

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control No. 290 Department or Agency State Department of Education  
Chapter No. 290-2-1-.04  
Chapter Title: Annual Apportionment of Public School Funds  
New  Amend  Repeal  Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? No

Is there another less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

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Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer Thomas R. Bice  
Thomas R. Bice  
State Superintendent of Education

Date 6-27-14

APA-2  
11/96

STATE DEPARTMENT OF EDUCATION

NOTICE OF INTENDED ACTION

AGENCY NAME: State Department of Education

RULE NO. & TITLE: 290-2-1-.01 Annual Apportionment of the Foundation  
Program Funds  
290-2-1-.04 Annual Apportionment of Public  
School Funds

INTENDED ACTION: Amendment

SUBSTANCE OF PROPOSED ACTION: The amended chapter will provide the annual changes for the apportionment of funds to local boards of education.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at 9:30 a.m., September 10, 2014 Auditorium, Plaza Level, Gordon Persons Building, 50 North Ripley Street, Montgomery, Alabama. All persons wishing to express their views should contact the State Superintendent of Education (334-242-9700) no later than September 9, 2014, in order to be scheduled on the agenda. All persons wishing to express their views in writing to the State Superintendent of Education should address all written comments to the State Superintendent of Education, Gordon Persons Building, P.O. Box 302101, Montgomery, Alabama 36130-2101.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: September 10, 2014

CONTACT PERSON AT AGENCY: Dr. Warren Craig Pouncey  
Alabama State Department of Education  
P.O. Box 302101  
Montgomery, Alabama 36130-2101  
(334-242-9755)



Thomas R. Bice

290-2-1-.04 Annual Apportionment of Public School Funds. The Public School Fund (PSF) shall be apportioned each year to provide funds for capital improvements of public school facilities ~~in accordance with Ala. Acts 95-314, 2013-264, and as hereinafter provided;~~

(1) Capital Improvement Funds. The PSF shall be apportioned on the basis of a distribution method that uses the ability of the local board to raise local revenues, has a variable matching scale and guarantees each local board will receive the same amount per pupil (ADM) in matched funds.

(a) The ability of the local board shall be defined as the yield of one mill of district ad valorem tax per pupil based on the prior year's financial data and prior year's first 20 scholastic days following Labor Day ADM.

(b) The allotment of PSF funds for capital improvements shall be on the basis of a guaranteed tax yield calculation matched to 2 times the maximum yield per mill per ADM. The number of mills guaranteed will depend on the amount of PSF available after the set aside in (1) above.

1. If Z is the number of guaranteed mills, M is the maximum yield per mill over all local boards, Y is the yield per mill per ADM for a local board, and A is the prior year first 20 scholastic days following Labor Day ADM, the local board shall receive  $(Z*(2M-Y)*A)$  state PSF funds and must match with  $(Z*Y*A)$  local funds. The local matching funds may be used as debt service. PSF Capital Improvement Funds may be used to service a debt for capital improvements.

2. PSF Capital Improvement Funds must be for capital improvements as identified in Alabama Legislative Act No. 2011-163.

Author: Ed Richardson.

Statutory Authority: Ala. Code §§230 et. seq. (1975).

History: Amended 8-12-93, effective 9-17-93; emergency rules 7-21-94, new rules 9-8-94, effective 10-13-94; emergency rules 9-14-95, effective 9-14-95; emergency rules 7-9-96, effective 7-9-96; emergency rules 10-10-97, effective 10-10-97; emergency rules 7-14-98, effective 8-7-98; amended 11-18-99, effective 12-23-99; amended 12-14-00, effective 1-18-01; amended 11-8-01, effective 12-13-01; amended 9-12-02, effective 10-17-02; amended 1-8-04, effective 2-12-04; amended 9-9-04, effective 10-14-04; amended 11-10-05, effective 12-15-05; amended 11-9-06, effective 12-14-06; amended 9-13-07, effective 10-18-07; amended 11-13-08, effective 12-18-08; amended 9-10-09, effective 10-15-09; amended 11-18-10, effective 12-23-10; amended 12-8-11, effective 11-11-12; emergency rule 9-13-12; amended 11-8-12, effective 12-13-12; amended 9-12-13, effective 10-17-1