

HB 39

HOUSE BILL NO. 39

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ULMER, Ellis, Bruckman, Koponen, B.Davis

Introduced: 1/21/91

Referred: Health, Education and Social Services, Finance

Funding Information: General Fund \$700,000,000

Other Funds	-0-
	<u> </u>
	\$700,000,000

A BILL

FOR AN ACT ENTITLED

1 "An Act making a special appropriation to the forward funding for education account; and
2 providing for an effective date."

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

4 * Section 1. Section 20(b), ch. 209, SLA 1990, is amended to read:

5 (b) The amount of the "general fund balance available for appropriation" in the annual
6 financial report prepared by the Department of Administration under AS 37.05.210(2) for fiscal
7 year 1991 and each succeeding fiscal year, not to exceed a total of \$700,000,000, is
8 appropriated from the general fund to the forward funding for education account
9 (AS 14.07.065) [BUDGET RESERVE FUND (AS 37.05.540)].

10 * Sec. 2. The appropriation made by sec. 20, ch. 209, SLA 1990, as amended by sec. 1 of this Act,
11 is designated for the fiscal year after the fiscal year in which the total amount of \$700,000,000 has been
12 deposited in the forward funding for education account under sec. 1 of this Act.

13 * Sec. 3. Section 20, ch. 209, SLA 1990, as amended by sec. 1 of this Act, is repealed when the total
14 amount of \$700,000,000 has been deposited in the forward funding for education account under sec. 1

1 of this Act.

2 * Sec. 4. This Act takes effect on the effective date of an Act creating the forward funding for
3 education account that is passed by the Seventeenth Alaska State Legislature and enacted into law.

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

March 6, 1991

TO: Rep. Eileen MacLean, Co-chair
Rep. Mike Navarre, Co-chair
House Finance Committee

FROM: Rep. Fran Ulmer

RE: HB 38 and HB 39, Forward Funding for Education

HB 38 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 are 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 obtain necessary funding.

HB 38 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. There are multiple benefits for both municipal government and local school districts that result from being able to accomplish program planning with certainty regarding revenues.

HB 39 provides the funds necessary for forward funding by appropriating the balance of the general fund at the end of the fiscal year to the forward funding for education account. The general fund balance would be appropriated to the forward funding account each year until the total amount deposited reaches \$700 million. When that goal is reached, school districts would begin receiving education funding from the forward funding account for the fiscal year after the year in which the goal was reached. The legislature would continue to make annual appropriations for public education as part of the normal budget process but those education appropriations would be placed in the forward funding account for disbursement at the appropriate time. HB 39 provides for the repeal of general fund balance appropriation when the total amount of \$700 million has been deposited in the forward funding account.

District 4B — Juneau
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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

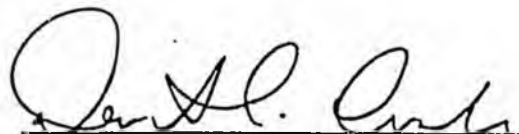
WHEREAS, dramatic swings in funding for education cause serious disruptions in the delivery of educational services to the great detriment of school age children in Juneau; and

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.

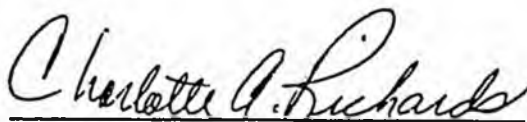
NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

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

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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
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February 11, 1991

To: **Representatives Carney and Lincoln, Co-Chairs**
Members, House HESS Committee

Re:

HB 38; "An Act relating to the forward funding for education account; providing for lapse of funds in the public school foundation account; and providing for an effective date."

HB 39; "An Act making a special appropriation to the forward funding for education account; and providing for an effective date."

NEA-Alaska supports and strongly encourages your favorable consideration of HB 38 and HB 39.

With the high probability of a substantial surplus in the state operating budget at the end of the current fiscal year, now is the time to establish forward funding of public education in Alaska.

This potential is enhanced even more by the probability of favorable settlements in various litigation disputes over oil tax revenues.

Forward funding is a statement that public education is a real priority in Alaska. It is a statement by the Legislature of genuine concern for the future of this State.

With forward funding school district planning will be more effective. Continuity of essential programs and services will be enhanced. Students and their parents will be better able to anticipate and plan for their educational future. Employees will find more stability and opportunity in their employment relationships.

We strongly encourage that the Committee also give serious thought to incorporating some form of an "inflation proofing" mechanism as part of this legislation. Funding for public education must keep pace with the rising cost of living. If we can "inflation proof" the Permanent Fund, we can do it for public education as well.

Thank you for your consideration of our recommendations.

Respectfully submitted,

Bob Manners
Executive Director

Don Oberg
President

cc: **Representative Ulmer**