



Representative Andi Story

Alaska State Legislature

HB 236

Sponsor Statement

“An Act relating to education; increasing the base student allocation”

HB 236 amends the Base Student Allocation (BSA), a component of the school funding formula which sets the distribution of state funds for school operations. The FY21 BSA increase of \$115 incorporates the FY20 appropriation of \$30 million into the formula, while the FY22 adjustment reflects inflationary growth of 2.25% at a cost of approximately \$28.6 million. Overall, this reflects flat funding between FY21 and FY20, and inflation adjusted funding in FY22.

HB 236 recognizes the economic realities of inflation, expenses which schools confront in the form of rising costs associated with health care, fuel oil, school supplies, or simply keeping the lights on.

It offers predictability and stability, allowing everyone in the school system – school boards, administrators, teachers, para-educators, classified staff, students and their families – to focus on the important work of educating and learning.

Alaska’s investment in schools is substantial, yet reasonable. On a per student basis in inflation adjusted dollars, the state now spends roughly the same as in 1988.

U.S. Census data places Alaska 6th in the nation for education spending (state, federal, local). However, when adjusted for federal cost of living allowance (COLA), Alaska is 20th. Looking more closely, Alaska has unique attributes that impact costs. 13% of Alaska’s schools are under 25 students, with many of these located off the road system. In addition, the state has the highest health care costs in the nation, a fact that significantly impacts personnel costs.

Despite Alaska’s commitment to education, tremendous challenges remain and student instructional needs are going unmet. A continuous culture of learning, innovation and inspiration is needed; not a steady undercutting of resources and capacity. Unless state support meets rising costs, the capacity of schools slowly diminishes.

A high-quality educational system is a wise investment in the State’s people and its future.

HB 236 offers a solid funding base for Alaska’s schools that recognizes the importance of the state’s investment in its future workforce, quality of life for its residents, and prosperous future for its children.

Thank you for your consideration of this important legislation.

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