

**SENATE BILL NO. 4**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY SENATORS DAVIS, Ellis, Guess

Introduced: 1/21/03

Referred: Health, Education and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to forward funding of education programs; and providing for an**  
2   **effective date."**

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

4       \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
5   to read:

6           POLICY. It is the policy of the state to appropriate funds for essential education  
7   programs at least one year in advance of the fiscal year in which the funds are to be expended  
8   in order to give school districts, regional educational attendance areas, state boarding schools,  
9   and the state centralized correspondence study program reasonably certain knowledge of the  
10   amount and nature of financial support that the state will provide in that fiscal year.

11       \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
12   read:

13           **INTENT.** (a) It is the intent of this Act to provide for forward funding of education  
14   programs by establishing a procedure under which the legislature may appropriate funds for

1 state support of education programs to the forward funding account at least one year before  
2 the funds are to be expended. After an appropriation is made to the forward funding account,  
3 the Department of Education and Early Development is to allocate the appropriated funds  
4 among the education programs identified in the appropriation and to allot and commit those  
5 funds to school districts, regional educational attendance areas, state boarding schools, and the  
6 state centralized correspondence study program for the fiscal year for which the funds were  
7 appropriated. During the fiscal year for which the funds were appropriated, the school  
8 districts, regional educational attendance areas, state boarding schools, and the state  
9 centralized correspondence study program may expend the funds for those education  
10 programs for which the funds were appropriated.

11 (b) It is the intent of the legislature that the process for forward funding of education  
12 programs and an associated appropriation to the forward funding account for support of  
13 education programs in fiscal year 2005 be enacted in fiscal year 2003.

14 \* **Sec. 3.** AS 14.07 is amended by adding a new section to read:

15 **Sec. 14.07.065. Forward funding of education programs.** (a) The forward  
16 funding account is established in the general fund. The purpose of the account is to  
17 hold funds appropriated for support of education programs until the funds are  
18 transferred to the department or the appropriate account under (e) of this section.

19 (b) If the legislature makes an appropriation to the forward funding account,  
20 the legislature shall indicate in the appropriation those education programs and the  
21 fiscal year for which the appropriation is made.

22 (c) Funds appropriated to the forward funding account shall be expended in  
23 accordance with this section and other provisions of law without a further  
24 appropriation.

25 (d) Consistent, to the extent practicable, with the procedures set out in  
26 AS 37.07, the department shall annually prepare a budget for education programs for  
27 the second fiscal year following the fiscal year in which the budget is prepared. An  
28 appropriation to the forward funding account that is sufficient to fund the budget for  
29 education programs for the second fiscal year after the year in which the budget is  
30 prepared may be incorporated into the annual state budget and the accompanying  
31 appropriation bill submitted to the legislature under AS 37.07.020.

1           (e) By April 15 of the fiscal year before the fiscal year for which an  
2 appropriation to the forward funding account is to be expended, the department shall  
3 allocate the funds among the education programs for which the appropriation was  
4 made and shall transfer the funds from the forward funding account to the department  
5 or the appropriate account for distribution to school districts, regional educational  
6 attendance areas, state boarding schools, and the state centralized correspondence  
7 study program for that fiscal year as provided by law. Unless otherwise provided in  
8 the appropriation to the forward funding account, the department shall give priority to  
9 allocating sufficient funds from the appropriation to fully fund the state aid to public  
10 schools program under AS 14.17.

11           (f) Unless otherwise provided by law or appropriation, the unexpended and  
12 unobligated balance of funds transferred to the department or an appropriate account  
13 under (e) of this section from the forward funding account that remains at the end of  
14 the fiscal year for which the funds were to be expended lapses into the fund from  
15 which the appropriation to the forward funding account was made.

16           (g) In this section, "education programs" includes the state aid to public  
17 schools program, tuition students program, boarding home grants program, youth in  
18 detention program, pupil transportation program, schools for the handicapped  
19 program, community schools program, child nutrition program, state boarding schools  
20 program, and state centralized correspondence study program.

21   \* **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).