

SJR

6

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

No. 1
Bill Version: CSSTR 6 (FIN)
(S) Publish Date: 1/31/01

Revision Date/Time (Note if correction): 1/29/01 Dept. Affected: EDUCATION
Title: Education Block Grants BRU: _____
Sponsor: Senate Finance Component: _____
Requester: Senate Finance Committee Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

It is estimated that there will be no fiscal impact for this resolution.

Prepared by: SENATE FINANCE COMMITTEE Phone: 465-2327
 Senator: SENATOR PETE KELLY, CO-CHAIR Date: 1/29/2001
SENATOR DAVE DONLEY, CO-CHAIR



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

**SPONSOR STATEMENT
SENATE JOINT RESOLUTION 6
"FEDERAL EDUCATION AND BLOCK GRANTS"**

Senate Joint Resolution 6 urges Congress to provide federal education funds as block grants to the states including Alaska.

Senate Joint Resolution 6 encourages Congress to give the states greater control over the education funds provided by the federal government. By taking control of funds from federal bureaucrats thousands of miles away it will empower state officials to put these important education dollars to their most appropriate uses.

Block grants will reduce administrative expenses and allow more funds to be used in the classroom. Currently, the federal government provides many different types of funding for education that are specifically earmarked for various education uses. SJR 6 will encourage Congress to instead disburse the money in the form of a block grant, as they do with welfare funding, directly to the State of Alaska. In the 105th Congress, the House of Representatives passed HR 3248, which would have created an education block grant system. Unfortunately, the bill did not pass the Senate.

Senate Joint Resolution 6 encourages Congress to give the states maximum flexibility in the use of federal education funds. State and local governments are a better judge of how this money should be spent than distant federal bureaucrats.

A similar measure, SJR 11, passed during the 21st legislature and we should adopt a new resolution for the new President and Congress.

DD/bc

Co-Chair: Senate Finance Committee • Anchorage Caucus

Vice-Chair: Senate Judiciary Committee

Member: Legislative Budget and Audit Committee • Legislative Council

Department of Education Testimony on SJR11

Brace Johnson:

“the department generally supports block
grant funding”

Senate Finance Committee Minutes:
SFC-99 #52, Side A & B
March 11, 1999

Senate FINANCE Minute

SENATE JOINT RESOLUTION NO. 11

Urging the Congress of the United States to provide federal education funds as a block grant to the state.

The Senate Finance Committee sponsored this resolution and earlier discussions were on record relating to the drafting of the language and its content.

BRUCE JOHNSON, Director Teaching and Learning Support, Department of Education, testified that the department generally supported block grant funding, which gave the state and local districts the greatest flexibility in program development and delivery. However, he urged the Legislature to maintain vigilance as the federal block funding was finalized in the US Congress when assessing the long-term benefits to Alaskan students and school districts. The department encouraged the oversight for two reasons. First, Alaska was a small state in terms of overall state population and school enrollment. Since many allocations from the federal level were based on student population, it could be that future allocations could be diminished as a result of formula revisions based solely on student populations. Secondly, as federal dollars become tighter in future years, the tendency could be to reduce overall funding for block grants than money allocated on a categorical basis, which generally had a strong and vocal constituency.

Co-Chair John Torgerson asked if he was in favor of the resolution and if he believed block grants should be requested. Bruce said he supported both but encouraged oversight, as there were some potential shortcomings with block grant funding. He felt that the Legislature should maintain vigilance and support for Alaska's fair share.

Senator Al Adams asked for the status of the pending federal bill. Bruce Johnson said it had passed the House and was currently in the Senate. Senator Al Adams wanted to know, if the law was in effect and the state was to receive a block grant, how would the selection process be made as to who got the money. Bruce Johnson said that wasn't known precisely. The general procedure with block grants was that local communities had the power to set its priorities in terms of expenditure. They would have flexibility if there were no state regulations governing a particular group of students. If so, civil rights laws would need to be followed to make sure no population was short-changed.

Co-Chair John Torgerson referred to the block grant system for welfare funding and said because of problems encountered in drafting that legislation, a certain "whereas" was inserted into this resolution.

Senator Al Adams asked if the Legislature was placing the

cart before the horse by finding this before Congress had passed the bill. Bruce Johnson didn't have any direct knowledge of what was occurring with the federal bill except that there was negotiation ongoing. The concerns seemed to be with some proposed amendments rather than with the block grant concept.

Co-Chair John Torgerson noted a proposed CS that referenced the federal bills on line 11. The CS would apply the resolution to the current federal bills.

Senator Randy Phillips moved for adoption of the CS Version "I". Senator Al Adams asked if the aforementioned change was the only difference from the original resolution. Co-Chair John Torgerson affirmed and pointed out that this was a time sensitive item to send to Congress. The CS was adopted without objection.

Senator Sean Parnell offered a motion to move CS SJR 11(FIN) from committee. Without objection, it was so ordered.

Bill Root: Display Bill Root

**BASIS HAS BEEN RE-PROGRAMMED THIS YEAR
TO REPORT PROBLEMS WITH BASIS INQUIRY**

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Education Flexibility Partnership Act

**“Granting Waivers of Certain Statutory and
Regulatory Requirements in Exchange for States
Waiving Comparable State Regulations”**

House Resolution 800

Policy Statement: National Governor’s Association

Congress makes the following findings:

HR 800

- (1) States differ substantially in demographics, in school governance, and in school finance and funding. The administrative and funding mechanisms that help schools in 1 State improve may not prove successful in other States.
- (2) Although the Elementary and Secondary Education Act of 1965 and other Federal education statutes afford flexibility to State and local educational agencies in implementing Federal programs, certain requirements of Federal education statutes or regulations may impede local efforts to reform and improve education .
- (3) By granting waivers of certain statutory and regulatory requirements, the Federal Government can remove impediments for local educational agencies in implementing education reforms and raising the achievement levels of all children.
- (4) State educational agencies are close to local school systems, implement statewide education reforms with both Federal and State funds, and are responsible for maintaining accountability for local activities consistent with State standards and assessment systems. Therefore, State educational agencies are often in the best position to align waivers of Federal and State requirements with State and local initiatives.
- (5) The Education Flexibility Partnership Demonstration Act allows State educational agencies the flexibility to waive certain Federal requirements, along with related State requirements, but allows only 12 States to qualify for such waivers.
- (6) Expansion of waiver authority will allow for the waiver of statutory and regulatory requirements that impede implementation of State and local educational improvement plans, or that unnecessarily burden program administration, while maintaining the intent and purposes of affected programs, such as the important focus on improving math and science performance under title II of the Elementary and Secondary Education Act of 1965, (Dwight D. Eisenhower Professional Development Program), and maintaining such fundamental requirements as those relating to civil rights, educational equity, and accountability.
- (7) To achieve the State goals for the education of children in the State, the focus must be on results in raising the achievement of all students, not process.

SEC. 3. DEFINITIONS.

In this Act:

- (1) **ATTENDANCE AREA**- The term 'attendance area' has the meaning given the term 'school attendance area' in section 1113(a)(2)(A) of the Elementary and Secondary Education Act of 1965.
- (2) **ED-FLEX PARTNERSHIP STATE**- The term 'Ed-Flex Partnership State' means an eligible State designated by the Secretary under section 4(a)(1)(B).
- (3) **LOCAL EDUCATIONAL AGENCY; STATE EDUCATIONAL AGENCY**- The terms



NGA Actions

Ed-Flex

Contact(s)

The Issue

Currently, Pennsylvania and North Carolina are the only states that have been approved for Ed-Flex under the 1999 law; however, several other states have applied and are awaiting notification. In addition, there are twelve states in the original pilot Education Flexibility Demonstration program (Ed-Flex). The new statute allows the U.S. Secretary of Education to grant waiver authority to states to waive certain federal statutory or regulatory requirements in exchange for states waiving comparable state regulations. A state that has developed a comprehensive school improvement plan that has been approved by the Secretary and is in compliance with Title One may apply for Ed-Flex.

Julie Manuel
Human Resources Group
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Policy Reference

- HR-4 Elementary and Secondary Education Policy
- HR-11 Governors' Role In Supporting Standards-Based Education Reform Policy
- EC-1 Consolidation of Categorical Grants Policy

NGA's Position

Governors strongly supported extending Ed-Flex to all states and territories. At the 1999 NGA Winter Meeting, the Governors passed a resolution, based on policy HR-11, that strongly affirms that states are responsible for creating an education system that enables all students to achieve high standards and that the federal government should support state efforts by providing regulatory relief and greater flexibility.

Current Status

On Thursday, April 29, 1999 the President signed the conference agreement on the Education Flexibility Partnership Act of 1999 to expand Ed-Flex to all fifty states (P.L. #106-25). House and Senate conferees had agreed to a compromise on the legislation after dropping a controversial Senate amendment that would have allowed states to spend money on special education programs that had been earmarked for hiring new teachers. Education Secretary Riley warned that he would recommend a veto if this provision remained as part of the bill. The conference report was approved by both houses on April 21, 1999.

The U.S. Department of Education released final guidance on April 30, 2000, to assist states in applying for and implementing Ed-Flex. Five states, in addition to the original twelve, have applied for Ed-Flex in the past few months. Many more states are expected to apply in the coming months.

12/21/00

**EC-1:
Consolidation
of
Categorical Grants
Policy**

**Endorses Streamlining of Current
Grant System**
(Currently over 600 categories)

Policy Statement: National Governor's Association



Topics

[Appropriations and Budget](#)

[Taxes and Revenues](#)

Policy Position Detail

EC-1: Consolidation of Categorical Grants Policy

The current array of more than 600 categorical grants that provide about \$75 billion in federal funding to states is neither efficient nor cost-effective. Continuing all of these separate programs often requires duplicative application and record-keeping systems and can discourage needy individuals from seeking services. Moreover, the complexity of the grant system discourages the development of coordinated community-based programs and often makes it difficult to prevent or remedy complex problems. Targeted consolidations of similar grants can provide a simpler, more rational, and more flexible delivery system for federal aid. Perhaps most important, they encourage state and local efforts to develop more innovative and effective programs.

The Governors recognize that during the past fifteen years, many categorical programs have been consolidated. However, there still are areas in which further consolidation is possible and desirable. Consolidation can be achieved by combining existing federal programs or by allowing states to combine grants based on a state plan or performance measures jointly agreed to by states and the federal government that is submitted to, and approved by, a lead federal agency.

The Governors oppose additional set-asides or restrictions on existing grants.

Time limited (effective Winter Meeting 2000? Winter Meeting 2002). Adopted Winter Meeting 1998; revised Winter Meeting 2000.

More Information

[Letters](#)

[Testimonies](#)

[NGA Policy Positions](#)

[Congressional Calendar](#)

[Legislative Priorities](#)

[Previous Congresses](#)

Recent News

January 09, 2001

• [School Leadership](#)
NGA Awarded Multi Million-Dollar Grant To Help States Improve School Leadership

December 22, 2000

• [Streamlined Sales Tax](#)
Statement on Streamlined Sales Tax Project Vote by NGA Executive Director Raymond C. Scheppach

December 18, 2000

• [Fiscal Survey](#)
States' Budget Forecast Cloudy

December 05, 2000

• [Smart Growth](#)
Minnesota and Maryland Governors Convene In St. Paul At NGA Forum on Growth and Quality of Life

November 28, 2000

• [Info Tech](#)
Using Technology to Improve Nation's Criminal Justice System Focus of NGA Workshop

November 16, 2000

• [Extra Learning](#)
Eleven States Convene In Seattle To Discuss Extra Learning Opportunities