



# HB 69 Base Student Allocation

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# Table of Contents

1. Evolving Demands on Education
2. Rising Costs
3. District Impacts: Urban, Rural, Remote
4. Effects of Flat Funding
5. Inflation Proofing
6. One-Time Funding Doesn't Go To Classrooms
7. Constitutional Obligation





# Evolving Demands on Education



1940



2025

# Evolving Demands on Education



1940



2025

Rising Costs with 39% Inflation

Historical Statutory Base Student Allocation				
Fiscal Year	Statutory BSA	\$ Increase from Prior Year	% Increase from Prior Year	CPI % Change from Prior Year
FY10	\$5,580	\$100	1.8%	1.8%
FY11	\$5,680	\$100	1.8%	1.9%
FY12	\$5,680	\$0	0.0%	3.0%
FY13	\$5,680	\$0	0.0%	2.4%
FY14	\$5,680	\$0	0.0%	2.7%
FY15	\$5,830	\$150	2.6%	1.2%
FY16	\$5,880	\$50	0.9%	-0.1%
FY17	\$5,930	\$50	0.9%	0.8%
FY18	\$5,930	\$0	0.0%	1.1%
FY19	\$5,930	\$0	0.0%	3.3%
FY20	\$5,930	\$0	0.0%	-0.7%
FY21	\$5,930	\$0	0.0%	1.4%
FY22	\$5,930	\$0	0.0%	7.4%
FY23	\$5,930	\$0	0.0%	5.0%
FY24	\$5,960	\$30	0.5%	1.7%
FY25	\$5,960	\$0	0.0%	2.5%
Totals FY10-FY25		\$380	6.8%	39.2%

\*BLS CPI for Urban Alaska; FY25 value uses Callan projection of 2.5% inflation



1 X Funding

Historical Statutory Base Student Allocation					
Fiscal Year	Statutory BSA	\$ Increase from Prior Year	% Increase from Prior Year	CPI % Change from Prior Year	
FY10	\$5,580	\$100	1.8%	1.8%	
FY11	\$5,680	\$100	1.8%	1.9%	
FY12	\$5,680	\$82	\$0	0.0%	3.0%
FY13	\$5,680	\$101	\$0	0.0%	2.4%
FY14	\$5,680	\$101	\$0	0.0%	2.7%
FY15	\$5,830	\$171	\$150	2.6%	1.2%
FY16	\$5,880		\$50	0.9%	-0.1%
FY17	\$5,930		\$50	0.9%	0.8%
FY18	\$5,930		\$0	0.0%	1.1%
FY19	\$5,930	\$78	\$0	0.0%	3.3%
FY20	\$5,930	\$118	\$0	0.0%	-0.7%
FY21	\$5,930		\$0	0.0%	1.4%
FY22	\$5,930		\$0	0.0%	7.4%
FY23	\$5,930	\$222	\$0	0.0%	5.0%
FY24	\$5,960	\$340	\$30	0.5%	1.7%
FY25	\$5,960	\$680	\$0	0.0%	2.5%
<b>Totals</b> FY10-FY25		\$380		6.8%	39.2%

FY10 \$100 \$ Increase from Prior Year is NOT included in the \$380 Total FY10-FY25 as it is a statistic for FY09

Source: Legislative Finance



## Mat-Su School District

Comparing 2011 to today's increasing costs of operating M-SSD's

- Combined cost of Property, Liability, and Health Insurance has **risen 116%**
- Transportation costs have **risen 63%**
- Energy costs have **risen 56%**

## District Impacts, Rural



## Sitka School District

Comparing 2011 to today's increasing costs of operating SSD's

- Combined cost of Property, Liability, and Health Insurance has **risen 79%**
- Transportation costs have **risen 93%**
- Energy costs have **risen 1,007%**



## District Impacts, Remote



## Bering Strait School District

Comparing 2011 to today's increasing costs of operating BSD's

- Combined cost of Property, Liability, and Health Insurance has **risen 96%**
- Transportation costs have **risen 129%**
- Energy costs have **risen 42%**

# KIBSD to recommend closing a school next month as it faces \$8 million budget deficit

KMXT | By Brian Venua  
Published December 19, 2024 at 5:14 PM AKST

## Anchorage School District names 7 elementary schools for proposed closures over 3 years

By Zachariah Hughes  
Updated: November 2, 2024

## Despite promise of help from Juneau, Sitka School Board cuts 16 teachers to balance next year's budget

Posted by Robert Woolsey, KCAW | May 2, 2024

# Alaska Beacon

ECONOMY & ENVIRONMENT EDUCATION GOVERNMENT & POLITICS HEALTH JUSTICE

EDUCATION

## Alaska school districts got a one-time funding boost. It came too late for many teachers.

District leaders and teachers say their colleagues are leaving because of uncertainty in what is usually a stable profession

BY: CLAIRE STREMPLE - AUGUST 12, 2024 5:58 AM



## Alaska school districts could take financial hit as education department considers tighter limits on local funding

By Sean Maguire  
Updated: November 2, 2024  
Published: November 2, 2024

## Anchorage teachers say they're concerned about a proposal to increase class sizes

Alaska Public Media | By Wesley Early  
Published December 16, 2022 at 3:24 PM AKST



## Nome Public Schools draft budget includes deep cuts to staff, student travel

January 15, 2025 • Ben Townsend

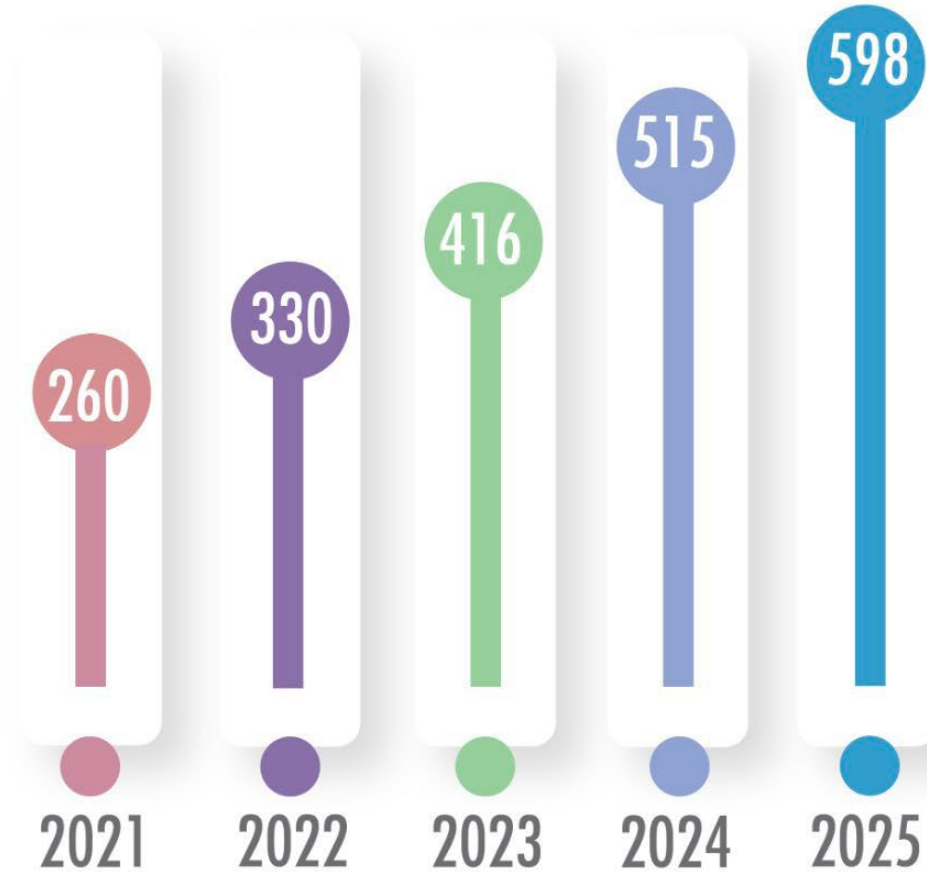
## Proposed school district budget for next year cuts 12% of employees, increases class sizes

Pupil-teacher ratio of 30 — or 4 to 5 extra kids per class — proposed for all grades except K-3.

# Effects of Flat Funding

## Teacher Shortages in Alaska

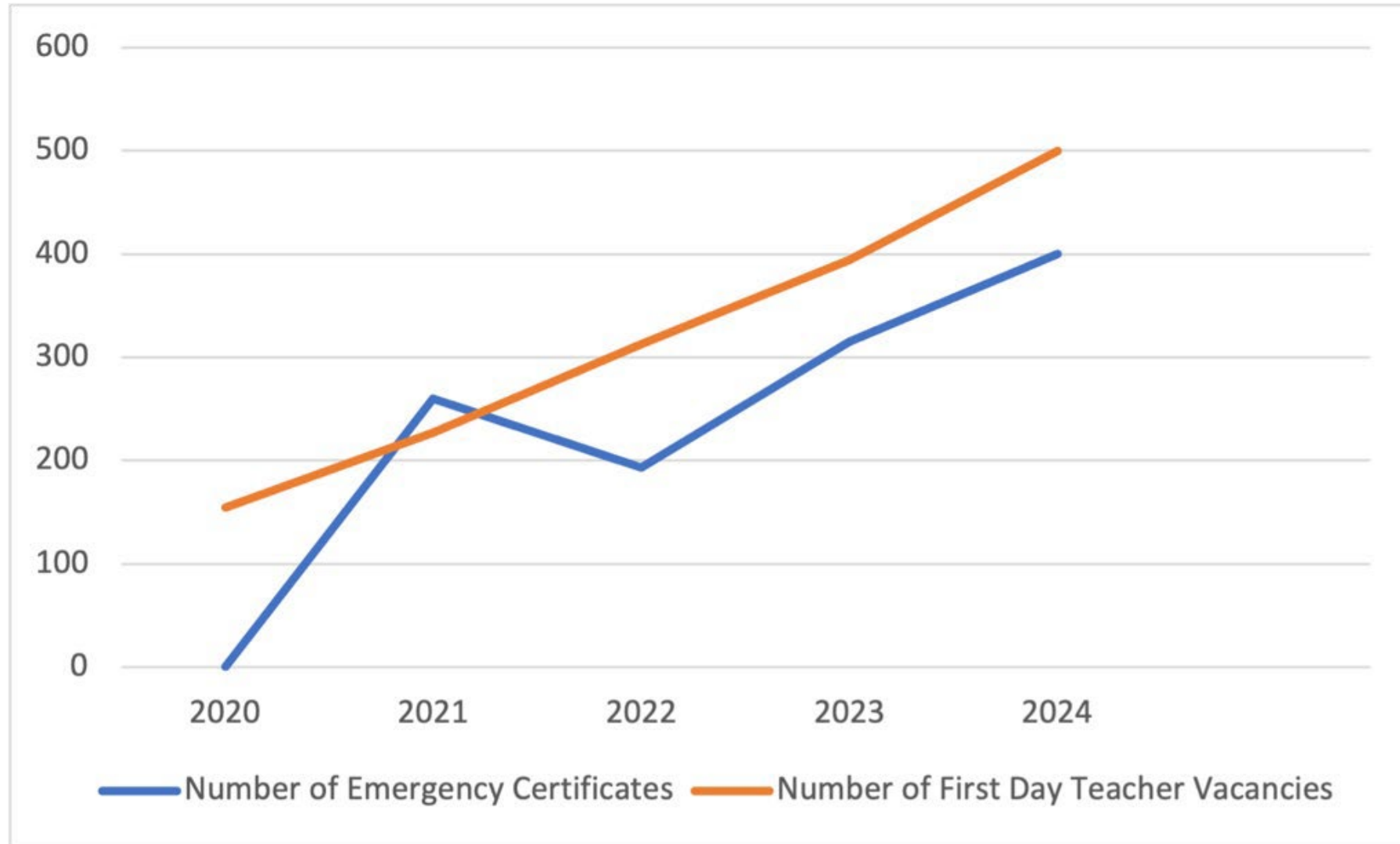
AK First Day Certified Position Vacancy Rates



An Excellent Education for Every Student Every Day



# Teacher Shortages in Alaska

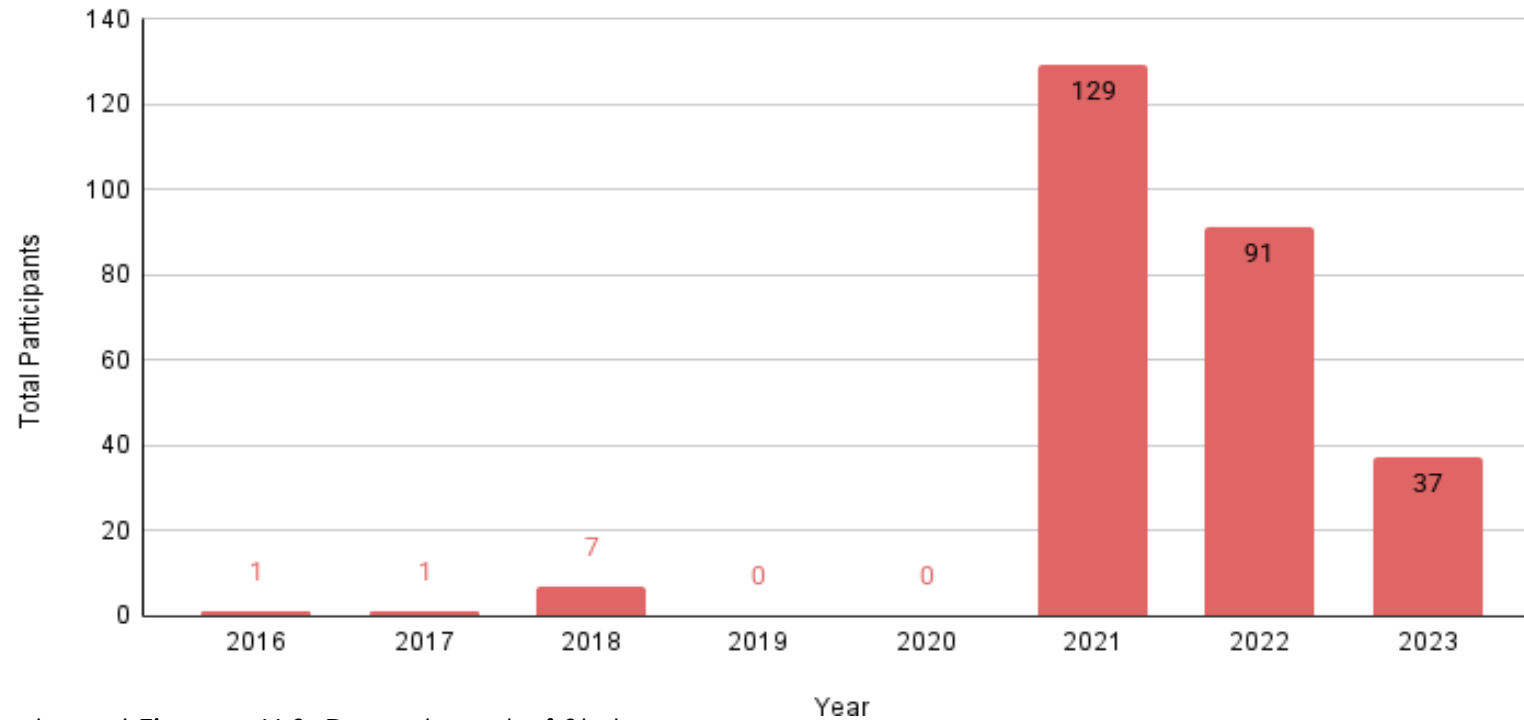




# Teacher Shortages in Alaska

## Cultural Exchange Educators in Alaska

2016 - 2023



Source: J-1 Visa, Facts and Figures, U.S. Department of State, Bureau of Educational and Cultural Affairs

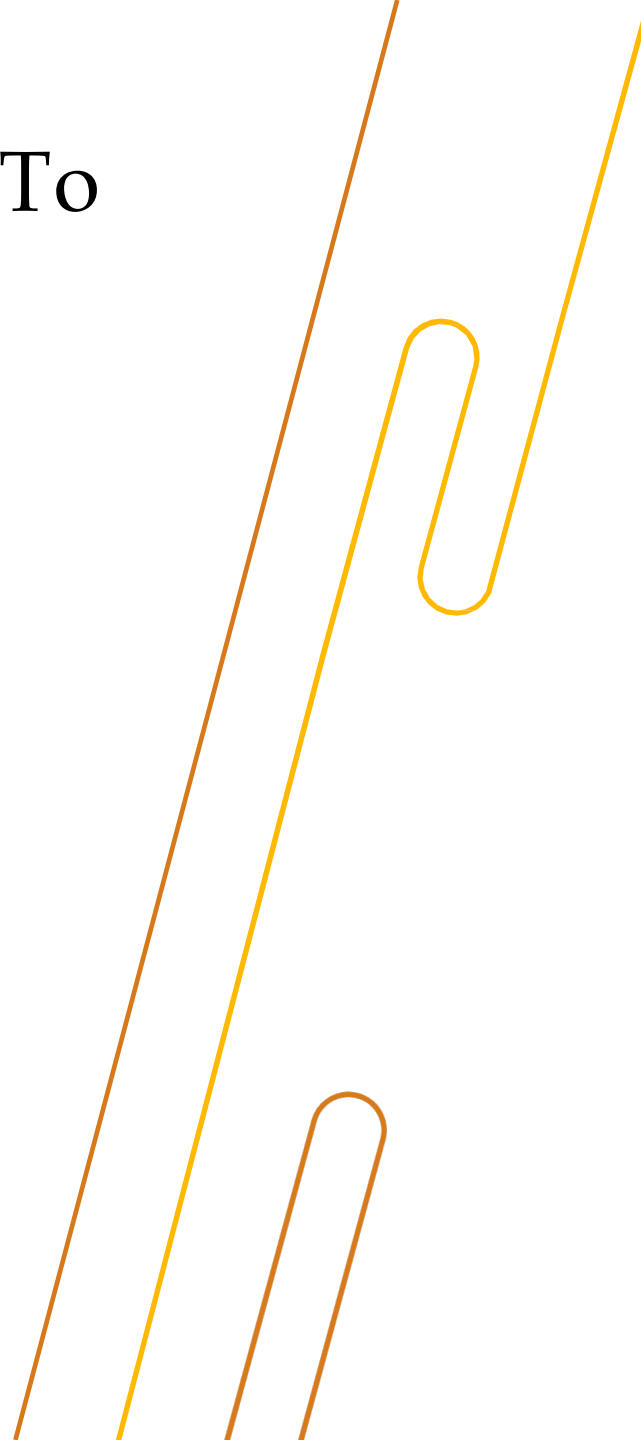
# Why Inflation Proofing?

- Hiring decisions are made by mid-March and educators are let go when districts do not have budgetary certainty
- State budget could be decided as late as the end of June, less than a week before the next fiscal year begins
- School districts begin planning 9 months in advance of the next school year
- Foundation formula accounts for cost differences across urban, rural and remote schools, ensuring fair distribution of resources
- Enrollments are declining, but fixed costs stay the same
- Legislators have a constitutional obligation to Alaskans who deserve to have confidence in their children's future



# One-Time Funding Doesn't Go To Classrooms

- The formula lifts all of Alaska's public education options: charter, neighborhood, and correspondence schools
- Fixed costs do not go down
- Personnel costs make up 80% or more of the districts' budgets – there is little margin for error if we want to give our children the best education in the nation





# Constitutional Obligation

Article VII, Section 1

“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.”

