

No longer can the State operate on a "hands off" basis regarding how state money is spent in local school districts and what the effect of that spending is. Nor can the State continue to leave adequacy and equality considerations regarding school expenditures solely to local decision-making.

Id. at 511.

Similarly, in Hoke County Board of Education v. State, 599 S.E.2d 365 (N.C. 2004), the North Carolina Supreme Court found that the local school board was not "strategically allocating the available resources" so as to accord to the at-risk children within Hoke County a constitutionally adequate education. 599 S.E.2d at 388-89. The Supreme Court held the State accountable for "fail[ing] to oversee how educational funding and resources were being used and implemented in Hoke County schools." Id. at 390. In doing so, it rejected the State's argument that it should not be held responsible for the local school board's misallocation of funds, because that would "undermine the authority of ... [local] school boards." Id. at 389. Instead, by holding the State accountable, the court "placed responsibility for the school board's actions on the entity – the State – that created the school board and that authorized the school board to act on the State's behalf." Id.

VI. Substantive Due Process

In addition to their claims under the Education Clause of the Alaska Constitution, the Plaintiffs assert that certain components of the current education system in Alaska violate their substantive due process rights. Specifically, the Plaintiffs assert that the state-required graduation exam is

"fundamentally unfair" because "not all courses or content which are tested in the exam are available to each child" in the State. [Plaintiffs' Proposed Findings of Fact and Conclusions of Law at 138-140.] The Plaintiffs also argue that the funding formula's flat 20% add-on for special education, bilingual education, gifted education, and vocational education violates due process because the formula does not account for the varying needs of the students in each district and results in the "arbitrary denial of those services to some students." Id. Finally, the Plaintiffs argue that the Legislature's funding of REAA school districts is arbitrary and capricious and that "depriving them of a constitutional education more readily available to children in other school districts [is] contrary to the due process clause." Id.

The Alaska Supreme Court has held that as a general rule, "[t]he standard for establishing a substantive due process violation is rigorous. A due process claim will only stand if the state's actions 'are so irrational or arbitrary, or so lacking in fairness, as to shock the universal sense of justice.'" Church v. State, Dep't of Revenue, 973 P.2d 1125, 1130 (Alaska 1999) (quoting Application of Obermeyer, 717 P.2d 382, 386-87 (Alaska 1986)).

Likewise, in Concerned Citizens of South Kenai Peninsula v. Kenai Peninsula Borough, 527 P.2d 447, 452 (Alaska 1974), the Supreme Court held "[s]ubstantive due process is denied when a legislative enactment has no reasonable relationship to a legitimate governmental purpose." (citing Mobile Oil Corp. v. Local Boundary Comm'n, 518 P.2d 92, 101 (Alaska 1974)). The "constitutional guarantee of substantive due process assures only that a