

SB

131

<TARGET><BILL>SB 131</BILL><SUBJECT>SB
131</SUBJECT><COMM>SEDC30</COMM></TARGET>

SESSION ADDRESS:
Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-4925
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Senator Gary Stevens
Alaska State Legislature

INTERIM ADDRESS:
305 Center Ave, Ste. 1
Kodiak, Alaska 99615
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SPONSOR STATEMENT

SENATE BILL 131

Appropriating the School Funding Formula by April 1

Senate Bill 131, "An Act relating to a separate appropriation bill for operating expenses for public education and establishing a date by which the bill must be passed by the legislature and transmitted to the governor each year; relating to the budget responsibilities of the governor; and providing for an effective date," would let school districts know the amount of state aide they will be receiving for the succeeding school year, on April 1st of each calendar year.

By state statute (AS 14.14.060), school districts are required to submit funding requests to their municipal governments by May 1st of each year. Notwithstanding a 90-day legislative session that is scheduled to conclude in mid-April, there have been many instances in which the Legislature and the Governor have not passed the state operating budget until well after May 1st. This situation makes it difficult for school districts to prepare an actual financial plan and puts an added burden on local government officials developing their budgets. Over the years, this uncertainty has also forced school districts to layoff educators prematurely only to attempt to hire them again, with equally uncertain success, once the final budget has been approved.

SB 131 solves this dilemma in two ways. Section one of the bill requires 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. It also requires the Legislature to pass and transmit to the Governor a bill to fund public education for the succeeding fiscal year. Section two amends a provision in the Executive Budget Act to reflect that a separate appropriation bill to fund public education be submitted by the Governor as part of the budget package.

School districts throughout Alaska are dealing with many issues including recruiting and retaining teachers, meeting pupil performance standards and inflationary costs. The Legislature can assist school districts by giving them early notice of their respective state funding levels.

Please join me in supporting this important legislation.

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SECTIONAL ANALYSIS

SENATE BILL 131

Appropriating the School Funding Formula by April 1

- Section 1: Requires the governor to submit to the legislature a separate appropriation bill for public education, formula funding for schools. The legislature is directed to pass and transmit to the governor by April 1 a bill making appropriations for formula funding for the following fiscal year.
- Section 2: Is a technical change to the Executive Budget Act, to accommodate the provision for a separate appropriations bill for formula funding public education.
- Section 3: The effective date of the is July 1, 2018, so a separate appropriations bill for formula funding public education would be first required for the FY 2020 budget.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: SB 131
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB131-EED-FP-1-12-18
Title: EDUCATION FUNDING
Sponsor: STEVENS
Requester: Senate Education Committee

Department: Department of Education and Early Development
Appropriation: K-12 Aid to School Districts
Allocation: Foundation Program
OMB Component Number: 141

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Heidi Teshner, Director
Division: Finance and Support Services
Approved By: Dr. Michael Johnson, Commissioner
Agency: Department of Education & Early Development

Phone: (907)465-2875
Date: 01/12/2018
Date: 01/12/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. SB 131

Analysis

SB131 creates a new section under Alaska Statute 14.17, Financing of Public Schools, with AS 14.17.530. This section provides language stating the Governor shall submit a separate appropriation bill for the purposes of funding education's public school funding formula. The legislature shall then pass and transmit, by April 1, an education appropriation bill to the Governor for purposes of funding AS 14.17.300 - 14.17.490.

Section two updates the language under the state public finance laws, specifically AS 37.07.020(a), Responsibilities of the governor, to include the above provision when submitting the operating, capital, and mental health budgets by December 15.

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2019 through FY2024 is reported in the fiscal note for the PEF, as the funding is deposited to the PEF not into the Foundation Program funding component. The above analysis is presented here for explanation purposes only.

This act takes effect July 1, 2018.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: SB 131
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB131-EED-PEF-1-12-18
Title: EDUCATION FUNDING
Sponsor: STEVENS
Requester: Senate Education Committee

Department: Fund Capitalization
Appropriation: Fund Capitalization (no approps out)
Allocation: Public Education Fund (starts FY17)
OMB Component Number: 2804

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **No**
If yes, by what date are the regulations to be adopted, amended or repealed?

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. SB 131

Analysis

SB131 creates a new section under Alaska Statute 14.17, Financing of Public Schools, with AS 14.17.530. This section provides language stating the Governor shall submit a separate appropriation bill for the purposes of funding education's public school funding formula. The legislature shall then pass and transmit, by April 1, an education appropriation bill to the Governor for purposes of funding AS 14.17.300 - 14.17.490.

Section two updates the language under the state public finance laws, specifically AS 37.07.020(a), Responsibilities of the governor, to include the above provision when submitting the operating, capital, and mental health budgets by December 15.

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). This fiscal note is zero, because it is an annual budgeting process that will be vetted by both the Governor and Legislature.

This act takes effect July 1, 2018.

PASSING THE ALASKA STATE OPERATING BUDGET 1997-2017

SB 131 - Earlier Funding of Education Budget

YEAR	Total Legislative Days	Bill#	Final Budget Passed H/S	Days Past (Before) May 1st*	Transmitted to Governor	Days To Transmit	Signed Into Law	Days to Sign Into Law	Days Past May 1st Before Budget Signed Into Law
2017	212	HB57	June 22, 2017	52	June 28, 2017	6	June 30, 2017	2	60
2016	157	HB256	May 31, 2016	30	June 20, 2016	20	June 28, 2016	8	58
2015	157	HB72	April 27, 2015	(4)	May 1, 2015	4	May 18, 2015	17	17
2014	95	HB266	April 20, 2014	(11)	May 23, 2014	33	May 28, 2014	5	27
2013	90	HB65	April 14, 2013	(17)	May 10, 2013	26	May 21, 2013	11	20
2012	104	HB284	April 15, 2012	(16)	May 3, 2012	18	May 14, 2012	11	13
2011	119	HB108	May 6, 2011	4	June 8, 2011	33	June 29, 2011	21	58
2010	91	HB300	April 18, 2010	(13)	May 12, 2010	24	June 3, 2010	22	33
2009	91	HB81	April 15, 2009	(16)	May 8, 2009	23	May 21, 2009	13	20
2008	150	HB310	April 12, 2008	(19)	May 1, 2008	19	May 22, 2008	21	21
2007	152	HB95	May 16, 2007	15	June 11, 2007	26	June 29, 2007	18	59
2006	189	HB365	May 9, 2006	8	May 16, 2006	7	May 22, 2006	6	21
2005	136	HB67	May 24, 2005	23	June 22, 2005	29	June 28, 2005	6	58
2004	125	HB375	May 11, 2004	10	June 25, 2004	45	July 19, 2004	24	79
2003	121	HB75	May 21, 2003	20	June 10, 2003	20	June 12, 2003	2	42
2002	132	HB403	May 14, 2002	13	June 19, 2002	36	June 28, 2002	9	58
2001	124	HB103	May 8, 2001	7	June 20, 2001	43	June 30, 2001	10	60
2000	118	HB312	May 2, 2000	1	June 9, 2000	38	June 30, 2000	21	60
1999	136	HB50	May 19, 1999	18	June 9, 1999	21	June 30, 1999	21	60
1998	131	HB325	May 12, 1998	11	June 8, 1998	27	June 30, 1998	22	60
1997	119	HB75	May 11, 1997	10	June 10, 1997	30	June 30, 1997	20	60

Overall Averages:	6-May	6	31-May	25	13-Jun	14	45
Ave Under "90-Day" Session:	30-Apr	(1)	20-May	21	2-Jun	13	33

*SD budgets are due to Boro's on May 1

"Pink Slip" Day is May 15.

SB131



HAINES BOROUGH SCHOOLS

P.O. Box 1289

January 18, 2018

Haines, Alaska 99827

Senator Gary Stevens
State Capitol, Room 409
Juneau, AK 99801

Dear Senator Stevens,

Thank you very much for sponsoring Senate Bill 131 relating to early funding K-12 education. Over the years it has become increasingly difficult to develop a budget in a timely manner given the uncertainty of State funding. Like most districts, the largest portion of our revenue comes from the State. Without a clear picture of our revenues, the budgeting process becomes a series of assumptions and educated guesses. This uncertainty impacts program planning, purchasing, and staffing decisions and makes sound financial management extremely difficult. SB131 is a major step in helping school districts develop sound fiscal plans.

As you are aware, school districts throughout Alaska are facing many challenges, including declining resources, increasing costs, performance standards, deferred maintenance, and the list goes on. While early funding will not eliminate these challenges, it will provide districts with information that will help more strategically address some of these issues.

Again, thank you for your sponsorship of SB131 and your continued support of public education.

Sincerely,



Richard E. Carlson
Interim Superintendent

cc: Representative Sam Kito
Senator Bert Stedman

From: Therese Ashton [<mailto:tashton@aktcsd.org>]
Sent: Wednesday, January 17, 2018 11:23 AM
To: Sen. Gary Stevens <Sen.Gary.Stevens@akleg.gov>
Subject: April 1st appropriation for Education

SB131

Dear Honorable Senator Gary Stevens,

My message is short. Please do all you can to support SB131. Timing is key to creating and maintaining a sound budget for school districts. The April 1st date to pass K-12 funding that is reasonable makes more sense than delaying without any type of reasonable deadline.

We have a wonderful community in Tanana. It is better when the students, staff, and community can look ahead and know school will be in session and who our staff will be as soon as possible. We depend on staff that stay long term. Having a budget that can be finalized sooner rather than later helps this process.

Thank you for your work in these trying times.

Thérèse Ashton
Principal/Superintendent
Tanana City School District
907-677-2348

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Thérèse Ashton
Superintendent/Principal
Tanana City School District
Maudrey Sommer School
907-677-2348

From: Lem Wheelles [mailto:lem_ffa@hotmail.com]

Sent: Tuesday, January 16, 2018 7:57 PM

To: Sen. Gary Stevens <Sen.Gary.Stevens@akleg.gov>

Cc: Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>; Rep. Matt Claman <Rep.Matt.Claman@akleg.gov>

Subject: SB 131

SB131 SUPPORT

Dear Senator Stevens,

I recently learned about SB 131 and I want to thank you for pre-filing it. As I shared with you during my visit to Juneau last May, the legislature's failure to pass a budget in a timely fashion had a substantial negative impact on our schools. The elementary school attended by my children lost nearly a third of their staff last spring, many of whom moved out of Alaska or left the teaching profession after being laid off in May. A few of my talented colleagues at Dimond High got laid off in May, and while they eventually got their jobs back, it only came after many weeks of stress and uncertainty, during which they considered moving or changing careers.

While we certainly have to find a way to balance the state budget, such delays are costing school districts (and by extension the State of Alaska) millions of dollars in additional costs to recruit and train new teachers. Even worse, our students are the biggest losers in this political contest. Where they should have the best, most experienced teachers providing a world class education, they are ending up with a revolving door of first year teachers and without the stability of building relationships with positive role models who can help them succeed in school. Alaska's future is in jeopardy as long as the education budget is treated as a bargaining chip in Juneau.

Thank you for introducing SB 131 this session! We need full forward funding for education, and this is a step in the right direction. I urge you to make this a top legislative priority, and to pressure your colleagues in the majority caucus to move this bill, and the FY2019 budget through the legislature quickly. It would be a powerful step in the right direction to see a budget passed by April 1, 2018, even without SB 131 in effect yet. I look forward to seeing results from the legislature this session. Keep up the good work!

Sincerely,
Lem Wheelles

SB131

SOUTHWEST REGION SCHOOL BOARD

RESOLUTION NO. 18-02

A RESOLUTION SUPPORTING THE EARLY FUNDING OF PUBLIC EDUCATION DURING THE LEGISLATIVE PROCESS

WHEREAS, the Constitution for the State of Alaska directs that "the legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions"; and

WHEREAS, each of the local public school districts are responsible for approving and adopting an annual budget that meets State Department of Education and Early Development financial reporting guidelines; and

WHEREAS, the budgeting process requires adequate time over a several month period to ensure that the public and various stakeholders, including municipalities, borough, and local school district boards of education, provide input and adopt the budget; and

WHEREAS, hiring qualified and excellent staff is a major key to meeting the needs of students and ensuring that the goals of Alaska's Education Challenge are met; and

WHEREAS, there is a state and national shortage of individuals who are pursuing careers in the teaching profession; and

WHEREAS, schools and districts must be able to begin the recruiting and hiring process for teachers early in the spring with the guarantee that funding will be available; and

WHEREAS, the legislative financial appropriation for the Alaska Department of Education and Early Development including each of the State's public school districts must be passed before each district can determine the actual number of staff that may be hired.

NOW, THEREFORE, BE IT RESOLVED that the Southwest Region School District urges the Legislature to establish adequate, equitable, sustainable, and predictable revenue for schools early in the legislative session.

PASSED, APPROVED AND ADOPTED BY THE SCHOOL BOARD OF THE SOUTHWEST REGION SCHOOL DISTRICT THIS 28th DAY OF NOVEMBER, 2017:



President, Southwest Region Schools

11-28-17
Date



Superintendent, Southwest Region Schools

11-28-17
Date