

HOUSE BILL NO. 41

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES GATTIS, Millett, Tuck

Introduced: 1/16/13

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to forward funding of education programs; and providing for an**
2 **effective date."**

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 POLICY. It is the policy of the state to appropriate funds for essential education
7 programs at least one year in advance of the fiscal year in which the funds are to be expended
8 in order to give school districts, regional educational attendance areas, state boarding schools,
9 and the state centralized correspondence study program reasonably certain knowledge of the
10 amount and nature of financial support that the state will provide in that fiscal year.

11 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 INTENT. (a) It is the intent of this Act to provide for forward funding of education
14 programs by establishing a procedure under which the legislature may appropriate to the

1 forward funding account funds for state support of education programs at least one year
2 before the funds are to be expended. After an appropriation is made to the forward funding
3 account, the Department of Education and Early Development shall allocate the appropriated
4 funds among the education programs identified in the appropriation and allot and commit
5 those funds to school districts, regional educational attendance areas, state boarding schools,
6 and the state centralized correspondence study program for the fiscal year for which the funds
7 were appropriated. During the fiscal year for which the funds were appropriated, the school
8 districts, regional educational attendance areas, state boarding schools, and the state
9 centralized correspondence study program may expend the funds for those education
10 programs for which the funds were appropriated.

11 (b) It is the intent of the legislature that the process for forward funding of education
12 programs and an associated appropriation to the forward funding account for support of
13 education programs in fiscal year 2015 be enacted in fiscal year 2013.

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

15 **Sec. 14.07.065. Forward funding of education programs.** (a) The forward
16 funding account is established in the general fund. The purpose of the account is to
17 hold funds appropriated for support of education programs until the funds are
18 transferred to the department or the appropriate account under (e) of this section.

19 (b) If the legislature makes an appropriation to the forward funding account,
20 the legislature shall indicate in the appropriation those education programs and the
21 fiscal year for which the appropriation is made.

22 (c) Funds appropriated to the forward funding account shall be expended in
23 accordance with this section and other provisions of law without a further
24 appropriation.

25 (d) Consistent, to the extent practicable, with the procedures set out in
26 AS 37.07, the department shall annually prepare a budget for education programs for
27 the second fiscal year following the fiscal year in which the budget is prepared. An
28 appropriation to the forward funding account that is sufficient to fund the budget for
29 education programs for the second fiscal year after the year in which the budget is
30 prepared may be incorporated into the annual state budget and the accompanying
31 appropriation bill submitted to the legislature under AS 37.07.020.

1 (e) By April 15 of the fiscal year before the fiscal year for which an
2 appropriation to the forward funding account is to be expended, the department shall
3 allocate the funds among the education programs for which the appropriation was
4 made and shall transfer the funds from the forward funding account to the department
5 or the appropriate account for distribution to school districts, regional educational
6 attendance areas, state boarding schools, and the state centralized correspondence
7 study program for that fiscal year as provided by law. Unless otherwise provided in
8 the appropriation to the forward funding account, the department shall give priority to
9 allocating sufficient funds from the appropriation fully to fund the state aid to public
10 schools program under AS 14.17.

11 (f) Unless otherwise provided by law or appropriation, the unexpended and
12 unobligated balance of funds transferred to the department or an appropriate account
13 under (e) of this section from the forward funding account that remains at the end of
14 the fiscal year for which the funds were to be expended lapses into the fund from
15 which the appropriation to the forward funding account was made.

16 (g) In this section, "education programs" includes the state aid to public
17 schools program, tuition students program, youth in detention program, pupil
18 transportation program, community schools program, child nutrition program, state
19 boarding schools program, and state centralized correspondence study program.

20 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).