

Original sponsor: Rules/Governor

1 IN THE HOUSE
2
3 CS FOR HOUSE BILL NO. 407 (HESS)
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 FIFTEENTH LEGISLATURE - SECOND SESSION
6 A BILL
7 For an Act entitled: "An Act relating to the public school account; duties
8 of the Department of Education and school boards; in-
9 creasing the instructional unit value; providing for
10 an advisory vote; and providing for an effective
11 date."
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
13 * Section 1. FINDINGS AND PURPOSE. Recent reductions in state spending
14 on education in the state have contributed to financial problems in
15 Alaska's public school system. The spending reductions were caused by a
16 severe downturn in the state's economy. A high quality public education
17 system is too important to be dependent on the uncertainties of economic
18 cycles. For these reasons, the legislature is establishing the public
19 school account. Income of the account should provide additional funding
20 for the foundation account and may be used to reduce the pupil-teacher
21 ratios in grades K - 3, and to buffer against unanticipated funding short-
22 falls.
23 * Sec. 2. AS 14.07.020(a) is amended by adding a new paragraph to read:
24 (15) prescribe by regulation, standards for varying the
25 pupil-teacher ratio in grades K - 3 and shall assist districts, when
26 necessary, in developing plans to meet the required pupil-teacher
27 ratio.
28 * Sec. 3. AS 14.14.090 is amended by adding a new paragraph to read:
29 (10) maintain a pupil-teacher ratio that does not exceed 20
to one in grades K - 3, except as provided under regulations adopted

1 by the board.

2 * Sec. 4. AS 14.17.056 is amended to read:

3 Sec. 14.17.056. INSTRUCTIONAL UNIT VALUE. The instructional
4 unit value is \$64,950 [\$60,000].

5 * Sec. 5. AS 37.13.140 is amended to read:

6 Sec. 37.13.140. INCOME. Net income of the corporation shall be
7 computed annually as of the last day of the fiscal year in accordance
8 with generally accepted accounting principles, excluding any unreal-
9 ized gains or losses. Income available for distribution equals 21
10 percent of the net income of the corporation for the last five fiscal
11 years, including the fiscal year just ended, but may not exceed net
12 income of the corporation for the fiscal year just ended plus the
13 balance in the earnings reserve account described in AS 37.13.145.
14 The annual net income of the public school account established in
15 AS 37.13.147 is not included in the computation of net income avail-
16 able for distribution.

17 * Sec. 6. AS 37.13.140 is repealed and reenacted to read:

18 Sec. 37.13.140. INCOME. Net income of the corporation shall be
19 computed annually as of the last day of the fiscal year in accordance
20 with generally accepted accounting principles, excluding any unreal-
21 ized gains or losses. Income available for distribution equals 21
22 percent of the net income of the corporation for the last five fiscal
23 years, including the fiscal year just ended, but may not exceed net
24 income of the corporation for the fiscal year just ended plus the
25 balance in the earnings reserve account described in AS 37.13.145.

26 * Sec. 7. AS 37.13 is amended by adding a new section to read:

27 Sec. 37.13.147. PUBLIC SCHOOL ACCOUNT. There is established, as
28 an account in the principal of the Alaska permanent fund, the public
29 school account. The public school account consists of amounts

1 secondary schools. Should permanent fund earnings be
2 used for the public school account?

3 Yes [] No []

4 * Sec. 10. APPLICABILITY OF NEW PUPIL-TEACHER RATIO. AS 14.14.090(10),
5 added by sec. 3 of this Act, applies to school terms after the 1991 school
6 term.

7 * Sec. 11. Sections 1, 8, 10, and 12 of this Act and AS 14.07.020(a)-
8 (15), AS 14.14.090(10), and AS 37.13.147 are repealed.

9 * Sec. 12. Section 4 of this Act takes effect July 1, 1989.

10 * Sec. 13. Sections 6 and 11 of this Act take effect March 15, 1989.

11 * Sec. 14. Except for secs. 4, 6, and 11, this Act takes effect immedi-
12 ately under AS 01.10.070(c).