

June 19, 2025

To:Michael Robbins, Superintendent of SchoolsFrom:Daniel B. Schuler, Business & Operations Manager

Subject: Emergency Regulation on Local Contributions Appropriations/Definition Change

On June 3rd and 4th DEED held a work session and heard public commentary on an Emergency Regulation to add a new section to 4 AAC 09 and amend section 4 AAC 09.9909(b).

DEED contends that these changes would allow the State of Alaska to pass the Federal Disparity Test. The State failed the recent test which eliminates the State of Alaska ability to receive impact aid.

The changes being made are changing permissible local contribution appropriations and in-kind services. The changes would take services now excluded from the local contribution cap calculation would now be included in the cap calculation. This would include the value of the use of the Rec Center, the services provided by the North and South Tongass fire districts and Homestead Road fees.

The Alaska Association of Business Officials will be asking for further clarification from DEED as to what exactly would be or would not be subject to the changes in 4 AAC 09.

EMERGENCY REGULATION

Register ______ 2025 EDUCATION AND EARLY DEV.

4 AAC 09 is amended by adding a new section to Article 3 to read:

4 AAC 09.985. Permissible local contribution appropriations and in-kind services. In

AS 14.17, a local contribution is limited to appropriations or in-kind services that are consistent

with 20 U.S.C. 7713(4) or 34 C.F.R. 222.161(c)(1). (Eff. ____/ ___, Register ____)

 Authority:
 AS 14.07.060
 AS 14.17.920
 AS 14.17.990

 AS 14.17.410
 AS 14.17.410
 AS 14.17.920
 AS 14.17.990

4 AAC 09.990(b) is amended to read:

(b) In the definition of "local contribution" in AS 14.17.990,

[(1) "APPROPRIATIONS" MEANS MONEY APPROPRIATED TO A

DISTRICT'S SCHOOL OPERATING FUND BY THE CITY OR BOROUGH;

(2)] "value of in-kind services" means the documented fair market value of services

[INSURANCE, UTILITIES, ENERGY, AUDITS, AND MAINTENANCE OF FACILITIES]

provided at no charge to a district by the city or borough [AS REPORTED IN THE DISTRICT'S

SCHOOL OPERATING FUND]. (Eff. 7/22/99, Register 151; am 10/8/99, Register 152; am

12/2/2000, Register 156; am 12/2/2012, Register 204; am / / , Register)

 Authority:
 AS 14.03.040
 AS 14.17.430
 AS 14.20.010

AS 14.07.060 AS 14.17.920 Sec. 40, ch. 83, SLA 1998