

Alaska State Legislature

REPRESENTATIVE
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During Session:
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House of Representatives

Sponsor Statement – HB 313

“An Act relating to student counts, unreserved school operating fund balances, restrictions on school district money, and estimates for public school funding; and providing for an effective date.”

Our school districts need effective tools to plan and budget for the education of our children.

Under HB 313 -- subject to the hold harmless provisions, changes in the Base Student Allocation, or other legislative changes -- districts will be able to complete the budget process and determine staffing levels earlier, eliminate unnecessary layoff notices, and execute employment contracts to improve the stability of the education climate in the state.

The purpose of the bill is to base the funding for each school district in the state on the count under A.S. 14.17.600 for the preceding fiscal year. For example, the count conducted in Fiscal Year 2013 will establish the funding level for the district for the 2014 Fiscal Year.

The new funding formula will not change the "hold harmless" clause currently in existence. If a decrease in enrollment of five percent or more occurs, the district will continue to receive funding based upon the Average Daily Membership plus the 75/50/25 percent addition over the succeeding three years. Other provisions of the foundation formula will remain as well.

If a district has an increase in student count of 200 students or three percent over the previous year, supplemental funding will be provided to the district for the current fiscal year. Helping districts deal with large changes in population.

The new funding method will implement with the FY 2014 year. Thus, the count conducted in the fall of 2012 will provide the funding level for both FY 2013 and FY 2014, subject to the hold harmless provisions.

HB 313 also increases transparency in the governmental budgeting process by prohibiting the current practice that allows municipalities to take funds back from school districts at the end of the fiscal year.