

2017 SESSION OPERATING BUDGET AMENDMENT PROPOSAL

OFFERED IN: The House Finance Subcommittee

TO: HB 57 Operating Budget

OFFERED BY: Rep. Dave Talerico, Rep. Chuck Kopp, Rep. Steve Thompson,
Rep. Jennifer Johnston

RECOMMENDED STATUTE CHANGE: Amend AS 14.17.470. To reduce the Base Student Allocation by 1% from \$5,930 to \$5,870.

EXPLANATION: This is a recommendation to reduce the BSA by 1%. The legislature has never cut the BSA. It has not been fully funded in past years due to fiscal crises and thus maybe this would be the route to take again for this year. Although this is the last thing we want to do, we have met with many school districts and they agree that this is a preferred reduction if one is needed. The reason being, this will affect all the districts proportionally; whereas if we change the foundation formula it will affect certain school districts much more than others. A budget deficit of over \$2.8 billion cannot be squeezed out of these smaller department's budgets without eliminating them. It is not unreasonable to ask for a 1% reduction to the BSA when we ask so much more from the other departments. For the fiscal safety of all Alaskans and for the fiscal stability our children need in the very near future, cuts to the largest department's budget must occur. This reduction is small at 1% but will save \$15,568,240 million.