

HB

530



Date referred: 3/14/88

FURTHER REFERRALS:

DATE: 3/17/88

The Finance Committee has considered HB 530

"An Act relating to the establishment and operation of a state boarding school by the Department of Education; and providing for an effective date."

RECOMMENDS:

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS:  \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note
- zero with analysis  same as previous zero fiscal note published 2/17/88

SIGNING DO PASS:

ADAMS *Al Adams*

PSURCHOT *Paul Puschot*

ARSON *Ronald L Arson*

GOLL *Pete Goll*

RIEGER *Steve Rieger*

BOYER *Mark Boyer*

FRANK *Frank*

BROWN *Lay Brown*

DAVIS *Mike Davis*

SWACK *Swack*

HAMMER *Hammer*

SIGNING OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Al Adams*

Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Establishment and operation of a state board school.  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Education  
BRU: Mt. Edgecumbe and K-12 Support  
Components: All of Mt. Edgecumbe; Foundation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached analysis; FY89 budget revisions will be necessary for several budget components: there is a net zero effect on the overall budget.

Prepared by: Mary Hakala  
Division: Commissioner's Office

Phone: 465-2800  
Date: 2-12-88

Approved by Commissioner: William G. Demmert  
Agency: Department of Education

Date: 2-12-88

Distribution (by preparer):

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

## Mt. Edgecumbe Fiscal Note Analysis

<u>Budget Component</u>	<u>FY99 Gov Budget</u>	<u>Proposed under Bill</u>
Mt. Edgecumbe		
Maint & Cp	0	0
Instructional	1322.2 GF	0 GF
	63.0 Oth	63.0 Oth
Subtotal Instructional	1385.2	63.0
Residential	1510.0 GF	1565.3 GF (1)
Private & Federal Grants	28.5 Oth	28.5 Oth
	-----	-----
SUB-TOTAL	\$2923.7	\$1656.8
K-12 Support		
Foundation	411,913.0 GF	413,179.9 GF (2)
	21,246.1 PL874	21,246.1 PL374
	8,830.9 PSF	8,830.9 PSF
Subtotal Foundation	\$441,990.0	\$443,256.9
TOTAL	<u>\$444,913.7</u>	<u>\$444,913.7</u>

## Footnotes:

1) Increase of \$55.3 for one round trip for each student between the student's place of residence and Mt. Edgecumbe (page 6, line 22-24).

2) Increase by \$1266.9 for Mt. Edgecumbe allocation under proposed formula as follows:

State Aid (20.33 Units x \$60.0)	\$1219.8
10% PL874 Revenues generated by Mt. Edgecumbe students (budgeted revenue for foundation program, included within PL874 \$21,246.1)	47.1
Total Instructional Program aid under Formula	\$1266.9

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 17, 1988

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the establishment and operation of a state boarding school. The Department of Education (department) already operates such a school on Japonski Island in Sitka -- Mt. Edgumbe High School. This bill would, among other things, institutionalize certain funding for the school under the public school foundation program and clarify certain aspects of the operation of the school and the status of its employees. A section-by-section analysis of the bill follows.

Section 1 of the bill creates new AS 14.16, which contains the following new sections:

Proposed AS 14.16.010 authorizes the department to establish and operate a state boarding school, to be known as Mt. Edgumbe High School, to offer a secondary education curriculum and provide domiciliary services to its students.

Proposed AS 14.16.020 requires the board, in operating the school, to adopt a philosophy of education, employ a chief school administrator and approve the employment of necessary personnel, establish the salaries and benefits of its teachers (excluding administrators), designate the employees authorized to direct disbursements, provide custodial services and routine maintenance, establish procedures for the development and implementation of curriculum and instructional materials, provide health evaluation and placement screening programs for newly admitted students, establish procedures for staff evaluation, and provide staff training.

Proposed AS 14.16.030 requires the board to establish admissions standards and procedures by regulation, and permits the school to admit students meeting those criteria.

Proposed AS 14.16.040 establishes the state boarding school as a public school of the state.

Proposed AS 14.16.050 makes certain other provisions of AS 14 applicable to the state boarding school as if it were a school district. Especially noteworthy are the provisions making the statutes in AS 14.20, pertaining to employment, tenure, salaries, and collective bargaining for teachers, applicable to the state boarding school as if it were a school district. Note, however, that AS 14.20.550 -- 14.20.610, regarding collective bargaining, would allow the board to delegate its bargaining responsibilities.

Proposed AS 14.16.060 provides that the employees of the state boarding school are state employees.

Proposed AS 14.16.070 provides that the Public Employment Relations Act (AS 23.40.070 -- 23.40.260) applies to the employees of the state boarding school who are not subject to AS 14.20, i.e., those employees who are not teachers or administrators. It should also be noted that the certificated teachers in the Mt. Edgecumbe School are already in the exempt service under 39.25.110(7).

Proposed AS 14.16.080 provides for the applicability of certain financial provisions in other statutes.

Section 2 of the bill amends AS 14.17.010(a) to reflect that money appropriated to the public school foundation account may be distributed to the state boarding school.

Section 3 of the bill creates a new AS 14.17.024. Subsection (a) of the proposed section provides for funding from the public school foundation account, in an amount that is generally equivalent to the amount that would be generated by a single funding community school district, for instructional services provided by the state boarding school. Subsection (b) of this proposed new section provides that, in addition, the governor shall request appropriation of program receipts and federal aid received on behalf of the school, as well as amounts necessary for domiciliary services, student transportation, and maintenance and operation of the school's physical plant.

Section 4 of the bill amends AS 14.30.010(b)(10) to provide an exception to the state's compulsory education statute, which would otherwise require students to attend school in the district in which they reside, for students attending the state boarding school.

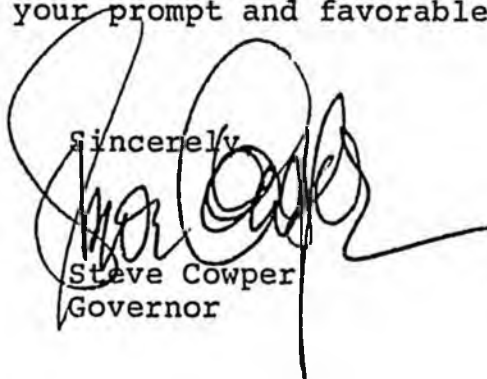
Section 5 of the bill amends AS 36.30.850(b) by adding a paragraph (14) to exempt the state boarding school from application of the State Procurement Code (AS 36.30) if the board or the commissioner of the department adopts procurement and contracting regulations for use by the school.

Section 6 of the bill is a transition section providing for the continuance of pending litigation, hearings, investigations, and other proceedings, and contractual and other legal obligations.

Sections 7 and 8 of the bill provide that sec. 3 (funding for the state boarding school) will take effect July 1, 1988, while the other sections of the bill will take effect immediately under AS 01.10.070(c).

The State Board of Education and the Department of Education support this bill. I urge your prompt and favorable consideration of it.

Sincerely,



Steve Cowper  
Governor

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 530

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the establishment and operation  
7 of a state boarding school by the Department of  
8 Education; and providing for an effective date."

9

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

10

\* Section 1. AS 14 is amended by adding a new chapter to read:

11

CHAPTER 16. SPECIAL SCHOOLS.

12

Sec. 14.16.010. ESTABLISHMENT OF STATE BOARDING SCHOOL. The  
13 department may establish and operate a boarding school, to be known as  
14 the Mt. Edgecumbe High School, to be managed in accordance with this  
15 chapter. The state boarding school must offer a secondary education  
16 curriculum to students enrolled in it, and must provide domiciliary  
17 services for students needing such services.

18

Sec. 14.16.020. OPERATION OF STATE BOARDING SCHOOL. In the  
19 management of the state boarding school, the board shall

20

(1) adopt a philosophy of education for the state boarding  
21 school;

22

(2) employ a chief school administrator and approve the  
23 employment of other personnel necessary to operate the state boarding  
24 school;

25

(3) establish the salaries and benefits to be paid teachers,  
26 excluding administrators, of the state boarding school;

27

(4) designate the employees authorized to direct disburse-  
28 ments from the money appropriated for the operation of the state  
29 boarding school and for the construction of its facilities;

1 (5) provide custodial services and routine maintenance of  
2 the state boarding school's physical facilities;

3 (6) establish procedures for the development and implementa-  
4 tion of curriculum and the selection and use of textbooks and instruc-  
5 tional materials at the state boarding school;

6 (7) prescribe health evaluation and placement screening  
7 programs for newly admitted students;

8 (8) establish procedures for staff evaluation; and

9 (9) provide staff training.

10 Sec. 14.16.030. ADMISSION TO SCHOOL. (a) The state boarding  
11 school may admit students who are qualified in accordance with appli-  
12 cable admission standards. Preference for enrollment must be given to  
13 students currently enrolled at the boarding school and to students  
14 whose educational, emotional, or family requirements warrant atten-  
15 dance in a domiciliary environment.

16 (b) The board shall prescribe admission standards and procedures  
17 by regulation.

18 Sec. 14.16.040. STATUS OF STATE BOARDING SCHOOL. The state  
19 boarding school is a public school of the state.

20 Sec. 14.16.050. APPLICABILITY OF EDUCATION LAWS. (a) The  
21 following provisions apply with respect to the operation and manage-  
22 ment of the state boarding school as if it were a school district:

23 (1) requirements relating to school district operations:

24 (A) AS 14.03.030 -- 14.03.050 (defining the school  
25 term, day in session, and school holidays);

26 (B) AS 14.03.083 -- 14.03.140 (miscellaneous provisions  
27 applicable to school district operations);

28 (C) regulations adopted by the board under authority of  
29 AS 14.07.020(a) that are applicable to school districts and their

1 schools, unless the board specifically exempts the state boarding  
2 school from compliance with a regulation;

3 (D) AS 14.12.150 (authorizing school districts to  
4 establish and participate in the services of a regional resource  
5 center);

6 (E) AS 14.14.050 (imposing the requirement of an annual  
7 audit);

8 (F) AS 14.14.110 (authorizing cooperation with other  
9 school districts);

10 (G) AS 14.14.130 (directing the employment of a chief  
11 school administrator);

12 (H) AS 14.14.140(b) (establishing a prohibition on  
13 employment of a relative of the chief school administrator);

14 (I) AS 14.18 (prohibiting discrimination based on sex  
15 in public education);

16 (2) requirements relating to state financial assistance for  
17 education and the receipt and expenditure of that assistance:

18 (A) AS 14.17.080 (relating to student count esti-  
19 mates);

20 (B) AS 14.17.082 (relating to school operating fund  
21 balances);

22 (C) AS 14.17.160 -- 14.17.220 (setting out the proce-  
23 dure for payment of financial assistance, and imposing general  
24 requirements and limits on money paid);

25 (3) requirements relating to teacher employment and retire-  
26 ment:

27 (A) AS 14.14.105 and 14.14.107 (relating to sick  
28 leave);

29 (B) AS 14.20.095 -- 14.20.210 (relating to the

1 employment and tenure of teachers);

2 (C) AS 14.20.220 (relating to the salaries of teachers  
3 employed);

4 (D) AS 14.20.280 -- 14.20.350 (relating to sabbatical  
5 leave provisions for teachers);

6 (E) AS 14.20.550 -- 14.20.610 (authorizing collective  
7 bargaining, negotiation, and mediation by certificated employ-  
8 ees), except with regard to teachers who are administrators and  
9 except that the board may delegate some or all of its respon-  
10 sibilities under those statutes;

11 (F) AS 14.25 (provisions regarding the teachers' re-  
12 tirement system);

13 (4) requirements relating to students and educational pro-  
14 grams:

15 (A) AS 14.30.180 -- 14.30.350 (relating to educational  
16 services for exceptional children);

17 (B) AS 14.30.360 -- 14.30.370 (establishing health  
18 education program standards);

19 (C) AS 14.30.400 -- 14.30.410 (relating to bilingual  
20 and bicultural education).

21 (b) A person employed as a teacher at Mt. Edgecumbe High School  
22 on the effective date of this section acquires tenure rights in accor-  
23 dance with AS 14.20.150 and 14.20.155 as though the person had been  
24 employed by a school district.

25 Sec. 14.16.060. STATUS OF EMPLOYEES. The employees of the state  
26 boarding school are state employees.

27 Sec. 14.16.070. APPLICABILITY OF OTHER LAW. The Public Employ-  
28 ment Relations Act (AS 23.40.070 -- 23.40.260) applies to the employ-  
29 ees of the state boarding school who are not subject to AS 14.20.

1           Sec. 14.16.080. FINANCIAL PROVISIONS APPLICABLE TO STATE BOARD-  
2           ING SCHOOL. (a) AS 14.17.024 applies to the calculation of state aid  
3           payable for operation of the state boarding school.

4           (b) In the transmittals required by AS 37.07.060 -- 37.07.062,  
5           the governor shall request amounts for the expenses of construction,  
6           rehabilitation, and improvement of the facilities of the state board-  
7           ing school.

8           (c) Unless specified otherwise in an appropriation bill, AS  
9           37.25.010 does not apply to an appropriation made for the purposes of  
10          (a) of this section.

11          (d) AS 37.25.020 applies to money appropriated for the purposes  
12          of (b) of this section.

13          (e) For purposes of application for and receipt of federal aid  
14          to education, the state boarding school constitutes a "local educa-  
15          tional agency."

16       \* Sec. 2. AS 14.17.010(a) is amended to read:

17           (a) The public school foundation account is established. The  
18           account consists of appropriations for distribution to school dis-  
19           tricts, the state boarding school, and for centralized correspondence  
20           study programs under this chapter.

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

22           Sec. 14.17.024. MONEY FOR STATE BOARDING SCHOOL. (a) Money for  
23           the instructional services provided in a fiscal year by the state  
24           boarding school established under AS 14.16.010 includes an allocation  
25           from the public school foundation account in an amount calculated by

26           (1) multiplying the instructional unit value in AS 14.17.056  
27           by the total number of instructional units under AS 14.17.031 for that  
28           fiscal year, as determined by treating the school as if it were a  
29           school district consisting of a single funding community;

1           (2) multiplying the product determined under (1) of this  
2 subsection by the area cost differential that is applicable to calcu-  
3 lation of the entitlement for the adjacent school district under AS  
4 14.17.051; and

5           (3) adding 10 percent of the eligible federal impact aid  
6 received for that fiscal year on behalf of the school plus any federal  
7 impact aid received on behalf of the school which the state, under  
8 P.L. 81-874 (20 U.S.C. 236 -- 244), as amended, and regulations adopt-  
9 ed under it, could not consider as local resources if the school were  
10 considered a school district.

11           (b) In addition to the amount calculated and payable under (a)  
12 of this section, the governor shall request from the legislature  
13 appropriation of any program receipts or federal food service reim-  
14 bursements or other federal aid, other than aid under P.L. 81-874 (20  
15 U.S.C. 236 -- 244), as amended, received on behalf of the school, and  
16 other amounts necessary for the expenses of operating the state board-  
17 ing school, including

18           (1) domiciliary services, including room, board, custodial  
19 services, and other reasonable expenses related to the operation and  
20 maintenance of dormitory and other residential facilities for stu-  
21 dents;

22           (2) student transportation services, to include one round  
23 trip for each student between the student's place of residence and the  
24 site of the state boarding school during each school year; and

25           (3) maintenance and operation of the school's physical  
26 plant.

27           (c) Money received by the state boarding school for purposes  
28 described in (a) of this section may be used for the purposes de-  
29 scribed in (b) of this section, and money received for the purposes

1 described in (b) may be used for the purposes described in (a).

2 \* Sec. 4. AS 14.30.010(b)(10) is amended to read:

3 (10) is enrolled in

4 (A) the state boarding school (AS 14.16); or

5 (B) a full-time program of correspondence study ap-  
6 proved by the department; in those school districts providing an  
7 approved correspondence study program, a student may be enrolled  
8 either in the district correspondence program or in the cen-  
9 tralized correspondence study program;

10 \* Sec. 5. AS 36.30.850(b) is amended by adding a new paragraph to read:

11 (14) operation of the state boarding school (AS 14.16), if  
12 the State Board of Education or the commissioner of education adopts  
13 regulations for use by the state boarding school in procurement and  
14 contracting.

15 \* Sec. 6. TRANSITION; PENDING MATTERS. (a) All litigation, hearings,  
16 investigations, and other proceedings pending under law for functions  
17 affected by this Act continue in effect and may be continued and completed  
18 notwithstanding the provisions of this Act.

19 (b) All contracts and other obligations created by law affected by  
20 this Act and in effect on the effective date of this Act remain in effect  
21 unless specifically revoked or modified by the provisions of this Act.

22 \* Sec. 7. Sections 1, 2, and 4 -- 6 of this Act take effect immediately  
23 under AS 01.10.070(c).

24 \* Sec. 8. Section 3 of this Act takes effect July 1, 1988.

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 530

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the establishment and operation  
of a state boarding school by the Department of  
Education; and providing for an effective date."

7

8

9

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

10

\* Section 1. AS 14 is amended by adding a new chapter to read:

11

CHAPTER 16. SPECIAL SCHOOLS.

12

Sec. 14.16.010. ESTABLISHMENT OF STATE BOARDING SCHOOL. The

13

department may establish and operate a boarding school, to be known as  
the Mt. Edgecumbe High School, to be managed in accordance with this  
chapter. The state boarding school must offer a secondary education  
curriculum to students enrolled in it, and must provide domiciliary  
services for students needing such services.

14

15

16

17

18

Sec. 14.16.020. OPERATION OF STATE BOARDING SCHOOL. In the

19

management of the state boarding school, the board shall

20

(1) adopt a philosophy of education for the state boarding

21

school;

22

(2) employ a chief school administrator and approve the

23

employment of other personnel necessary to operate the state boarding  
school;

24

25

(3) establish the salaries and benefits to be paid teachers,

26

excluding administrators, of the state boarding school;

27

(4) designate the employees authorized to direct disburse-

28

ments from the money appropriated for the operation of the state

29

boarding school and for the construction of its facilities;

1 (5) provide custodial services and routine maintenance of  
2 the state boarding school's physical facilities;

3 (6) establish procedures for the development and implementa-  
4 tion of curriculum and the selection and use of textbooks and instruc-  
5 tional materials at the state boarding school;

6 (7) prescribe health evaluation and placement screening  
7 programs for newly admitted students;

8 (8) establish procedures for staff evaluation; and

9 (9) provide staff training.

10 Sec. 14.16.030. ADMISSION TO SCHOOL. (a) The state boarding  
11 school may admit students who are qualified in accordance with appli-  
12 cable admission standards. Preference for enrollment must be given to  
13 students currently enrolled at the boarding school and to students  
14 whose educational, emotional, or family requirements warrant atten-  
15 dance in a domiciliary environment.

16 (b) The board shall prescribe admission standards and procedures  
17 by regulation.

18 Sec. 14.16.040. STATUS OF STATE BOARDING SCHOOL. The state  
19 boarding school is a public school of the state.

20 Sec. 14.16.050. APPLICABILITY OF EDUCATION LAWS. (a) The  
21 following provisions apply with respect to the operation and manage-  
22 ment of the state boarding school as if it were a school district:

23 (1) requirements relating to school district operations:

24 (A) AS 14.03.030 -- 14.03.050 (defining the school  
25 term, day in session, and school holidays);

26 (B) AS 14.03.083 -- 14.03.140 (miscellaneous provisions  
27 applicable to school district operations);

28 (C) regulations adopted by the board under authority of  
29 AS 14.07.020(a) that are applicable to school districts and their

1 schools, unless the board specifically exempts the state boarding  
2 school from compliance with a regulation;

3 (D) AS 14.12.150 (authorizing school districts to  
4 establish and participate in the services of a regional resource  
5 center);

6 (E) AS 14.14.050 (imposing the requirement of an annual  
7 audit);

8 (F) AS 14.14.110 (authorizing cooperation with other  
9 school districts);

10 (G) AS 14.14.130 (directing the employment of a chief  
11 school administrator);

12 (H) AS 14.14.140(b) (establishing a prohibition on  
13 employment of a relative of the chief school administrator);

14 (I) AS 14.18 (prohibiting discrimination based on sex  
15 in public education);

16 (2) requirements relating to state financial assistance for  
17 education and the receipt and expenditure of that assistance:

18 (A) AS 14.17.080 (relating to student count esti-  
19 mates);

20 (B) AS 14.17.082 (relating to school operating fund  
21 balances);

22 (C) AS 14.17.160 -- 14.17.220 (setting out the proce-  
23 dure for payment of financial assistance, and imposing general  
24 requirements and limits on money paid);

25 (3) requirements relating to teacher employment and retire-  
26 ment:

27 (A) AS 14.14.105 and 14.14.107 (relating to sick  
28 leave);

29 (B) AS 14.20.095 -- 14.20.210 (relating to the

1 employment and tenure of teachers);

2 (C) AS 14.20.220 (relating to the salaries of teachers  
3 employed);

4 (D) AS 14.20.280 -- 14.20.350 (relating to sabbatical  
5 leave provisions for teachers);

6 (E) AS 14.20.550 -- 14.20.610 (authorizing collective  
7 bargaining, negotiation, and mediation by certificated employ-  
8 ees), except with regard to teachers who are administrators and  
9 except that the board may delegate some or all of its respon-  
10 sibilities under those statutes;

11 (F) AS 14.25 (provisions regarding the teachers' re-  
12 tirement system);

13 (4) requirements relating to students and educational pro-  
14 grams:

15 (A) AS 14.30.180 -- 14.30.350 (relating to educational  
16 services for exceptional children);

17 (B) AS 14.30.360 -- 14.30.370 (establishing health  
18 education program standards);

19 (C) AS 14.30.400 -- 14.30.410 (relating to bilingual  
20 and bicultural education).

21 (b) A person employed as a teacher at Mt. Edgumbe High School  
22 on the effective date of this section acquires tenure rights in accor-  
23 dance with AS 14.20.150 and 14.20.155 as though the person had been  
24 employed by a school district.

25 Sec. 14.16.060. STATUS OF EMPLOYEES. The employees of the state  
26 boarding school are state employees.

27 Sec. 14.16.070. APPLICABILITY OF OTHER LAW. The Public Employ-  
28 ment Relations Act (AS 23.40.070 -- 23.40.260) applies to the employ-  
29 ees of the state boarding school who are not subject to AS 14.20.

1           Sec. 14.16.080. FINANCIAL PROVISIONS APPLICABLE TO STATE BOARD-  
2           ING SCHOOL. (a) AS 14.17.024 applies to the calculation of state aid  
3           payable for operation of the state boarding school.

4           (b) In the transmittals required by AS 37.07.060 -- 37.07.062,  
5           the governor shall request amounts for the expenses of construction,  
6           rehabilitation, and improvement of the facilities of the state board-  
7           ing school.

8           (c) Unless specified otherwise in an appropriation bill, AS  
9           37.25.010 does not apply to an appropriation made for the purposes of  
10          (a) of this section.

11          (d) AS 37.25.020 applies to money appropriated for the purposes  
12          of (b) of this section.

13          (e) For purposes of application for and receipt of federal aid  
14          to education, the state boarding school constitutes a "local educa-  
15          tional agency."

16          \* Sec. 2. AS 14.17.010(a) is amended to read:

17                 (a) The public school foundation account is established. The  
18                 account consists of appropriations for distribution to school dis-  
19                 tricts, the state boarding school, and for centralized correspondence  
20                 study programs under this chapter.

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

22                 Sec. 14.17.024. MONEY FOR STATE BOARDING SCHOOL. (a) Money for  
23                 the instructional services provided in a fiscal year by the state  
24                 boarding school established under AS 14.16.010 includes an allocation  
25                 from the public school foundation account in an amount calculated by

26                         (1) multiplying the instructional unit value in AS 14.17.056  
27                 by the total number of instructional units under AS 14.17.031 for that  
28                 fiscal year, as determined by treating the school as if it were a  
29                 school district consisting of a single funding community;

1           (2) multiplying the product determined under (1) of this  
2 subsection by the area cost differential that is applicable to calcu-  
3 lation of the entitlement for the adjacent school district under AS  
4 14.17.051; and

5           (3) adding 10 percent of the eligible federal impact aid  
6 received for that fiscal year on behalf of the school plus any federal  
7 impact aid received on behalf of the school which the state, under  
8 P.L. 81-874 (20 U.S.C. 236 -- 244), as amended, and regulations adopt-  
9 ed under it, could not consider as local resources if the school were  
10 considered a school district.

11           (b) In addition to the amount calculated and payable under (a)  
12 of this section, the governor shall request from the legislature  
13 appropriation of any program receipts or federal food service reim-  
14 bursements or other federal aid, other than aid under P.L. 81-874 (20  
15 U.S.C. 236 -- 244), as amended, received on behalf of the school, and  
16 other amounts necessary for the expenses of operating the state board-  
17 ing school, including

18           (1) domiciliary services, including room, board, custodial  
19 services, and other reasonable expenses related to the operation and  
20 maintenance of dormitory and other residential facilities for stu-  
21 dents;

22           (2) student transportation services, to include one round  
23 trip for each student between the student's place of residence and the  
24 site of the state boarding school during each school year; and

25           (3) maintenance and operation of the school's physical  
26 plant.

27           (c) Money received by the state boarding school for purposes  
28 described in (a) of this section may be used for the purposes de-  
29 scribed in (b) of this section, and money received for the purposes

1 described in (b) may be used for the purposes described in (a).

2 \* Sec. 4. AS 14.30.010(b)(10) is amended to read:

3 (10) is enrolled in

4 (A) the state boarding school (AS 14.16); or

5 (B) a full-time program of correspondence study ap-  
6 proved by the department; in those school districts providing an  
7 approved correspondence study program, a student may be enrolled  
8 either in the district correspondence program or in the cen-  
9 tralized correspondence study program;

10 \* Sec. 5. AS 30.30.850(b) is amended by adding a new paragraph to read:

11 (14) operation of the state boarding school (AS 14.16), if  
12 the State Board of Education or the commissioner of education adopts  
13 regulations for use by the state boarding school in procurement and  
14 contracting.

15 \* Sec. 6. TRANSITION; PENDING MATTERS. (a) All litigation, hearings,  
16 investigations, and other proceedings pending under law for functions  
17 affected by this Act continue in effect and may be continued and completed  
18 notwithstanding the provisions of this Act.

19 (b) All contracts and other obligations created by law affected by  
20 this Act and in effect on the effective date of this Act remain in effect  
21 unless specifically revoked or modified by the provisions of this Act.

22 \* Sec. 7. Sections 1, 2, and 4 -- 6 of this Act take effect immediately  
23 under AS 01.10.070(c).

24 \* Sec. 8. Section 3 of this Act takes effect July 1, 1988.