

HB

158

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB158
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title "An Act relating to the public school account and RDU K-12 Support
renaming the public school account as the public education ..." Component Foundation
Sponsor House Finance Component No. 141
Requester House Finance

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|-----------------------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type--Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This bill will rename the public school account to the public education fund. Monies deposited in the fund would be allocated to support the foundation and pupil transportation programs. Money appropriated to this fund would not lapse.

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Approved by: Karen Rohfeld, Deputy Commissioner
Agency: Education & Early Development

Phone 465-8679
Date/Time 2/18/05 3:00 PM
Date 2/18/2005

24-LS0529\Y
Utermohle
2/22/05

NOT adopted
or addressed —

CS FOR HOUSE BILL NO. 158(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the public school account and renaming the public school account as
2 the public education fund; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 14.17.300 is amended to read:

5 Sec. 14.17.300. Public education fund [SCHOOL ACCOUNT]. (a) The
6 public education fund [SCHOOL ACCOUNT] is established. The fund
7 [ACCOUNT] consists of appropriations for

8 (1) distribution to school districts and to [,] the state boarding school [,]
9 AND FOR CENTRALIZED CORRESPONDENCE STUDY] under this chapter: and

10 (2) transportation of pupils under AS 14.09.010.

11 (b) Money appropriated to the fund may be expended without further
12 appropriation. Money appropriated to the fund does not lapse. The money in the
13 fund [ACCOUNT] may be expended [USED] only in aid of public schools [,]
14 INCLUDING COMMUNITY SCHOOL PROGRAMS, AND FOR CENTRALIZED

1 CORRESPONDENCE STUDY PROGRAMS] under this chapter and for
2 transportation of pupils under AS 14.09.010. Interest earned on money held in
3 the fund before expenditure may be appropriated to the fund by the legislature.

4 * Sec. 2. AS 14.17.400(b) is amended to read:

5 (b) If the amount appropriated to [IN] the public education fund [SCHOOL
6 ACCOUNT] for purposes of this chapter is insufficient to meet the amounts
7 authorized under (a) of this section for a fiscal year, the department shall reduce pro
8 rata each district's basic need by the necessary percentage as determined by the
9 department. If the basic need of each district is reduced under this subsection, the
10 department shall also reduce state funding for [CENTRALIZED
11 CORRESPONDENCE STUDY AND] the state boarding school by the same
12 percentage.

13 * Sec. 3. AS 14.17.430 is amended to read:

14 Sec. 14.17.430. State funding for correspondence study. Except as
15 provided in AS 14.17.400(b), funding for [THE STATE CENTRALIZED
16 CORRESPONDENCE STUDY PROGRAM OR] a district correspondence program,
17 including a district that offers a statewide correspondence study program, includes an
18 allocation from the public education fund [SCHOOL ACCOUNT] in an amount
19 calculated by multiplying the ADM of the correspondence program by 80 percent.

20 * Sec. 4. AS 14.17.440(a) is amended to read:

21 (a) Except as provided in AS 14.17.400(b), funding for state boarding schools
22 established under AS 14.16.010 includes an allocation from the public education
23 fund [SCHOOL ACCOUNT] in an amount calculated by

24 (1) determining the ADM of state boarding schools by applying the
25 school size factor to the student count as described in AS 14.17.450;

26 (2) multiplying the number obtained under (1) of this subsection by the
27 special needs factor in AS 14.17.420(a)(1) and multiplying that product by the base
28 student allocation; and

29 (3) multiplying the product determined under (2) of this subsection by
30 the district cost factor that is applicable to calculation of the state aid for the adjacent
31 school district under AS 14.17.460.

1 * Sec. 5. AS 14.17.600(a) is amended to read:

2 (a) Within two weeks after the end of the 20-school-day period ending the
3 fourth Friday in October, each district shall transmit a report to the department that,
4 under regulations adopted by the department, reports its ADM for that counting period
5 and other student count information that will aid the department in making a
6 determination of its state aid under the public school funding program. [FOR
7 CENTRALIZED CORRESPONDENCE STUDY, THE OCTOBER REPORT
8 SHALL BE BASED ON THE PERIOD FROM JULY 1 THROUGH THE FOURTH
9 FRIDAY IN OCTOBER.] The department may make necessary corrections in the
10 report submitted and shall notify the district of changes made. The commissioner shall
11 notify the governor of additional appropriations the commissioner estimates to be
12 necessary to fully finance the public school funding program for the current fiscal
13 year.

14 * Sec. 6. AS 14.17.610(b) is amended to read:

15 (b) Distribution of state aid under (a) of this section shall be made as required
16 under AS 14.17.410. If a district receives more state aid than it is entitled to receive
17 under this chapter, the district shall immediately remit the amount of overpayment to
18 the commissioner, to be returned to the public education fund [SCHOOL
19 ACCOUNT]. The department may make adjustments to a district's state aid to correct
20 underpayments made in previous fiscal years.

21 * Sec. 7. AS 14.17.900(b) is amended to read:

22 (b) Money to carry out the provisions of this chapter may be appropriated
23 annually by the legislature into the public education fund [SCHOOL ACCOUNT]. If
24 the amount appropriated to the fund for the purposes of this chapter [IN THE
25 ACCOUNT] is insufficient to meet the allocations authorized under AS 14.17.400 -
26 14.17.470 for a fiscal year, state aid shall be reduced according to AS 14.17.400(b).

27 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

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SPONSOR STATEMENT

HB 158, "An Act relating to the public school account and renaming the public school account as the public education fund; and providing for an effective date."

House Bill 158 proposes changing the public school account and renaming it the public education fund. In addition, HB 158 clarifies that money appropriated from the public education fund may be expended without further appropriation and that money left over in the fund does not lapse.

Further, HB 158 adds that appropriations for pupil transportation can be made from the public education fund. Also, interest earned on the fund may be appropriated back to the fund.

Currently, if the legislature appropriates too much money for K-12 or if there is a decline in students, the left over money lapses into the general fund. The main purpose of this legislation is to keep dollars appropriated for K-12 in the education fund where they will be used for educating our students.

I urge your support of this important piece of legislation.