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**10**



# Senate Health, Education and Social Services Committee

Senator Paul Fischer, Chairman

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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1/20/89  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FINANCE

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE \_\_\_\_\_

1/9/89

Mr. President:

HESS Committee considered SB 10

deadlines for action on funding of public education; efd

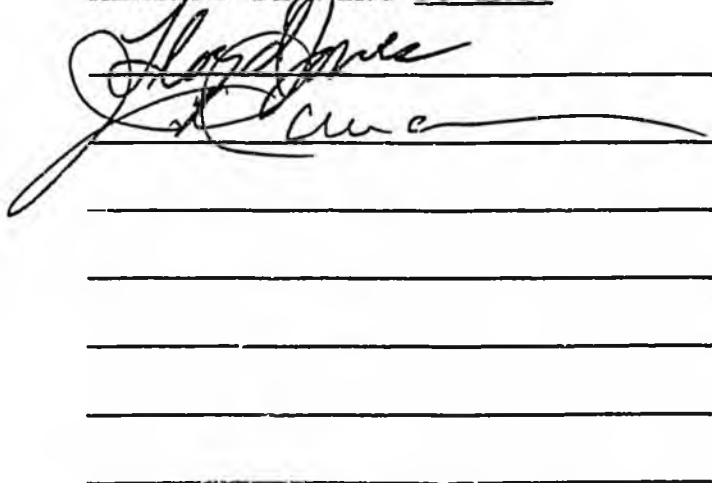
and recommended:

- replace with CS SB 10 (Hess)  same title
- attached amendment(s) and  new title
- \_\_\_\_\_ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

FISCAL NOTE(S) attached  zero  fiscal impact  
 appropriation no FN attached  Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS



\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Paul Fish (Do Pass)  
 Chairman signature and recommendation

Committee backup attached

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Deadlines For Action on Funding  
of Public Education...  
 Sponsor: Cognill, Faiks, et. al.  
 Requestor Senate HESS

Agency Affected: Education  
 BRU: K-12 Support, School Debt  
Reimbursement  
 Components: Foundation, Pupil Transportation,  
Tuition, et.al; Debt Retirement

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2800  
 Division: Commissioner's Office Date: 1/26/89  
 Approved by Commissioner: William G. Demmert Date: 1/26/89  
 Agency: Education

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Original sponsors: Coghill, Faiks,  
Eliason, et al.

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 10 (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 relating to deadlines for action on funding  
7 of public education; and providing for an effective  
8 date."

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

10 \* Section 1. AS 14.11.100(c) is amended to read:

11 (c) The school construction account is established. Funds to  
12 carry out the provisions of this section may be appropriated annually  
13 by the legislature to the account. Before March 14 the legislature  
14 shall appropriate funds to school districts under this section for the  
15 next fiscal year. If amounts in the account are insufficient for the  
16 purpose of providing the share to which a borough or city is entitled  
17 under this section, those funds that are available shall be distribut-  
18 ed pro rata among the eligible local governments except that the  
19 legislature may direct that additional debt service on refunding bonds  
20 that exceeds the total debt service on the refunded bonds be disre-  
21 garded in whole or in part.

22 \* Sec. 2. AS 14.14.060(c) is amended to read:

23 (c) The borough school board shall submit the school budget for  
24 the following school year to the borough assembly by April 15  
25 [APRIL 1] for approval of the total amount. Within 30 days after  
26 receipt of the budget the assembly shall determine the total amount of  
27 money to be made available from local sources for school purposes and  
28 shall furnish the school board with a statement of the sum to be made  
29 available. If the assembly does not, within 30 days, furnish the

1 school board with a statement of the sum to be made available, the  
2 amount requested in the budget is automatically approved. By May 31,  
3 the assembly shall appropriate the amount to be made available from  
4 local sources from money available for the purpose.

5 \* Sec. 3. AS 14.17.225(b) is amended to read:

6 (b) Money to carry out the provisions of AS 14.17.010 - 14.17.-  
7 190 may be appropriated annually by the legislature into the public  
8 school foundation account. Before March 14 the legislature shall  
9 appropriate funds for direct and indirect services and other funding  
0 under this chapter for the next fiscal year. If amounts in the ac-  
1 count are insufficient to meet the allocations authorized under  
2 AS 14.17.010 - 14.17.190 for a fiscal year, each district's basic need  
3 shall be reduced pro rata as necessary to make the funds available  
4 sufficient to meet the allocations for that fiscal year.

5 \* Sec. 4. AS 37.07.030 is amended to read:

6 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-  
7 lature shall

8 (1) provide for a budget review function;

9 (2) analyze the comprehensive operating and capital im-  
0 provements programs and financial plans recommended by the governor;

1 (3) adopt legislation to authorize implementation of the  
2 governor's comprehensive operating and capital improvements programs  
3 and financial plans or appropriate alternatives to those plans;

4 (4) provide for a post-audit function to cover financial  
5 transactions, program accomplishment, and compliance with legislative  
6 intent;

7 (5) adopt or revise the estimate or receipts required to  
8 balance the succeeding fiscal year's budget in order that proposed  
9 expenditures do not exceed estimated receipts for that fiscal year;

(6) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years;

(7) appropriate money for public school construction debt retirement under AS 14.11.100, public school foundation program under AS 14.17, pupil transportation, student lunch program, cigarette tax distribution, tuition students, boarding home grants, youth in detention, and schools for the handicapped no later than March 14 of each year for the succeeding fiscal year.

\* Sec. 5. This Act takes effect July 1, 1989.

Original sponsors: Coghill, Faiks,  
Eliason, et al.

IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

CS FOR SENATE BILL NO. 10 (HESS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to deadlines for action on funding of public education; and providing for an effective date."

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

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(c) The school construction account is established. Funds to carry out the provisions of this section may be appropriated annually by the legislature to the account. Before March 14 the legislature shall appropriate funds to school districts under this section for the next fiscal year. If amounts in the account are insufficient for the purpose of providing the share to which a borough or city is entitled under this section, those funds that are available shall be distributed pro rata among the eligible local governments except that the legislature may direct that additional debt service on refunding bonds that exceeds the total debt service on the refunded bonds be disregarded in whole or in part.

\* Sec. 2. AS 14.14.060(c) is amended to read:

(c) The borough school board shall submit the school budget for the following school year to the borough assembly by April 15 [APRIL 1] for approval of the total amount. Within 30 days after receipt of the budget the assembly shall determine the total amount of money to be made available from local sources for school purposes and shall furnish the school board with a statement of the sum to be made available. If the assembly does not, within 30 days, furnish the

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6 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-  
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- 8 (1) provide for a budget review function;
- 9 (2) analyze the comprehensive operating and capital im-  
0 provements programs and financial plans recommended by the governor;
- 1 (3) adopt legislation to authorize implementation of the  
2 governor's comprehensive operating and capital improvements programs  
3 and financial plans or appropriate alternatives to those plans;
- 4 (4) provide for a post-audit function to cover financial  
5 transactions, program accomplishment, and compliance with legislative  
6 intent;
- 7 (5) adopt or revise the estimate or receipts required to  
8 balance the succeeding fiscal year's budget in order that proposed  
9 expenditures do not exceed estimated receipts for that fiscal year;

(6) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years;

(7) appropriate money for public school construction debt retirement under AS 14.11.100, public school foundation program under AS 14.17, pupil transportation, student lunch program, cigarette tax distribution, tuition students, boarding home grants, youth in detention, and schools for the handicapped no later than March 14 of each year for the succeeding fiscal year.

\* Sec. 5. This Act takes effect July 1, 1989.

# Senator John B. (Jack) Coghill

Alaska State Legislature

Box V  
Juneau, Alaska 99811  
(907) 465-4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0362



## MEMORANDUM

To: Senator Paul Fischer

From: Senator Jack Coghill

Re: Bill hearings

Date: January 19, 1989

Senate Bill 10, "an Act relating to the deadlines for action on funding of public education; and providing for an effective date" has been referred to the Senate HESS Committee.

SB 10 would set a deadline of March 16 by which the Legislature shall appropriate funds to school districts for the next fiscal year. It would also change the date from April 1 to April 15 by which borough school boards have to submit the following school year's budget to the borough assembly.

I would appreciate if you would schedule a hearing on SB 10 as soon as possible. Attached is a sectional analysis and support letters for SB 10.

There are two minor changes to SB 10 that have been brought to my attention. The first one would change the March 16th date to March 14th since school districts are required to send out their non-renewal notices to certified employees on March 15th. The second would be a technical change. On page 3 of the bill, Section 4(7) line 6 we need to delete the secondary formula account since this account is no longer in existence.

If you have any questions, please feel free to contact my office.

SECTIONAL ANALYSIS FOR SENATE BILL 10

"An Act relating to the deadlines for action on funding of public education; and providing for an effective date."

Section 1 - Adds language which would set a deadline of March 16 by which the Legislature shall appropriate funds to school districts for the next fiscal year.

Section 2 - Changes the date from April 1 to April 15 for the borough school boards to submit the following school year's budget to the borough assembly.

Section 3 - Adds language which would set a deadline of March 16 to appropriate funds for direct and indirect services and other funding for the next fiscal year into the public school foundation account.

Section 4 - Includes as a responsibility of the Legislature, the appropriation of money for public school construction debt retirement, public school foundation program, pupil transportation, student lunch program, cigarette tax distribution, tuition students, boarding home grants, youth in detention, schools in detention and for the handicapped no later than March 16 of each year for the succeeding fiscal year.

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Deadlines For Action on Funding  
of Public Education...  
 Sponsor: Coghill, Faiks, et al  
 Requestor: Senator Coghill

Agency Affected: Education  
 BRU: K-12 Support, School Debt  
Reimbursement  
 Components: Foundation, Pupil Transportation  
Tuition, et al; Debt Retirement

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2900  
 Division: Commissioner's Office Date: 1/13/89  
 Approved by Commissioner: William G. Demmert Date: 1/13/89  
 Agency: Education

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)



Fairbanks North Star Borough School District

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

P.O. Box 1250 Fairbanks, Alaska 99707-1250 (907) 452-2000

October 12, 1988

The Honorable Jack Coghill  
The Senate of Alaska  
PO Box 55028  
North Pole, AK 99705

Dear Senator Coghill:

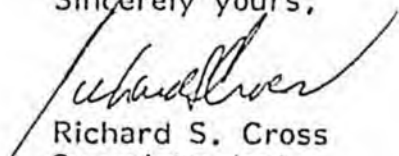
Thank you for sharing your proposed legislation regarding school funding deadlines. The changes you suggest would help alleviate the problems school districts across the state face each year in trying to establish budgets without knowing the level of state support for education.

It is especially important for districts to know funding levels for foundation and transportation programs before they can make key budget decisions. Likewise, it is essential for boroughs and cities to know the funding level for debt reimbursement before they can set the local contribution for education.

We also support extending the deadline for submission of school district budgets to the borough assembly, as this legislation proposed. In the event early funding occurs, this will enable school boards to submit budgets that are responsive to actual state revenue. Should early funding not occur, it is even more critical that school districts have additional time to develop their budgets.

We appreciate your support of these issues and thank you for the opportunity to provide input.

Sincerely yours,

  
Richard S. Cross  
Superintendent

RSC/pkr



# Delta/Greely School District

Delta/Greely School District  
REAA #15  
P.O. Box 527  
Delta Junction, Alaska 99737-0527  
(907) 895-4658

Delta School  
Pouch 1  
Delta Junction  
Alaska 99737  
(907) 895-4696

Ft. Greely School  
P.O. Box 547  
Delta Junction  
Alaska 99737-0647  
(907) 869-3105

JAN January 13, 1989  
1989

Senator John "Jack" Coghill  
Alaska State Legislature  
Box V (MS3100)  
Juneau, AK 99811

Dear Senator Coghill,

I am writing to express my support for Senate Bill #10. This bill, although simple in nature, is a very significant one for the operation of Alaska's public schools. This bill is an early funding bill with the required dates built into the statutes. With the adoption and implementation of this bill, school districts could count on knowing their fiscal abilities for the ensuing fiscal year by mid-March.

Having this fiscal knowledge by mid-March would enable school districts to plan more effectively and efficiently their fiscal operations for the coming year. Budget planning is a year-long process but it cannot be put to finality until the legislature has acted. Now, more than ever before, it is critical to know the revenue picture before making expenditure decisions. With fiscal instability at the state level and collective bargaining for non-certificated employees a reality, knowing the fiscal ability of the school district in advance is a must. School districts' operations are impaired significantly if fiscal ability for the ensuing year is not known until May. Under this time-frame, there is too little time remaining in the fiscal year to handle requirements for collective bargaining and finalizing a budget for the upcoming fiscal year.

In the interest of greater efficiency in the operation of our public schools, I heartily endorse Senate Bill #10.

Sincerely,

Larry Huxel  
Superintendent

LH/tp



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

1411 W. 33RD AVENUE  
ANCHORAGE, ALASKA 99503  
(907) 274-0536

## JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302  
JUNEAU, ALASKA 99801  
(907) 586-3090

## FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-4435

January 16, 1989

Sen. Jack Coghill  
Box V  
Juneau, AK. 99811

Dear Jack:

Thanks for your letter of January 12 and the enclosure relative to SB 10.

NEA-Alaska fully supports this legislation and we will work with you in any way possible to enhance its potential for passing this Session.

I am enclosing for your information a copy of a position statement which we have submitted on HB 4 which is a similar bill.

Perhaps you would be willing to consider changing the March 16 date to March 14 since school districts are required to send out their non-renewal notices to certificated employees on March 15.

Also, I call you attention to paragraph #5 of the position statement and ask that you consider this concept as a possible amendment.

Thanks, Jack, for your interest and support for a critical funding issue as it pertains to public education. Let me know how we can work with you on this bill.

Sincerely,

Bob Manners  
Executive Secretary



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

1411 W. 33RD AVENUE  
ANCHORAGE, ALASKA 99503  
(907) 274-0536

## JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302  
JUNEAU, ALASKA 99801  
(907) 586-3090

## FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-4435

January 13, 1989

To: Rep. Johnny Ellis, Chair  
Members, House HESS Committee

Re: House Bill No. 4; "An Act relating to deadlines  
for action on funding of public education; and  
providing for an effective date."

NEA-Alaska supports and encourages your expeditious attention to HB 4.

Until we have real and meaningful forward funding of public education in Alaska this kind of legislation is essential to the continuity of programs and services in public schools.

Local school district budgets are heavily dependent on the level of state financial support. They require early knowledge of the amount of support in their budget building process so that program planning, staffing levels, and collective bargaining can be done on the basis of reliable financial data.

Quality education requires informed decision making. Specific program needs, class sizes, teacher load and preparations and the types of classes and course options which can be available to students derive directly from the information which is the basis of financial support.

On page 2, line 10 of HB 4, we suggest the addition of a sentence which would provide that if the legislature fails to make an appropriation as required by this legislation before March 14 that the previous fiscal year appropriation for funding under this chapter would automatically be approved for the subsequent fiscal year.

Such a provision would serve to encourage expeditious attention by the legislature.