

Introduced: 3/6/85
Referred: Health, Education & Social Services
and Finance

1 IN THE SENATE BY COGHILL, FERGUSON, BENNETT,
KERTTULA, KELLY AND RODEY
2 SENATE BILL NO. 215
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the use of funds from the undis-
7 tributed income account in the Alaska permanent fund
8 for public school funding, establishing a two-year
9 funding cycle; and providing for an effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. AS 14.17.010(a) is amended to read:
12 (a) The public school foundation account is established. The
13 account consists of appropriations and funds transferred from the
14 undistributed income account in the Alaska permanent fund (AS 37.13-
15 .145) for distribution to districts or for centralized correspondence
16 study programs under this chapter.
17 * Sec. 2. AS 14.17.080 is amended to read:
18 Sec. 14.17.080. COMPUTATION BY DISTRICT. By October 30 of each
19 [THE] pre-fiscal year each district shall submit to the commissioner a
20 preliminary report of computations for the following two fiscal years
21 [YEAR] of the amount of basic state aid for which the district is
22 eligible under AS 14.17.021; and the amount for supplemental programs
23 which has been approved for funding consideration by the commissioner.
24 Each district shall make the computations in the manner prescribed by
25 AS 14.17.080 - 14.17.150. The computations are the basis for request-
26 ing legislative appropriations and for making preliminary payments
27 under the public school foundation program.
28 * Sec. 3. AS 14.17.090 is amended to read:
29 Sec. 14.17.090. ESTIMATED AVERAGE DAILY MEMBERSHIP. Each

1 district shall prepare an estimate of its average daily membership for
2 the following two fiscal years [YEAR]. In making this estimate, the
3 district shall consider its average daily membership in preceding
4 years, the pattern of growth or decline in preceding years, and other
5 pertinent information available to the district. The result of this
6 estimate is the estimated average daily membership.

7 * Sec. 4. AS 14.17.160 is amended to read:

8 Sec. 14.17.160. ALLOCATION OF FUNDS ON PRELIMINARY COMPUTATIONS.
9 Each year of the two-year funding cycle [THE] commissioner shall
10 determine the state aid for each school district for two fiscal years
11 on the basis of the pre-fiscal year computations. Beginning July 15 of
12 each [THE] fiscal year and on the 15th day of each month, for seven
13 successive months, one-twelfth of each district's state aid shall be
14 distributed.

15 * Sec. 5. AS 14.17 is amended by adding a new section to read:

16 Sec. 14.17.165. TWO-YEAR FUNDING CYCLE. (a) Basic state aid to
17 school districts shall be computed based on a funding cycle of two
18 fiscal years and recomputed each fiscal year. Legislative appropria-
19 tions to the public school foundation account shall be made for a
20 period of two fiscal years.

21 (b) At the beginning of each fiscal year, the commissioner of
22 revenue shall transfer from the undistributed income account in the
23 Alaska permanent fund (AS 37.13.145) to the public school foundation
24 account (AS 14.17.010) an amount, determined by the commissioner of
25 the Department of Education from the most accurate computations avail-
26 able, sufficient to fully fund the public school foundation program
27 under this chapter.

28 * Sec. 6. AS 14.17.170 is amended to read:

29 Sec. 14.17.170. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each

1 district shall make a report at the end of the first nine weeks of
2 school, which contains a new estimate of its average daily membership
3 for the fiscal year and other information which will aid the commis-
4 sioner in making a more accurate determination of each district's
5 state aid. This new estimate and information of average daily member-
6 ship shall be the basis for the computation and distribution of each
7 district's state aid for the balance of the fiscal year. The commis-
8 sioner shall, on the basis of this new estimate and information, make
9 a recomputation of each district's state aid. Before December 2, the
10 commissioner shall notify each district of changes made in its state
11 aid. [THE COMMISSIONER SHALL ALSO DETERMINE WHETHER THE MONEY IN THE
12 PUBLIC SCHOOL FOUNDATION ACCOUNT IS SUFFICIENT TO MEET EACH DISTRICT'S
13 STATE AID FOR THE FISCAL YEAR, AND, IF THE MONEY IS NOT SUFFICIENT,
14 THE COMMISSIONER SHALL IMMEDIATELY INFORM THE GOVERNOR OF THE AMOUNT
15 OF ADDITIONAL APPROPRIATION THE COMMISSIONER ESTIMATES WILL BE NECES-
16 SARY TO CARRY OUT THE PUBLIC SCHOOL FOUNDATION PROGRAM FOR THE REST OF
17 THE FISCAL YEAR.] Beginning February 15 and on the 15th of each
18 subsequent month, one-fifth of the recomputed balance of each dis-
19 trict's state aid shall be distributed. However, one-half of the June
20 payment shall be withheld pending a final determination of the dis-
21 trict's state aid.

22 * Sec. 7. AS 14.17.225(b) is amended to read:

23 (b) Funds to carry out the provisions of AS 14.17.010 - 14.17-
24 .190 may be appropriated for a funding cycle of two fiscal years
25 [ANNUALLY] by the legislature into the public school foundation
26 account. If, after the transfer from the undistributed income account
27 required under AS 14.17.165 each fiscal year, amounts in the public
28 school foundation account are insufficient to meet the allocations
29 authorized under AS 14.17.010 - 14.17.190, such funds as are available

1 shall be distributed pro rata among each district based upon the
2 district's basic need.

3 * Sec. 8. AS 37.13.145 is amended by adding a new subsection to read:

4 (b) The commissioner of revenue shall make the transfer from the
5 undistributed income account to the public school foundation account
6 (AS 14.17.010) required under AS 14.17.165.

7 * Sec. 9. The initial two-year funding cycle for public schools requir-
8 ed by this Act begins July 1, 1986.

9 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
10 10.070(c).