

**HOUSE BILL NO. 142**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES GARA, Kawasaki, Crawford

Introduced: 2/19/07

Referred: Health, Education and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the base student allocation used in state funding for public  
2 education; relating to student transportation; requiring an annual inflation adjustment  
3 of the base student allocation; relating to a separate appropriation bill for state funding  
4 of public education, establishing a date by which the bill must be transmitted to the  
5 governor each year, and providing for the withholding of per diem payments to  
6 legislators for failure to pass the bill by a certain date; and providing for an effective  
7 date."

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

9 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
10 to read:

11 PUBLIC EDUCATION FUNDING; LEGISLATIVE INTENT. It is the intent of the  
12 legislature to fund public education under AS 14.17 separately from the costs of prior year  
13 liabilities for the teachers' and public employees' retirement systems under AS 14.25 and

1 AS 39.35.

2 \* **Sec. 2.** AS 14.09.010 is repealed and reenacted to read:

3 **Sec. 14.09.010. Transportation of pupils.** (a) The department may provide  
4 for the transportation of pupils who reside a distance from established schools, and to  
5 accomplish that purpose may

6 (1) require school districts to enter into contracts with the department  
7 for the administration, supervision, operation, or subcontracting of the operation of  
8 transportation systems for students to and from the schools within their service area;

9 (2) require all school districts, transportation contractors, and other  
10 recipients of state transportation funds to submit to the department an annual report,  
11 which must include a financial statement and other operational data required by the  
12 department;

13 (3) permit school districts to

14 (A) establish supplementary systems of student transportation  
15 for students ineligible to use transportation facilities paid for by the state;

16 (B) charge fares or fees for the supplementary transportation  
17 systems; and

18 (C) use local tax funds to pay, in whole or in part, the cost of  
19 the supplementary system.

20 (b) A school district that enters into a contract described under (a)(1) of this  
21 section shall be reimbursed for

22 (1) at least 90 percent of the cost of operating the student  
23 transportation system if the transportation is provided by the school district; and

24 (2) 100 percent of the cost of operating the student transportation  
25 system when the transportation is provided under a contract with the school district.

26 (c) The school board of a district, or the department for areas not within  
27 school districts, shall designate as hazardous those routes that cannot be safely  
28 traveled by children not served by school bus. The designation may recognize hazards  
29 that exist only part of the time and in these instances the designation shall be  
30 applicable only during the time the hazards are found to exist. The board or the  
31 department shall provide for the transportation of pupils on routes designated as

1 hazardous. The additional cost of the transportation in a district shall be shared equally  
 2 by the district and the department. Eligibility to receive school bus service on routes  
 3 designated as hazardous may not be subject to restrictions based on the minimum  
 4 distance between established schools and the residences of pupils.

5 (d) The department shall apply the same criteria in determining eligibility for  
 6 reimbursement under (b)(1) or (2) of this section.

7 \* **Sec. 3.** AS 14.17 is amended by adding a new section to read:

8 **Sec. 14.17.302. Appropriations for funding public education.** (a) The  
 9 governor shall, before the fourth legislative day of each regular session, submit to the  
 10 legislature a separate appropriation bill limited to appropriations to carry out  
 11 AS 14.17.400 - 14.17.490 for the succeeding fiscal year. The legislature shall, by  
 12 March 1 of each year, pass and transmit to the governor a bill making appropriations  
 13 to carry out AS 14.17.400 - 14.17.490 for the succeeding fiscal year.

14 (b) Beginning March 2 of each year, if the legislature fails to pass and transmit  
 15 an appropriation bill required under (a) of this section, per diem payments under  
 16 AS 24.10.130(b) or under the per diem allowance policy adopted by the Alaska  
 17 Legislative Council shall be withheld from members of the legislature. Per diem  
 18 payments may be resumed following the passage and transmittal of an appropriations  
 19 bill sufficient to carry out AS 14.17.400 - 14.17.490.

20 \* **Sec. 4.** AS 14.17.470 is amended to read:

21 **Sec. 14.17.470. Base student allocation.** The base student allocation is **\$5,810**  
 22 **[\$5,380]. However, the department shall annually increase the base student**  
 23 **allocation to the extent of increases during the second preceding calendar year in**  
 24 **the consumer price index for all urban consumers for the Anchorage**  
 25 **Metropolitan Area compiled by the Bureau of Labor Statistics, United States**  
 26 **Department of Labor. The index for January 2007 is the reference base index.**

27 \* **Sec. 5.** AS 37.07.020(a) is amended to read:

28 (a) The governor shall prepare a budget for the succeeding fiscal year that  
 29 must cover all estimated receipts, including all grants, loans, and money received from  
 30 the federal government and all proposed expenditures of the state government. The  
 31 budget shall be organized so that the proposed expenditures for each agency are

1 presented separately. The budget must be accompanied by the information required  
2 under AS 37.07.050 and by the following separate bills: (1) an appropriation bill  
3 authorizing the operating and capital expenditures of the state's integrated  
4 comprehensive mental health program under AS 37.14.003(a) **and an appropriation**  
5 **bill funding public education under AS 14.17.400 - 14.17.490**; (2) an appropriation  
6 bill authorizing state operating expenditures other than those included in the state's  
7 integrated comprehensive mental health program **or in the bill funding public**  
8 **education under AS 14.17.400 - 14.17.490**; (3) an appropriation bill authorizing  
9 capital expenditures other than those included in the state's integrated comprehensive  
10 mental health program; and (4) a bill or bills covering recommendations, if any, in the  
11 budget for new or additional revenue. The budget for the succeeding fiscal year and  
12 each of the bills shall become public information on December 15, at which time the  
13 governor shall submit copies to the legislature and make copies available to the public.  
14 The bills, identical in content to the copies released on December 15, shall be  
15 delivered to the rules committee of each house before the fourth legislative day of the  
16 next regular session for introduction.

17 \* **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).