

**HOUSE BILL NO. 158**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 2/18/05  
Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the public school account and renaming the public school account as  
2 the public education fund; and providing for an effective date."

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

4 \* **Section 1.** AS 14.17.300 is amended to read:

5 **Sec. 14.17.300. Public education fund [SCHOOL ACCOUNT].** (a) The  
6 public **education fund** [SCHOOL ACCOUNT] is established. The **fund**  
7 [ACCOUNT] consists of appropriations for

8 **(1)** distribution to school districts, **to** the state boarding school, and for  
9 centralized correspondence study under this chapter; **and**

10 **(2) transportation of pupils under AS 14.09.010.**

11 (b) **Money appropriated to the fund may be expended without further**  
12 **appropriation. Money appropriated to the fund does not lapse.** The money in the  
13 **fund** [ACCOUNT] may be **expended** [USED] only in aid of public schools [,  
14 INCLUDING COMMUNITY SCHOOL PROGRAMS,] and for centralized

1 correspondence study programs under this chapter **and for transportation of pupils**  
 2 **under AS 14.09.010. Interest earned on money held in the fund before**  
 3 **expenditure may be appropriated to the fund by the legislature.**

4 \* **Sec. 2.** AS 14.17.400(b) is amended to read:

5 (b) If the amount **appropriated to** [IN] the public **education fund** [SCHOOL  
 6 ACCOUNT] **for purposes of this chapter** is insufficient to meet the amounts  
 7 authorized under (a) of this section for a fiscal year, the department shall reduce pro  
 8 rata each district's basic need by the necessary percentage as determined by the  
 9 department. If the basic need of each district is reduced under this subsection, the  
 10 department shall also reduce state funding for centralized correspondence study and  
 11 the state boarding school by the same percentage.

12 \* **Sec. 3.** AS 14.17.430 is amended to read:

13 **Sec. 14.17.430. State funding for correspondence study.** Except as  
 14 provided in AS 14.17.400(b), funding for the state centralized correspondence study  
 15 program or a district correspondence program, including a district that offers a  
 16 statewide correspondence study program, includes an allocation from the public  
 17 **education fund** [SCHOOL ACCOUNT] in an amount calculated by multiplying the  
 18 ADM of the correspondence program by 80 percent.

19 \* **Sec. 4.** AS 14.17.440(a) is amended to read:

20 (a) Except as provided in AS 14.17.400(b), funding for state boarding schools  
 21 established under AS 14.16.010 includes an allocation from the public **education**  
 22 **fund** [SCHOOL ACCOUNT] in an amount calculated by

23 (1) determining the ADM of state boarding schools by applying the  
 24 school size factor to the student count as described in AS 14.17.450;

25 (2) multiplying the number obtained under (1) of this subsection by the  
 26 special needs factor in AS 14.17.420(a)(1) and multiplying that product by the base  
 27 student allocation; and

28 (3) multiplying the product determined under (2) of this subsection by  
 29 the district cost factor that is applicable to calculation of the state aid for the adjacent  
 30 school district under AS 14.17.460.

31 \* **Sec. 5.** AS 14.17.610(b) is amended to read:

1 (b) Distribution of state aid under (a) of this section shall be made as required  
2 under AS 14.17.410. If a district receives more state aid than it is entitled to receive  
3 under this chapter, the district shall immediately remit the amount of overpayment to  
4 the commissioner, to be returned to the public **education fund** [SCHOOL  
5 ACCOUNT]. The department may make adjustments to a district's state aid to correct  
6 underpayments made in previous fiscal years.

7 \* **Sec. 6.** AS 14.17.900(b) is amended to read:

8 (b) Money to carry out the provisions of this chapter may be appropriated  
9 annually by the legislature into the public **education fund** [SCHOOL ACCOUNT]. If  
10 the amount **appropriated to the fund for the purposes of this chapter** [IN THE  
11 ACCOUNT] is insufficient to meet the allocations authorized under AS 14.17.400 -  
12 14.17.470 for a fiscal year, state aid shall be reduced according to AS 14.17.400(b).

13 \* **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).