

COMMITTEE REPORT

SENATE

FURTHER:

4/25/86

Date 4/29/86

Mr. President

The Committee on FINANCE considered SB 408
state aid to 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 408 (Finance)
- new title
- same title and recommends Do Pass
- and attached a ^{Finance} "LETTER OF INTENT" NEW FISCAL NOTE
- SRC
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

Doug Frick

Rick Halford

[Signature]

[Signature]

[Signature]

Co-Chairman [Signature]

do pass

Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CSSB 408 (Fin)
 Title : Act relating to state aid to education
 Sponsor : Senator Ferguson
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : All
 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	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : _____
 Division : Senator Jan Faiks, Co-Chairman
Senate Finance Committee

Phone : 465-4523
 Date : April 29, 1986

Approved by Commissioner : _____
 Agency : _____

Date : _____

Distribution (by Agency preparing fiscal note) :

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

SB407
4/29/86

Ferguson
#1
[Signature]

14.30.285(b) is amended to read:

(b) An identified exceptional child may be sent to an educational program or residential school outside the child's community or school district if the child resides in a community or school district where an appropriate educational program cannot reasonably be made available and if the department determines that provision of special education and related services in another educational program or residential school is appropriate. If the school district and the department approve the enrollment of the exceptional child in another educational program or residential school outside the child's community or school district and the child is enrolled, the child's education expenses shall be paid as follows:

(1) except as otherwise provided by (2) of this subsection, the sending district shall pay [THE RECEIVING DISTRICT, PROGRAM, OR SCHOOL AN AMOUNT OF MONEY EQUAL TO THE SENDING DISTRICT'S LOCAL COST-PER-PUPIL RATE] all costs associated with the transfer.

(2) the department [SHALL PAY THE REMAINDER OF THE ANNUAL COST OF THE CHILD'S EDUCATION ABOVE THAT PROVIDED FOR IN (1) OF THIS SUBSECTION] may provide financial assistance to the district for a child's education provided for in (1) of this subsection under regulations adopted by the Department.

4/29/86
SFC-86

ELI

AMENDMENT BY
ELIASON

CSSB 408 (HESS)

PAGE 8, Line 26 after the word "Borough" Insert:

"Chatham School District"

PAGE 9, LINE 5 DELETE: CHATHAM SCHOOL DISTRICT

4/29/86
Fry
3
M

LETTER OF INTENT

CSSB 408 (FIN)

It is the intent of the Legislature that the Department utilize the following methodology to implement the formula contained in Senate Bill No. 408.

I. Calculation of Instructional Units (AS 14.17.041):

- A) Elementary school units are calculated using schedule (a), except for those districts which fall under schedule (f). Units are based on the district elementary school ADM (grades K-6 and pre-elementary special education students) as a total, except in the case of elementary schools in distinct communities more than twenty miles distant from district headquarters or inaccessible by road. Units for each school more than twenty miles distant from district headquarters or inaccessible by road are counted separately.
- B) Secondary school (grades 7-12) units are calculated using schedule (b), except for those districts which fall under schedule (f). Each high school's ADM and units are counted separately. Junior high schools are not counted separately from high schools, except when located in a distinct community without any other secondary school.
- C) For districts falling under schedules (a) and (b), instructional units for sites offering only grades K-8 are computed using schedule (a) only.
- D) Combined secondary and elementary units for single city municipal school districts are calculated using schedule (f). Units are based on the districtwide ADM (K-12 and preelementary special education). For districts with less than 500 ADM, units for ADM from 61 - 499 are calculated with that clause from schedule (f). Districts with 500 - 999 ADM use that schedule (f) clause to calculate units for all ADM over 500.

School year 1986 - 1987 projected initial enrollments were employed in our calculations for Steps I. A) - C).

- E) Vocational education units are calculated with schedule (c). Units are based on districtwide FTE ADM. We used 1985 actual enrollment as a proxy.
- F) Special education units are calculated according to schedule (d). Units are to be based on districtwide ADM. Unweighted 1986 - 1987 enrollment projections were used.
- G) Bilingual education units are calculated with schedule (e). Units are based on districtwide weighted ADM. The weights used were those in 1978 regulations. Categories "A" and "B" ADM count as 1 ADM, "C" and "D" as .2 ADM, and "E" as .1 ADM. 1985 actual enrollment as a proxy in the absence of enrollment projections by language categories were used.
- H) Correspondence education units are calculated using the elementary education schedule (a). For districts using schedule (f), correspondence ADM are added to K-12 ADM for calculation of the districtwide units under that schedule.

II. Remote School Instructional Units (AS 14.17.031(c)):

- A) Remote school units for each district are calculated using the schedule in 14.17.031(c). Remote schools have been defined as all schools with 32 or fewer ADM, excluding schools in Anchorage and Fairbanks, per 1978 DOE practice.

III. Each district's instructional units calculated under steps I and II are summed and multiplied by the district's instructional unit allotment.

IV. Each district's basic need (AS 14.17.021(b)) is calculated by multiplying the instructional unit amount by the number of the district's instructional units per step III.

V. State aid for each district is determined by multiplying the basic need from Step IV by each district's equalized percentage (AS 14.17.021(c)). Equalized percentage for each district is equal to $1 - ((1 - 97\%) \times V_i/V_s)$. V_i equals the full and true value of taxable real and personal property per ADM within a city/borough district and V_s equals the average valuation per ADM for all city/borough districts. State aid must equal at least 97% of basic need. Thus V_i/V_s is effectively capped at 1.00.

General Methodological Procedures: All ADM's and all Instructional Units were rounded upward.

Further, it is the intent of the legislature that the Department of Education exercise its statutory authority to require school districts to submit to the department any information or reports which are reasonably necessary to assist the department in the establishment of a management information system for public schools to provide accurate and consistent data on numbers of students, personnel, revenues, and expenditures for each district.

Further, it is the intent of the legislature that funds remaining in the secondary formula account after the allocation required under AS 14.17.023(a) be used to cover emergency, unique and special education circumstances. For example, the Lake and Peninsula School District faces unique circumstances in providing basic education in its 14 schools. These 14 schools are scattered over a wide area, as large as some states in the lower 48. The schools are not serviced by regular transportation services. The cost of getting basic supplies to the schools can run as high as 300% greater than adjacent school districts, and as much 1000% greater than Alaska school districts which are located in the State's road system.

Further, it is the intent of the legislature that special education circumstances that have an enormous financial impact like Kake School District with three multiple handicapped children should receive funding through AS 14.17.023(b).

Further, it is the intent of the legislature that the Department of Education draft regulations to accommodate these types of unique and special education situations. Capital projects may not be funded from the emergency, unique or special education account.



Alaska State Legislature

Senate

Official Business

M E M O R A N D U M

Pouch V
State Capitol
Juneau, Alaska 99811

TO: ALL LEGISLATORS
FROM: SENATOR FRANK R. FERGUSON
DATE: APRIL 25, 1986
SUBJ: CS SB 408 (HESS)

SB 408 RETURNS THE FOUNDATION FORMULA FROM THE ADM APPROACH TO THE INSTRUCTIONAL UNIT APPROACH. UNDER SB 408, THERE IS THE BASIC ALLOCATION TOTTALLING \$456.5 MILLION PLUS A SECONDARY FORMULA ACCOUNT THAT WILL RECEIVE \$6.6 MILLION WITH A POTENTIAL FOR UP TO \$20 MILLION.

LAST SESSION, THE SECONDARY FORMULA ACCOUNT RECEIVED NO FUNDING INITIALLY BUT MOVEMENT IN STUDENT POPULATION FIGURES GENERATED \$13 MILLION FOR THE ACCOUNT.

THIS SESSION, THE SECONDARY FORMULA ACCOUNT WILL INITIALLY RECEIVE \$6.6 MILLION. WITH THE SAME MOVEMENT IN STUDENT POPULATION FIGURES DUE TO OVER ESTIMATES BY SCHOOL DISTRICTS, THERE WILL BE BETWEEN \$10 AND \$14 MILLION THAT WILL BE ADDED TO THE \$6.6 MILLION. THUS, THE SECONDARY FORMULA ACCOUNT WILL HAVE UP TO \$20 MILLION.

THE SECONDARY FORMULA ACCOUNT IS ALLOCATED AS FOLLOWS:

80 PERCENT FOR LOCAL TAX EQUALIZATION FOR THOSE DISTRICTS WITH A TWO OR MORE MILL RATE OF LOCAL EFFORT AND WHO ARE ABOVE THE STATEWIDE AVERAGE. LAST YEAR, ANCHORAGE, FAIRBANKS, JUNEAU, KETCHIKAN, KENAI, MAT-SU, CORDOVA AND SITKA RECIEVED FUNDING FROM THE 80 PERCENT ALLOCATION.

20 PERCENT FOR UNIQUE, EMERGENCY AND SPECIAL EDUCATION CIRCUMSTANCES WHEREBY A SCHOOL DISTRICT'S FINANCIAL RESOURCES ARE INSUFFICIENT TO MEET THE DESCRIBED NEED. THE SCHOOL DISTRICTS APPLY TO D.O.E. FOR FUNDING FROM THIS ALLOCATION.

ASSUMING THE AMOUNT RECEIVED LAST YEAR INTO THE SECONDARY FORMULA ACCOUNT IS AVAILABLE (WHICH IS \$7 MILLION BELOW THE AMOUNT PROJECTED FOR THE NEXT FISCAL YEAR), 45 SCHOOL DISTRICTS DO BETTER UNDER SB 408 THAN UNDER THE EXISTING ADM APPROACH.

EVEN WITHOUT THE SECONDARY FORMULA ACCOUNT, 41 SCHOOL DISTRICTS FARE BETTER UNDER SB 408 THAN UNDER THE EXISTING ADM APPROACH.

CLEARLY, THE INSTRUCTIONAL UNIT APPROACH CONTAINED IN SB 408 IS MORE EQUITABLE THAN AN ADM APPROACH.

SCHOOL DISTRICTS THAT FARE BETTER UNDER CSSB 408 (HESS) THAN UNDER AN ADM APPROACH INCLUDE: ANCHORAGE, FAIRBANKS, JUNEAU, KETCHIKAN, MATANUSKA-SUSITNA, ALL REAA'S AND MANY MORE.

Alaska State Legislature

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

P O BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3762

Senate Committee on Health, Education and Social Services

SECTIONAL ANALYSIS

CSSB 408 (HESS) Relating to state aid to education.
April 25, 1986

Section 1 Defines state aid based on instructional units, with an adjustment based on local property wealth.

Section 2 Establishes a secondary formula account to be funded from within the foundation account, should excess funds be available through an overestimate of student populations statewide. Districts with local contribution in excess of the statewide average or who suffer unique or emergency circumstances would be eligible for funds from the secondary account. (Special education and factors unique to remote school districts are specified as eligible for funding under this section). The fund would be capped at \$20 million, with any additional amount being prorated among all districts in the state.

Section 3 Requires the Department of Education to submit a supplemental appropriation request to the legislature if PL 874 funds should decline.

Section 4 Provides for instructional units to be calculated based on the following categories: elementary, secondary, vocational education, special education, bilingual education, correspondence. Correspondence students would be included in the elementary count, each secondary school would be counted separately, and remote schools would use a separate schedule that recognizes the higher costs associated with those schools. Provides a hold harmless provision for districts that lose more than 10% of their funding in any given year.

Section 5 Lays out tables of instructional units for the categories mentioned above. Establishes a separate schedule for single city districts with less than 1000 students. Provides for special education students to be counted on a "per head" (ADM) basis, and vocational education students to be counted on a "full time equivalent" (FTE) basis.

CSSB 408 (HESS), page 2
April 25, 1986

Section 6 Establishes "instructional unit allotments" (the old area differential) for each district, ranging from 80% for Skagway to 185% for Yupiit.

Section 7 Establishes the instructional unit value at \$42,184.

Section 8 Requires districts to submit data to the Department on standardized forms and as of a specific date.

Section 9 Prohibits any new school district from being formed unless the proposed district has more than 250 students, or unless the Department determines formation of the district is in the best interest of the state.

Section 10 Clarifies that the Department of Community and Regional Affairs will determine the equalized percentage addressed in Section 1.

Section 11 Establishes dates on which the student counts, which are the basis for determining the amount of state aid, will be taken. Deletes the current statutory provision that allows the Department to withhold half of a district's June payment pending a final determination of the district's state aid.

Section 12 Defines elementary school as a combination of pre-elementary special education through grade 8.

Section 13 Defines secondary school as grades 7 through 12, and deletes the current statutory reference to junior high schools.

Section 14 Repeals the current requirement that a school district spend 55% of its budget on instruction. The repeal will facilitate standardized reporting efforts.

Section 15 Provides for an effective date of July 1, 1986.

Alaska State Legislature

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ARLISS STURGULEWSKI, Vice Chairman
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Further, it is the intent of the legislature that the Department of Education draft regulations to accommodate these types of unique and special education situations.

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Further, it is the intent of the legislature that the Department of Education exercise its statutory authority to require school districts to submit to the department any information or reports which are reasonably necessary to assist the department in the establishment of a management information system for public schools to provide accurate and consistent data on numbers of students, personnel, revenues, and expenditures for each district.

Further, it is the intent of the legislature that funds remaining in the secondary formula account after the allocation required under AS 14.17.023(a) be used to cover emergency, unique and special education circumstances. For example, the Lake and Peninsula School District faces unique circumstances in providing basic education in its 14 schools. These 14 schools are scattered over a wide area, as large as some states in the lower 48. The schools are not serviced by regular transportation services. The cost of getting basic supplies to the schools can run as high as 300% greater than adjacent school districts, and as much 1000% greater than Alaska school districts which are located in the State's road system.

Further, it is the intent of the legislature that special education circumstances that have an enormous financial impact like Kake School District with three multiple handicapped children should receive funding through AS 14.17.023(b).

Further, it is the intent of the legislature that the Department of Education draft regulations to accommodate these types of unique and special education situations.

Original sponsor: Ferguson

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 408 (Finance)

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 aid to education; and
7 providing for an effective date."

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

9 * Section 1. AS 14.30.285(b) is amended to read:

10 (b) An identified exceptional child may be sent to an education-
11 al program or residential school outside the child's community or
12 school district if the child resides in a community or school district
13 where an appropriate educational program cannot reasonably be made
14 available and if the department determines that provision of special
15 education and related services in another educational program or
16 residential school is appropriate. If the school district and the
17 department approve the enrollment of the exceptional child in another
18 educational program or residential school outside the child's
19 community or school district and the child is enrolled, the child's
20 education expenses shall be paid as follows:

21 (1) except as otherwise provided by (2) of this subsection,
22 the sending [SCHOOL] district shall pay [THE RECEIVING DISTRICT,
23 PROGRAM, OR SCHOOL AN AMOUNT OF MONEY EQUAL TO THE SENDING DISTRICT'S
24 LOCAL COST-PER-PUPIL RATE] all costs associated with the transfer;

25 (2) The department [SHALL PAY THE REMAINDER OF THE ANNUAL
26 COST OF THE CHILD'S EDUCATION ABOVE THAT PROVIDED FOR IN (1) OF THIS
27 SUBSECTION] may provide financial assistance to the district for a
28 child's education provided for in (1) of this subsection under
29 regulations adopted by the Department.

1 * Sec. 2. AS 14.17.021 is repealed and reenacted to read:

2 Sec. 14.17.021. STATE AID. (a) The amount of state aid for
3 which each school district may qualify is calculated by multiplying
4 the basic need as defined in (b) of this section by the equalized
5 percentage as defined in (c) of this section.

6 (b) The basic need of each school district is determined by
7 multiplying the instructional unit allotment of the district as de-
8 fined in AS 14.17.051 by the number of instructional units in the
9 district by the instructional unit value.

10 (c) The equalized percentage for each city/borough school dis-
11 trict is computed according to formula $P_i = 1 - (1-k) V_i/V_s$ in which

12 (1) P_i (equalized percentage) = percent of need to be pro-
13 vided by the state;

14 (2) K (minimum level of state support of basic need) = 97
15 percent;

16 (3) V_i (valuation per pupil in average daily membership in
17 the district) = full and true value of taxable real and personal
18 property within the city/borough district divided by the average daily
19 membership of the district;

20 (4) V_s = average of the valuation per pupil in average
21 daily membership for all the city/borough districts of the state;

22 (5) state aid as computed under this section constitutes at
23 least 97 percent of the basic need, of each school district;

24 (6) for the purpose of calculating the amount of equalized
25 percentage under this section, V_i/V_s may not exceed 1.00.

26 * Sec. 3. AS 14.17.023 is repealed and reenacted to read:

27 Sec. 14.17.023. SECONDARY FORMULA ACCOUNT. (a) The Department
28 of Education shall allocate 80 percent of the funds remaining after
29 the allocation under AS 14.17.021 - 14.17.056 are recomputed in

1 accordance with AS 14.17.170 to school districts whose:

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

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

11 (b) The Department of Education may use funds remaining after
12 the allocations under (a) of this section to help a school district
13 remedy unique or emergency circumstances that cannot be remedied using
14 other funds available to the school district for the current fiscal
15 year. The Department of Education may use funds allocated under this
16 subsection to address any shortfall in funding for special education
17 in those districts who successfully demonstrate their existing level
18 of service is significantly impacted under this chapter. Each fiscal
19 year, a school district may apply to the commissioner of education for
20 financial assistance under this subsection. The commissioner shall
21 adopt regulations to establish standards of eligibility and expendi-
22 ture of funds under this subsection.

23 (c) Each fiscal year, the Department of Education shall allocate
24 to each school district that qualifies for funds under (a) of this
25 section an amount equal to the portion of the school district's local
26 contribution to education for each student in average daily membership
27 in the preceding fiscal year that exceeds the statewide average local
28 contribution to education for each student in average daily membership
29 in the preceding fiscal year. If the available funds under (a) and

1 (b) of this section are insufficient to meet the allocations author-
2 ized under this section, the available funds shall be distributed pro
3 rata among the eligible school districts. If the available funds
4 under (a) and (b) of this section exceed \$20,000,000 the excess funds
5 shall be distributed pro rata among all school districts.

6 (d) In this section:

7 (1) "local contribution to education" means the local tax
8 contribution that was actually expended for education in the preceding
9 fiscal year as determined by the audit conducted under AS 14.14.050;

10 (2) "statewide average" means the total local contribution
11 to education in the state for the preceding fiscal year divided by the
12 total number of students in average daily membership in the preceding
13 fiscal year;

14 (3) "unique circumstances" means factors which cannot be
15 adequately addressed by the formula in AS 14.17.021 and which are
16 unique to remote school districts, such as small high school popula-
17 tions, high intra-district travel costs for education and professional
18 support staff, and high transportation costs to deliver basic goods
19 and supplies to schools within the district.

20 (e) The commissioner of education may expend funds under (b) of
21 this section only in accordance with the following procedures:

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

24 (2) 45 days shall elapse before commencement of expendi-
25 tures under (b) of this section unless the Legislative Budget and
26 Audit Committee earlier recommends that the expenditures be made;

27 (3) should the Legislative Budget and Audit Committee
28 recommend within the 45-day period that the expenditures not be made,
29 the commissioner shall again review the proposed expenditures and if

1 the commissioner determines to authorize the expenditures, the commis-
2 sioner shall provide the Legislative Budget and Audit Committee with a
3 statement of the commissioner's reasons before commencement of the
4 expenditures.

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

6 Sec. 14.17.027. REVENUE ADJUSTMENT. The Department of Educa-
7 tion shall submit a supplemental appropriation request to the legisla-
8 ture in any fiscal year in which the PL-874 funds received by a school
9 district or area are less than the preceding fiscal year.

10 * Sec. 5. AS 14.17.031 is repealed and reenacted to read:

11 Sec. 14.17.031. INSTRUCTIONAL UNITS. (a) The total number of
12 instructional units within each school district is the sum of:

13 (1) the number of units for elementary schools and the
14 number of units for secondary schools as determined under AS 14.17.-
15 041(a) and (b) or (f);

16 (2) the number of units for vocational education as deter-
17 mined under AS 14.17.041(c) as approved by the department;

18 (3) the number of units from special education as deter-
19 mined under AS 14.17.041(d) as approved by the department;

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 shall be determined under AS 14.17.041(a) or (f);

23 (5) the number of units for bilingual education as deter-
24 mined under AS 14.17.041(e) as approved by the department.

25 (b) A school district shall compute separately the number of
26 allowable instructional units for each of its secondary schools except
27 as provided in (c) of this section.

28 (c) The commissioner shall authorize any school in a remote
29 location to establish an associated secondary school when the sum of

1 the average daily membership in grades five through eight is greater
2 than 20. Notwithstanding AS 14.17.041, any school or school district
3 operating a remote elementary school with 20 or fewer total average
4 daily membership within grades five through eight may conduct a
5 secondary program subject to approval of the commissioner and use the
6 following table to calculate the number of allowable instructional
7 units for the combined elementary and secondary program of the remote
8 school:

9	ADM	No. Instructional Units
10	under 12	3
11	12 - 20	4
12	21 - 32	5

13 (d) If the total amount of state aid that a school district is
14 entitled to under AS 14.17.041(a) and (b) or (f) decreases by 10
15 percent or more from one year to the next, the school district may use
16 the last year before the reduction as a base year and offset its
17 reduction according to the following schedule: (1) for the first year
18 after the base year, the school district is entitled to the state aid
19 determined under (a) of this section plus 75 percent of the difference
20 in state aid between the base year and the first year; (2) for the
21 second year after the base year, the school district is entitled to
22 the state aid determined under (a) of this section plus 50 percent of
23 the difference in state aid between the base year and the second year;
24 (3) for the third year after the base year, the school district is
25 entitled to the state aid determined under (a) of this section plus 25
26 percent of the difference in state aid between the base year and the
27 second year. The schedule established in this subsection is available
28 to a school district for the three years following the base year only
29 so long as the entitlement to state aid under AS 14.17.041(a) and (b)

1 or (f) for each year is less than entitlements in the base year. This
2 section does not apply to a decrease in the number of instructional
3 units or loss of entitlements which occurs in district organizations
4 under AS 29.

5 (e) For purposes of calculating state aid under this section, a
6 school district with a school site offering only grades kindergarten
7 through eight shall compute the number of instructional units for that
8 site using the schedule under AS 14.17.041(a).

9 * Sec. 6. AS 14.17.041 is repealed and reenacted to read:

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

11 Elementary schools:

12 ADM	No. Instructional Units
13 under 20	2
14 20 - 32	3
15 33 - 46	4
16 47 - 62	5
17 63 - 80	6
18 81 and over	6 plus 1 for each 18 pupils 19 over 80 or fraction of 18

20 (b) Secondary schools:

21 ADM	No. Instructional Units
22 under 28	4
23 29 - 41	5
24 42 - 56	6
25 57 - 73	7
26 74 and over	7 plus 1 for each 16 pupils 27 over 73 or fraction of 16

28 (c) Vocational education schedule:

29 ADM	No. Instructional Units
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1	5 - 10	1
2	11 - 25	2
3	26 - 40	3
4	41 and over	3 plus 1 for each 20 pupils
5		over 40 or fraction of 20
6		pupils Full-Time Equivalent ADM

(d) Special education schedule:

8	ADM	No. Instructional Units
9	1 - 15	1
10	16 - 30	2
11	31 - 45	3
12	46 and over	4 plus 1 for each 11 pupils
13		over 45 or fraction of 11 pupils

(e) Bilingual education schedule:

15	Weighted ADM	No. Instructional Units
16	1 - 12	1
17	13 - 18	2
18	19 - 42	3
19	43 and over	3 plus 1 for each 24
20		weighted ADM over 42 or
21		fraction of 24 weighted ADM

(f) Single city and borough districts under 1,000 ADM:

23	ADM	No. Instructional Units
24	1 - 10	2
25	11 - 20	4
26	21 - 30	6
27	31 - 40	8
28	41 - 50	10
29	51 - 60	12

1	61 - 499	12 plus 1 for every 12
2		pupils or fraction of 12.
3	500 - 999	12 plus 1 for every 15
4		pupils or fraction of 15.

5 * Sec. 7. AS 14.17.051 is repealed and reenacted to read:

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

9 (1) for Skagway City School District the district is en-
10 titled to receive 80 percent of the base instructional unit allotment;

11 (2) for Annette Island School District, Petersburg City
12 School District, and Wrangell City School District, the district or
13 area is entitled to receive 90 percent of the base instructional unit
14 allotment;

15 (3) for Adak Regional School District, and Cordova City
16 School District, the district or area is entitled to receive 95 per-
17 cent of the base instructional unit allotment;

18 (4) for Ketchikan Gateway Borough, and Chatham School
19 District the district is entitled to 100 percent of the base
20 instructional unit allotment;

21 (5) for City and Borough of Juneau School District,
22 Anchorage School District, Sitka Borough School District, Matanuska-
23 Susitna Borough School District, Hydaburg City School District,
24 Klawock City School District, and Kenai Peninsula Borough School Dis-
25 trict, the district is entitled to receive 104 percent of the base
26 instructional unit allotment;

27 (6) for Pribilof Islands School District, the area is
28 entitled to receive 105 percent of the base instructional unit allot-
29 ment;

X

1 (7) for Southeast Island School District, the area is
2 entitled to receive 108 percent of the base instructional unit allot-
3 ment;

4 (8) for Pelican City School District, the district is
5 entitled to receive 110 percent of the base instructional unit allot-
6 ment;

7 (9) for Kake City School District, Haines Borough School
8 District, and Hoonah City School District, the district is entitled to
9 receive 112 percent of the base instructional unit allotment;

10 (10) for North Star Borough School District, the district is
11 entitled to receive 113 percent of the base instructional unit allot-
12 ment;

13 (11) for Valdez City School District, Yakutat City School
14 District, Sand Point City School District, and Delta School District,
15 the district or area is entitled to receive 115 percent of the base
16 instructional unit allotment.

17 (12) for Lower Yukon School District, Craig City School
18 District, and Unalaska City School District, the district or area is
19 entitled to receive 120 percent of the base instructional unit allot-
20 ment;

21 (13) for Nenana City School District, Chugach School Dis-
22 trict, Southwest Regional School District, Aleutian Chain School
23 District, and Alaska Gateway School District, the district or area is
24 entitled to receive 125 percent of the base instructional unit allot-
25 ment;

26 (14) for Kodiak Island School District, the district is
27 entitled to receive 135 percent of the base instructional unit allot-
28 ment;

29 (15) for King Cove City School District, Copper River School

1 District, Tanana School District, and Kashunamiut School District, the
2 district or area is entitled to receive 140 percent of the base in-
3 structional unit allotment;

4 (16) for Lake Peninsula School District, and Bering Strait
5 School District, the area is entitled to receive 145 percent of the
6 base instructional unit allotment;

7 (17) for Yukon-Koyukuk School District, and Dillingham City
8 School District, the district or area is entitled to receive 150
9 percent of the base instructional unit allotment;

10 (18) for Bristol Bay Borough School District, Lower
11 Kuskokwim School District, Galena City School District, Northwest
12 Arctic School District, and Nome City School District, the district or
13 area is entitled to receive 155 percent of the base instructional unit
14 allotment;

15 (19) for Kuspuk School District, the area is entitled to
16 receive 160 percent of the base instructional unit allotment;

17 (20) for Yukon Flats School District, and Iditarod Area
18 School District, the area is entitled to receive 165 percent of the
19 base instructional unit allotment;

20 (21) for Upper Railbelt Regional School District, and North
21 Slope Borough School District, the district or area is entitled to
22 receive 175 percent of the base instructional unit allotment;

23 (22) for St. Mary's City School District, the district is
24 entitled to receive 180 percent of the base instructional unit allot-
25 ment;

26 (23) for Yupiit School District, the area is entitled to
27 receive 185 percent of the base instructional unit allotment.

28 * Sec. 8. AS 14.17.056 is repealed and reenacted to read:

29 X Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base

1 instructional unit for fiscal years beginning on or after July 1,
2 1986, is \$42,184.

3 * Sec. 9. AS 14.17.080 is amended to read:

4 Sec. 14.17.080. PRELIMINARY REPORTS [COMPUTATION] BY DISTRICTS
5 [DISTRICT]. By October 15 [30] of the pre-fiscal year each district
6 shall submit to the department, in the manner and on forms to be
7 prescribed by the commissioner, a preliminary report pursuant to this
8 chapter of estimates and data upon which computations can be made [FOR
9 THE FOLLOWING FISCAL YEAR] of the amount of [BASIC] state aid for
10 which the district is eligible the following fiscal year under AS 14.-
11 17.021[; AND THE AMOUNT FOR SUPPLEMENTAL PROGRAMS WHICH HAS BEEN
12 APPROVED FOR FUNDING CONSIDERATION BY THE COMMISSIONER. EACH DISTRICT
13 SHALL MAKE THE COMPUTATIONS IN THE MANNER PRESCRIBED BY AS 14.17.080 -
14 14.17.150]. The preliminary reports required by this section [COMPU-
15 TATIONS] are the basis for requesting legislative appropriations and
16 for making preliminary payments under the public school foundation
17 program for the following fiscal year.

18 * Sec. 10. AS 14.17 is amended by adding a new section to read:

19 Sec. 14.17.139. NEW SCHOOL DISTRICTS. Notwithstanding any other
20 provision of law, a new school district may not be formed if the total
21 number of pupils for the proposed school district is less than 250
22 unless the commissioner of education determines that formation of a
23 new school district with less than 250 pupils would be in the best
24 interest of the state and the proposed school district.

25 * Sec. 11. AS 14.17.140 is repealed and reenacted to read:

26 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY DEPART-
27 MENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) To determine the equalized
28 percentage to be applied to basic need under AS 14.17.021 the Depart-
29 ment of Community and Regional Affairs, in consultation with the

1 assessor for each district, shall determine the full value of the
2 taxable real and personal property in each district. Exemptions
3 granted under ch. 129, SLA 1957, known as the Alaska Industrial Incentive
4 Act (AS 43.25.010 - 43.25.170), shall be honored. If there is no
5 local assessor or current local assessment for a district, then the
6 Department of Community and Regional Affairs shall make the determination
7 of full value from information available. In making the determination,
8 the Department of Community and Regional Affairs shall be guided by AS
9 29.45.110. The determination of full value shall be made before
10 October 1 and sent by certified mail, return receipt requested,
11 before that date to the president of the school board in each district.
12 Duplicate copies shall be sent to the commissioner. The governing
13 body of the borough or city which is the district may obtain
14 judicial review of the determination. The superior court may modify
15 the determination of the Department of Community and Regional Affairs
16 only upon a finding of abuse or discretion or upon a finding that
17 there is no substantial evidence to support the determination.

18 (b) Motor vehicles subject to the motor vehicle registration tax
19 under AS 28.10.255 shall be treated as taxable property for purposes
20 of (a) of this section.

21 * Sec. 12. Section AS 14.17.170 is amended to read:

22 Sec. 14.17.170. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each
23 district shall make a report at the end of the 20-school-day period
24 ending the fourth Friday in October, and may make a report at the end
25 of the 20-school-day period ending the second Friday in February
26 [FIRST NINE WEEKS OF SCHOOL], which, in accordance with regulations
27 adopted by the department, reports [CONTAINS A NEW ESTIMATE OF] its
28 average daily membership for that counting period, [THE FISCAL YEAR]
29 and other information which will aid the commissioner in making a more

1 accurate determination of each district's state aid. The October
2 report, or the February report if it makes the district eligible for
3 more state aid, is [THIS NEW ESTIMATE AND INFORMATION OF AVERAGE DAILY
4 MEMBERSHIP SHALL BE] the basis for the computation and distribution of
5 each district's state aid for the balance of the fiscal year. As soon
6 as possible after receiving each district's report [THE COMMISSIONER
7 SHALL, ON THE BASIS OF THIS NEW ESTIMATE AND INFORMATION, MAKE A
8 RECOMPUTATION OF EACH DISTRICT'S STATE AID. BEFORE DECEMBER 2], the
9 commissioner shall notify each district of changes made in the number
10 of funding units calculated for that district [ITS STATE AID]. The
11 commissioner shall also determine whether the money in the public
12 school foundation account is sufficient to meet each district's state
13 aid for the fiscal year, and, if the money is not sufficient, the
14 commissioner shall immediately inform the governor of the amount of
15 additional appropriation the commissioner estimates will be necessary
16 to carry out the public school foundation program for the rest of the
17 fiscal year. Beginning April [FEBRUARY] 15 and on the 15th of each
18 subsequent month, one-third [ONE-FIFTH] of the recomputed balance of
19 each district's state aid must [SHALL] be distributed. [HOWEVER,
20 ONE-HALF OF THE JUNE PAYMENT SHALL BE WITHHELD PENDING A FINAL DETER-
21 MINATION OF THE DISTRICT'S STATE AID.]

22 * Sec. 13. AS 14.17.250(4) is repealed and reenacted to read:

23 (4) "elementary school" means a school consisting of grades
24 one through eight, kindergarten through eight, special education
25 pre-elementary through six, or an appropriate combination of grades
26 within this range;

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

28 (9) "secondary school" means a school of grades 7 through
29 12;

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* Sec. 15. AS 14.17.081 is repealed.

* Sec. 16. This Act takes effect July 1, 1986.

COMMITTEE REPORT
SENATE

Finance

FURTHER:

2/13/86

Date 4-24-86

Mr. President

The Committee on HESS considered SB 408
state aid to 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 408 (HES)
- new title
- same title and recommends _____
- 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

Joe Josephson.

Edwin Stangulinski

Edw DeWitt N.R.

Paul Gule. N.R.

Duffie Faberling No Pass
Chairman

Chairman recommendation _____

Offered: 4/25/86
Referred: Rules

Original sponsor: Ferguson

1 IN THE SENATE

Finance
BY THE ~~HEALTH, EDUCATION AND~~
~~SOCIAL SERVICES~~ COMMITTEE

2 CS FOR SENATE BILL NO. 408 (~~HESS~~) *Finance*

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 aid to 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 for
11 which each school district may qualify is calculated by multiplying
12 the basic need as defined in (b) of this section by the equalized
13 percentage as defined in (c) of this section.

14 (b) The basic need of each school district is determined by
15 multiplying the instructional unit allotment of the district as de-
16 fined in AS 14.17.051 by the number of instructional units in the
17 district by the instructional unit value.

18 (c) The equalized percentage for each city/borough school dis-
19 trict is computed according to formula $P_i = 1 - (1-k) V_i/V_s$ in which

20 (1) P_i (equalized percentage) = percent of need to be pro-
21 vided by the state;

22 (2) K (minimum level of state support of basic need) = 97
23 percent;

24 (3) V_i (valuation per pupil in average daily membership in
25 the district) = full and true value of taxable real and personal
26 property within the city/borough district divided by the average daily
27 membership of the district;

28 (4) V_s = average of the valuation per pupil in average
29 daily membership for all the city/borough districts of the state;

1 (5) state aid as computed under this section constitutes at
2 least 97 percent of the basic need, of each school district;

3 (6) for the purpose of calculating the amount of equalized
4 percentage under this section, Vi/Vs may not exceed 1.00.

5 * Sec. 2. AS 14.17.023 is repealed and reenacted to read:

6 Sec. 14.17.023. SECONDARY FORMULA ACCOUNT. (a) The Department
7 of Education shall allocate 80 percent of the funds remaining after
8 the allocation under AS 14.17.021 - 14.17.056 are recomputed in accor-
9 dance with AS 14.17.170 to school districts whose:

10 (1) local contribution to education for each student in
11 average daily membership in the preceding fiscal year exceeds the
12 statewide average local contribution to education for each pupil in
13 average daily membership for the preceding fiscal year; and

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

19 (b) The Department of Education may use funds remaining after
20 the allocations under (a) of this section to help a school district
21 remedy unique or emergency circumstances that cannot be remedied using
22 other funds available to the school district for the current fiscal
23 year. The Department of Education may use funds allocated under this
24 subsection to address any shortfall in funding for special education
25 in those districts who successfully demonstrate their existing level
26 of service is significantly impacted under this chapter. Each fiscal
27 year, a school district may apply to the commissioner of education for
28 financial assistance under this subsection. The commissioner shall
29 adopt regulations to establish standards of eligibility and

1 expenditure of funds under this subsection.

2 (c) Each fiscal year, the Department of Education shall allocate
3 to each school district that qualifies for funds under (a) of this
4 section an amount equal to the portion of the school district's local
5 contribution to education for each student in average daily membership
6 in the preceding fiscal year that exceeds the statewide average local
7 contribution to education for each student in average daily membership
8 in the preceding fiscal year. If the available funds under (a) and
9 (b) of this section are insufficient to meet the allocations author-
10 ized under this section, the available funds shall be distributed pro
11 rata among the eligible school districts. If the available funds
12 under (a) and (b) of this section exceed \$20,000,000 the excess funds
13 shall be distributed pro rata among all school districts.

14 (d) In this section:

15 (1) "local contribution to education" means the local tax
16 contribution that was actually expended for education in the preceding
17 fiscal year as determined by the audit conducted under AS 14.14.050;

18 (2) "statewide average" means the total local contribution
19 to education in the state for the preceding fiscal year divided by the
20 total number of students in average daily membership in the preceding
21 fiscal year;

22 (3) "unique circumstances" means factors which cannot be
23 adequately addressed by the formula in AS 14.17.021 and which are
24 unique to remote school districts, such as small high school popula-
25 tions, high intra-district travel costs for education and professional
26 support staff, and high transportation costs to deliver basic goods
27 and supplies to schools within the district.

28 (e) The commissioner of education may expend funds under (b) of
29 this section only in accordance with the following procedures:

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

3 (2) 45 days shall elapse before commencement of expendi-
4 tures under (b) of this section unless the Legislative Budget and
5 Audit Committee earlier recommends that the expenditures be made;

6 (3) should the Legislative Budget and Audit Committee
7 recommend within the 45-day period that the expenditures not be made,
8 the commissioner shall again review the proposed expenditures and if
9 the commissioner determines to authorize the expenditures, the commis-
10 sioner shall provide the Legislative Budget and Audit Committee with a
11 statement of the commissioner's reasons before commencement of the
12 expenditures.

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

14 Sec. 14.17.027. REVENUE ADJUSTMENT. The Department of Educa-
15 tion shall submit a supplemental appropriation request to the legisla-
16 ture in any fiscal year in which the PL-874 funds received by a school
17 district or area are less than the preceding fiscal year.

18 * Sec. 4. AS 14.17.031 is repealed and reenacted to read:

19 Sec. 14.17.031. INSTRUCTIONAL UNITS. (a) The total number of
20 instructional units within each school district is the sum of:

21 (1) the number of units for elementary schools and the
22 number of units for secondary schools as determined under AS 14.17.-
23 041(a) and (b) or (f);

24 (2) the number of units for vocational education as deter-
25 mined under AS 14.17.041(c) as approved by the department;

26 (3) the number of units from special education as deter-
27 mined under AS 14.17.041(d) as approved by the department;

28 (4) if the district has five or more correspondence pupils
29 enrolled in an approved district correspondence study program, the

1 number of units shall be determined under AS 14.17.041(a) or (f);

2 (5) the number of units for bilingual education as deter-
3 mined under AS 14.17.041(e) as approved by the department.

4 (b) A school district shall compute separately the number of
5 allowable instructional units for each of its secondary schools except
6 as provided in (c) of this section.

7 (c) The commissioner shall authorize any school in a remote
8 location to establish an associated secondary school when the sum of
9 the average daily membership in grades five through eight is greater
10 than 20. Notwithstanding AS 14.17.041, any school or school district
11 operating a remote elementary school with 20 or fewer total average
12 daily membership within grades five through eight may conduct a
13 secondary program subject to approval of the commissioner and use the
14 following table to calculate the number of allowable instructional
15 units for the combined elementary and secondary program of the remote
16 school:

17 ADM	No. Instructional Units
18 under 12	3
19 12 - 20	4
20 21 - 32	5

21 (d) If the total amount of state aid that a school district is
22 entitled to under AS 14.17.041(a) and (b) or (f) decreases by 10
23 percent or more from one year to the next, the school district may use
24 the last year before the reduction as a base year and offset its
25 reduction according to the following schedule: (1) for the first year
26 after the base year, the school district is entitled to the state aid
27 determined under (a) of this section plus 75 percent of the difference
28 in state aid between the base year and the first year; (2) for the
29 second year after the base year, the school district is entitled to

1 the state aid determined under (a) of this section plus 50 percent of
 2 the difference in state aid between the base year and the second year;
 3 (3) for the third year after the base year, the school district is
 4 entitled to the state aid determined under (a) of this section plus 25
 5 percent of the difference in state aid between the base year and the
 6 second year. The schedule established in this subsection is available
 7 to a school district for the three years following the base year only
 8 so long as the entitlement to state aid under AS 14.17.041(a) and (b)
 9 or (f) for each year is less than entitlements in the base year. This
 10 section does not apply to a decrease in the number of instructional
 11 units or loss of entitlements which occurs in district organizations
 12 under AS 29.

13 (e) For purposes of calculating state aid under this section, a
 14 school district with a school site offering only grades kindergarten
 15 through eight shall compute the number of instructional units for that
 16 site using the schedule under AS 14.17.041(a).

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

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

19 Elementary schools:

ADM	No. Instructional Units
under 20	2
20 - 32	3
33 - 46	4
47 - 62	5
63 - 80	6
81 and over	6 plus 1 for each 18 pupils over 80 or fraction of 18

27 (b) Secondary schools:

ADM	No. Instructional Units
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under 28	4
29 - 41	5
42 - 56	6
57 - 73	7
74 and over	7 plus 1 for each 16 pupils over 73 or fraction of 16

(c) Vocational education schedule:

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

(d) Special education schedule:

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

(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 over 42 or fraction of 24 weighted ADM

(unnecessary)
M Scott

1 (f) Single city and borough districts under 1,000 ADM:

2 ADM	No. Instructional Units
3 1 - 10	2
4 11 - 20	4
5 21 - 30	6
6 31 - 40	8
7 41 - 50	10
8 51 - 60	12
9 61 - 499	12 plus 1 for every 12 pupils or fraction of 12.
10	
11 500 - 999	12 plus 1 for every 15 pupils or fraction of 15.
12	

13 * Sec. 6. AS 14.17.051 is repealed and reenacted to read:

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

17 (1) for Skagway City School District the district is en-
18 titled to receive 80 percent of the base instructional unit allotment;

19 (2) for Annette Island School District, Petersburg City
20 School District, Wrangell City School District, and ~~Chatham School~~
21 ~~District~~; the district or area is entitled to receive 90 percent of
22 the base instructional unit allotment;

23 (3) for Adak Regional School District, and Cordova City
24 School District, the district or area is entitled to receive 95 per-
25 cent of the base instructional unit allotment;

26 (4) for Ketchikan Gateway Borough, ^{Chatham School District} the district is entitled
27 to 100 percent of the base instructional unit allotment;

28 (5) for City and Borough of Juneau School District,
29 Anchorage School District, Sitka Borough School District, Matanuska-

1 Susitna Borough School District, Hydaburg City School District,
2 Klawock City School District, and Kenai Peninsula Borough School Dis-
3 trict, the district is entitled to receive 104 percent of the base
4 instructional unit allotment;

5 (6) for Pribilof Islands School District, ^{Chatham} the area is
6 entitled to receive 105 percent of the base instructional unit allot-
7 ment;

8 (7) for Southeast Island School District, the area is
9 entitled to receive 108 percent of the base instructional unit allot-
10 ment;

11 (8) for Pelican City School District, the district is
12 entitled to receive 110 percent of the base instructional unit allot-
13 ment;

14 (9) for Kake City School District, Haines Borough School
15 District, and Hoonah City School District, the district is entitled to
16 receive 112 percent of the base instructional unit allotment;

17 (10) for North Star Borough School District, the district is
18 entitled to receive 113 percent of the base instructional unit allot-
19 ment;

20 (11) for Valdez City School District, Yakutat City School
21 District, Sand Point City School District, and Delta School District,
22 the district or area is entitled to receive 115 percent of the base
23 instructional unit allotment.

24 (12) for Lower Yukon School District, Craig City School
25 District, and Unalaska City School District, the district or area is
26 entitled to receive 120 percent of the base instructional unit allot-
27 ment;

28 (13) for Nenana City School District, Chugach School Dis-
29 trict, Southwest Regional School District, Aleutian Chain School

*Chatham
School
District*

(Rescind)

1 District, and Alaska Gateway School District, the district or area is
2 entitled to receive 125 percent of the base instructional unit allot-
3 ment;

4 (14) for Kodiak Island School District, the district is
5 entitled to receive 135 percent of the base instructional unit allot-
6 ment;

7 (15) for King Cove City School District, Copper River School
8 District, Tanana School District, and Kashunamiut School District, the
9 district or area is entitled to receive 140 percent of the base in-
10 structional unit allotment;

11 (16) for Lake Peninsula School District, and Bering Strait
12 School District, the area is entitled to receive 145 percent of the
13 base instructional unit allotment;

14 (17) for Yukon-Koyukuk School District, and Dillingham City
15 School District, the district or area is entitled to receive 150
16 percent of the base instructional unit allotment;

17 (18) for Bristol Bay Borough School District, Lower
18 Kuskokwim School District, Galena City School District, Northwest
19 Arctic School District, and Nome City School District, the district or
20 area is entitled to receive 155 percent of the base instructional unit
21 allotment;

22 (19) for Kuspuk School District, the area is entitled to
23 receive 160 percent of the base instructional unit allotment;

24 (20) for Yukon Flats School District, and Iditarod Area
25 School District, the area is entitled to receive 165 percent of the
26 base instructional unit allotment;

27 (21) for Upper Railbelt Regional School District, and North
28 Slope Borough School District, the district or area is entitled to
29 receive 175 percent of the base instructional unit allotment;

1 (22) for St. Mary's City School District, the district is
2 entitled to receive 180 percent of the base instructional unit allot-
3 ment;

4 (23) for Yupit School District, the area is entitled to
5 receive 185 percent of the base instructional unit allotment.

6 * Sec. 7. AS 14.17.056 is repealed and reenacted to read:

7 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base in-
8 structional unit for fiscal years beginning on or after July 1, 1986,
9 is \$42,184.

10 * Sec. 8. AS 14.17.080 is amended to read:

11 Sec. 14.17.080. PRELIMINARY REPORTS [COMPUTATION] BY DISTRICTS
12 [DISTRICT]. By October 15 [30] of the pre-fiscal year each district
13 shall submit to the department, in the manner and on forms to be
14 prescribed by the commissioner, a preliminary report pursuant to this
15 chapter of estimates and data upon which computations can be made [FOR
16 THE FOLLOWING FISCAL YEAR] of the amount of [BASIC] state aid for
17 which the district is eligible the following fiscal year under AS 14.-
18 17.021[; AND THE AMOUNT FOR SUPPLEMENTAL PROGRAMS WHICH HAS BEEN
19 APPROVED FOR FUNDING CONSIDERATION BY THE COMMISSIONER. EACH DISTRICT
20 SHALL MAKE THE COMPUTATIONS IN THE MANNER PRESCRIBED BY AS 14.17.080 -
21 14.17.150]. The preliminary reports required by this section [COMPU-
22 TATIONS] are the basis for requesting legislative appropriations and
23 for making preliminary payments under the public school foundation
24 program for the following fiscal year.

25 * Sec. 9. AS 14.17 is amended by adding a new section to read:

26 Sec. 14.17.139. NEW SCHOOL DISTRICTS. Notwithstanding any other
27 provision of law, a new school district may not be formed if the total
28 number of pupils for the proposed school district is less than 250
29 unless the commissioner of education determines that formation of a

1 new school district with less than 250 pupils would be in the best
2 interest of the state and the proposed school district.

3 * Sec. 10. AS 14.17.140 is repealed and reenacted to read:

4 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY DEPART-
5 MENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) To determine the equalized
6 percentage to be applied to basic need under AS 14.17.021 the Depart-
7 ment of Community and Regional Affairs, in consultation with the
8 assessor for each district, shall determine the full value of the
9 taxable real and personal property in each district. Exemptions
10 granted under ch. 129, SLA 1957, known as the Alaska Industrial Incen-
11 tive Act (AS 43.25.010 - 43.25.170), shall be honored. If there is no
12 local assessor or current local assessment for a district, then the
13 Department of Community and Regional Affairs shall make the determina-
14 tion of full value from information available. In making the deter-
15 mination, the Department of Community and Regional Affairs shall be
16 guided by AS 29.45.110. The determination of full value shall be made
17 before October 1 and sent by certified mail, return receipt requested,
18 before that date to the president of the school board in each dis-
19 trict. Duplicate copies shall be sent to the commissioner. The
20 governing body of the borough or city which is the district may obtain
21 judicial review of the determination. The superior court may modify
22 the determination of the Department of Community and Regional Affairs
23 only upon a finding of abuse or discretion or upon a finding that
24 there is no substantial evidence to support the determination.

25 (b) Motor vehicles subject to the motor vehicle registration tax
26 under AS 28.10.255 shall be treated as taxable property for purposes
27 of (a) of this section.

28 * Sec. 11. Section AS 14.17.170 is amended to read:

29 Sec. 14.17.170. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each

1 district shall make a report at the end of the 20-school-day period
2 ending the fourth Friday in October, and may make a report at the end
3 of the 20-school-day period ending the second Friday in February
4 [FIRST NINE WEEKS OF SCHOOL], which, in accordance with regulations
5 adopted by the department, reports [CONTAINS A NEW ESTIMATE OF] its
6 average daily membership for that counting period, [THE FISCAL YEAR]
7 and other information which will aid the commissioner in making a more
8 accurate determination of each district's state aid. The October
9 report, or the February report if it makes the district eligible for
10 more state aid, is [THIS NEW ESTIMATE AND INFORMATION OF AVERAGE DAILY
11 MEMBERSHIP SHALL BE] the basis for the computation and distribution of
12 each district's state aid for the balance of the fiscal year. As soon
13 as possible after receiving each district's report [THE COMMISSIONER
14 SHALL, ON THE BASIS OF THIS NEW ESTIMATE AND INFORMATION, MAKE A
15 RECOMPUTATION OF EACH DISTRICT'S STATE AID. BEFORE DECEMBER 2], the
16 commissioner shall notify each district of changes made in the number
17 of funding units calculated for that district [ITS STATE AID]. The
18 commissioner shall also determine whether the money in the public
19 school foundation account is sufficient to meet each district's state
20 aid for the fiscal year, and, if the money is not sufficient, the
21 commissioner shall immediately inform the governor of the amount of
22 additional appropriation the commissioner estimates will be necessary
23 to carry out the public school foundation program for the rest of the
24 fiscal year. Beginning April [FEBRUARY] 15 and on the 15th of each
25 subsequent month, one-third [ONE-FIFTH] of the recomputed balance of
26 each district's state aid must [SHALL] be distributed. [HOWEVER,
27 ONE-HALF OF THE JUNE PAYMENT SHALL BE WITHHELD PENDING A FINAL DETER-
28 MINATION OF THE DISTRICT'S STATE AID.]

29 * Sec. 12. AS 14.17.250(4) is repealed and reenacted to read:

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(4) "elementary school" means a school consisting of grades one through eight, kindergarten through eight, special education pre-elementary through six, or an appropriate combination of grades within this range;

* Sec. 13. AS 14.17.250(9) is repealed and reenacted to read:

(9) "secondary school" means a school of grades 7 through 12;

* Sec. 14. AS 14.17.081 is repealed.

* Sec. 15. This Act takes effect July 1, 1986.

Introduced: 2/13/86
Referred: Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY FERGUSON

2

SENATE BILL NO. 408

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 aid to 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 for
11 which each school district may qualify is calculated by multiplying
12 the basic need as defined in (b) of this section by the equalized
13 percentage as defined in (c) of this section. To the maximum extent
14 permitted under subsection 5(d)(2) of P.L. 81-874, as amended, (20
15 U.S.C. 240(d)) and the regulations adopted under it (45 C.F.R.
16 115.60 - 115.66), the amount of state aid shall be reduced by the
17 amount of the school district's entitlement to federal financial
18 assistance under P.L. 81-874, as amended, (20 U.S.C. 236v - 244), for
19 the prior fiscal year.

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

24 (c) The equalized percentage for each school district is
25 computed according to formula $P_i = 1 - (1-k) V_i/V_s$ in which

26 (1) P_i (equalized percentage) = percent of need to be pro-
27 vided by the state;

28 (2) K (minimum level of state support of basic need) = 97
29 percent;

1 (3) Vi (valuation per pupil in average daily membership in
2 the district) = full and true value of taxable real and personal
3 property within the district divided by the average daily membership
4 of the district;

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

7 (5) state aid as computed under this section constitutes at
8 least 97 percent of the basic need, as defined by the department, of
9 each school district.

10 * Sec. 2. AS 14.17.031 is repealed and reenacted to read:

11 Sec. 14.17.031. INSTRUCTIONAL UNITS. (a) The total number of
12 instructional units within each school district is the sum of:

13 (1) the number of units for elementary schools and the
14 number of units for secondary schools as determined under
15 AS 14.17.041(a) or (b);

16 (2) the number of units for vocational education determined
17 under AS 14.17.041(c) as approved by the department;

18 (3) the number of units from special education determined
19 under AS 14.17.041(d) as approved by the department;

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 to AS 14.17.041(a);

23 (5) the number of units for bilingual education determined
24 under AS 14.17.041(e) as approved by the department.

25 (b) A school district shall compute separately the number of
26 allowable instructional units for each of its secondary schools except
27 as provided in (c) of this section.

28 (c) The commissioner shall authorize any school in a remote
29 location to establish an associated secondary school when the sum of

1 the average daily membership in grades five through eight may conduct
2 a secondary program subject to approval of the commissioner and use
3 the following table to calculate the number of allowable instructional
4 units for the combined elementary and secondary program of the remote
5 school:

6	ADM	No. Instructional Units
7	under 12	3
8	12 - 20	4
9	21 - 32	5

10 (d) If the instructional units that a school district is entitled
11 to under (a) of this section decrease by 10 percent or more from one
12 year to the next, the school district may use the last year before the
13 reduction as a base year and offset its reduction according to the
14 following schedule:

15 (1) for the first year after the base year, the school
16 district is entitled to the instructional units determined under (a)
17 of this section plus 75 percent of the difference in instructional
18 units between the base year and the first year;

19 (2) for the second year after the base year, the school
20 district is entitled to the instructional units determined under (a)
21 of this section plus 50 percent of the difference in instructional
22 units between the base year and the second year;

23 (3) for the third year after the base year, the school
24 district is entitled to the instructional units determined under (a)
25 of this section plus 25 percent of the difference in instructional
26 units between the base year and the second year. The schedule estab-
27 lished in this section is available to a school district for the three
28 entitlement in the base year.

29 * Sec. 3. AS 14.17.041 is repealed and reenacted to read:

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

2 Elementary schools:

3	ADM	No. Instructional Units
4	under 20	2
5	20 - 32	3
6	33 - 46	4
7	47 - 62	5
8	63 - 80	6
9	81 - 999	6 plus 1 for each 18 pupils or fraction of 18

11 (b) Secondary schools:

12	ADM	No. Instructional Units
13	under 33	3
14	33 - 46	4
15	47 - 62	5
16	63 - 80	6
17	81 - 999	6 plus 1 for each 18 pupils or fraction of 18

19 (c) Vocational education schedule:

20	ADM	No. Instructional Units
21	Full-Time Equivalent	
22	5 - 10	1
23	11 - 25	2
24	26 - 40	3
25	41 and over	3 plus 1 for each 20 pupils or fraction of 20 pupils in Full-Time Equivalent ADM

28 (d) Special education schedule:

29	ADM	No. Instructional Units
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1	Full-Time Equivalent	
2	1 - 15	1
3	16 - 30	2
4	31 - 45	3
5	46 and over	4 plus 1 for each 11 pupils
6		or fraction of 11 pupils in
7		Full-Time Equivalent ADM

8 (e) Bilingual education schedule:

9	Weighted ADM	No. Instructional Units
10	1 - 12	1
11	13 - 18	2
12	19 - 42	3
13	43 and over	3 plus 1 for each 24
14		weighted ADM or fraction
15		of 24 weighted ADM

16 * Sec. 4. AS 14.17.051 is repealed and reenacted to read:

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

20 (1) for Gateway Borough School District, City and Borough
 21 of Juneau School District, and Anchorage School District, the district
 22 is entitled to receive the base instructional unit allotment;

23 (2) for Annette Island School District, Petersburg City
 24 School District, Wrangell City School District, Sitka Borough School
 25 District and Matanuska-Susitna Borough School District, the district
 26 or area is entitled to receive 104 percent of the base instructional
 27 unit allotment;

28 (3) for Craig City School District, Hydaburg City School
 29 District, Klawock City School District, Kake City School District,

1 Chatham School District, Skagway City School District, Southeast
2 Island School District, and Kenai Peninsula Borough School District,
3 the district or area is entitled to receive 108 percent of the base
4 instructional unit allotment;

5 (4) for Pelican City School District, Moonah City School
6 District, and North Star Borough School District, the district or area
7 is entitled to receive 112 percent of the base instructional unit
8 allotment;

9 (5) for Cordova City School District, Valdez City School
10 District, and Haines Borough School District, the district or area is
11 entitled to receive 115 percent of the base instructional unit allot-
12 ment.

13 (6) for Nenana City School District, Delta School District,
14 Alaska Gateway School District, Upper Railbelt Regional School Dis-
15 trict, Yakutat City School District, Chugach School District, and
16 Copper River School District, the district or area is entitled to
17 receive 120 percent of the base instructional unit allotment;

18 (7) for Adak Regional School District the area is entitled
19 to receive 140 percent of the base instructional unit allotment;

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

25 (9) for Yukon Flats School District, Dillingham City School
26 District, Bristol Bay Borough School District, Southwest Regional
27 School District, Lake Peninsula School District, Lower Kuskokwim
28 School District, Galena City School District, Kuspuk School District,
29 Yukon-Koyukuk School District, Northwest Arctic School District, Nome

1 City School District, Bering Straits School District, Iditarod Area
2 School District, North Slope Borough School District, Lower Yukon
3 School District, St. Mary's City School District, Tanana School Dis-
4 trict, Yupiit School District, and Kashnamiut School District the
5 district or area is entitled to receive 155 percent of the base in-
6 structional unit allotment;

7 (10) for Kodiak Island School District, the district is
8 entitled to receive 116 percent of the base instructional unit allot-
9 ment.

10 * Sec. 5. AS 14.17.140 is repealed and reenacted to read:

11 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY DEPART-
12 MENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) To determine the equalized
13 percentage to be applied to basic need under AS 14.17.021 and the
14 matching ratio for required local effort under AS 14.17.071, the
15 Department of Community and Regional Affairs, in consultation with the
16 assessor for each district, shall determine the full value of the
17 taxable real and personal property in each district. Exemptions
18 granted under ch. 129, SLA 1957, known as the Alaska Industrial Incen-
19 tive Act (AS 43.25.010 - 43.25.170), shall be honored. If there is no
20 local assessor or current local assessment for a district, then the
21 Department of Community and Regional Affairs shall make the determina-
22 tion of full value from information available. In making the deter-
23 mination, the Department of Community and Regional Affairs shall be
24 guided by AS 29.45.110. The determination of full value shall be made
25 before October 1 and sent by certified mail, return receipt requested,
26 before that date to the president of the school board in each dis-
27 trict. Duplicate copies shall be sent to the commissioner. The
28 governing body of the borough or city which is the district may obtain
29 judicial review of the determination. The superior court may modify

1 the determination of the Department of Community and Regional Affairs
2 only upon a finding of abuse or discretion or upon a finding that
3 there is no substantial evidence to support the determination.

4 (b) Motor vehicles subject to the motor vehicle registration tax
5 under AS 20.10.255 shall be treated as taxable property for purposes
6 of (a) of this section.

7 * Sec. 6. This Act takes effect July 1, 1986.

School District Allocations: SB 408 and HB 309#

School District	(1) SB 408 Allocation	(2) HB 309 Allocation	(2)/(1)
Anchorage*	139,141,220	130,305,776	93.7%
Bristol By	2,125,307	2,237,865	105.3%
Cordova	2,026,755	1,889,026	93.2%
Craig	1,365,714	1,293,698	94.7%
Dillingham	3,663,858	3,848,157	105.0%
Fairbanks*	51,618,534	50,239,164	97.3%
Galena	1,507,723	1,392,421	92.4%
Haines	2,161,110	2,122,069	98.2%
Hoonah	1,421,454	1,270,904	89.4%
Hydaburg	1,879,948	1,848,121	96.4%
Juneau*	17,592,583	16,506,043	93.8%
Take	1,522,636	1,370,142	90.0%
Kenai*	32,901,773	34,206,688	104.0%
Ketchikan*	9,197,052	8,763,237	95.3%
King Cove	1,179,889	1,073,554	91.0%
Klawock	1,150,504	1,104,072	96.0%
Kodiak	12,299,621	11,929,741	97.0%
Mat-Su*	32,632,225	31,618,211	96.9%
Nenana	1,165,151	1,263,179	108.4%
Nome	5,766,936	5,811,458	100.8%
North Slpe	10,060,484	10,141,151	100.8%
Pelican	602,769	640,895	106.3%
Petersburg	2,302,189	2,433,174	105.7%
Sand Point	903,686	908,858	100.6%
Sitka*	6,559,754	6,264,065	95.5%
Skagway	697,618	798,469	114.5%
St Mary's	1,608,322	1,640,038	102.0%
Tanana	946,776	994,367	105.0%
Unalaska	1,141,498	1,104,507	96.8%
Valdez	3,757,430	3,611,915	96.1%
Wrangell	2,192,305	2,033,731	92.8%
Yakutat	1,217,377	1,160,845	95.4%
Districts	353,310,201	340,825,541	96.5%

REAA	(1) SB 408 Allocation	(2) HB 309 Allocation	(2)/(1)
Adak	4,499,963	4,388,149	97.5%
AK Gateway	4,526,071	4,451,024	98.3%
Aleutians	1,499,756	1,417,286	94.5%
Annette Is	2,944,702	2,935,613	99.7%
Bering Str	15,578,644	15,408,955	98.9%
Chatham	2,982,826	2,797,527	93.8%
Chugach	1,431,412	1,480,053	103.4%
Copper Rvr	4,178,244	3,968,596	95.0%
Delta	6,302,667	6,372,333	101.1%
Iditarod	6,013,485	5,969,210	99.3%
Kashunamiut	1,753,550	2,062,451	117.6%
Kuspuk	6,012,527	6,531,425	108.6%
Lake & Pen	6,021,600	5,833,644	96.9%
L. Kuskokm	30,401,419	29,721,882	97.8%
L. Yukon	14,141,605	13,665,485	96.6%
Northwest	15,890,702	16,034,571	100.9%
Pribilofs	2,136,640	2,043,013	95.6%
Railbelt	3,314,579	3,281,874	99.0%
Southeast	4,353,718	4,588,562	92.6%
Southwest	6,739,418	6,742,302	100.0%
Yukon Flts	5,711,477	5,754,207	100.7%
Yukon-Koyk	7,932,907	7,953,605	100.3%
Yupitit	2,857,515	3,570,220	124.9%
REAA's	157,825,427	156,971,987	99.5%
Cor. Study	2,472,992	2,210,919	89.4%

Based on funding of \$461,555,500.

* SB 408 Allocations to district includes Secondary Formula Account allocations based on \$ 17.0 Million.

REAA allocations include P.L. 874 revenues Rural Research Agency, 4/26/86.

School District Allocations: SB 408 and HB 309#

School District	(1) SB 408 Allocation	(2) HB 309 Allocation	(1) - (2)
Anchorage*	137,681,863	128,885,443	8,796,420
Bristol By	2,102,129	2,213,472	-111,343
Cordova	2,004,652	1,868,436	136,216
Craig	1,350,820	1,279,597	71,223
Dillingham	3,623,900	3,806,212	-182,312
Fairbanks*	51,085,487	49,691,557	1,393,930
Galena	1,491,281	1,377,244	114,037
Haines	2,137,542	2,098,938	38,603
Hoonah	1,405,952	1,257,051	148,901
Hydaburg	1,870,351	1,838,876	31,475
Juneau*	17,411,198	16,326,127	1,085,071
Kenai	1,506,030	1,355,207	150,823
Kenai*	32,559,840	33,833,835	-1,273,995
Ketchikan*	9,107,124	8,667,718	439,406
King Cove	1,167,021	1,061,852	105,169
Klawock	1,137,956	1,092,038	45,919
Kodiak	12,165,483	11,799,707	365,776
Mat-Su*	32,290,789	31,273,573	1,017,217
Nenana	1,152,444	1,249,410	-96,966
Nome	5,704,043	5,748,113	-44,070
North Slpe	9,950,766	10,030,612	-79,847
Pelican	596,195	633,909	-37,714
Petersburg	2,277,082	2,406,652	-129,571
Sand Point	893,830	898,951	-5,121
Sitka*	6,496,362	6,195,787	300,575
Skagway	690,010	789,766	-99,755
St Mary's	1,590,782	1,622,162	-31,379
Tanana	936,451	983,528	-47,077
Unalaska	1,129,049	1,092,468	36,581
Valdez	3,716,453	3,572,545	143,907
Wrangell	2,168,396	2,011,563	156,833
Yakutat	1,204,101	1,148,192	55,909
Districts	349,605,382	337,110,543	12,494,840

REAA	(1) SB 408 Allocation	(2) HB 309 Allocation	(1) - (2)
Adak	4,473,458	4,362,877	110,581
AK Gateway	4,484,803	4,410,595	74,207
Aleutians	1,484,643	1,403,080	81,563
Annette Is	2,928,799	2,919,818	8,981
Bering Str	15,453,908	15,286,135	167,773
Chatham	2,961,064	2,777,796	183,267
Chugach	1,418,044	1,466,161	-48,118
Copper Rvr	4,133,976	3,926,637	207,339
Delta	6,247,588	6,316,524	-68,936
Iditarod	5,959,778	5,916,014	43,764
Kashunamiut	1,739,879	2,045,420	-305,541
Kuspuk	5,958,959	6,472,230	-513,271
Lake & Pen	5,970,357	5,784,477	185,880
L. Kuskokm	30,141,228	29,469,237	671,991
L. Yukon	14,049,535	13,578,654	470,881
Northwest	15,758,084	15,900,456	-142,371
Pribilofs	2,121,504	2,028,906	92,598
Railbelt	3,279,587	3,247,258	32,330
Southeast	4,912,035	4,550,882	361,153
Southwest	6,689,431	6,692,310	-2,879
Yukon Flts	5,657,003	5,699,296	-42,293
Yukon-Koyk	7,867,342	7,887,849	-20,508
Yupitit	2,832,568	3,537,518	-704,950
REAA's	156,523,571	155,680,129	843,442
Cor. Study	2,446,020	2,186,820	259,200
TOTAL	508,574,973	494,977,492	13,597,481

Based on funding of \$456,522,000.
 * SB 408 includes SFA allocation (\$17.0 million account)
 REAA allocations include P.L. 874 revenues
 Rural Research Agency, 4/28/86.