

Alaska State Legislature

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Sponsor Statement **HB 287**

Appropriation: Education and Student Transportation

School districts rely on state and other funds for education funding every year. HB 287 makes appropriations from the Constitutional Budget Reserve fund (CBR) and from the Statutory Budget Reserve fund (SBR) for K-12 education and student transportation. The bill is intended to pass separately from the regular operating budget and early in the session to prevent school districts from issuing mandatory teacher layoff notices. Many lawmakers agree that education funding cannot withstand further cuts without negatively effecting Alaskan children. An early, separate appropriation for education that has existing funding identified would prevent these problems and will allow school districts to finalize their budgets on time.

The CBR and the SBR funds have much lower interest earning rates when compared to other funds. Using the CBR and the SBR for education preserves the growth of higher earning funds, thus allowing for greater revenue. When considering the proposed use of the CBR, the fund balance would still be over \$1 billion dollars after the appropriation made in this bill. The bill also makes appropriations from other fund sources for Boarding Home Grants, Youth in Detention, Special Schools, and Mount Edgecumbe Boarding School.

Even after the budget has passed the legislature line item veto or veto reductions can be made by the Governor. In 2015, the state needed to come back in special session to pass a second operating budget that included education funding. In 2016, the state operating budget was passed by the legislature on May 31 and signed by the governor on June 28. Last session, the state operating budget did not pass the Legislature until June 22 and signed by the Governor on July 1. All this uncertainty for the funding amount forces school districts to draft multiple budgets. Anticipating low amounts requires districts to

give termination notices (pink slips) to non-tenured teachers by May 15 and tenured teachers by the last day of school.

Education is one of the highest priority programs for the state, and educators are shaping future generations. HB 287 reflects the importance of education to our state.