

# Senate Bill 52

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**An Act to Increase the Base Student Allocation**

*Sponsored by the Senate Education Committee*

# Public Education Clause in the Alaska Constitution

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. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution.

– Alaska Constitution, Article VII, Section 1



# Kristine Moore, et al., vs. State of Alaska

- Article 7, Section 1 requires the state to:
  - The State must establish educational standards. (<https://education.alaska.gov/standards>)
  - The State must assess for those standards. (<https://education.alaska.gov/assessments>)
  - The State must adequately fund schools so they can provide instruction in the standards. (<https://education.alaska.gov/SchoolFinance>)
  - In delegating the responsibility to education children to local school districts, the state must provide adequate accountability and oversight to ensure districts are fulfilling the State's constitutional obligation. (<https://education.alaska.gov/akaccountability>)

# The Moore Lawsuit Settlement

The Moore legal settlement states that the Education Clause of the Alaska Constitution includes a right for every child to have a meaningful opportunity to become proficient in reading, writing, and math, and a to be able to meaningfully explore curriculum content areas that were not assessed by State standards-based assessments.

# Base Student Allocation Increase

Right now, the authorized Base Student Allocation (BSA) for Alaska is \$5,960.

- That includes the \$30 increase authorized in the Alaska Reads Act.
- The \$30 increase goes into effect at the start of FY 2024.

Senate Bill 52 calls for an additional \$1,000 increase to the BSA in FY 24, which begins on July 1. (*Cost = \$257.2 million*)

- SB 52 includes an additional \$348 BSA increase in FY 25, which begins on July 1, 2024.
- SB 52 includes an inflation adjusted BSA increase in FY 26, which begins on July 1, 2025.

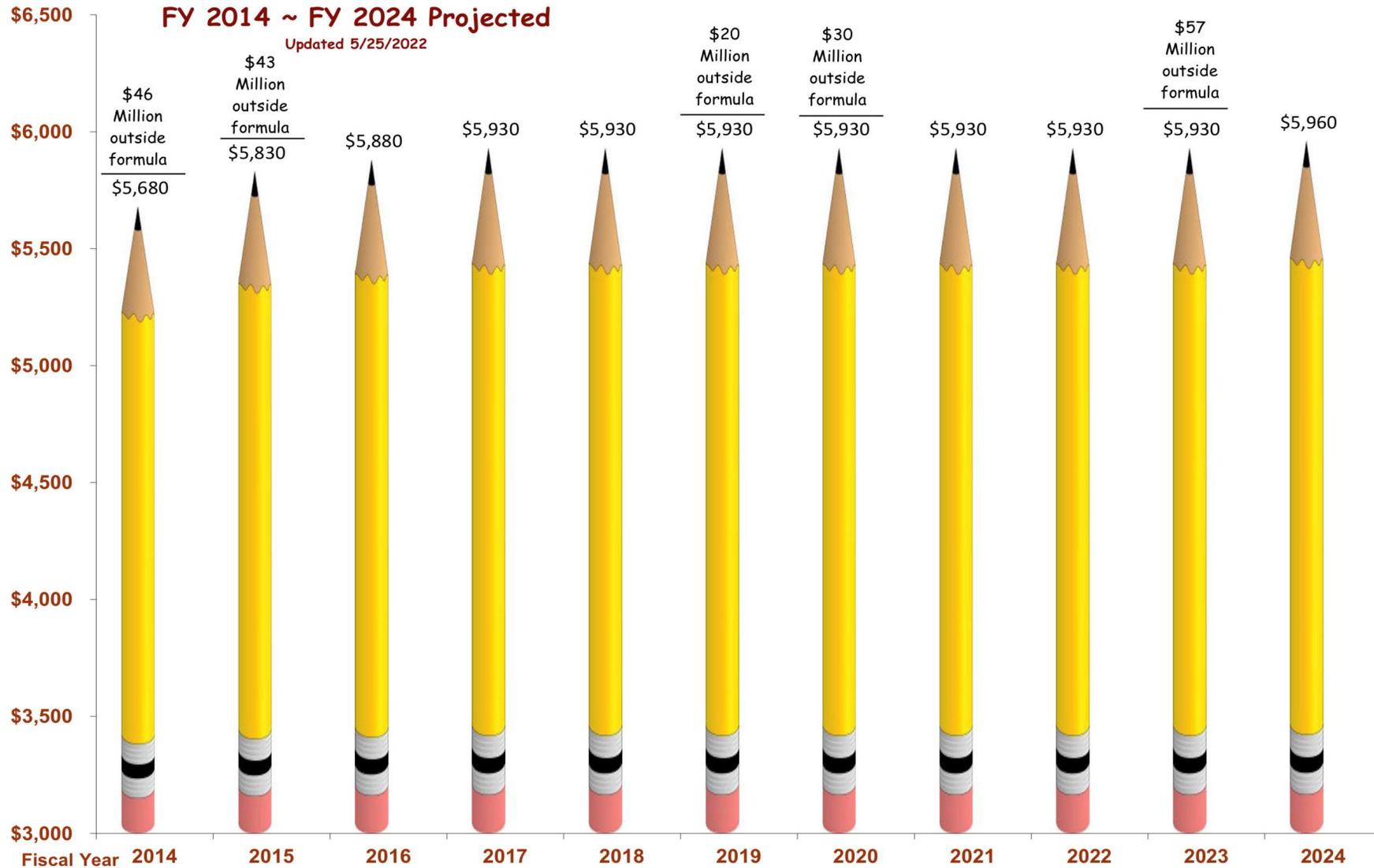
Legislative Finance estimates that each \$100 change in the BSA is estimated to increase state funding by \$25.7 million.

# Alaska K-12 Funding

## Base Student Allocation

FY 2014 ~ FY 2024 Projected

Updated 5/25/2022



Graphic courtesy of the Alaska Department of Education and Early Development

# Increased School Accountability and Transparency



SB 52 amends the Alaska Reads Act to...

- Develop a more user-friendly data dashboard, leveraging remaining COVID relief funds to expand capacity at DEED to support districts in data collection and presentation.
- Collaborate with the Department of Workforce Development and Labor to provide longitudinal data of student outcomes.
- Empower school boards, administrators, parents, and policymakers to make better policy decisions at the local level.

# Petersburg schools scramble to pay for new Alaska READS Act requirements

By Rachel Cassandra, KFSK - Petersburg - January 12, 2023

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TV: Watch KTOO 360TV



The Kenai Peninsula Borough School District Board of Education convenes on Monday, Jan. 9, 2023, in Soldotna, Alaska. (Ashlyn O'Hara)

# School district forecasts \$13.1M budget deficit

The deficit stems from total expenditures exceeding anticipated revenue and a reduction in funding from the State of Alaska



# Unalaska school budget drops deeper into red as energy costs rise

By Maggie Nelson, KUCB - Unalaska - October 26, 2022

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Stikine River Radio 101.7 FM | 91.9 FM Wrangell, Shoemaker Bay, North Wrangell Island

# Wrangell Public Schools begins FY24 budget process with projected deficit

Posted by Sage Smiley | Jan 17, 2023



Education

# Weeks from restarting, schools across Alaska are struggling to find teachers

July 21, 2022 by Lisa Phu, Alaska Beacon



2023 Training Programs: CNA, LPN & Summer Student Internships

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

By Wesley Early, Alaska Public Media - Anchorage - December 16, 2022

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# Juneau leaders begin talks over \$4.7M school district deficit

By Katie Anastas, KTOO - Juneau - February 6, 2023

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Radio: Listen to KSKA Live

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# The Alaska Foundation Formula

Alaska's first foundation formula was enacted in 1962 (ch. 164, SLA 1962) based on recommendations from a school finance study released by the State Board of Education in 1961.

*23-085 History of K-12 School Funding, Legislative Research Services*

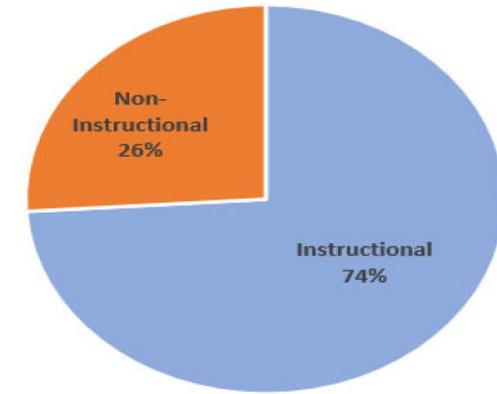
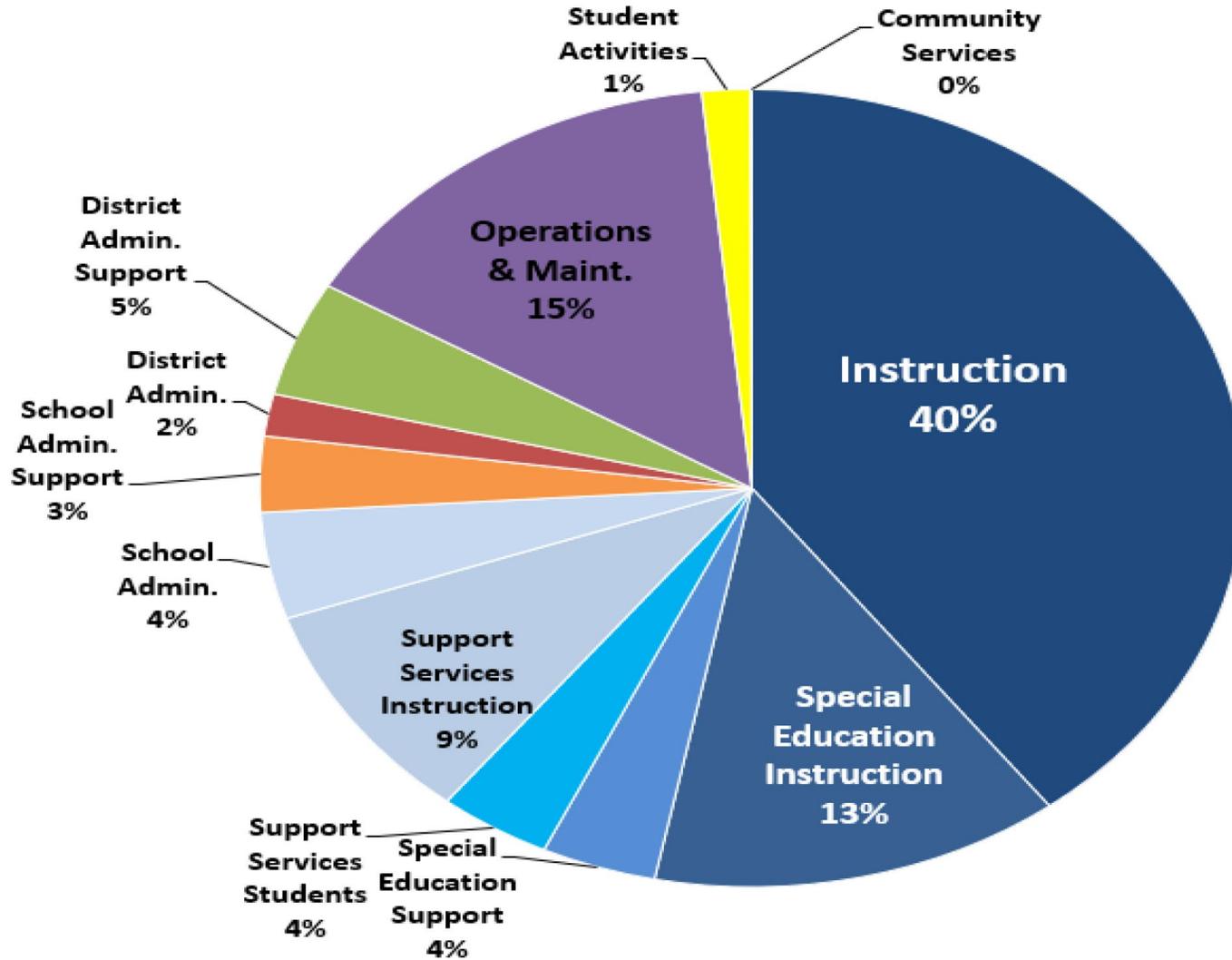
The study team believes Alaska's current funding system has the right elements in place to address the variations described above...Additionally, the data show a system where increases in instructional expenditures are tied to increases in student performance on the Alaska Standards Based Assessments.

*Review of Alaska's School Funding Program, Prepared for the Alaska State Legislature by Augenblick, Palaich and Associates, July 2015*

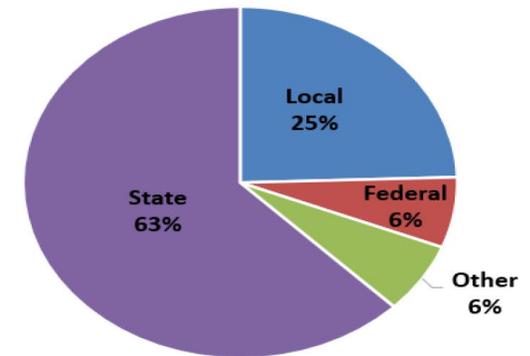


# Education Funding Overview

## FY23 School District Expenditure Budget by Category



FY23 School District Funding by Payor



Graphic courtesy of the Alaska Council of School Administrators

# DEED Quick Facts

Instructional staff comprise 74% of public-school labor force.

- 2022-2023 Pupil to Teacher Ratio 17.55.
  - 7,298 classroom teachers, average salary \$76,991.95
- 2014-2015 Pupil to Teacher Ratio 16.42.
  - 8,027 classroom teachers, average salary \$66,755.67 (\$85,854.65 in FY23 dollars)
- 2010-2011 Pupil to Teacher Ratio 15.60.
  - 8,468 classroom teachers, average salary \$61,439.63 (\$85,300.45 in FY23 dollars)



# Education Funding Lags Behind inflation

- Inflation is at a 40-year high. (*8% inflation in 2022*)
- Schools have lost purchasing power, and therefore programs and services have been cut.
- From 2012 to 2022, the BSA has only increased by \$250 per student (4.2%) while inflation has increased by at least 24% (Anchorage CPI), resulting in crippling staff shortages, school closures, and program eliminations.
- The Alaska Association of School Boards advocates for not less than an \$860 increase to the BSA for FY 2024.
- The Anchorage School District has calculated that an inflation proofed BSA for fiscal year 2024 would need to increase by \$1,268.
- Legislative Finance notes that the BSA would need to be \$7,155 to match the buying power of the FY 2017 BSA.

# One-Time Funding vs the BSA

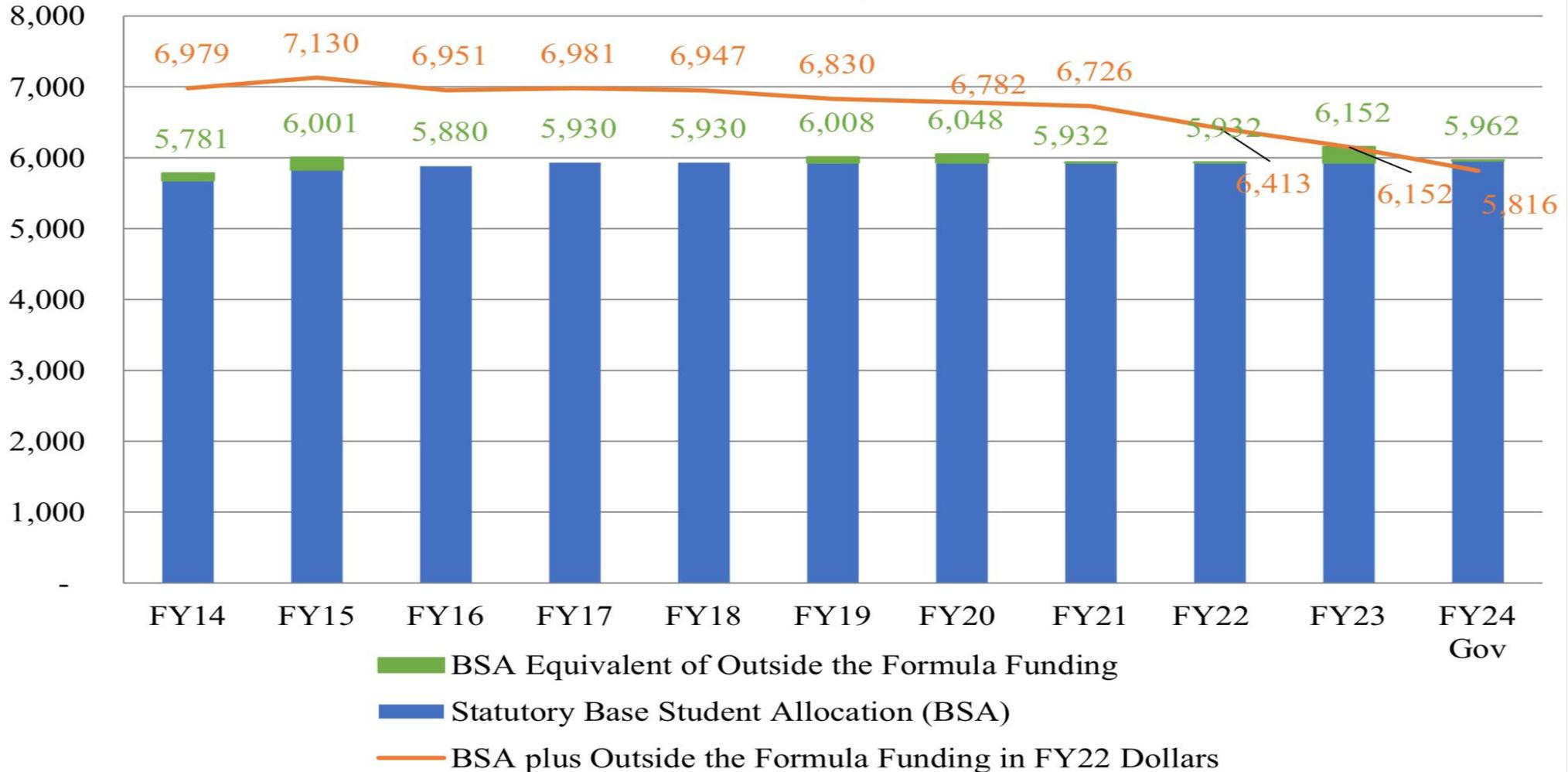
When funding from outside the foundation formula is added in, FY 2015 becomes the new peak year for funding. (**\$43.0 million in one-time funding**)

For FY 2024 24 to match the FY 2015 funding level in real terms, **the BSA would need to increase by \$1,348 in FY 2024.**

*Legislative Budget and Audit Committee, January 30, 2023, Memorandum*

# Base Student Allocation plus Outside the Formula Funding, FY14-FY24 Proj

Based on Alaska CPI for FY14-23, 2.5% Inflation in FY24



# **Educating Our Children is a Goal Shared by All Alaskans**

Senate Bill 52 represents a policy choice that will help Alaska's public schools address years of underfunding and increased costs.

SB 52 recognizes the fiscal challenges facing the State of Alaska by making a fiscally prudent investment in public education.

SB 52 establishes a new standard for education funding with significant accountability and transparency measures.

# Quotes

“We desperately need the help of the legislature in keeping up with inflation, rising insurance costs, and rising fuel oil prices. We are by no means a failing district, we do good by kids, but we are going to do better. Adequate funding makes this process so much easier.” – Statement from the Chugach School District

“If you are wondering what underfunded education looks like in Alaska, you need look no further than Brevig Mission School. Our school is overcrowded. Two classes are in portable buildings. These students must don winter gear and venture into temperatures well below zero whenever they need to return to the main school to use the bathroom. Another class of 20 students is crammed into a small room designed for video calls. Special education services often take place in the library and in a room that would be small even if it were only used only for its intended purpose as an office.” – [Rebecca Siegel is a teacher at the Brevig Mission School](#)

“Some may say throwing more money at the problem isn’t the solution. We would agree. However, the thing is we haven’t been throwing money at the problem of education, as the BSA hasn’t changed since 2017!” – Excerpt from a letter to the Alaska State Legislature from Kodiak High School students