

CS FOR SENATE BILL NO. 97(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 3/30/11

Referred: Rules

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing additional appropriations for public education and for community**
2 **revenue sharing based on the price of Alaska North Slope crude oil, and adjusting the**
3 **formula for payments to communities; and providing for an effective date."**

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

5 * **Section 1.** AS 14.17 is amended by adding a new section to read:

6 **Sec. 14.17.305. Additional education funding based on oil prices.** (a) The
7 legislature may appropriate to the Department of Education and Early Development
8 for distribution during the following fiscal year as state aid to public school districts,
9 according to the district average daily membership adjusted under
10 AS 14.17.410(b)(1)(A) - (D), an additional amount equal to \$5,000,000 multiplied by
11 the amount, rounded to the nearest whole dollar, that the average price of Alaska
12 North Slope crude oil for each fiscal year exceeds the trigger price for oil for each
13 fiscal year calculated under (b) of this section.

14 (b) For the purpose in (a) of this section, the legislative finance division shall

1 calculate the trigger price of oil for each fiscal year by

2 (1) determining the amount appropriated from the unrestricted general
3 fund for the fiscal year, excluding the amount appropriated

4 (A) for community revenue sharing under AS 29.60.855(d);

5 (B) for additional state aid to public schools under this section;

6 and

7 (C) to the budget reserve fund (AS 37.05.540(a));

8 (2) estimating the price of oil necessary to fund the appropriations
9 under (1) of this subsection using the most recent oil price and production figures
10 available from the Department of Revenue;

11 (3) rounding the price of oil estimated under (2) of this subsection to
12 the nearest whole dollar; and

13 (4) adding \$2 to the estimated price of oil under (3) of this subsection.

14 (c) This section does not create a dedicated fund.

15 * **Sec. 2.** AS 29.60.850(b) is amended to read:

16 (b) Each fiscal year, the legislature may appropriate to the community revenue
17 sharing fund an amount equal to 20 percent of the money received by the state during
18 the previous calendar year under AS 43.55.011(g). The amount may not exceed

19 [(1) \$60,000,000; OR

20 (2)] the amount that, when added to two-thirds of the fund balance on
21 June 30 of the previous fiscal year, equals \$180,000,000.

22 * **Sec. 3.** AS 29.60.855(a) is amended to read:

23 (a) The department shall calculate the basic amount used for determining the
24 basic community revenue sharing payment for a fiscal year by applying the following
25 formula: the amount available for payments for that fiscal year under AS 29.60.850(c)
26 and (d) of this section, minus 60,000,000, divided by 60,000,000, plus one,
27 multiplied by 384,000. However, if the amount calculated is less than \$220,000, the
28 basic amount for that fiscal year is \$220,000.

29 * **Sec. 4.** AS 29.60.855 is amended by adding a new subsection to read:

30 (d) The legislature may appropriate an additional amount to the Department of
31 Commerce, Community, and Economic Development for community revenue sharing

1 payments equal to \$5,000,000 multiplied by the amount that the average price of
 2 Alaska North Slope crude oil, rounded to the nearest whole dollar, for each fiscal year
 3 exceeds the trigger price for oil for the fiscal year calculated under this subsection,
 4 subject to the following:

5 (1) the legislative finance division, using the most recent oil price and
 6 production figures available from the Department of Revenue, shall calculate the
 7 trigger price of oil for each fiscal year by

8 (A) determining the amount appropriated from the unrestricted
 9 general fund for the fiscal year, excluding the amount appropriated

10 (i) for community revenue sharing under
 11 AS 29.60.855(d);

12 (ii) for additional state aid to public schools under
 13 AS 14.17.305; and

14 (iii) to the budget reserve fund (AS 37.05.540(a));

15 (B) estimating the price of oil necessary to fund the
 16 appropriations under (A) of this paragraph;

17 (C) rounding the price of oil estimated under (B) of this
 18 paragraph to the nearest whole dollar; and

19 (D) adding \$2 to the estimated price of oil under (C) of this
 20 paragraph;

21 (2) the amount appropriated under this subsection shall be distributed
 22 under (a) of this section during the immediately following fiscal year;

23 (3) this subsection does not create a dedicated fund.

24 * **Sec. 5.** This Act takes effect July 1, 2012.