



LAWS OF ALASKA

2006

Source

SCS CSHB 13(FIN)

Chapter No.

41

AN ACT

Relating to reimbursement of municipal bonds for school construction; increasing the base student allocation used in the formula for state financing of public education; relating to the district cost factors for state funding of public education; relating to school improvement funding; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to reimbursement of municipal bonds for school construction; increasing the base
2 student allocation used in the formula for state financing of public education; relating to the
3 district cost factors for state funding of public education; relating to school improvement
4 funding; and providing for an effective date.

5

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 INTENT. It is the intent of the legislature that the state establish the public school
9 performance incentive program described in sec. 2 of this Act to serve as an incentive for
10 public school personnel to create a learning environment in which the students at that school
11 demonstrate improved academic achievement more rapidly than would usually be expected,
12 or, if already at an advanced level of achievement, continue to perform at an advanced level.
13 It is intended that payments under the program described in sec. 2 of this Act be available to
14 all employees at such a school, including all teachers, administrators, and noncertificated
15 personnel such as paraprofessionals and other support staff, so that all personnel collaborate

1 to promote overall student achievement. A payment under the program described in sec. 2 of
2 this Act is not intended to supplant or otherwise affect public school employee salaries or to
3 have any effect on evaluation, promotion, discipline, or retirement of public school
4 employees. The program described in sec. 2 of this Act is not intended to replace or affect any
5 current state, local, or federal financing of public education or any necessary future increases
6 in that state, local, or federal financing.

7 * **Sec. 2.** AS 14.03 is amended by adding a new section to read:

8 **Sec. 14.03.126. Public school performance incentive program.** (a) The
9 department shall establish by regulation a program that provides, subject to
10 appropriation, for an annual school performance incentive payment by the department
11 to personnel employed at public schools at which students have demonstrated
12 significant improvement in performance on statewide assessments, as determined by
13 the department. The department shall set the amount of the school performance
14 incentive payment, not to exceed \$5,500 for each certificated employee and \$2,500 for
15 each noncertificated employee. Notwithstanding any other provision of law, a school
16 performance incentive payment under this section may not be included in the
17 calculation of benefits for purposes of AS 14.25 or AS 39.35.

18 (b) The department shall establish a procedure by regulation for a school
19 performance incentive payment by the department to personnel employed at the
20 central office of a school district in which at least one school has met the requirements
21 for distribution of a school performance incentive payment to employees of the school.
22 The amount paid under this subsection may not exceed five percent of the total paid to
23 all employees at all schools eligible under this section for the school performance
24 incentive payment in the district. A payment under this subsection

25 (1) may be made only to an employee who the department, in
26 consultation with the chief school administrator of the district, determines has
27 substantially contributed to the improvement in achievement at the schools in the
28 district that meet the requirements for the school performance incentive payment; and

29 (2) may not exceed the highest school performance incentive payment
30 paid to a certificated teacher in the district.

31 (c) A school district may not consider school performance incentive payments

1 when determining salaries for school personnel. Neither a school district nor the
2 Professional Teaching Practices Commission may consider the receipt or nonreceipt of
3 a school performance incentive payment by a school employee when evaluating,
4 promoting, or disciplining the employee.

5 (d) Notwithstanding (a) of this section, the department may not distribute a
6 school performance incentive payment to more than 850 certificated employees
7 annually. The limitation of this subsection does not apply to payments made under (a)
8 or (b) of this section to noncertificated employees or school district central office
9 personnel. The department shall include the limitation of this subsection in regulations
10 adopted under this section.

11 (e) In this section,

12 (1) "school district" means a borough school district, a city school
13 district, a regional educational attendance area, or a state boarding school;

14 (2) "school performance incentive payment" means a payment under
15 the program established under this section.

16 * **Sec. 3.** AS 14.11.100(a) is amended to read:

17 (a) During each fiscal year, the state shall allocate to a municipality that is a
18 school district the following sums:

19 (1) payments made by the municipality during the fiscal year two years
20 earlier for the retirement of principal and interest on outstanding bonds, notes, or other
21 indebtedness incurred before July 1, 1977, to pay costs of school construction;

22 (2) 90 percent of

23 (A) payments made by the municipality during the fiscal year
24 two years earlier for the retirement of principal and interest on outstanding
25 bonds, notes, or other indebtedness incurred after June 30, 1977, and before
26 July 1, 1978, to pay costs of school construction;

27 (B) cash payments made after June 30, 1976, and before July 1,
28 1978, by the municipality during the fiscal year two years earlier to pay costs
29 of school construction;

30 (3) 90 percent of

31 (A) payments made by the municipality during the fiscal year

1 two years earlier for the retirement of principal and interest on outstanding
2 bonds, notes, or other indebtedness incurred after June 30, 1978, and before
3 January 1, 1982, to pay costs of school construction projects approved under
4 AS 14.07.020(a)(11);

5 (B) cash payments made after June 30, 1978, and before July 1,
6 1982, by the municipality during the fiscal year two years earlier to pay costs
7 of school construction projects approved under AS 14.07.020(a)(11);

8 (4) subject to (h) and (i) of this section, up to 90 percent of

9 (A) payments made by the municipality during the current
10 fiscal year for the retirement of principal and interest on outstanding bonds,
11 notes, or other indebtedness incurred after December 31, 1981, and authorized
12 by the qualified voters of the municipality before July 1, 1983, to pay costs of
13 school construction, additions to schools, and major rehabilitation projects that
14 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

15 (B) cash payments made after June 30, 1982, and before July 1,
16 1983, by the municipality during the fiscal year two years earlier to pay costs
17 of school construction, additions to schools, and major rehabilitation projects
18 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

19 (C) payments made by the municipality during the current
20 fiscal year for the retirement of principal and interest on outstanding bonds,
21 notes, or other indebtedness to pay costs of school construction, additions to
22 schools, and major rehabilitation projects that exceed \$25,000 and are
23 submitted to the department for approval under AS 14.07.020(a)(11) before
24 July 1, 1983, and approved by the qualified voters of the municipality before
25 October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the
26 annual growth rate of average daily membership of the municipality is more
27 than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual
28 growth rate of average daily membership of the municipality is 12 percent or
29 more; payments made by a municipality under this subparagraph on total
30 project costs that exceed the amounts set out in (i) and (ii) of this subparagraph
31 are subject to (5)(A) of this subsection;

1 (5) subject to (h) - (j) of this section, 80 percent of

2 (A) payments made by the municipality during the fiscal year
3 for the retirement of principal and interest on outstanding bonds, notes, or
4 other indebtedness authorized by the qualified voters of the municipality

5 (i) after June 30, 1983, but before March 31, 1990, to
6 pay costs of school construction, additions to schools, and major
7 rehabilitation projects that exceed \$25,000 and are approved under
8 AS 14.07.020(a)(11); or

9 (ii) before July 1, 1989, and reauthorized before
10 November 1, 1989, to pay costs of school construction, additions to
11 schools, and major rehabilitation projects that exceed \$25,000 and are
12 approved under AS 14.07.020(a)(11); and

13 (B) cash payments made after June 30, 1983, by the
14 municipality during the fiscal year two years earlier to pay costs of school
15 construction, additions to schools, and major rehabilitation projects that exceed
16 \$25,000 and are approved by the department before July 1, 1990, under
17 AS 14.07.020(a)(11);

18 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments
19 made by the municipality during the fiscal year for the retirement of principal and
20 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
21 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
22 costs of school construction, additions to schools, and major rehabilitation projects
23 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

24 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
25 made by the municipality during the fiscal year for the retirement of principal and
26 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
27 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
28 costs of school construction, additions to schools, and major rehabilitation projects;

29 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
30 projects funded by the bonds, notes, or other indebtedness have been approved by the
31 commissioner, 70 percent of payments made by the municipality during the fiscal year

1 for the retirement of principal and interest on outstanding bonds, notes, or other
2 indebtedness authorized by the qualified voters of the municipality on or after July 1,
3 1995, but before July 1, 1998, to pay costs of school construction, additions to
4 schools, and major rehabilitation projects that exceed \$200,000 and are approved
5 under AS 14.07.020(a)(11);

6 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
7 projects funded by the bonds, notes, or other indebtedness have been approved by the
8 commissioner, 70 percent of payments made by the municipality during the fiscal year
9 for the retirement of principal and interest on outstanding bonds, notes, or other
10 indebtedness authorized by the qualified voters of the municipality on or after July 1,
11 1998, but before July 1, 2006, to pay costs of school construction, additions to
12 schools, and major rehabilitation projects that exceed \$200,000 and are approved
13 under AS 14.07.020(a)(11);

14 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after
15 projects funded by the bonds, notes, or other indebtedness have been approved by the
16 commissioner, 70 percent of payments made by the municipality during the fiscal year
17 for the retirement of principal and interest on outstanding bonds, notes, or other
18 indebtedness authorized by the qualified voters of the municipality on or after June 30,
19 1998, to pay costs of school construction, additions to schools, and major
20 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
21 and are not reimbursed under (n) of this section;

22 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
23 funded by the bonds, notes, or other indebtedness have been approved by the
24 commissioner, 70 percent of payments made by a municipality during the fiscal year
25 for the retirement of principal and interest on outstanding bonds, notes, or other
26 indebtedness authorized by the qualified voters of the municipality on or after June 30,
27 1999, but before January 1, 2005, to pay costs of school construction, additions to
28 schools, and major rehabilitation projects and education-related facilities that exceed
29 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
30 or (o) of this section;

31 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent

1 of payments made by a municipality during the fiscal year for the retirement of
2 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
3 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
4 2005, to pay costs of school construction, additions to schools, and major
5 rehabilitation projects and education-related facilities that exceed \$200,000, are
6 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
7 section;

8 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
9 projects funded by the tax exempt bonds, notes, or other indebtedness have been
10 approved by the commissioner, 70 percent of payments made by a municipality during
11 the fiscal year for the retirement of principal and interest on outstanding tax exempt
12 bonds, notes, or other indebtedness authorized by the qualified voters of the
13 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
14 school construction, additions to schools, and major rehabilitation projects and
15 education-related facilities that exceed \$200,000, are approved under
16 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

17 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60
18 percent of payments made by a municipality during the fiscal year for the retirement
19 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
20 authorized by the qualified voters of the municipality on or after June 30, 1999, but
21 before October 31, 2006, to pay costs of school construction, additions to schools, and
22 major rehabilitation projects and education-related facilities that exceed \$200,000, are
23 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
24 section;

25 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
26 projects funded by the bonds, notes, or other indebtedness have been approved by the
27 commissioner, 90 percent of payments made by a municipality during the fiscal year
28 for the retirement of principal and interest on outstanding bonds, notes, or other
29 indebtedness authorized by the qualified voters of the municipality on or after June 30,
30 1999, but before October 31, 2006, to pay costs of school construction, additions to
31 schools, and major rehabilitation projects and education-related facilities that exceed

1 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
2 share requirement for a municipal school district under AS 14.11.008(b), and are not
3 reimbursed under (n) or (o) of this section;

4 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after
5 projects funded by the tax exempt bonds, notes, or other indebtedness have been
6 approved by the commissioner, 70 percent of payments made by a municipality
7 during the fiscal year for the retirement of principal and interest on outstanding
8 tax exempt bonds, notes, or other indebtedness authorized by the qualified voters
9 of the municipality on or after October 1, 2006, but before November 30, 2008, to
10 pay costs of school construction, additions to schools, and major rehabilitation
11 projects and education-related facilities that exceed \$200,000, are approved
12 under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

13 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60
14 percent of payments made by a municipality during the fiscal year for the
15 retirement of principal and interest on outstanding tax exempt bonds, notes, or
16 other indebtedness authorized by the qualified voters of the municipality on or
17 after October 1, 2006, but before November 30, 2008, to pay costs of school
18 construction, additions to schools, and major rehabilitation projects and
19 education-related facilities that exceed \$200,000, are reviewed under
20 AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

21 * **Sec. 4.** AS 14.11.100(j) is amended to read:

22 (j) Except as provided in (l) of this section, the state may not allocate money
23 to a municipality for a school construction project under (a)(5), (6), or (7) of this
24 section unless the municipality complies with the requirements of (1) - (5) of this
25 subsection, the project is approved by the commissioner before the local vote on the
26 bond issue for the project or for bonds authorized after March 31, 1990, but on or
27 before April 30, 1993, the bonds are approved by the commissioner before
28 reimbursement by the state, and the local vote occurs before July 1, 1987, or after
29 June 30, 1988. In approving a project under this subsection, and to the extent required
30 under (a)(8) - (17) [(a)(8) - (15)] of this section, the commissioner shall require

31 (1) the municipality to include on the ballot for the bond issue, for

1 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
2 total cost of each project including estimated total interest, estimated annual operation
3 and maintenance costs, the estimated amounts that will be paid by the state and by the
4 municipality, and the approximate amount that would be due in annual taxes on
5 \$100,000 in assessed value to retire the debt;

6 (2) that the bonds may not be refunded unless the annual debt service
7 on the refunding issue is not greater than the annual debt service on the original issue;

8 (3) that the bonds must be repaid in approximately equal annual
9 principal payments or approximately equal debt service payments over a period of at
10 least 10 years;

11 (4) the municipality to demonstrate need for the project by establishing
12 that the school district has

13 (A) projected long-term student enrollment that indicates the
14 district has inadequate facilities to meet present or projected enrollment;

15 (B) facilities that require repair or replacement in order to meet
16 health and safety laws or regulations or building codes;

17 (C) demonstrated that the project will result in a reduction in
18 annual operating costs that economically justifies the cost of the project; or

19 (D) facilities that require modification or rehabilitation for the
20 purpose of improving the instructional program;

21 (5) evidence acceptable to the department that the district

22 (A) has a preventive maintenance plan that

23 (i) includes a computerized maintenance management
24 program, cardex system, or other formal systematic means of tracking
25 the timing and costs associated with planned and completed
26 maintenance activities, including scheduled preventive maintenance;

27 (ii) addresses energy management for buildings owned
28 or operated by the district;

29 (iii) includes a regular custodial care program for
30 buildings owned or operated by the district;

31 (iv) includes preventive maintenance training for

1 facility managers and maintenance employees; and

2 (v) includes renewal and replacement schedules for
3 electrical, mechanical, structural, and other components of facilities
4 owned or operated by the district; and

5 (B) is adequately following the preventive maintenance plan.

6 * **Sec. 5.** AS 14.17.460(a) is amended to read:

7 (a) For purposes of calculating a district's adjusted ADM under
8 AS 14.17.410(b)(1), the district cost factor for a school district is as follows:

9 DISTRICT	DISTRICT COST FACTOR
10 Alaska Gateway	<u>1.367</u> [1.291]
11 Aleutians East	<u>1.565</u> [1.423]
12 Aleutians Region	<u>1.787</u> [1.736]
13 ALYESKA CENTRAL SCHOOL	1.000]
14 Anchorage	1.000
15 Annette Island	<u>1.093</u> [1.011]
16 Bering Strait	<u>1.643</u> [1.525]
17 Bristol Bay	<u>1.316</u> [1.262]
18 Chatham	<u>1.234</u> [1.120]
19 Chugach	<u>1.345</u> [1.294]
20 Copper River	<u>1.211</u> [1.176]
21 Cordova	<u>1.131</u> [1.096]
22 Craig	<u>1.059</u> [1.010]
23 Delta/Greely	<u>1.140</u> [1.106]
24 Denali	<u>1.318</u> [1.313]
25 Dillingham	<u>1.277</u> [1.254]
26 Fairbanks	<u>1.047</u> [1.039]
27 Galena	<u>1.359</u> [1.348]
28 Haines	<u>1.056</u> [1.008]
29 Hoonah	<u>1.141</u> [1.055]
30 Hydaburg	<u>1.190</u> [1.085]
31 Iditarod	<u>1.564</u> [1.470]

1	Juneau	<u>1.040</u> [1.005]
2	Kake	<u>1.134</u> [1.025]
3	Kashunamiut	<u>1.447</u> [1.389]
4	Kenai Peninsula	<u>1.046</u> [1.004]
5	Ketchikan	<u>1.043</u> [1.000]
6	Klawock	<u>1.088</u> [1.017]
7	Kodiak Island	<u>1.142</u> [1.093]
8	Kuspuk	<u>1.509</u> [1.434]
9	Lake and Peninsula	<u>1.667</u> [1.558]
10	Lower Kuskokwim	<u>1.534</u> [1.491]
11	Lower Yukon	<u>1.544</u> [1.438]
12	Matanuska-Susitna	<u>1.025</u> [1.010]
13	Mt. Edgecumbe	<u>1.049</u> [1.000]
14	Nenana	<u>1.287</u> [1.270]
15	Nome	<u>1.352</u> [1.319]
16	North Slope	<u>1.576</u> [1.504]
17	Northwest Arctic	<u>1.618</u> [1.549]
18	Pelican	<u>1.337</u> [1.290]
19	Petersburg	<u>1.061</u> [1.000]
20	Pribilof	<u>1.487</u> [1.419]
21	Sitka	<u>1.049</u> [1.000]
22	Skagway	<u>1.151</u> [1.143]
23	Southeast Island	<u>1.194</u> [1.124]
24	Southwest Region	<u>1.489</u> [1.423]
25	St. Mary's	<u>1.419</u> [1.351]
26	Tanana	<u>1.569</u> [1.496]
27	Unalaska	<u>1.294</u> [1.245]
28	Valdez	<u>1.114</u> [1.095]
29	Wrangell	<u>1.040</u> [1.000]
30	Yakutat	<u>1.138</u> [1.046]
31	Yukon Flats	<u>1.780</u> [1.668]

1 Yukon/Koyukuk 1.585 [1.502]
 2 Yupiit 1.533 [1.469].

3 * **Sec. 6.** AS 14.17.460(a) is amended to read:

4 (a) For purposes of calculating a district's adjusted ADM under
 5 AS 14.17.410(b)(1), the district cost factor for a school district is as follows:

6 DISTRICT	DISTRICT COST FACTOR
7 Alaska Gateway	<u>1.291</u> [1.367]
8 Aleutians East	<u>1.423</u> [1.565]
9 Aleutians Region	<u>1.736</u> [1.787]
10 Anchorage	1.000
11 Annette Island	<u>1.011</u> [1.093]
12 Bering Strait	<u>1.525</u> [1.643]
13 Bristol Bay	<u>1.262</u> [1.316]
14 Chatham	<u>1.120</u> [1.234]
15 Chugach	<u>1.294</u> [1.345]
16 Copper River	<u>1.176</u> [1.211]
17 Cordova	<u>1.096</u> [1.131]
18 Craig	<u>1.010</u> [1.059]
19 Delta/Greely	<u>1.106</u> [1.140]
20 Denali	<u>1.313</u> [1.318]
21 Dillingham	<u>1.254</u> [1.277]
22 Fairbanks	<u>1.039</u> [1.047]
23 Galena	<u>1.348</u> [1.359]
24 Haines	<u>1.008</u> [1.056]
25 Hoonah	<u>1.055</u> [1.141]
26 Hydaburg	<u>1.085</u> [1.190]
27 Iditarod	<u>1.470</u> [1.564]
28 Juneau	<u>1.005</u> [1.040]
29 Kake	<u>1.025</u> [1.134]
30 Kashunamiut	<u>1.389</u> [1.447]
31 Kenai Peninsula	<u>1.004</u> [1.046]

1	Ketchikan	<u>1.000</u> [1.043]
2	Klawock	<u>1.017</u> [1.088]
3	Kodiak Island	<u>1.093</u> [1.142]
4	Kuspuk	<u>1.434</u> [1.509]
5	Lake and Peninsula	<u>1.558</u> [1.667]
6	Lower Kuskokwim	<u>1.491</u> [1.534]
7	Lower Yukon	<u>1.438</u> [1.544]
8	Matanuska-Susitna	<u>1.010</u> [1.025]
9	Mt. Edgecumbe	<u>1.000</u> [1.049]
10	Nenana	<u>1.270</u> [1.287]
11	Nome	<u>1.319</u> [1.352]
12	North Slope	<u>1.504</u> [1.576]
13	Northwest Arctic	<u>1.549</u> [1.618]
14	Pelican	<u>1.290</u> [1.337]
15	Petersburg	<u>1.000</u> [1.061]
16	Pribilof	<u>1.419</u> [1.487]
17	Sitka	<u>1.000</u> [1.049]
18	Skagway	<u>1.143</u> [1.151]
19	Southeast Island	<u>1.124</u> [1.194]
20	Southwest Region	<u>1.423</u> [1.489]
21	St. Mary's	<u>1.351</u> [1.419]
22	Tanana	<u>1.496</u> [1.569]
23	Unalaska	<u>1.245</u> [1.294]
24	Valdez	<u>1.095</u> [1.114]
25	Wrangell	<u>1.000</u> [1.040]
26	Yakutat	<u>1.046</u> [1.138]
27	Yukon Flats	<u>1.668</u> [1.780]
28	Yukon/Koyukuk	<u>1.502</u> [1.585]
29	Yupiit	<u>1.469</u> [1.533]

30 * **Sec. 7.** AS 14.17.470 is amended to read:

31 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,380

1 [\$4,919].

2 * **Sec. 8.** AS 14.03.126, as added by sec. 2 of this Act, is repealed June 30, 2009.

3 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 REPORT AND RECOMMENDATIONS. Before December 31, 2008, the Legislative
6 Budget and Audit Committee shall review the school performance incentive program
7 established under AS 14.03.126, as enacted in sec. 2 of this Act, and submit a report to the
8 legislature that includes recommendations for legislation pertaining to the program.

9 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 SCHOOL IMPROVEMENT GRANT. (a) In fiscal year 2007, as a component of
12 public school funding under AS 14.17, a district is eligible to receive a school improvement
13 grant in the amount of the district's ADM for fiscal year 2007 multiplied by \$81.

14 (b) For purposes of the reduction required under AS 14.17.400(b), funding authorized
15 under (a) of this section is treated the same as the state share of public school funding under
16 AS 47.17.410.

17 (c) In this section, "ADM" and "district," have the meanings given in AS 14.17.990.

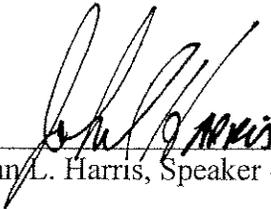
18 * **Sec. 11.** AS 14.17.460(a), as amended by sec. 6 of this Act, takes effect July 1, 2007.

19 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2006.

AUTHENTICATION

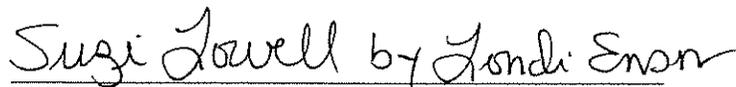
The following officers of the Legislature certify that the attached enrolled bill, SCS CSHB 13(FIN), consisting of 14 pages, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

Passed by the House May 9, 2006



John L. Harris, Speaker of the House

ATTEST:



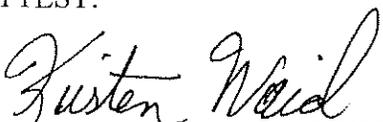
Suzi Lowell, Chief Clerk of the House

Passed by the Senate May 8, 2006



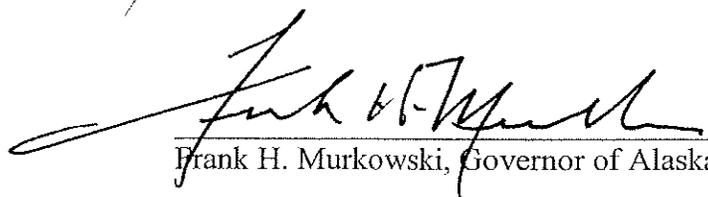
Ben Stevens, President of the Senate

ATTEST:



Kirsten Waid, Secretary of the Senate

Approved by the Governor May 25 2006



Frank H. Murkowski, Governor of Alaska

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907)465-2029
Mail Stop 3101

State Capitol
Juneau, AK 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

May 11, 2006

TO: Suzi Lowell
Chief Clerk

FROM: Patty Rose 
Enrolling Secretary

SUBJECT: SCS CSHB 13(FIN)

In accordance with Rule 43, Uniform Rules of the Alaska State Legislature, I am reporting the following manifest error in SCS CSHB 13(FIN), which has been corrected in enrolling:

Page 12, line 10:

Delete

"ALYESKA CENTRAL SCHOOL

1.000"

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 10
Bill Version: SCS CSHB 13(FIN)
(S) Publish Date: 5/5/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Education
Title An act relating to reimb. of municipal bonds for RDU K-12 Support
school construction... Component New -School Performance
Sponsor Rep. Gotto and Gruenberg Incentive Program
Requester Senate Finance Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	5,800.0	5,800.0	5,800.0	**	**	**
Miscellaneous						
TOTAL OPERATING	5,800.0	5,800.0	5,800.0	**	**	**

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF	5,800.0	5,800.0	5,800.0	**	**	**
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	5,800.0	5,800.0	5,800.0	**	**	**

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation will allow the Department of Education & Early Development to establish a school performance incentive program. This program will provide an incentive payment of up to \$5,500 for certified personnel and up to \$2,500 for noncertified personnel if the students in their school demonstrate substantial growth in achievement on state assessments from one year to the next. Incentive payments will be based on four achievement levels. The cost of the incentive program will not exceed \$5.8 million annually because the program is limited to 850 certified staff and approximately 340 non-certified staff. The program will sunset June 30, 2009. This bill also requires LB&A to review the program by December 31, 2008 and recommend whether it should be continued or not.

It is not expected that all 850 certified staff will qualify for the maximum bonus. EED prepared this fiscal note to show the legislature the maximum entitlement under this pilot program. The following page outlines the amount of the bonus for each of the achievement levels.

Prepared by: Eddy Jeans, Director Phone _____
Division School Finance Date/Time 5/5/06 6:30 PM
Approved by: Roger Sampson Date 5/5/06 6:30 PM
Agency Commissioner

ORIGINAL

FISCAL NOTE 10

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number:10
Bill Version:SCS CSHB 13(FIN)
(S) Publish Date:5/5/06

ANALYSIS CONTINUATION

Staffing: The department will utilize existing staff, to the extent possible, to calculate the schools that qualify for the bonus at which level, the staff to be awarded the bonus and to make the actual grant payments and provide the accounting support. Depending upon the volume of payments, it may be necessary to hire staff. If so, funds would be transferred from the grant line to cover personnel costs.

The School Performance Incentive Program will have four levels: Strong; High; Excellent; Outstanding. All school staff, certified and non-certified will be eligible for the incentive payment if the students in the school meet the achievement targets. The table below outlines the levels and the amount of the incentive payment for each level:

Achievement Level	Bonus Amount for Certified Staff	Bonus Amount for Non-Certified Staff
Strong	\$2,500	\$1,000
High	\$3,500	\$1,500
Excellent	\$4,500	\$2,000
Outstanding	\$5,500	\$2,500
Approximate # of Employees Statewide	9,000	3,700

The following chart illustrates the cost based on 850 certified staff and 340 non-certified staff that would qualify for the incentive at the highest level or \$5,500 per certified staff and \$2,500 for non-certified staff:

Achievement Level = Outstanding

Range of Cost - Assumptions

	Number of Certified Staff	Number of Non-Certified Staff	Certified Cost	Non-Certified Cost	Central Office Staff may receive up to 5% of the total paid to all employees at all schools	Total
	850	340	\$4,675,000	\$850,000	\$276,250	\$5,801,250

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 9
 Bill Version: SCS CSHB 13(FIN)
 (S) Publish Date: 5/5/06

Revision Date/Time (Note if correction): _____ Dept. Affected Education & Early Development
 Title An Act relating to reimbursement of municipal RDU School Debt Reimbursement
bonds for school construction. Component School Debt Reimbursement
 Sponsor Representative Gatto and Gruenberg
 Requester Senate Finance Component No. 153

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Debt Fund)	*	*	*	*	*	*
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* The department cannot determine the fiscal impact of this proposed legislation.

70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state approved space guidelines.

This bill is for projects approved and authorized by voters on or after October 1, 2006 but before November 30, 2008.

Prepared by: Eddy Jeans, Director
 Division: School Finance
 Approved by: Karen Rehfeld, Deputy Commissioner
 Agency: Education & Early Development

Phone 465-8679
 Date/Time _____
 Date 5/4/2006

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 8
 Bill Version: SCS CSHB 13(FIN)
 (S) Publish Date: 5/5/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title An Act relating to reimbursement of municipal RDU K-12 Support
bonds for school construction; increasing the base student... Component Special Schools
 Sponsor Representative Gatto and Gruenberg
 Requester Senate Finance Component No. 2735

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	646.9	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	646.9	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	646.9	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	646.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation from \$4,919 to \$5,380 for FY07.

The funding for the Alaska Challenge Youth Academy is authorized under AS 14.30.740. The funding of this program is directly linked to the based student allocation set out in AS 14.17.470.

Prepared by: Eddy Jeans, Director
 Division: School Finance
 Approved by: _____
 Agency: Education & Early Development

Phone 465-8679
 Date/Time 5/4/06 5:02 PM
 Date 5/4/2006

ALASKA MILITARY YOUTH ACADEMY

FY07 PROJECTION for FY07	
184 x \$5380 x 7 =	6,929,440
192 x \$5380 x .6 =	619,776
less \$2,100,000	(2,100,000)
	5,449,216
<i>FY07 Projected Entitlement at \$4919</i>	4,802,341
FY07 INCREASE TO AMYA:	\$ 646,875

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 7
 Bill Version: SCS CSHB 13(FIN)
 (S) Publish Date: 5/5/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title An Act relating to reimbursement of municipal RDU K-12 Support
bonds for school construction; increasing the base student... Component Foundation Program
 Sponsor Representative Gatto and Gruenberg
 Requester Senate Finance Component No. 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	35,000.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	35,000.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	35,000.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	35,000.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The \$35 million is allocated in two parts. \$24 million is 1/4 of the increase in the proposed ISER cost factor and the remaining \$11 million allocated is a School Improvement Grant on \$81 per straight ADM.

This fiscal note represents the one time grants authorized in HB13.

The GF appropriation in this fiscal note capitalizes the Public Education Fund (PEF). Money in the PEF flows to K-12 Support with out further appropriation for distribution to school districts.

Prepared by: Eddy Jeans, Director
 Division School Finance
 Approved by: Karen Rehfeld, Deputy Commissioner
 Agency Education & Early Development

Phone 465-8679
 Date/Time 5/4/06 5:03 PM
 Date 5/4/2006

School District	\$81 Distributed by FY07 ADM	1/4 ISER at \$5380 BSA	TOTAL
Alaska Gateway	32,581	309,460	342,041
Aleutian Region	3,575	23,455	27,030
Aleutians East	19,894	437,616	457,510
Anchorage	3,993,190	-	3,993,190
Annette Island	25,350	237,747	263,097
Bering Strait	138,936	2,107,784	2,246,720
Bristol Bay	13,731	94,323	108,054
Chatham	16,250	265,483	281,733
Chugach	19,906	35,587	55,493
Copper River	49,887	195,498	245,385
Cordova	36,355	133,011	169,366
Craig	62,655	162,204	224,859
Delta/Greely	110,255	245,572	355,827
Denali	54,599	13,651	68,250
Dillingham	45,341	105,006	150,347
Fairbanks	1,186,797	813,392	2,000,189
Galena	292,172	12,652	304,824
Haines	22,344	126,483	148,827
Hoonah	14,462	156,593	171,055
Hydaburg	6,012	49,471	55,483
Iditarod Area	27,543	165,931	193,474
Juneau	433,870	1,286,353	1,720,223
Kake	8,612	126,589	135,201
Kashunamiut	26,861	174,669	201,530
Kenai Peninsula	751,067	2,915,136	3,666,203
Ketchikan Gateway	186,304	762,023	948,327
Klawock	10,969	77,656	88,625
Kodiak Island	217,829	1,027,560	1,245,389
Kuspuk	33,637	368,169	401,806
Lake & Peninsula	29,481	527,566	557,047
Lower Kuskokwim	326,946	1,640,384	1,967,330
Lower Yukon	164,773	2,099,314	2,264,087
Mat-Su	1,302,017	1,622,038	2,924,055
Nenana	56,874	33,834	90,708
Nome	64,918	203,753	268,671
North Slope	143,567	1,140,607	1,284,174
Northwest Arctic	167,292	1,312,523	1,479,815
Pelican	1,300	7,234	8,534
Petersburg	46,718	310,487	357,205
Pribilof	9,750	85,849	95,599
Saint Mary's	12,594	110,564	123,158
Sitka	119,436	545,536	664,972
Skagway	8,287	5,254	13,541
Southeast Island	16,900	116,361	133,261
Southwest Region	54,031	469,398	523,429
Tanana	3,981	39,499	43,480
Unalaska	34,125	179,578	213,703
Valdez	63,131	119,306	182,437
Wrangell	29,656	130,367	160,023
Yakutat	9,344	89,747	99,091
Yukon Flats	22,013	232,595	254,608
Yukon/Koyukuk	129,787	368,277	498,064
Yupit	37,131	302,176	339,307
Mt. Edgecumbe	32,987	150,656	183,643
TOTAL	10,728,023	24,271,977	35,000,000

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 6
 Bill Version: SCS CSHB 13(FIN)
 (S) Publish Date: 5/5/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title An Act relating to reimbursement of municipal RDU K-12 Support
bonds for school construction; increasing the base student... Component Foundation Program
 Sponsor Representative Gatto and Gruenberg
 Requester Senate Finance Component No. 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	96,020.9	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	96,020.9	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	96,020.9	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	96,020.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation from \$4,919 to \$5,380 for FY07. This is a \$461 increase in the base student allocation.

The GF appropriation in this fiscal note capitalizes the Public Education Fund (PEF). Money in the PEF flows to K-12 Support with out further appropriation for distribution to school districts.

Prepared by: Eddy Jeans, Director
 Division: School Finance
 Approved by: Karen Rehfeld, Deputy Commissioner
 Agency: Education & Early Development

Phone 465-8679
 Date/Time 5/4/06 5:01 PM
 Date 5/4/2006

School District	FY07 Projected Entitlement@ \$4,919	FY07 Projected Entitlement @ \$5,380	Difference
Alaska Gateway	4,978,445	5,444,316	465,871
Aleutian Region	1,121,420	1,194,845	73,425
Aleutians East Borough	3,325,972	3,700,599	374,627
Anchorage	244,050,660	275,043,349	30,992,689
Annette Island	1,675,995	1,943,339	267,344
Bering Strait	17,437,843	19,797,084	2,359,241
Bristol Bay Borough	1,421,610	1,616,908	195,298
Chatham	2,201,204	2,430,492	229,288
Chugach	2,164,454	2,275,384	110,930
Copper River	6,281,510	6,889,910	608,400
Cordova	3,287,264	3,659,812	372,548
Craig	4,382,366	4,841,504	459,138
Delta/Greely	9,352,944	10,229,503	876,559
Denali Borough	4,577,977	5,058,643	480,666
Dillingham	4,539,483	5,047,169	507,686
Fairbanks N. Star Borough	79,210,194	89,237,853	10,027,659
Galena	16,338,781	17,318,318	979,537
Haines Borough	1,702,312	1,944,143	241,831
Hoonah	1,727,275	1,907,562	180,287
Hydaburg	759,317	804,408	45,091
Iditarod Area	4,332,341	4,660,042	327,701
Juneau Borough	26,043,291	29,600,063	3,556,772
Kake	994,106	1,103,165	109,059
Kashunamiut	2,511,616	2,881,407	369,791
Kenai Peninsula Borough	49,089,231	55,509,061	6,419,830
Ketchikan Gateway Borough	12,644,267	14,248,796	1,604,529
Klawock	1,182,829	1,260,769	77,940
Kodiak Island Borough	17,475,639	19,534,793	2,059,154
Kuspuk	5,309,727	5,918,114	608,387
Lake & Peninsula Borough	6,511,945	7,160,807	648,862
Lower Kuskokwim	43,562,282	48,564,676	5,002,394
Lower Yukon	19,400,947	21,869,809	2,468,862
Mat-Su Borough	94,129,068	104,608,991	10,479,923
Nenana	4,229,269	4,631,814	402,545
Nome	6,752,945	7,465,393	712,448
North Slope Borough	10,610,182	12,678,223	2,068,041
Northwest Arctic Borough	23,970,992	26,555,063	2,584,071
Pelican	381,855	398,810	16,955
Petersburg	3,834,767	4,294,974	460,207
Pribilof	1,116,853	1,269,845	152,992
Saint Mary's	2,008,361	2,197,726	189,365
Sitka Borough	8,425,674	9,482,673	1,056,999
Skagway	702,306	802,949	100,643
Southeast Island	3,071,481	3,232,662	161,181
Southwest Region	7,097,884	7,976,006	878,122
Tanana	701,901	771,512	69,611
Unalaska	2,628,614	3,020,602	391,988
Valdez	3,647,045	4,188,856	541,811
Wrangell	2,455,013	2,739,763	284,750
Yakutat	1,045,496	1,159,796	114,300
Yukon Flats	4,916,456	5,264,080	347,624
Yukon/Koyukuk	10,180,358	11,215,838	1,035,480
Yupit	4,756,298	5,362,808	606,510
Mt. Edgecumbe High School	2,141,906	2,405,847	263,941
Other	26,027,300	26,027,300	
Total	824,427,271	920,448,174	96,020,903

NOTE: The above estimates were calculated using FY07 Projections.

1st
Prefiled
release

ALASKA STATE LEGISLATURE HOUSE BILL NO. 13

HISTORY IN THE HOUSE

2005
1/10 **Read first time and referred to:**
Edu HES Fin

3/4 Edu RPT CS() New Title
5 DP DNP NR AM
1 FN OFN / Prev: FN OFN

4/15 HES RPT CS(HES) New Title
4 DP DNP NR AM
 FN OFN / Prev: FN OFN

5/2 Fin RPT CS(Fin) New Title
6 DP DNP NR AM
1 FN OFN / Prev: FN OFN

5/3 RLS RPT CS(RLS) New Title
3 DP DNP NR AM
3 FN OFN / Prev: FN OFN

5/3 **Read second time**
 CS(RLS) Adopted New Title
 Amended _____
 Advanced _____

5/3 **Read third time**
 Title Amendment
 Return to second for amendment(s) or:

 Passed Y38 N2 E0 A0
 EFD same or Y N E A
 CRT same or Y N E A
 CBR same or Y N E A

5/3 **Reconsideration** Newman

5/4 **Reconsideration** ~~not~~ taken up
 Title Amendment
 Return to second for amendment(s) or:

5/4 Passed/Rec Y38 N2 E0 A0
 EFD same or Y N E A
 CRT same or Y N E A
 CBR same or Y N E A

5/4 **Engrossed, signed by the Speaker**
Transmitted to the Senate
Suzi Lowell
Chief Clerk of the House me

HISTORY IN THE SENATE

2006
9/4 **Read first time and referred to:**
FIN

5/5 FIN RPT SCS(FIN) New Title
5 DP DNP NR 2 AM
5 FN OFN / Prev: FN OFN
To: RLS

____ RPT SCS() New Title
____ DP DNP NR AM
____ FN OFN / Prev: FN OFN
To: _____

____ RPT SCS() New Title
____ DP DNP NR AM
____ FN OFN / Prev: FN OFN
To: _____

5/6 **Read second time**
 SCS(Fin) Adopted New Title
SCR No. _____
 Amended _____
 not Advanced 5/7 calendar

5/7 **Read third time**
 Title Amendment
 Return to second for amendment(s) or:

 Passed Y20 N0 E0 A0
 EFD same or Y N E A
 CRT same or Y N E A
 CBR same or Y N E A

5/7 **Reconsideration** - Gary Stevens

5/8 **Reconsideration** ~~not~~ taken up
 Title Amendment
 Return to second for amendment(s) or:

5/8 Passed/Rec Y20 N0 E0 A0
 EFD same or Y N E A
 CRT same or Y N E A
 CBR same or Y N E A

5/8 **Engrossed, signed by the President**
Returned to the House
Kirsten Weid
Secretary of the Senate

HOUSE-SENATE HISTORY (continued)

2006 5/	Version Received from the Senate: <u>SCS CS HB 13 (FIN)</u>
5/9	Concur in Senate Amendment <u>Y 26 N 12 E 1 A 1</u>
	[<input checked="" type="checkbox"/>] EFD same or Y <u>30</u> N <u>0</u> E <u>1</u> A <u>1</u>
	[<input type="checkbox"/>] CRT same or Y _____ N _____ E _____ A _____
	[<input type="checkbox"/>] CBR same or Y _____ N _____ E _____ A _____
	Failed concur in Senate amd., ask Senate recede Y _____ N _____ E _____ A _____
	Senate failed to recede from amendment Y _____ N _____ E _____ A _____
	CC appointed by House _____ Chair _____
	CC appointed by Senate _____ Chair _____
	(H) Granted Limited Powers of Free Conference
	(S) Granted Limited Powers of Free Conference

2006	(H) Adopted CC Rpt _____
	Y _____ N _____ E _____ A _____
	[<input type="checkbox"/>] EFD same or Y _____ N _____ E _____ A _____
	[<input type="checkbox"/>] CRT same or Y _____ N _____ E _____ A _____
	[<input type="checkbox"/>] CBR same or Y _____ N _____ E _____ A _____
	(S) Adopted CC Rpt _____
	Y _____ N _____ E _____ A _____
	[<input type="checkbox"/>] EFD same or Y _____ N _____ E _____ A _____
	[<input type="checkbox"/>] CRT same or Y _____ N _____ E _____ A _____
	[<input type="checkbox"/>] CBR same or Y _____ N _____ E _____ A _____
5/11	Sent to enrolling
	Received from Enrolling _____ Manifest Error _____
	Sent to Governor
5/25	<u>signed</u> _____ By Governor
	Chapter Number <u>41</u>
	Filed with Lieutenant Governor

SENATE CS FOR CS FOR HOUSE BILL NO. 13(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/5/06
Referred: Rules

Sponsor(s): REPRESENTATIVES GATTO AND GRUENBERG, Thomas, Gara, Gardner, Lynn, Neuman, Kohring, Chenault, McGuire, Rokeberg, Seaton, LeDoux, Croft

SENATORS Hoffman, Davis, French, Ellis, Elton, Kookesh, Wagoner, Wilken, Green, Stedman, Bunde, Cowdery, Guess, Gary Stevens, Ben Stevens

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reimbursement of municipal bonds for school construction;
2 increasing the base student allocation used in the formula for state financing of public
3 education; relating to the district cost factors for state funding of public education;
4 relating to school improvement funding; and providing for an effective date."

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

6 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 INTENT. It is the intent of the legislature that the state establish the public school
9 performance incentive program described in sec. 2 of this Act to serve as an incentive for
10 public school personnel to create a learning environment in which the students at that school
11 demonstrate improved academic achievement more rapidly than would usually be expected,
12 or, if already at an advanced level of achievement, continue to perform at an advanced level.
13 It is intended that payments under the program described in sec. 2 of this Act be available to
14 all employees at such a school, including all teachers, administrators, and noncertificated
15 personnel such as paraprofessionals and other support staff, so that all personnel collaborate

1 to promote overall student achievement. A payment under the program described in sec. 2 of
2 this Act is not intended to supplant or otherwise affect public school employee salaries or to
3 have any effect on evaluation, promotion, discipline, or retirement of public school
4 employees. The program described in sec. 2 of this Act is not intended to replace or affect any
5 current state, local, or federal financing of public education or any necessary future increases
6 in that state, local, or federal financing.

7 * **Sec. 2.** AS 14.03 is amended by adding a new section to read:

8 **Sec. 14.03.126. Public school performance incentive program.** (a) The
9 department shall establish by regulation a program that provides, subject to
10 appropriation, for an annual school performance incentive payment by the department
11 to personnel employed at public schools at which students have demonstrated
12 significant improvement in performance on statewide assessments, as determined by
13 the department. The department shall set the amount of the school performance
14 incentive payment, not to exceed \$5,500 for each certificated employee and \$2,500 for
15 each noncertificated employee. Notwithstanding any other provision of law, a school
16 performance incentive payment under this section may not be included in the
17 calculation of benefits for purposes of AS 14.25 or AS 39.35.

18 (b) The department shall establish a procedure by regulation for a school
19 performance incentive payment by the department to personnel employed at the
20 central office of a school district in which at least one school has met the requirements
21 for distribution of a school performance incentive payment to employees of the school.
22 The amount paid under this subsection may not exceed five percent of the total paid to
23 all employees at all schools eligible under this section for the school performance
24 incentive payment in the district. A payment under this subsection

25 (1) may be made only to an employee who the department, in
26 consultation with the chief school administrator of the district, determines has
27 substantially contributed to the improvement in achievement at the schools in the
28 district that meet the requirements for the school performance incentive payment; and

29 (2) may not exceed the highest school performance incentive payment
30 paid to a certificated teacher in the district.

31 (c) A school district may not consider school performance incentive payments

1 when determining salaries for school personnel. Neither a school district nor the
 2 Professional Teaching Practices Commission may consider the receipt or nonreceipt of
 3 a school performance incentive payment by a school employee when evaluating,
 4 promoting, or disciplining the employee.

5 (d) Notwithstanding (a) of this section, the department may not distribute a
 6 school performance incentive payment to more than 850 certificated employees
 7 annually. The limitation of this subsection does not apply to payments made under (a)
 8 or (b) of this section to noncertificated employees or school district central office
 9 personnel. The department shall include the limitation of this subsection in regulations
 10 adopted under this section.

11 (e) In this section,

12 (1) "school district" means a borough school district, a city school
 13 district, a regional educational attendance area, or a state boarding school;

14 (2) "school performance incentive payment" means a payment under
 15 the program established under this section.

16 * **Sec. 3.** AS 14.11.100(a) is amended to read:

17 (a) During each fiscal year, the state shall allocate to a municipality that is a
 18 school district the following sums:

19 (1) payments made by the municipality during the fiscal year two years
 20 earlier for the retirement of principal and interest on outstanding bonds, notes, or other
 21 indebtedness incurred before July 1, 1977, to pay costs of school construction;

22 (2) 90 percent of

23 (A) payments made by the municipality during the fiscal year
 24 two years earlier for the retirement of principal and interest on outstanding
 25 bonds, notes, or other indebtedness incurred after June 30, 1977, and before
 26 July 1, 1978, to pay costs of school construction;

27 (B) cash payments made after June 30, 1976, and before July 1,
 28 1978, by the municipality during the fiscal year two years earlier to pay costs
 29 of school construction;

30 (3) 90 percent of

31 (A) payments made by the municipality during the fiscal year

1 two years earlier for the retirement of principal and interest on outstanding
2 bonds, notes, or other indebtedness incurred after June 30, 1978, and before
3 January 1, 1982, to pay costs of school construction projects approved under
4 AS 14.07.020(a)(11);

5 (B) cash payments made after June 30, 1978, and before July 1,
6 1982, by the municipality during the fiscal year two years earlier to pay costs
7 of school construction projects approved under AS 14.07.020(a)(11);

8 (4) subject to (h) and (i) of this section, up to 90 percent of

9 (A) payments made by the municipality during the current
10 fiscal year for the retirement of principal and interest on outstanding bonds,
11 notes, or other indebtedness incurred after December 31, 1981, and authorized
12 by the qualified voters of the municipality before July 1, 1983, to pay costs of
13 school construction, additions to schools, and major rehabilitation projects that
14 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

15 (B) cash payments made after June 30, 1982, and before July 1,
16 1983, by the municipality during the fiscal year two years earlier to pay costs
17 of school construction, additions to schools, and major rehabilitation projects
18 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

19 (C) payments made by the municipality during the current
20 fiscal year for the retirement of principal and interest on outstanding bonds,
21 notes, or other indebtedness to pay costs of school construction, additions to
22 schools, and major rehabilitation projects that exceed \$25,000 and are
23 submitted to the department for approval under AS 14.07.020(a)(11) before
24 July 1, 1983, and approved by the qualified voters of the municipality before
25 October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the
26 annual growth rate of average daily membership of the municipality is more
27 than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual
28 growth rate of average daily membership of the municipality is 12 percent or
29 more; payments made by a municipality under this subparagraph on total
30 project costs that exceed the amounts set out in (i) and (ii) of this subparagraph
31 are subject to (5)(A) of this subsection;

1 (5) subject to (h) - (j) of this section, 80 percent of

2 (A) payments made by the municipality during the fiscal year
3 for the retirement of principal and interest on outstanding bonds, notes, or
4 other indebtedness authorized by the qualified voters of the municipality

5 (i) after June 30, 1983, but before March 31, 1990, to
6 pay costs of school construction, additions to schools, and major
7 rehabilitation projects that exceed \$25,000 and are approved under
8 AS 14.07.020(a)(11); or

9 (ii) before July 1, 1989, and reauthorized before
10 November 1, 1989, to pay costs of school construction, additions to
11 schools, and major rehabilitation projects that exceed \$25,000 and are
12 approved under AS 14.07.020(a)(11); and

13 (B) cash payments made after June 30, 1983, by the
14 municipality during the fiscal year two years earlier to pay costs of school
15 construction, additions to schools, and major rehabilitation projects that exceed
16 \$25,000 and are approved by the department before July 1, 1990, under
17 AS 14.07.020(a)(11);

18 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments
19 made by the municipality during the fiscal year for the retirement of principal and
20 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
21 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
22 costs of school construction, additions to schools, and major rehabilitation projects
23 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

24 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
25 made by the municipality during the fiscal year for the retirement of principal and
26 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
27 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
28 costs of school construction, additions to schools, and major rehabilitation projects;

29 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
30 projects funded by the bonds, notes, or other indebtedness have been approved by the
31 commissioner, 70 percent of payments made by the municipality during the fiscal year

1 for the retirement of principal and interest on outstanding bonds, notes, or other
2 indebtedness authorized by the qualified voters of the municipality on or after July 1,
3 1995, but before July 1, 1998, to pay costs of school construction, additions to
4 schools, and major rehabilitation projects that exceed \$200,000 and are approved
5 under AS 14.07.020(a)(11);

6 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
7 projects funded by the bonds, notes, or other indebtedness have been approved by the
8 commissioner, 70 percent of payments made by the municipality during the fiscal year
9 for the retirement of principal and interest on outstanding bonds, notes, or other
10 indebtedness authorized by the qualified voters of the municipality on or after July 1,
11 1998, but before July 1, 2006, to pay costs of school construction, additions to
12 schools, and major rehabilitation projects that exceed \$200,000 and are approved
13 under AS 14.07.020(a)(11);

14 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after
15 projects funded by the bonds, notes, or other indebtedness have been approved by the
16 commissioner, 70 percent of payments made by the municipality during the fiscal year
17 for the retirement of principal and interest on outstanding bonds, notes, or other
18 indebtedness authorized by the qualified voters of the municipality on or after June 30,
19 1998, to pay costs of school construction, additions to schools, and major
20 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
21 and are not reimbursed under (n) of this section;

22 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
23 funded by the bonds, notes, or other indebtedness have been approved by the
24 commissioner, 70 percent of payments made by a municipality during the fiscal year
25 for the retirement of principal and interest on outstanding bonds, notes, or other
26 indebtedness authorized by the qualified voters of the municipality on or after June 30,
27 1999, but before January 1, 2005, to pay costs of school construction, additions to
28 schools, and major rehabilitation projects and education-related facilities that exceed
29 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
30 or (o) of this section;

31 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent

1 of payments made by a municipality during the fiscal year for the retirement of
2 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
3 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
4 2005, to pay costs of school construction, additions to schools, and major
5 rehabilitation projects and education-related facilities that exceed \$200,000, are
6 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
7 section;

8 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
9 projects funded by the tax exempt bonds, notes, or other indebtedness have been
10 approved by the commissioner, 70 percent of payments made by a municipality during
11 the fiscal year for the retirement of principal and interest on outstanding tax exempt
12 bonds, notes, or other indebtedness authorized by the qualified voters of the
13 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
14 school construction, additions to schools, and major rehabilitation projects and
15 education-related facilities that exceed \$200,000, are approved under
16 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

17 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60
18 percent of payments made by a municipality during the fiscal year for the retirement
19 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
20 authorized by the qualified voters of the municipality on or after June 30, 1999, but
21 before October 31, 2006, to pay costs of school construction, additions to schools, and
22 major rehabilitation projects and education-related facilities that exceed \$200,000, are
23 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
24 section;

25 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
26 projects funded by the bonds, notes, or other indebtedness have been approved by the
27 commissioner, 90 percent of payments made by a municipality during the fiscal year
28 for the retirement of principal and interest on outstanding bonds, notes, or other
29 indebtedness authorized by the qualified voters of the municipality on or after June 30,
30 1999, but before October 31, 2006, to pay costs of school construction, additions to
31 schools, and major rehabilitation projects and education-related facilities that exceed

1 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
 2 share requirement for a municipal school district under AS 14.11.008(b), and are not
 3 reimbursed under (n) or (o) of this section;

4 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after
 5 projects funded by the tax exempt bonds, notes, or other indebtedness have been
 6 approved by the commissioner, 70 percent of payments made by a municipality
 7 during the fiscal year for the retirement of principal and interest on outstanding
 8 tax exempt bonds, notes, or other indebtedness authorized by the qualified voters
 9 of the municipality on or after October 1, 2006, but before November 30, 2008, to
 10 pay costs of school construction, additions to schools, and major rehabilitation
 11 projects and education-related facilities that exceed \$200,000, are approved
 12 under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

13 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60
 14 percent of payments made by a municipality during the fiscal year for the
 15 retirement of principal and interest on outstanding tax exempt bonds, notes, or
 16 other indebtedness authorized by the qualified voters of the municipality on or
 17 after October 1, 2006, but before November 30, 2008, to pay costs of school
 18 construction, additions to schools, and major rehabilitation projects and
 19 education-related facilities that exceed \$200,000, are reviewed under
 20 AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

21 * **Sec. 4.** AS 14.11.100(j) is amended to read:

22 (j) Except as provided in (l) of this section, the state may not allocate money
 23 to a municipality for a school construction project under (a)(5), (6), or (7) of this
 24 section unless the municipality complies with the requirements of (1) - (5) of this
 25 subsection, the project is approved by the commissioner before the local vote on the
 26 bond issue for the project or for bonds authorized after March 31, 1990, but on or
 27 before April 30, 1993, the bonds are approved by the commissioner before
 28 reimbursement by the state, and the local vote occurs before July 1, 1987, or after
 29 June 30, 1988. In approving a project under this subsection, and to the extent required
 30 under (a)(8) - (17) [(a)(8) - (15)] of this section, the commissioner shall require

31 (1) the municipality to include on the ballot for the bond issue, for

1 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
 2 total cost of each project including estimated total interest, estimated annual operation
 3 and maintenance costs, the estimated amounts that will be paid by the state and by the
 4 municipality, and the approximate amount that would be due in annual taxes on
 5 \$100,000 in assessed value to retire the debt;

6 (2) that the bonds may not be refunded unless the annual debt service
 7 on the refunding issue is not greater than the annual debt service on the original issue;

8 (3) that the bonds must be repaid in approximately equal annual
 9 principal payments or approximately equal debt service payments over a period of at
 10 least 10 years;

11 (4) the municipality to demonstrate need for the project by establishing
 12 that the school district has

13 (A) projected long-term student enrollment that indicates the
 14 district has inadequate facilities to meet present or projected enrollment;

15 (B) facilities that require repair or replacement in order to meet
 16 health and safety laws or regulations or building codes;

17 (C) demonstrated that the project will result in a reduction in
 18 annual operating costs that economically justifies the cost of the project; or

19 (D) facilities that require modification or rehabilitation for the
 20 purpose of improving the instructional program;

21 (5) evidence acceptable to the department that the district

22 (A) has a preventive maintenance plan that

23 (i) includes a computerized maintenance management
 24 program, cardex system, or other formal systematic means of tracking
 25 the timing and costs associated with planned and completed
 26 maintenance activities, including scheduled preventive maintenance;

27 (ii) addresses energy management for buildings owned
 28 or operated by the district;

29 (iii) includes a regular custodial care program for
 30 buildings owned or operated by the district;

31 (iv) includes preventive maintenance training for

1 facility managers and maintenance employees; and

2 (v) includes renewal and replacement schedules for
3 electrical, mechanical, structural, and other components of facilities
4 owned or operated by the district; and

5 (B) is adequately following the preventive maintenance plan.

6 * **Sec. 5.** AS 14.17.460(a) is amended to read:

7 (a) For purposes of calculating a district's adjusted ADM under
8 AS 14.17.410(b)(1), the district cost factor for a school district is as follows:

9 DISTRICT	DISTRICT COST FACTOR
10 Alaska Gateway	<u>1.367</u> [1.291]
11 Aleutians East	<u>1.565</u> [1.423]
12 Aleutians Region	<u>1.787</u> [1.736]
13 ALYESKA CENTRAL SCHOOL	1.000]
14 Anchorage	1.000
15 Annette Island	<u>1.093</u> [1.011]
16 Bering Strait	<u>1.643</u> [1.525]
17 Bristol Bay	<u>1.316</u> [1.262]
18 Chatham	<u>1.234</u> [1.120]
19 Chugach	<u>1.345</u> [1.294]
20 Copper River	<u>1.211</u> [1.176]
21 Cordova	<u>1.131</u> [1.096]
22 Craig	<u>1.059</u> [1.010]
23 Delta/Greely	<u>1.140</u> [1.106]
24 Denali	<u>1.318</u> [1.313]
25 Dillingham	<u>1.277</u> [1.254]
26 Fairbanks	<u>1.047</u> [1.039]
27 Galena	<u>1.359</u> [1.348]
28 Haines	<u>1.056</u> [1.008]
29 Hoonah	<u>1.141</u> [1.055]
30 Hydaburg	<u>1.190</u> [1.085]
31 Iditarod	<u>1.564</u> [1.470]

1	Juneau	<u>1.040</u> [1.005]
2	Kake	<u>1.134</u> [1.025]
3	Kashunamiut	<u>1.447</u> [1.389]
4	Kenai Peninsula	<u>1.046</u> [1.004]
5	Ketchikan	<u>1.043</u> [1.000]
6	Klawock	<u>1.088</u> [1.017]
7	Kodiak Island	<u>1.142</u> [1.093]
8	Kuspuk	<u>1.509</u> [1.434]
9	Lake and Peninsula	<u>1.667</u> [1.558]
10	Lower Kuskokwim	<u>1.534</u> [1.491]
11	Lower Yukon	<u>1.544</u> [1.438]
12	Matanuska-Susitna	<u>1.025</u> [1.010]
13	Mt. Edgecumbe	<u>1.049</u> [1.000]
14	Nenana	<u>1.287</u> [1.270]
15	Nome	<u>1.352</u> [1.319]
16	North Slope	<u>1.576</u> [1.504]
17	Northwest Arctic	<u>1.618</u> [1.549]
18	Pelican	<u>1.337</u> [1.290]
19	Petersburg	<u>1.061</u> [1.000]
20	Pribilof	<u>1.487</u> [1.419]
21	Sitka	<u>1.049</u> [1.000]
22	Skagway	<u>1.151</u> [1.143]
23	Southeast Island	<u>1.194</u> [1.124]
24	Southwest Region	<u>1.489</u> [1.423]
25	St. Mary's	<u>1.419</u> [1.351]
26	Tanana	<u>1.569</u> [1.496]
27	Unalaska	<u>1.294</u> [1.245]
28	Valdez	<u>1.114</u> [1.095]
29	Wrangell	<u>1.040</u> [1.000]
30	Yakutat	<u>1.138</u> [1.046]
31	Yukon Flats	<u>1.780</u> [1.668]

1 Yukon/Koyukuk 1.585 [1.502]
 2 Yupiit 1.533 [1.469].

3 * **Sec. 6.** AS 14.17.460(a) is amended to read:

4 (a) For purposes of calculating a district's adjusted ADM under
 5 AS 14.17.410(b)(1), the district cost factor for a school district is as follows:

6	DISTRICT	DISTRICT COST FACTOR
7	Alaska Gateway	<u>1.291</u> [1.367]
8	Aleutians East	<u>1.423</u> [1.565]
9	Aleutians Region	<u>1.736</u> [1.787]
10	ALYESKA CENTRAL SCHOOL	1.000
11	Anchorage	1.000
12	Annette Island	<u>1.011</u> [1.093]
13	Bering Strait	<u>1.525</u> [1.643]
14	Bristol Bay	<u>1.262</u> [1.316]
15	Chatham	<u>1.120</u> [1.234]
16	Chugach	<u>1.294</u> [1.345]
17	Copper River	<u>1.176</u> [1.211]
18	Cordova	<u>1.096</u> [1.131]
19	Craig	<u>1.010</u> [1.059]
20	Delta/Greely	<u>1.106</u> [1.140]
21	Denali	<u>1.313</u> [1.318]
22	Dillingham	<u>1.254</u> [1.277]
23	Fairbanks	<u>1.039</u> [1.047]
24	Galena	<u>1.348</u> [1.359]
25	Haines	<u>1.008</u> [1.056]
26	Hoonah	<u>1.055</u> [1.141]
27	Hydaburg	<u>1.085</u> [1.190]
28	Iditarod	<u>1.470</u> [1.564]
29	Juneau	<u>1.005</u> [1.040]
30	Kake	<u>1.025</u> [1.134]
31	Kashunamiut	<u>1.389</u> [1.447]

1	Kenai Peninsula	<u>1.004</u> [1.046]
2	Ketchikan	<u>1.000</u> [1.043]
3	Klawock	<u>1.017</u> [1.088]
4	Kodiak Island	<u>1.093</u> [1.142]
5	Kuspuk	<u>1.434</u> [1.509]
6	Lake and Peninsula	<u>1.558</u> [1.667]
7	Lower Kuskokwim	<u>1.491</u> [1.534]
8	Lower Yukon	<u>1.438</u> [1.544]
9	Matanuska-Susitna	<u>1.010</u> [1.025]
10	Mt. Edgecumbe	<u>1.000</u> [1.049]
11	Nenana	<u>1.270</u> [1.287]
12	Nome	<u>1.319</u> [1.352]
13	North Slope	<u>1.504</u> [1.576]
14	Northwest Arctic	<u>1.549</u> [1.618]
15	Pelican	<u>1.290</u> [1.337]
16	Petersburg	<u>1.000</u> [1.061]
17	Pribilof	<u>1.419</u> [1.487]
18	Sitka	<u>1.000</u> [1.049]
19	Skagway	<u>1.143</u> [1.151]
20	Southeast Island	<u>1.124</u> [1.194]
21	Southwest Region	<u>1.423</u> [1.489]
22	St. Mary's	<u>1.351</u> [1.419]
23	Tanana	<u>1.496</u> [1.569]
24	Unalaska	<u>1.245</u> [1.294]
25	Valdez	<u>1.095</u> [1.114]
26	Wrangell	<u>1.000</u> [1.040]
27	Yakutat	<u>1.046</u> [1.138]
28	Yukon Flats	<u>1.668</u> [1.780]
29	Yukon/Koyukuk	<u>1.502</u> [1.585]
30	Yupiit	<u>1.469</u> [1.533]

31 * Sec. 7. AS 14.17.470 is amended to read:

1 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,380

2 [\$4,919].

3 * **Sec. 8.** AS 14.03.126, as added by sec. 2 of this Act, is repealed June 30, 2009.

4 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 REPORT AND RECOMMENDATIONS. Before December 31, 2008, the Legislative
7 Budget and Audit Committee shall review the school performance incentive program
8 established under AS 14.03.126, as enacted in sec. 2 of this Act, and submit a report to the
9 legislature that includes recommendations for legislation pertaining to the program.

10 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 SCHOOL IMPROVEMENT GRANT. (a) In fiscal year 2007, as a component of
13 public school funding under AS 14.17, a district is eligible to receive a school improvement
14 grant in the amount of the district's ADM for fiscal year 2007 multiplied by \$81.

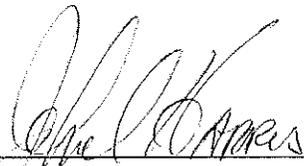
15 (b) For purposes of the reduction required under AS 14.17.400(b), funding authorized
16 under (a) of this section is treated the same as the state share of public school funding under
17 AS 47.17.410.

18 (c) In this section, "ADM" and "district," have the meanings given in AS 14.17.990.

19 * **Sec. 11.** AS 14.17.460(a), as amended by sec. 6 of this Act, takes effect July 1, 2007.

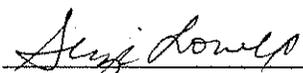
20 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2006.

PASSED BY THE HOUSE May 9, 2006



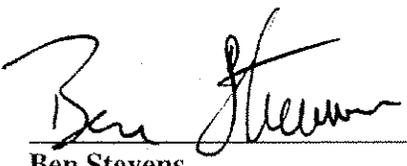
John L. Harris
Speaker of the House

ATTEST:



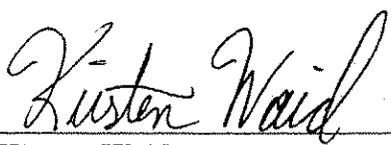
Suzi Lowell
Chief Clerk of the House

PASSED BY THE SENATE May 8, 2006



Ben Stevens
President of the Senate

ATTEST:



Kirsten Waid
Secretary of the Senate

ENGROSSED