

HB

190

# HOUSE COMMITTEE REPORT

(7)

Date Referred: February 21, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4/12/89

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 190

HOUSE BILL NO. 190 [APPROP: FWD FUNDING FOR EDUCATION ACCOUNT]  
"An Act making a special appropriation to the forward funding for education account; and providing for an effective date."

### RECOMMENDS:

- replacing with CSHB 190 (HESS)  the same title
- the attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

### ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zero fiscal note
- zero with analysis

### APPROVES PREVIOUS:

- fiscal note(s) published: \_\_\_\_\_
- zero fiscal notes(s) published: \_\_\_\_\_

### SIGNING DO PASS:

J. Ellis  
Chris Davis  
 \_\_\_\_\_  
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### SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

Peter J. ...  
Mark Baker NO REC  
... NO REC  
... NO REC  
 \_\_\_\_\_  
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 \_\_\_\_\_  
 \_\_\_\_\_

J. Ellis  
 Chairman's signature

A M E N D M E N T

OFFERED IN THE HOUSE

BY ELLIS

TO: HB 190

Page 1, line 7, after "account;":

Insert "making a special appropriation to the budget reserve fund;"

Page 1, after line 21:

Insert a new bill section to read:

"\* Sec. 2. That portion of the money received by the state on or after the effective date of this Act from the settlement or final judicial determination of the Dinkum Sands case (United States v. Alaska) and the North Slope royalty case (State v. Amerada Hess, et al.) and not deposited into the Alaska permanent fund under AS 37.13.010(a)(1) or (2) or into the public school trust fund under AS 37.14.110 or appropriated to the forward funding for education account (AS 14.07.065) under sec. 1 of this Act, is appropriated to the budget reserve fund (AS 37.05.540)."

Renumber the following bill section accordingly.

# Alaska State Legislature

Representative Fran Ulmer



P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4947

## HOUSE OF REPRESENTATIVES

### MEMORANDUM

March 28, 1989

TO: Rep. Johnny Ellis, Chair  
House Health, Education and Social Services Committee

FROM: Rep. Fran Ulmer

RE: HB 189, an act creating a forward funding account for  
education; and  
HB 190, an act making a special appropriation to the  
forward funding account.

House Bill 189 creates a "forward funding for education account" which would allow the state to fund public education one year in advance. Under the current conditions, school districts do not know what their funding levels will be until the legislature makes final budget decisions in the late spring. By that time, school districts have already passed their deadlines for planning the next year's programs and either issuing lay-off notices or advertising for new positions. Those program and staffing decisions are being made without clear knowledge of the district's actual ability to implement.

HB 189 would redress this problem by allowing school districts to know state funding levels well in advance of their own budget preparation. Program and personnel decisions would enjoy the continuity and stability necessary for effective service delivery. I believe there are multiple benefits for both municipal government and local school districts by allowing for longer range planning based on more revenue certainty.

House Bill 190 makes a special appropriation to the forward funding for education account from windfall revenues the state may receive from the Dinkum Sands case and the North Slope royalty case. Although estimates vary widely, the revenues to be received will be in excess of \$2 billion. Although we don't know exactly how much the state will receive, or when the case will be resolved, we can

House HESS Committee

March 28, 1989

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be certain the revenues will greatly exceed the \$600-\$700 million needed for the forward fund.

I believe the forward funding for education account is an excellent use of windfall revenues. The state's response to such windfalls in the past has been impulsive spending which results in little future investment for the state. An appropriation to education is an investment in the future welfare of the state of Alaska, with returns realized year after year. I believe it is the wisest, long-term use of those revenues.

FU/dl

JUNEAU SCHOOL DISTRICT BOARD OF EDUCATION

RESOLUTION #12-89

A RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU SUPPORTING FORWARD FUNDING FOR PUBLIC EDUCATION.

WHEREAS, the right to a free education for every child has been universally recognized, and in Alaska is mandated by Article VII, Section 1 of the Alaska State Constitution; and

WHEREAS, education provides the opportunity for reaching personal fulfillment and economic self-sufficiency; and

WHEREAS, to fail to provide that opportunity penalizes not only the individual child, but also the society as a whole; and

WHEREAS, Federal revenues for education have become increasingly more unpredictable; and

WHEREAS, current state revenue has been unpredictable and future state oil revenues are projected to decrease with the gradual decline of Prudhoe Bay production, making State general fund support of public education more difficult and uncertain; and

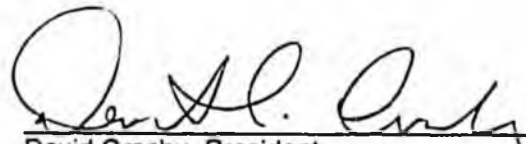
WHEREAS, dramatic swings in funding for education cause serious disruptions in the delivery of educational services to the great detriment of school age children in Juneau; and

WHEREAS, a fund which has been established from lapsed public school foundation and construction monies and money from the judicial decision on Dinkum Sands and North Slope royalty cases could provide critically important long-term, stable funding for public education in Alaska.

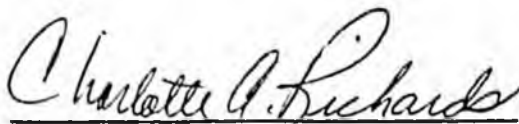
NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the Board of Education of the City and Borough of Juneau supports and endorses HB189 and HB190 creating a "forward fund" for public education in the State of Alaska.
2. That this resolution shall be effective March 21, 1989.

Adopted this 21st day of March, 1989

  
David Crosby, President

Attest:

  
Charlotte Richards, Clerk



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

1411 W 3RD AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 274-0576

## JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302  
JUNEAU, ALASKA 99801  
(907) 586-3070

## FAIRBANKS REGIONAL OFFICE

2118 CLIFTON STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-8435

March 27, 1989

**To:** Representative Johnny Ellis, Chair  
Members, House HESS Committee

**Re:** House Bill No. 189: "An Act creating the forward funding for education account; providing for lapse of funds in the public school foundation account; and providing for an effective date."  
House Bill No. 190: "An Act making a special appropriation to the forward funding for education account; and providing for an effective date."

NEA-Alaska supports and encourages your favorable consideration of HB 189 and HB 190.

The concept of forward funding as provided for in HB 189 is essential if the continuity in planning, programs, and services is to be restored in public education in Alaska.

School districts and staff must know on something far better than a year to year basis the level of state support for public education. Under current practices longer range planning cannot be effective when a school district is not aware of funding levels until 2 or 3 months before the commencement of another school year.

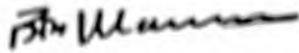
Essential student programs and services are constantly being started, stopped, or reduced and frequently many certificated and non-certificated staff do not even know whether or not they will have employment until early in the school year.

Forward funding will put an end to such of the current instability in many school districts and, in doing so, enhance the quality of our programs.

In addition to the appropriation from litigation settlements referenced in HB 190, we encourage that consideration be given to utilizing other revenue sources in establishing the forward funding account including but not limited to the permanent fund earnings reserve.

Thank you for your consideration of our position.

Respectfully submitted,



Bob Manners  
Executive Secretary



Judy Salo  
President

cc: Representative Fran Ulmer

STATE OF ALASKA  
THE LEGISLATURE

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907-465-2800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

41.41255

9-29-97

Original sponsors: Ulmer, Brown,  
and MacLean

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 190 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the forward  
7 funding for education account; making a special  
8 appropriation to the budget reserve fund; and provid-  
9 ing for an effective date."

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

11 \* Section 1. That portion of the money received by the state on or  
12 after the effective date of this Act from the settlement or final judicial  
13 determination of the Dinkum Sands case (United States v. Alaska) and the  
14 North Slope royalty case (State v. Amerada Hess, et al.) and not deposited  
15 into the Alaska permanent fund under AS 37.13.010(a)(1) or (2) or into the  
16 public school trust fund under AS 37.14.110, not to exceed the total of the  
17 amounts (1) necessary to fully fund entitlements created under AS 14.17,  
18 the public school foundation program, AS 14.11.100, the school construction  
19 debt retirement program, and AS 14.09, the school district pupil transpor-  
20 tation contract reimbursement program, for the fiscal year in which the  
21 money is received, and (2) equal to the total appropriated for the tuition  
22 students, boarding home grants, youth in detention, and schools for the  
23 handicapped programs in the fiscal year in which the money is received, is  
24 appropriated to the forward funding for education account (AS 14.07.065)  
25 and designated for the second fiscal year following the fiscal year in  
26 which the money is received.

27 \* Sec. 2. If the amount appropriated to the forward funding for educa-  
28 tion account (AS 14.07.065) under sec. 1 of this Act is less than the  
29 maximum amount that could be appropriated under sec. 1 to the forward

1 funding for education account, then the difference is appropriated to the  
2 forward funding for education account (AS 14.07.065) from that portion of  
3 the money subsequently received by the state from the settlement or final  
4 judicial determination of the Dinkum Sands case (United States v. Alaska)  
5 and the North Slope royalty case (State v. Amerada Hess, et al.) and not  
6 deposited into the Alaska permanent fund under AS 37.13.010(a)(1) or (2) or  
7 into the public school trust fund under AS 37.14.110.

8 \* Sec. 3. That portion of the money received by the state on or after  
9 the effective date of this Act from the settlement or final judicial deter-  
10 mination of the Dinkum Sands case (United States v. Alaska) and the North  
11 Slope royalty case (State v. Amerada Hess, et al.) and not deposited into  
12 the Alaska permanent fund under AS 37.13.010(a)(1) or (2) or into the  
13 public school trust fund under AS 37.14.110 or appropriated to the forward  
14 funding for education account (AS 14.07.065) under secs. 1 and 2 of this  
15 Act, is appropriated to the budget reserve fund (AS 37.05.540).

16 \* Sec. 4. This Act takes effect on the effective date of an Act enacted  
17 by the Sixteenth Alaska State Legislature establishing the forward funding  
18 for education account.  
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