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# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

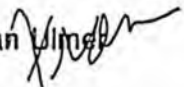


### REPRESENTATIVE FRAN ULMER

#### MEMORANDUM

February 12, 1991

**TO:** Rep. Georgianna Lincoln, Co-Chair  
Rep. Pat Carney, Co-Chair  
House Health, Education and Social Services Committee

**FROM:** Rep. Fran Ulmer 

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

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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

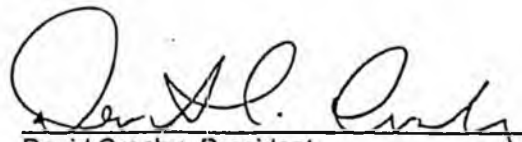
WHEREAS, dramatic swings in funding for education cause serious disruptions in the delivery of educational services to the great detriment of school age children in Juneau; and

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

# HOUSE COMMITTEE REPORT

(7)  
Date Referred: January 21, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 2/13/91

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 38

HOUSE BILL NO. 38

FORWARD FUNDING FOR EDUCATION ACCOUNT

"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."

- RECOMMENDATIONS: [ ] the same title  
 be replaced with \_\_\_\_\_ [ ] a new title  
 have attached amendments(s)  
 do pass  
 do not pass  
 no recommendations  
 individual recommendations  
 additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

- ATTACHES NEW FISCAL NOTE(s): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal impact \_\_\_\_\_  fiscal note(s) \_\_\_\_\_  
 zero fiscal note \_\_\_\_\_  zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
<i>Christi Davis</i>				
<i>Sam Miller</i>				
<i>Bettye Davis</i>	<i>Agencia</i>		X	
<i>Mark Ambler</i>	<i>John D. Snyders</i>		X	
<i>Mary Miller</i>				

*Sam Miller*  
 \_\_\_\_\_  
 Chairman's Signature

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. HB38

Revision Date: \_\_\_\_\_ Department Affected: Education  
Title: Forward funding for education BRU: K-12 Support  
Component: Foundation

Sponsor: Ulmer  
Requestor: House HESS

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Marv Hakala Phone: 465-2800  
Division: Commissioner's Office Date: 2/12/91  
Approved by Commissioner: Steve Hole, Acting Commissioner  
Agency: Education Date: 2/12/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

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(907) 274-0536

## JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302  
JUNEAU, ALASKA 99801  
(907) 566-3090

## FAIRBANKS REGIONAL OFFICE

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

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