

1 HB330
2 165008-1
3 By Representative Boothe
4 RFD: Ways and Means Education
5 First Read: 19-MAR-15

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SYNOPSIS: Under existing law, the Education Trust Fund Rolling Reserve Act limits appropriations from the Education Trust Fund to an amount determined by a formula. The formula provides for the addition of specific amounts to determine the annual appropriation cap. Revenues received in excess of the cap are transferred to a Budget Stabilization Fund.

This bill would amend the Education Trust Fund Rolling Reserve Act to provide for an additional amount that would be added to the calculation of the annual appropriation cap.

A BILL
TO BE ENTITLED
AN ACT

To amend Section 29-9-4, Code of Alabama 1975, relating to the Education Trust Fund Rolling Reserve Act, to provide further for the calculation of the appropriation cap;

1 and to provide that the change proposed by this act shall
2 first be effective for appropriations made for the fiscal year
3 ending September 30, 2016.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Section 29-9-4, Code of Alabama 1975, is
6 amended to read as follows:

7 "§29-9-4.

8 There is hereby created in the State Treasury an
9 Education Trust Fund Budget Stabilization Fund and an
10 Education Trust Fund Capital Fund. Any monetary interest which
11 accrues in the Education Trust Fund Budget Stabilization Fund
12 shall be retained in the fund from year to year and shall be
13 subject only to the provisions of this chapter. On or before
14 November 15 of each fiscal year, if the total revenues
15 deposited into the Education Trust Fund during the immediately
16 preceding fiscal year exceed the fiscal year appropriation cap
17 for the immediately preceding fiscal year, the excess shall be
18 transferred to the Education Trust Fund Rainy Day Account
19 until the account has been repaid in full. If the account has
20 been repaid in full, any excess remaining shall be transferred
21 to the Education Trust Fund Budget Stabilization Fund created
22 in this chapter. Notwithstanding any other provision of this
23 chapter, beginning with appropriations made for the fiscal
24 year ending September 30, 2016, the Director of Finance and
25 the Director of the Fiscal Office shall annually certify their
26 estimate of the amount of excess revenues that would be
27 transferred to the Budget Stabilization Fund on or before

1 November 15 following the fiscal year for which appropriations
2 are being made. The certifications for the fiscal year ending
3 September 30, 2016 shall be made prior to the end of the 2015
4 Regular Session. For all fiscal years beginning on or after
5 October 1, 2016, the certifications shall be made not later
6 than the third day of each Regular Session. Ninety percent of
7 the average of the certified excess revenue amounts shall be
8 added to the fiscal year appropriation cap for the fiscal year
9 for which appropriations are being made. The transfers to the
10 Education Trust Fund Budget Stabilization Fund shall be made
11 until the Fund reaches an amount which equals 20 percent of
12 the then current year's appropriations from the Education
13 Trust Fund. After the balance in the Education Trust Fund
14 Budget Stabilization Fund reaches a total of 20 percent, any
15 excess remaining shall be distributed to the Education Trust
16 Fund Capital Fund.

17 Section 2. This act shall become effective
18 immediately upon its passage and approval by the Governor, or
19 its otherwise becoming law.