

HOUSE BILL NO. 193

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES B.DAVIS, Brice

Introduced: 2/27/95

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a process for forward funding of education programs; and**
2 **providing for an effective date."**

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

4 * **Section 1. POLICY.** It is the policy of the state to fund state programs for the support
5 of kindergarten, primary, secondary, and community schools programs at least one year in
6 advance of the fiscal year in which the funds are to be expended in order to give school
7 districts and regional educational attendance areas advance and reasonably certain knowledge
8 of the amount and nature of financial support that the state will provide.

9 * **Sec. 2. INTENT.** (a) It is the intent of this Act to establish a procedure for forward
10 funding of state support of education programs by establishing a procedure under which the
11 legislature appropriates funds for state support of education programs one fiscal year before
12 the funds are to be expended. During the first fiscal year after the appropriation is made, the
13 Department of Education is to allocate the appropriated funds among the education programs
14 identified for support by the legislature, to allot those funds among the school districts and

1 regional educational attendance areas, and to commit those allotted funds to the school
2 districts and regional educational attendance areas. During the second fiscal year after the
3 appropriation is made, the school districts and regional educational attendance areas shall
4 expend the funds for those education programs for which the funds were appropriated.

5 (b) It is the intent of the legislature that the process for forward funding of state
6 support of education programs and the associated appropriation to fund state support of
7 education programs in fiscal year 1997 be enacted during fiscal year 1995.

8 * **Sec. 3.** AS 14.07 is amended by adding a new section to read:

9 Sec. 14.07.065. FORWARD FUNDING OF PROGRAMS FOR SUPPORT OF
10 EDUCATION. (a) The forward funding account is established in the general fund to
11 hold funds appropriated by the legislature for the purpose of forward funding state
12 support of the following education programs: public school foundation program, tuition
13 students program, boarding home grants program, youth in detention program, pupil
14 transportation program, schools for the handicapped program, community schools
15 program, child nutrition program, and cigarette tax distribution program.

16 (b) Consistent, to the extent practicable, with the procedures set out in
17 AS 37.07, the department shall prepare a budget to fund state support for education
18 programs for the second fiscal year following the fiscal year in which the budget is
19 prepared. The budget shall be based on the best information available to the
20 department to project the amount of money needed to fund state support of education
21 programs in the second fiscal year following the fiscal year in which the budget is
22 prepared. The budget shall be submitted to the legislature by the governor as part of
23 the general appropriation bill. If the legislature makes an appropriation to forward
24 fund state support for education programs, the legislature shall indicate in the
25 appropriation bill those education programs and the fiscal year for which the
26 appropriation is made.

27 (c) Funds appropriated to forward fund state support of education programs
28 shall be deposited in the forward funding account on the date that the appropriation
29 takes effect.

30 (d) By April 15 of the fiscal year following the fiscal year in which funds to
31 forward fund state support of education programs were appropriated by the legislature,

1 the department shall determine the amount of funds to be allocated among the
2 education programs for which the appropriation was made and shall transfer the funds
3 from the forward funding account to the department or the appropriate account for
4 allotment and distribution to school districts and regional educational attendance areas
5 for the next fiscal year as provided by law. Unless otherwise provided by the
6 legislature in the appropriation, the department shall give a priority to allocating
7 sufficient funds to fully fund the public school foundation program under AS 14.17.

8 By June 15, the department shall have entered into an agreement with each school
9 district and regional educational attendance area as to the amount of funds that the
10 state will provide for the next fiscal year and shall pay the first installment of that
11 amount. The school district or regional educational attendance area that receives an
12 initial payment before the beginning of the fiscal year for which the payment is made
13 may only use the funds received for education program expenses for the fiscal year for
14 which the funds were appropriated.

15 (e) Unless otherwise provided by law, the unexpended and unobligated balance
16 of funds transferred under (d) of this section from the forward funding account to the
17 department or an appropriate account that remains at the end of the fiscal year for
18 which the funds were appropriated lapses into the fund from which the funds were
19 appropriated.

20 * **Sec. 4.** AS 14.17.170(a) is amended to read:

21 (a) The department shall determine the state foundation aid for each school
22 district in a fiscal year on the basis of the district's data reported under AS 14.17.160
23 for the counting period that makes the district eligible for the greatest number of
24 instructional units. On or before **June 15 of the fiscal year before the fiscal year for**
25 **which the funds were appropriated and on or before** the 15th day of each of the
26 first nine months of each fiscal year, 1/12 of each district's state foundation aid shall
27 be distributed on the basis of the data reported for the [PRECEDING] fiscal year
28 **preceding the fiscal year for which the funds were appropriated.** On or before the
29 15th day of each of the last three months of each fiscal year, 1/3 of the balance of
30 each district's state foundation aid shall be distributed [,] after the balance has been
31 recomputed on the basis of student count and other data reported for the current fiscal

1 year.

2 * **Sec. 5.** AS 14.17.225(b) is amended to read:

3 (b) Money to carry out the provisions of AS 14.17.010 - 14.17.190 **shall be**
4 **transferred from the forward funding account under AS 14.07.065** [MAY BE
5 APPROPRIATED ANNUALLY BY THE LEGISLATURE] into the public school
6 foundation account **on or before June 15 of each year**. If amounts in the account are
7 insufficient to meet the allocations authorized under AS 14.17.010 - 14.17.190 for
8 a fiscal year, each district's basic need shall be reduced pro rata as necessary to make
9 the funds available sufficient to meet the allocations for that fiscal year.

10 * **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).