

HOUSE BILL NO. 97

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/22/07

Referred: Health, Education and Social Services, Finance

Funding Information:	General Fund	\$638,133,983
	Other Funds	<u>32,886,100</u>
	Total	\$671,020,083

A BILL**FOR AN ACT ENTITLED**

1 "An Act making appropriations for state aid to public schools, centralized
 2 correspondence study, and transportation of pupils; and providing for an effective
 3 date."

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

5 * **Section 1.** (a) The sum of \$395,701,500 is appropriated from the general fund to the
 6 public education fund (AS 14.17.300) for the following purposes in the amounts stated:

7	PURPOSE	AMOUNT
8	Distribution to school districts, to the state boarding school,	
9	and for centralized correspondence study under AS 14.17	\$342,133,000
10	Transportation of pupils under AS 14.09.010	53,568,500

11 (b) The sum of \$32,886,100 is appropriated to the Department of Education and Early
 12 Development for distribution to school districts, to the state boarding school, and for
 13 centralized correspondence study under AS 14.17 for the fiscal year ending June 30, 2008,
 14 from the following sources:

1	FUND SOURCE	AMOUNT
2	Federal impact aid for K-12 schools	\$20,791,000
3	Public school trust fund (AS 37.14.110)	12,095,100

4 (c) The remaining balance of the public education fund (AS 14.17.300) on June 30,
5 2007, estimated to be \$509,130,000 is for distribution to school districts, to the state boarding
6 school, and for centralized correspondence study under AS 14.17.

7 * **Sec. 2.** The sum of \$24,000,000 is appropriated from the general fund to the Department
8 of Education for distribution to each school district in the same amount as was received by
9 that school district during fiscal year 2007 for implementation of a cost factor adjustment.

10 * **Sec. 3.** The sum of \$11,000,000 is appropriated from the general fund to the Department
11 of Education for distribution to each school district in the same amount as was received by
12 that school district during fiscal year 2007 for a school improvement grant.

13 * **Sec. 4. RETIREMENT SYSTEM FUNDING FOR SCHOOL DISTRICTS.** (a) It is the
14 intent of the legislature that a portion of the increase in state revenue due to high oil prices be
15 used to assist school districts by paying the fiscal year 2008 estimated increase in school
16 district employer costs resulting from increased employer contribution rates, to reduce the
17 liability to the defined benefit plan of the public employees' retirement system and the defined
18 benefit plan of the teachers' retirement system of school districts that are members of those
19 systems. The appropriations made by (b) and (c) of this section reflect estimates by the
20 Department of Administration, as of September 11, 2006, of the increased employer cost for
21 the school districts resulting from employer contribution rate increases for fiscal year 2008.
22 The appropriations made by (b) and (c) of this section are intended to reduce those increased
23 employer costs, based on current estimates, but might not fully eliminate the increased
24 employer costs because of changes in school district payroll amounts and other factors. The
25 appropriations made by (b) and (c) of this section are one-time appropriations and are not
26 intended to recur for fiscal year 2009.

27 (b) The following amounts, totaling \$36,981,562, are appropriated from the general
28 fund to the Department of Administration for deposit in the defined benefit plan account in
29 the public employees' retirement system for each of the following school districts:

30	DISTRICT	APPROPRIATION
31	Alaska Gateway	\$ 62,997

1	Aleutian Region	2,220
2	Aleutians East Borough	45,357
3	Anchorage	14,029,111
4	Annette Island	8,833
5	Bering Strait	460,844
6	Bristol Bay Borough	102,327
7	Chatham	181,375
8	Chugach	66,159
9	Copper River	201,638
10	Cordova	242,057
11	Craig	104,477
12	Delta/Greely	194,817
13	Denali Borough	213,564
14	Dillingham	129,701
15	Fairbanks North Star Borough	4,554,638
16	Galena	188,555
17	Haines Borough	80,177
18	Hoonah	41,447
19	Hydaburg	14,675
20	Iditarod Area	126,318
21	Juneau Borough	1,621,027
22	Kake	36,500
23	Kashunamiut	97,342
24	Kenai Peninsula Borough	3,176,094
25	Ketchikan Gateway Borough	497,958
26	Klawock	47,419
27	Kodiak Island Borough	1,064,528
28	Kuspuk	216,705
29	Lake and Peninsula Borough	278,601
30	Lower Kuskokwim	1,057,862
31	Lower Yukon	891,330

1	Matanuska-Susitna Borough	3,069,148
2	Nenana	60,379
3	Nome	169,705
4	North Slope Borough	807,489
5	Northwest Arctic Borough	483,823
6	Pelican	1,865
7	Petersburg	146,276
8	Pribilof	28,423
9	Saint Mary's	16,071
10	Sitka Borough	565,734
11	Southeast Island	298,122
12	Southwest Region	227,913
13	Tanana	4,406
14	Unalaska	51,268
15	Valdez	618,069
16	Wrangell	171,781
17	Yakutat	11,358
18	Yukon Flats	40,139
19	Yukon/Koyukuk	100,376
20	Yupiit	72,564

21 (c) The sum of \$170,450,921 is appropriated from the general fund to the Department
 22 of Administration for deposit in the defined benefit plan in the teachers' retirement system for
 23 increased costs for school districts.

24 * **Sec. 5.** The appropriation made by sec. 1(a) of this Act is to capitalize a fund and does not
 25 lapse.

26 * **Sec. 6.** This Act takes effect July 1, 2007.