

HB

20

HFIN

FILE

AMENDMENT

with drawn
4-1

OFFERED IN THE HOUSE FINANCE COMMITTEE
BY REPRESENTATIVE CROFT

TO: HB 20

Page 1, line 2:

Delete: "and"

Insert: ","

Page 1, line 3 after "each year", insert:

", and the base student allocation used in the formula for state funding of public education"

Page 21, after line 22, insert new section to read:

"Sec. 3. AS 14.17.470 is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is \$4,919

Renumber accordingly.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSSHB 20(EDU)
(H) Publish Date: 3/3/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: An act relating to a separate appropriation RDU: K-12 Support
bill for operating expenses for primary and secondary public... Component: Foundation Program
Sponsor: Rep Seaton
Requester: HESS Component No.: 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would establish a transmittal date for the Governor to submit a separate education appropriation bill to the legislature before the 4th day of each regular session. The legislature must act on and transmit the education appropriation funding bill to the Governor for the following year by March 15th.

Prepared by: Eddy Joans, Director Phone: 465-8679
Division: School Finance Date/Time: 1/24/05 4:08 PM
Approved by: Karen Rehfeld, Deputy Commissioner Date: 1/24/2005
Agency: Education & Early Development

ALASKA STATE LEGISLATURE

Chair
STATE AFFAIRS

Member
RESOURCES

Member
HEALTH, EDUCATION AND SOCIAL SERVICES

Member
WAYS AND MEANS



REPRESENTATIVE PAUL SEATON
House District 35

Sessor :
State Capitol Building
Juneau, Alaska 99801
Phone 907-465-2689
Fax 907-465-3472
1-800-665-2689
Rep.Paul.Seaton@legis.state.ak.us

Interim:
345 W. Sterling Highway
Suite 102B
Homer, Alaska 99603
Phone 907-235-2921
Fax 907-235-4008

Committee Substitute Sponsor Substitute House Bill 20

Sectional Analysis

"An Act relating to a separate appropriation bill for operation expenses for primary and secondary public education and establishing a date by which the bill must be transmitted to the governor each year; and providing for an effective date"

Sec. 1. Requires the governor to submit a separate appropriation bill before the fourth legislative day that provides for primary and secondary public education funding. Directs the legislature to pass and transmit to the governor, by March 5, an appropriation bill for primary and secondary public education funding.

Sec. 2. Adds references to the separation appropriation bill for education funding required in sec. 1 to the statute that describes the budget.

Sec. 4. Effective date of July 1, 2005



Alaska State Legislature

State Capitol, Room 103
Juneau, AK 99802
Phone: 465-2689
Fax: 465-3472
Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us



345 W. Sterling Highway
Suite 102B
Homer, AK 99603
Phone: 235-2921
Fax: 235-4008

REPRESENTATIVE Paul Seaton

District 35

MEMORANDUM

TO: House Education Committee

FROM: Representative Paul Seaton

DATE: Monday, January 24, 2005

RE: Clarification of SSHB 20 as an appropriation bill

It is important to note that SSHB 20 would allow the legislature to fully fund the foundation formula. However, SSHB20 is an appropriation bill, therefore the legislature would have to pass a separate bill in order to change the base student allocation through the foundation formula. Appropriated funds cannot be spent or distributed unless a separate funding bill passes the legislature. SSHB20 does not include the other elements of the K-12 budget, such as pupil transportation, boarding home grants, youth in detention, or special school. The legislature may still decide to fund those elements in conjunction with allocating funds through the foundation formula.

ALASKA STATE LEGISLATURE

Chair
STATE AFFAIRS

Member
RESOURCES

Member
HEALTH, EDUCATION AND SOCIAL SERVICES

Member
WAYS AND MEANS



REPRESENTATIVE PAUL SEATON
House District 35

Session:
State Capitol Building
Juneau, Alaska 99801
Phone 907-465-2689
Fax 907-465-3472
1-800-665-2689
Rep.Paul.Seaton@legis.state.ak.us

Interim:
345 W. Sterling Highway
Suite 102B
Homer, Alaska 99603
Phone 907-235-2921
Fax 907-235-4008

Sponsor Statement

CSSSHB 20

CSSSHB 20, "An Act relating to appropriations for operating expenses for primary and secondary public education; and providing for an effective date" would let school districts know the amount of state foundation funding they will receive for the succeeding school year by March 5th of each calendar year.

Under the current funding structure schools often do not know the state's contribution to their budget until after the end of the legislative session. This forces schools to layoff non-tenured teachers and rehire them after the budget has been approved. Schools lose good teachers who look elsewhere for a job due to the uncertain status of their employment. This layoff-rehire cycle is disruptive and demoralizing to our schools and teachers.

AS 14.14.060 requires school districts to submit funding requests to their municipal governments by the first of May every year. School districts must estimate the amount of state funding they will receive because the legislature and governor generally do not pass their operating budget until well after May 1st. This makes it difficult for school districts to prepare an actual fiscal plan and puts the additional burden of uncertainty on local government officials developing their budgets.

CSSSHB 20 solves this problem by requiring the governor to submit a separate appropriation bill to the legislature for public elementary and secondary schools before the fourth day of each regular session. The legislature must then pass and transmit to the governor a bill to fund education for the succeeding fiscal year by the fifth of March.

Alaska's children deserve the best we can give them. Early funding of education is one way the legislature can help school districts achieve their goal of providing a stable and friendly educational environment conducive to learning.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 17, 2001

SUBJECT: Forward funding of education (Work Order No. 22-LS0386)

TO: Representative Eldon Mulder
Attn: Denny Dewitt

FROM: George Utermohle 
Legislative Counsel

You have asked whether the legislature may provide for forward funding of education programs. For purposes of this memorandum, I am assuming that "forward funding" means appropriating funds for education programs a year in advance of the fiscal year in which the funds are to be expended.

The answer is yes. There is no restriction on the legislature's appropriation power under the Alaska Constitution that would limit the ability of the legislature to provide for forward funding of education or any other state program.

Under art. IX, sec. 12, Constitution of the State of Alaska¹, the governor is required to prepare a budget for the succeeding fiscal year and to prepare a general appropriation bill to authorize the proposed expenditures contained in the budget. This provision of the constitution imposes a duty on the governor to prepare a budget and an appropriation bill. The legislature is not obligated to adopt the governor's budget or the governor's proposed appropriation bill. This provision does not impose a limitation on the power of the legislature to make an appropriation for forward funding the education expenses of the state.

Any statutory impediments to forward funding, if any, that may exist are susceptible to amendment and resolution by the legislature through its law-making power.

¹ Article IX, sec. 12, Constitution of the State of Alaska, states:

Budget. The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year setting forth all proposed expenditures and anticipated income of all departments, offices, and agencies of the State. The governor, at the same time, shall submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

Representative Eldon Mulder
January 17, 2001
Page 2

If you have a particular issue in regard to forward funding of education that you would like to have me address, please advise.

GU:glc
01-021.glc



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Office of Superintendent

Dr. Donna Peterson, Superintendent of Schools

148 North Binkley Street Soldotna, Alaska 99669-7553

Phone (907) 262-5846 Fax (907) 262-9132

December 16, 2003

MEMORANDUM

TO: Board of Education

FROM: Dr. Donna Peterson, Superintendent *Donna Peterson*

SUBJECT: Resolution supporting early funding of K-12 education

BACKGROUND:

At a December work session of the School Board, board members requested that a resolution in support of early funding be submitted for board action, thus this action item.

RECOMMENDATION:

It is the Administration's recommendation that the School Board adopt the attached resolution supporting early funding. This resolution supports the District's 2004 State Legislative Priority to 'assure a quality, equitable educational experience for all Alaskan children by providing sustainable, reliable, and adequate funding for education.'

PERTINENT FACTS:

It is difficult to prepare a budget for a subsequent year's operation when educational funding is determined at the end of the Alaska Legislative Session. The District is often obligated to implement a staff reduction for fiscal purposes until the financial resources are known for the following year. This is a less than ideal way to treat valued staff; not to mention that many of them may decide to move on before we are able to rehire them (if we have the means to do so). Additionally, the District may be forced to cut valued programs to live within known revenue.

The District needs to be able to prudently develop a viable fiscal plan of operation; early funding in the amount of \$4500 would allow this to happen.

ANCHOR POINT COOPER LANDING HOMER HOPE KACHEMAK SELO KENAI MOOSE PASS NANWALEK NIKISKI NIKOLAEVSK NINI
GRAHAM RAZDOLNA SELDOVIA SEWARD SOLDOTNA STERLING TUSTUMENA TYONEK VOZNESENKA

KENAI PENINSULA BOROUGH BOARD OF EDUCATION

Resolution 03-04-3

RESOLUTION SUPPORTING EARLY FUNDING OF K-12 EDUCATION IN ALASKA

WHEREAS, the sustainability, reliability and adequacy of Alaska's funding for public education is of highest concern to the Kenai Peninsula Borough Board of Education; and

WHEREAS, the State of Alaska allocates its funding at the end of the Legislative Session; and

WHEREAS, Districts must project next fall's enrollment and on that basis set a budget before the Legislature is out of session and the state fiscal year budget is enacted; and

WHEREAS, employee collective bargaining agreements require notification of continued employment before the end of the Legislative Session which necessitates a staff reduction until financial resources are known for the next year.

NOW, THEREFORE, The Kenai Peninsula Board of Education resolves to urge the Alaska Legislature:

- To require early funding of K-12 education with a Base Student Allocation of \$4500. Numerous studies have shown this amount to be the minimum needed to meet today's student achievement challenges as required by the Alaska Performance Standards and federal mandates. Appropriating and investing an adequate amount of funding for education is the responsibility of the Alaska Legislature.
- To require an annual adjustment for inflation to provide a sustainable and reliable source of funding.

Adopted by the Kenai Peninsula Borough Board of Education on this 5th day of January, 2004.

Deborah Germano, President
School Board

Attest:

Sally Tachick
Notary Public
My Commission Expires 07/25/05

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



NEA-ALASKA

Affiliated with the National Education Association

Rep. Paul Seaton
State Capitol, Room #102
Juneau, Alaska 99801

Dear Representative Seaton:

I'm writing to you to express support for Sections 1 and 3 of Sponsor Substitute for House Bill 20. This legislation is meant to provide a separate appropriation bill for operating expenses for primary and secondary public education and establishing a date by which the bill must be transmitted to the Governor each year.

This weekend NEA-Alaska members will meet in Anchorage for the 49th annual NEA-Alaska Delegate Assembly. This assembly is where approximately 400 elected members of NEA-Alaska will set policy directives on behalf of the 13,000 members of NEA-Alaska.

Although the Delegate Assembly has not yet met for 2005, the members of NEA-Alaska have always supported an earlier funding date of K-12 education in order to avoid the cycle of "pink slips" being distributed in mid-April or May, to our members due to the potential of budget cuts. Often times, the legislature has come through with additional funding to avert the layoffs but members have already accepted positions in other districts, often in other states, due to the uncertainty.

While we applaud early and adequate funding of K-12 education, we do question the relevance of Section 2 of this legislation. Why do we need to address, in this legislation, the issue of changing the date of notification of tenured teachers? The March 16th date seems to have worked fine when the realization of funding was postponed until the end of a legislative session (usually early to mid-May). This section suggests that with funding coming earlier through this legislation, somehow districts will need an additional nine days to produce form letters of nonretention. This is not logical and indeed punitive for tenured teachers, who are not a part of the annual "pink slips".

NEA-Alaska will be tracking this bill through the legislative process and stands ready to discuss the legislation with you, the Co-Sponsors or anyone interested in making this legislation as good as it can be.

Thank you for your time and attention to this and all education issues. We appreciate the opportunity to discuss important issues with all of Alaska's elected officials. Please call if you have further questions or comments.

Sincerely,



Bill Bjork, President

January 12, 2005

Paul Seaton
State Capital, Room 103
Juneau, AK 99802

Dear Representative Seaton,

It's encouraging to know of your sponsorship of HB 20.

I have been one of many teachers caught in the lay-off re-hire cycle that is so disruptive to our schools.

Frustration ripples through a school, the students, their families and the community due to the uncertainty of the lay-off re-hire cycle. The amount of hours consumed by school district administrators and personnel departments is counter productive. Laid-off teachers begin looking for other jobs, selling their homes and making plans to move during the summer 'break'.

Your bill allows school districts to plan for the next school year based on solid funding by April 1st of each year. This eliminates the 'guess-estimated' approach currently used when districts are submitting budgets prior to the 'guaranteed' funding.

Thanks for encourage a stable and friendly educational environment conducive to learning.

Sincerely,

Dotti Harness
Certified teacher, Math 7-12
POBox 123
Homer, AK 99603
907-235-2303 hm



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Finance

Melody Douglas, Chief Financial Officer
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8888 Fax (907) 262-5867
Email mdouglas@kpbsd.k12.ak.us

VIA EMAIL

February 1, 2005

Representative Paul Seaton
State Capitol, Room 102
Juneau, AK 99801-1182

RE: SSHB 20

Dear Representative Seaton,

Thank you for the opportunity to speak on SSHB 20 this morning. Please include this letter with the material related to this bill.

The concept behind this bill is commendable and would serve to stabilize K-12 education. If adequate educational funding were known earlier in the process, it would facilitate transitions between fiscal years in an efficient and effective manner. Therefore, what needed to be done relative to retaining staff would be certain rather than a guessing game. Issuing non-retention notices only to rehire those non-retained is a disturbing practice for the District, staff, students and communities.

After today's testimony, please consider moving the funding date from March 15 to March 1 and leave the non-retention notification date at March 16. This would maintain the same timing presently in place to allow Districts to participate and be competitive in teacher job fairs.

Also, please consider adding language to include funding for all K-12 programs (pupil transportation, boarding home, youth in detention, etc.) and not just foundation funding, as districts handle budgeting for all programs at the same time. Establishing different funding timelines would potentially increase the workload for Districts by requiring a lengthened budget cycle and extended legislative interactions.

Most importantly, however, is the need to ensure adequate funding occurs with early funding.

Sincerely,

Melody Douglas
Chief Financial Officer

Cc: House Special Committee on Education



**WRANGELL
PUBLIC SCHOOLS**
DISTRICT OFFICE

GATEWAY TO THE STIKINE

P.O. BOX 2319
WRANGELL, ALASKA 99929
Telephone (907) 874-2347
Fax # (907) 874-3137

January 31, 2005

Representative Paul Seaton
State Capitol, Room 103
Juneau, AK 99802

Dear Honorable Representative Seaton:

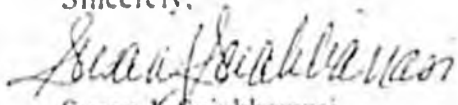
Please accept this letter in support of SSHB 20. As you know, under the current funding structure, schools do not know the state's contribution to their budget until after the end of the legislative session. This forces schools to layoff non-tenured teachers and rehire them after the budget has been approved. Often times, these teachers look elsewhere for a job due to the uncertain status of their employment. This is disruptive to our schools and does not provide continuity in the education setting. With the current teacher shortage, these teachers can also be difficult to replace, especially in the fields of math, science and special education.

AS 14.14.060 requires school districts to submit funding requests to their municipal governments by the first of May every year. Districts must estimate the amount of state funding they will receive because the legislature and governor generally do not pass their operating budget until after May 1st. This makes it difficult for school districts and municipalities to prepare an actual budget.

SSHB 20 solves these problems by requiring the legislature to pass and transmit to the governor a bill to fund education for the succeeding school year by the fifteenth of March. It also changes the date that teachers are required to notify tenured teachers of layoff from March 15 to March 25, giving the governor ten days to act and giving schools an additional ten days from passage of their funding to determine necessary layoffs.

Thank you for your support of SSHB 20 and early funding of education.

Sincerely,


Susan J. Sciabbarrasi
Superintendent

SJS: kp
Cc: Alaska State House of Representatives



KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

February 11, 2005

Representative Paul Seaton
Alaska State Capitol, Room 103
Juneau, Alaska 99802

Dear Representative Seaton:

Our School Board was delighted to support your efforts for early funding and pushing the date back two weeks for notifying teachers concerning their contracts. Both of these issues would certainly serve us in a positive manner. I have enclosed our Board resolution passed on February 9, 2005. Thank you for your support of public education.

Sincerely,

A handwritten signature in cursive script that reads 'Harry E. Martin'.

Harry E. Martin
Superintendent



KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

RESOLUTION #05-05

RESOLUTION SUPPORTING EARLY FUNDING OF K-12 EDUCATION IN ALASKA

WHEREAS, the sustainability, reliability and adequacy of Alaska's funding for public education is of highest concern to the Ketchikan Gateway Borough School District Board of Education; and

WHEREAS, the State of Alaska allocates its funding at the end of the Legislative Session; and

WHEREAS, Districts must project next fall's enrollment and on that basis set a budget before the Legislature is out of session and the state fiscal year budget is enacted; and

WHEREAS, employee collective bargaining agreements require notification of continued employment before the end of the Legislative Session which may necessitate a staff reduction until financial resources are known for the next year

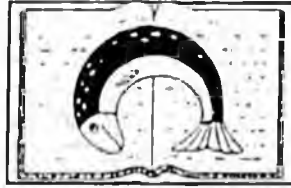
NOW, THEREFORE, The Ketchikan Gateway Borough School District Board of Education resolves to urge the Alaska Legislature:

- To require early funding of K-12 education with a Base Student Allocation of \$4880. Appropriating and investing an adequate amount of funding for education is the responsibility of the Alaska Legislative.
- To require an annual adjustment for inflation to provide a sustainable and reliable source of funding.

Adopted by The Ketchikan Gateway Borough School District Board of Education on this 9th day of February, 2005.


Choc Schafer/Board President


Deborah Harney/Vice President



Lower
Kuskokwim
School
District

Office of the Superintendent
P.O. Box 305 Bethel, AK 99559
907-543-4810 Fax: 907-543-4904

February 23, 2005

Representative Paul Seaton
State Capitol Building
Juneau, Alaska 99801

Dear Representative Seaton,

The Lower Kuskokwim School District Board of Education met on February 22, 2005 in the LKSD Board Room in Bethel. The Board did approve 05-08 the Resolution Supporting Early Funding of K-12 Education in Alaska.

Sincerely,

A handwritten signature in cursive script that reads "Bill A. Ferguson".

Bill Ferguson, Superintendent

CC: Representative Mary Kapsner
Senator Lyman Hoffman

Lower Kuskokwim School District Resolution

05-08

RESOLUTION SUPPORTING EARLY FUNDING OF K-12 EDUCATION IN ALASKA

WHEREAS, the sustainability, reliability and adequacy of Alaska's funding for public education is of highest concern to the Lower Kuskokwim School District Board of Education; and

WHEREAS, the State of Alaska allocates its funding at the end of the Legislative Session; and

WHEREAS, Districts must project next fall's enrollment, and on that basis set a budget before the Legislature is out of session and the state fiscal year budget is enacted; and

WHEREAS, employee collective bargaining agreements require notification of continued employment before the end of the Legislative Session, which necessitates a staff reduction until financial resources are known for the next year.

NOW, THEREFORE, the Lower Kuskokwim School District Board of Education resolves to urge the Alaska Legislature:

- To require early funding of K-12 education with a Base Student Allocation of \$5100. Numerous studies have shown this amount to be the minimum needed to meet today's student achievement challenges as required by the Alaska Performance Standards and federal mandates. Appropriating and investing an adequate amount of funding for education is the responsibility of the Alaska Legislature.
- To require an annual adjustment for inflation to provide a sustainable and reliable source of funding.

PASSED THIS 22ND DAY OF FEBRUARY, 2005

Lucy Crow
Lucy Crow, Board Secretary

Feb. 22, 2005
Date

Bill Ferguson
Bill Ferguson, Superintendent of Schools

2-22-05
Date

**VALDEZ CITY SCHOOL DISTRICT
Board of Education**

Resolution 05-06

Supporting Early Funding of K-12 Education in Alaska

Whereas, the sustainability, reliability and adequacy of Alaska's funding for public education is of highest concern to the Valdez City School District Board of Education; and,

Whereas, the State of Alaska allocates its funding at the end of the Legislative Session; and,

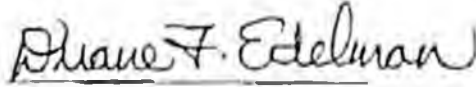
Whereas, Districts must project next fall's enrollment and on that basis set a budget before the Legislature is out of session and the state fiscal year budget is enacted; and,

Whereas, employee collective bargaining agreements require notification of continued employment before the end of the Legislative Session which necessitates a staff reduction until financial resources are known for the next year, now,

Therefore be it resolved that the Valdez City School District Board of Education urges the Alaska Legislature:

- To require early funding of K-12 education as outlined in SGHB 20.

Signed and dated: February 28, 2005


Board President