$491,700	\$17,331,010
Kake	\$1,500,779	203	207	4	\$7,393	\$1,500,779			\$1,500,779	\$13,200	\$1,513,979
Kenai	\$31,543,512	7,777	8,340	563	\$4,056	\$31,543,512			\$31,543,512	\$1,357,300	\$33,401,412
Ketchikan	\$8,448,550	2,390	2,406	16	\$3,956	\$9,454,340			\$9,454,340	\$52,300	\$9,507,640
King Cove	\$1,115,489	109	106	-3	\$9,751	\$1,052,359	\$26,315		\$1,089,574		\$1,089,574
Klawock	\$1,203,384	156	156		\$7,714	\$1,203,384			\$1,203,384		\$1,203,384
Kodiak	\$12,791,623	2,241	2,250	9	\$5,708	\$12,791,623			\$12,791,623	\$29,700	\$12,821,323
Nat-Su	\$29,068,298	7,377	9,032	1,055	\$3,764	\$30,025,423			\$30,025,423	\$3,481,500	\$33,506,923
Nenana	\$1,300,313	119	133	19	\$10,927	\$1,300,313			\$1,300,313	\$62,700	\$1,363,013
Nome	\$5,349,329	785	815	30	\$7,452	\$5,349,329			\$5,349,329	\$99,000	\$5,948,329
North Slope	\$10,325,030	1,079	1,091	12	\$9,570	\$10,325,030			\$10,325,030	\$39,600	\$10,365,630
Pelican	\$575,306	44	49	5	\$12,936	\$569,184	\$71,081		\$640,265	\$16,500	\$655,765
Petersburg	\$2,568,073	601	601		\$4,446	\$2,572,046			\$2,572,046		\$2,572,046
Sand Point	\$951,347	98	97	-1	\$3,514	\$944,172	\$53,333		\$998,310		\$998,310
Sitka	\$6,124,233	1,587	1,586	-1	\$4,112	\$6,525,744			\$6,525,744		\$6,525,744
Skagway	\$872,564	145	130	-15	\$5,594	\$811,130			\$811,130		\$811,130
St. Mary's	\$1,709,840	110	111	1	\$15,544	\$1,709,840			\$1,709,840	\$3,300	\$1,713,140
Tanana	\$1,132,442	71	84	13	\$13,395	\$986,545	\$72,949		\$1,059,494	\$42,300	\$1,102,394
Unalaska	\$1,370,349	140	139	-1	\$8,538	\$1,195,329	\$37,515		\$1,232,335		\$1,232,335
Valdez	\$3,981,500	800	800		\$4,977	\$3,981,500			\$3,981,500		\$3,981,500
Wrangell	\$2,221,580	452	471	19	\$4,915	\$2,221,580			\$2,221,580	\$62,700	\$2,284,280
Yakutat	\$1,353,912	163	165	-3	\$8,059	\$1,353,912			\$1,353,912		\$1,353,912
Subtotal(c & b)	\$344,308,051	85,385	90,173	4,188		\$350,529,171	\$312,198		\$350,341,259	\$14,001,900	\$364,343,259
Adak	\$2,460,227	577	575	-2	\$6,909	\$3,986,493		\$1,526,266	\$2,460,227		\$2,460,227
Alaska Gateway	\$3,805,193	490	493	3	\$8,985	\$4,402,500		\$597,452	\$3,805,198	\$9,900	\$3,815,098
Aleucian Region	\$1,798,130	99	118	19	\$17,341	\$1,716,759	\$199,431	\$217,760	\$1,698,490	\$62,700	\$1,761,190
Annette Island	\$1,421,568	383	383		\$6,835	\$2,517,305		\$1,195,237	\$1,421,568		\$1,421,568
Bering Strait	\$12,170,049	1,181	1,195	14	\$12,585	\$14,930,985		\$2,810,936	\$12,170,049	\$46,200	\$12,216,249
Chatham	\$2,259,074	314	310	-4	\$9,029	\$2,835,106		\$566,032	\$2,259,074		\$2,259,074
Chugach	\$1,270,249	112	133	21	\$12,223	\$1,369,536		\$99,297	\$1,270,249	\$69,300	\$1,339,549
Copper River	\$4,131,362	570	556	-14	\$7,465	\$4,255,050		\$92,110	\$4,162,940		\$4,162,940
Delta Greely	\$5,071,587	930	1,061	81	\$5,152	\$6,023,960		\$957,373	\$5,071,587	\$257,300	\$5,328,887
Iditarod	\$5,471,549	388	404	16	\$15,571	\$6,041,548		\$569,899	\$5,471,549	\$52,900	\$5,524,449
Kuspuk	\$5,199,569	349	392	43	\$17,031	\$5,943,319		\$744,250	\$5,199,569	\$141,900	\$5,341,469
Lake & Peninsula	\$5,005,999	365	364	-1	\$16,095	\$5,874,675		\$867,676	\$5,006,999		\$5,006,999
Lower Kuskokwia	\$20,954,979	2,338	2,990	652	\$11,474	\$26,326,212		\$5,371,233	\$20,954,979	\$2,151,500	\$23,106,579
Lower Yukon	\$9,515,225	1,335	1,501	166	\$10,259	\$13,695,765		\$4,180,540	\$9,515,225	\$547,300	\$10,063,025
Northwest Arctic	\$13,197,994	1,480	1,511	31	\$10,302	\$15,936,960		\$2,788,966	\$13,197,994	\$102,300	\$13,300,294
Pribilof	\$1,339,757	158	163	5	\$11,934	\$1,335,572		\$545,315	\$1,339,757	\$16,500	\$1,356,257
Railbelt	\$3,352,937	345	356	11	\$9,333	\$3,426,385		\$63,943	\$3,362,937	\$36,300	\$3,399,237
Southeast Island	\$3,749,544	451	452	1	\$10,052	\$4,533,452		\$783,308	\$3,749,544	\$3,300	\$3,752,844
Southwest Region	\$5,333,505	490	490		\$13,337	\$6,730,130		\$1,446,525	\$5,333,505		\$5,333,505
Yukon Flats	\$5,520,321	372	389	17	\$16,118	\$5,995,395		\$375,575	\$5,620,321	\$56,100	\$5,676,421
Yukon Royukuk	\$6,498,314	567	559	-8	\$13,719	\$7,778,573		\$1,280,359	\$6,498,314		\$6,498,314
Subtotal (REAA'S)	\$119,598,487	13,344	14,395	1,051		\$146,962,331	\$199,431	\$27,531,937	\$119,530,375	\$3,564,000	\$123,144,375
Cent Corr Study	\$2,362,343	306	1,000	94	\$2,508	\$2,362,343			\$2,362,343	\$310,200	\$2,573,043
Total	\$466,359,385	100,235	105,563	5,333		\$499,354,950	\$511,529	\$27,531,987	\$472,784,592	\$17,376,100	\$490,560,592

Cap 494,432,200

interim assistance \$3,715,500

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate Committee on Health, Education and Social Services LETTER OF INTENT FOR CS SB 147 (HESS)

Since suspension of the school foundation formula in 1983, state aid to school districts has been calculated based on the number of students in average daily membership. Pending development of a revised foundation formula, CS SB 147 (HESS) provides for continuation of state aid on a per-student basis.

The Legislature recognizes that the existing funding rates have created hardships for some districts, and that current state budget restraints limit the increase in assistance that can be provided this fiscal year. To address these hardship cases, Section 5 of CS SB 147 (HESS) establishes an interim assistance account as a source of funds for school districts that experience unique or emergency circumstances that cannot be remedied using other funds available to the school district for FY 86.

It is the intent of the Legislature that the interim assistance account consist of monies appropriated by the Legislature and monies that become available from the student enrollment increase account established in Section 2 of the bill.

Under existing law, state aid for increased enrollment is provided based on estimated enrollments submitted to the Department by each school district during the preceding fiscal year. To validate enrollments and ensure that an accurate amount of funds is provided to school districts, Section 2 would require a monthly recomputation and reporting to the Department of new student populations. It is the intent of the Legislature that any excess funds available through an overestimate of new student population be distributed through the interim assistance account to eligible districts.

Offered: 4/15/85
Referred: Finance

Original sponsors: Ferguson, Fahrenkamp,
Kerttula, et al

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2

CS FOR SENATE BILL NO. 147 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH 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. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
10 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056, 14.17.-
11 082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of 14.17.170
12 that requires the withholding of one-half of the June payment of state aid
13 pending a final determination of each school district's state aid is sus-
14 pended from July 1, 1985, through June 30, 1986. During the period of
15 suspension, the provisions of AS 14.17.031(d) remain in effect except that
16 the number of students in average daily membership in each school district
17 shall be used instead of instructional units to calculate reductions in
18 state aid. During the period of suspension, funding for the basic state
19 aid and supplemental equalization aid that otherwise would have been pro-
20 vided under the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023
21 shall be provided to school districts and for centralized correspondence
22 study in accordance with the provisions of sec. 2 of this Act.

23 * Sec. 2. (a) Except as provided in (b) of this section, for fiscal
24 year 1986 the amount of state aid for each school district and for
25 centralized correspondence study is the following amount, subject to
26 adjustment under AS 14.17.021(b), for each pupil in average daily
27 membership, less any aid overpaid as determined by the commissioner of
28 education:

29 Anchorage School District

\$ 3,473

1	Bristol Bay Borough School District	10,121
2	Cordova City School District	5,230
3	Craig City School District	8,199
4	Dillingham City School District	9,020
5	Fairbanks North Star Borough School District	4,089
6	Galena City School District	10,395
7	Haines Borough School District	6,599
8	Hoonah City School District	6,473
9	Hydaburg City School District	9,530
10	City and Borough of Juneau School District	3,810
11	Kake City School District	7,393
12	Kenai Peninsula Borough School District	4,056
13	Ketchikan Gateway Borough School District	3,956
14	King Cove City School District	9,751
15	Klawock City School District	7,714
16	Kodiak Island School District	5,708
17	Ma'anaska-Susitna Borough School District	3,764
18	Nenana City School District	10,927
19	Nome City School District	7,452
20	North Slope Borough School District	9,570
21	Pelican City School District	12,936
22	Petersburg City School District	4,446
23	Sand Point City School District	8,614
24	Sitka Borough School District	4,112
25	Skagway City School District	5,594
26	St. Mary's City School District	15,544
27	Tanana School District	13,895
28	Unalaska City School District	8,538
29	Valdez City School District	4,977

1	Wrangell City School District	4,915
2	Yakutat City School District	8,059
3	Adak Regional School District	6,909
4	Alaska Gateway School District	8,985
5	Aleutian Chain School District	17,341
6	Annette Island School District	6,835
7	Bering Straits School District	12,685
8	Chatham School District	9,029
9	Chugach School District	12,228
10	Copper River School District	7,465
11	Delta School District	6,152
12	Iditarod Area School District	15,571
13	Kuspuk School District	17,031
14	Lake and Peninsula School District	16,095
15	Lower Kuskokwim School District	11,474
16	Lower Yukon School District	10,259
17	Northwest Arctic School District	10,802
18	Pribilof Islands School District	11,934
19	Upper Railbelt Regional School District	9,933
20	Southeast Island School District	10,052
21	Southwest Regional School District	13,837
22	Yukon Flats School District	16,118
23	Yukon Koyukuk School District	13,719
24	Central Correspondence	2,608

25 (b) The student enrollment increase account is established. The
26 Department of Education shall use funds appropriated to the account
27 for state aid for each pupil in average daily membership in fiscal
28 year 1986 exceeding the actual number of pupils in average daily
29 membership in fiscal year 1985. Funds in the account shall be

1 distributed on a pro rata basis so that an equal amount is paid for
2 each new student. Increases in enrollment shall be recomputed and
3 reported to the department each month during the school year.

4 * Sec. 3. During the period of suspension under sec. 1 of this Act, a
5 school district shall continue to provide services to students in programs
6 of bilingual, special, and vocational education commensurate with the needs
7 of the students and in strict accordance with applicable state and federal
8 laws and regulations.

9 * Sec. 4. If the appropriations for state aid to school districts are
10 insufficient to meet the allocations authorized under this Act for fiscal
11 year 1986, the available funds shall be distributed on a pro rata basis
12 among school districts.

13 * Sec. 5. The school district interim assistance account is estab-
14 lished. The Department of Education may use funds appropriated to the
15 account to help a school district remedy unique or emergency circumstances
16 that cannot be remedied using other funds available to the school district
17 for fiscal year 1986. During fiscal year 1986, a school district may apply
18 to the commissioner of education for financial assistance from the account.
19 The commissioner shall adopt regulations to establish standards of eligi-
20 bility for funds from the account.

21 * Sec. 6. This Act is repealed June 30, 1986.

22 * Sec. 7. This Act takes effect July 1, 1985.

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

2/12/85

Date 4-11-85

Mr. President

The Committee on HESS considered SB 147
state support for education; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 147 (HESS)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

1 Ed. McQuinn

1 Paul Grube

1 Allen S. Angulo

1 Joe G. ...

1 Debbie Johnson
Chairman
Do Pass
Chairman recommendation

Introduced: 2/12/85
Referred: Health, Education and Social Services,
and Finance

BY FERGUSON, FAHRENKAMP,
KERTTULA, RAY, ZIEGLER
AND ELIASON

1 IN THE SENATE

2 SENATE BILL NO. 147

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH 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. Section 5, ch. 32, SLA 1983 as amended by sec. 1, ch. 127,
10 SLA 1984, is amended to read:

11 Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
12 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,
13 14.17.082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of
14 14.17.170 that requires the withholding of one-half of the June pay-
15 ment of state aid pending a final determination of each school dis-
16 trict's state aid is suspended from July 1, 1983, through June 30,
17 1986 [1985]. During the period of suspension, the provisions of
18 AS 14.17.031(d) remain in effect except that the number of students in
19 average daily membership in each school district shall be used instead
20 of instructional units to calculate reductions in state aid. During
21 the period of suspension, funding for the basic state aid and supple-
22 mental equalization aid that otherwise would have been provided under
23 the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023 shall be
24 provided to school districts and for centralized correspondence study
25 in accordance with the provisions of sec. 6 of this Act.

26 * Sec. 2. Section 6, ch. 82, SLA 1983 is amended to read:

27 Sec. 6. For fiscal year 1986 [1984] the amount of state aid for
28 each school district and for centralized correspondence study is the
29 following amount, subject to adjustment under AS 14.17.021(b), for

each pupil in average daily membership less any aid overpaid as determined by the commissioner of education:

3	Anchorage School District	\$ 3,310	
4	Bristol Bay Borough School District	9,732	
5	Cordova City School District	5,029	
6	Craig City School District	<u>7,581</u>	[6,734]
7	Dillingham City School District	8,673	
8	Fairbanks North Star Borough School District	<u>3,843</u>	[3,688]
9	Galena City School District	9,995	
10	Haines Borough School District	<u>6,500</u>	[6,345]
11	Hoonah City School District	6,224	
12	Hydaburg City School District	9,163	
13	City and Borough of Juneau School District	<u>3,777</u>	[3,622]
14	Kake City School District	7,109	
15	Kenai Peninsula Borough School District	3,900	
16	Ketchikan Gateway Borough School District	<u>3,554</u>	[3,399]
17	King Cove City School District	9,376	
18	Klawock City School District	7,417	
19	Kodiak Island School District	5,488	
20	Matanuska-Susitna Borough School District	<u>3,659</u>	[3,504]
21	Nenana City School District	10,507	
22	Nome City School District	7,165	
23	North Slope Borough School District	9,202	
24	Pelican City School District	12,438	
25	Petersburg City School District	<u>4,112</u>	[4,049]
26	Sand Point City School District	8,283	
27	Sitka Borough School District	<u>3,866</u>	[3,711]
28	Skagway City School District	<u>5,534</u>	[5,379]
29	St. Mary's City School District	14,946	

1	Tanana School District	13,361
2	Unalaska City School District	8,210
3	Valdez City School District	4,786
4	Wrangell City School District	<u>4,881</u> [4,726]
5	Yakutat City School District	7,749
6	Adak Regional School District	6,643
7	Alaska Gateway School District	8,639
8	Aleutian Chain School District	16,674
9	Annette Island School District	6,572
10	Bering Straits School District	12,197
11	Chatham School District	8,682
12	Chugach School District	11,758
13	Copper River School District	7,178
14	Delta School District	5,915
15	Iditarod Area School District	14,972
16	Kuspuk School District	16,376
17	Lake and Peninsula School District	15,476
18	Lower Kuskokwim School District	11,030
19	Lower Yukon School District	9,864
20	Northwest Arctic School District	10,387
21	Pribilof Islands School District	11,475
22	Upper Railbelt Regional School District	9,551
23	Southeast Island School District	9,665
24	Southwest Regional School District	13,305
25	Yukon Flats School District	15,498
26	Yukon Koyukuk School District	13,191
27	Central Correspondence	2,508

* Sec. 3. Section 7, ch. 92, SLA 1983 is amended to read:

Sec. 7. The Commissioner shall determine the state aid for each

1 school district on the basis of the reports submitted under AS 14.17.-
2 170 for fiscal year 1985 [1983]. Beginning July 15 of the fiscal
3 year, and on the 15th of each month, for seven successive months,
4 1/12th of each district's state aid shall be distributed.

5 * Sec. 4. Section 8, ch. 82, SLA 1983 is amended to read:

6 Sec. 8. Appropriations made for fiscal year 1986 [1984] for
7 supplemental programs under AS 14.17.061(a) may be used only for
8 average daily membership increases beyond the average daily membership
9 reported by school districts under AS 14.17.170 for fiscal year 1985
10 [1983]. If the amount appropriated for fiscal year 1986 [1984] is
11 insufficient to meet the average daily membership allocations author-
12 ized under sec. 6 of this Act with respect to the increased average
13 daily membership, the available funds shall be distributed on a pro
14 rata basis among the school districts with increases in average daily
15 membership.

16 * Sec. 5. Section 10, ch. 82, SLA 1983, as amended by sec. 2, ch. 127,
17 SLA 1984, is amended to read:

18 Sec. 10. The [COMMISSIONER OF EDUCATION SHALL RECOMMEND TO THE
19 LEGISLATURE A METHOD OF REVISING AND IMPROVING THE PUBLIC SCHOOL
20 FOUNDATION PROGRAM NO LATER THAN JANUARY 9, 1984. IF THE COMMISSIONER
21 OF EDUCATION HAS NOT MADE RECOMMENDATIONS TO THE LEGISLATURE BY
22 JANUARY 9, 1984, THE] amount of state aid to each school district and
23 regional educational attendance area under the public school founda-
24 tion program for [BEGINNING IN] fiscal year 1986 [1985], shall be the
25 amount set out in sec. 6 of this Act, multiplied by the average daily
26 membership reported by the district under AS 14.17.170 for fiscal year
27 1985 [1984], with a cost-of-living adjustment of four percent. The
28 state aid for fiscal year 1986 [1985] shall also be adjusted to re-
29 flect the revised average daily membership reported by the district

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under AS 14.17.170 for fiscal year 1986 [1985].

* Sec. 6. Section 11, ch. 82, SLA 1983 is amended to read:

Sec. 11. Sections 4 - 10 of this Act are repealed June 30, 1986
[1985].

* Sec. 7. This Act takes effect immediately in accordance with AS 01.-
10.070(c).