

Kenai Peninsula Borough

Kenai Peninsula Borough Assembly

UPDATED MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Kelly Cooper, Assembly member 

DATE: February 20, 2018

RE: Resolution 2018-008, Supporting House Bill 287 Providing Early Approval of Funding for Public Education and Student Transportation

Representative Paul Seaton is sponsoring House Bill 287 which is intended to make early funding available for public education. Public school districts and regional education attendance areas in Alaska rely on the state to fund education each year, preferably by April 30th, to provide sufficient time to finalize their budgets and take necessary actions to prepare for the next school year. For example, Alaska Statutes require the district to notify all non-tenured teachers of non-retention for the next school year on or before the last day of school each year. When the district does not know how much state funding it will receive it has to send notices to all such employees in case sufficient funding is not ultimately appropriated to retain them. As a result, the district loses employees it would otherwise retain.

The Constitutional Budget Reserve ("CBR") and the Statutory Budget Reserve ("SBR") earn lower interest rates when compared to other funds. These two funds could be identified for education and preserve the growth of higher-earning funds, thus allowing for greater revenue for the state. The estimated balance of the CBR fund if HB 287 becomes law would be above \$1 billion. The estimated FY18 ending balance of the SBR if HB 287 becomes law would be \$104.6 million. The Senate could appropriate \$1.2 billion from the CBR and an estimated \$67.8 million from the SBR for education.

This bill includes the same level of funding as the Governor's FY19 request.

Any delay beyond April in the approval of the state budget causes significant uncertainty and difficulty for the school district. Your support of this resolution would be appreciated.