

Senate Finance Committee Support for SB52 BSA Increase - Testimony

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Co-chairs Stedman, Hoffman, and Olson, and members of the Senate Finance Committee. For the record, my name is Lon Garrison. I serve as the Executive Director of the Association of Alaska School Boards.

Thank you for this opportunity to speak to you today in strong support of SB 52 Increase the Base Student Allocation. AASB believes SB 52 upholds the Legislature's moral and constitutional responsibility of sufficiently funding Alaska's public education system.

The AASB Board of Directors has adopted three legislative priorities for this year. They are:

- Sufficient, sustainable, and predictable education funding
- Retention and recruitment of teachers, administrators, and staff
- Student wellness and safety

The state of Alaska has always statutorily fulfilled its responsibility to establish and maintain a public education system under *Article 7, Section 1* of Alaska's Constitution. The legislature's responsibility has been to appropriate sufficient funds to maintain an effective public education system. However, for over a decade, Alaska has not sufficiently invested the resources necessary to ensure every student receives an excellent education daily.

In November 2022, the AASB membership unanimously approved **RESOLUTION #2.2 URGING EARLY, ADEQUATE, EQUITABLE, AND PREDICTABLE FUNDING OF PUBLIC EDUCATION** by specifying an increase of *not less than \$860* to the BSA. This figure was put forward by the Anchorage School Board as a result of the District's analysis early last fall of the difference between the current FY23 BSA of \$5,930 and an estimated inflation-adjusted value of \$6,820, using the CPI-Urban Alaska rate, compounded over the past six years. As it turns out, that early fall estimate was low. ASDs recalculated BSA increase, accounting for inflation through the end of 2022, should have been \$ 1,268 for FY2024. The most recent increase in the BSA occurred six years ago, in 2017.

A further comparison of the BSA to inflation over the past eleven years (2012 to 2022) shows the BSA has only increased by \$250 or a total of 4.29% percent. Meanwhile, based on the CPI-Urban Alaska data, the cumulative inflation for that same period is 24.6%. Thus, the underfunding of Alaska's public education through the BSA has been a chronic issue. Several times, additional funding outside the BSA has been provided, which is appreciated. However, these one-time discretionary funds have not led to the stability and predictability of a statutory increase in the BSA.

SB 52 provides for a measured and predictable increase in the BSA over the next three years. An increase of \$1000 in FY24 comes much closer to matching the loss of buying power currently experienced. Another BSA increase of \$348 in FY25 builds upon that adequacy, and finally, in FY25, the BSA is tied to a rolling average of inflation. These three steps provide both the sufficiency and stability that is one of AASB's top legislative priorities. AASB has strongly advocated that the BSA should statutorily be connected to an inflation-proofing formula. Our resolution **2.50 INFLATION-PROOFED BASE STUDENT ALLOCATION (BSA) INVESTMENTS** addresses this issue.

So, what does this mean for school boards which, by statute, are required to establish, approve and implement balanced budgets each year? It has meant having to make hard decisions that reduce staffing, eliminate programs, curtail extracurricular activities, and diminish many of the supports that affect the conditions for learning for each student.

Locally elected school boards have been delegated the authority to implement a system of public education required by the Alaska Constitution. School board members are tasked with governing their districts and allocating funds to execute an educational plan for all public school students. It is a highly complex task. In Alaska, school boards have no taxing authority. They, therefore, must rely solely on revenue from the state, the federal government, and in organized areas, at least a minimum local contribution to fund education.

A myriad of operational costs, including utilities, supplies, transportation, fuel, maintenance, freight, food, instructional materials, and other services necessary for operating a school system, have all increased dramatically. As these operational costs have increased, resources to employ the staff needed to run schools and deliver educational support and instruction have been reduced. As a result, the opportunities for all students to succeed diminish, and we see declines in many indicators of student achievement.

Last Friday, I attended the House Education Committee meeting where three rural Alaska school districts, Lower Kuskokwim, Northwest Arctic, and Bristol Bay, described their education programs and the monumental challenges each of those districts faces in supporting their mission and vision for their students. Overwhelmingly, staff turnover ranging from 20% to 40% was a primary challenge due to uncompetitive salary and benefits, high housing costs, the lack of housing, and the high cost of living. All presenters repeated that the cost of essential goods, such as a gallon of milk, could run from \$10 to \$30, depending on location. A gallon of gasoline can vary from just over \$6/gallon to almost \$15/gallon.

The highly uncertain nature of the annual legislative appropriation for education funding and the potential executive vetoes continually creates uncertainty that makes it difficult to sustain a maintenance of effort in an effective and efficient manner. Time and again, school boards and superintendents must make hard choices that often result in reduced staff or the elimination of programs and services, which often negatively impact student achievement. Pupil-teacher ratios increase. Critical student support services such as school counselors, nurses, career and technical education programs, and career guides are often the first to go. Extracurricular activities are often next, along with the arts and other electives, such as advanced placement classes. All of these supports and programs help create the fabric of local



public education woven into the composition of every Alaskan community. The compendium of all of these things makes the American education system special.

Locally elected school boards, elected by the same constituencies as yourselves, have been delegated the authority to implement a system of public education on behalf of the state of Alaska. In order to do that, they rely upon state, local, and federal governments for revenue. School boards implement the local control model that has served Alaska well, but it depends on your support.

AASB strongly advocates for your support of adopting SB 52, Increasing the Base Student Allocation, as an investment in Alaska's students that will pay dividends in our future. Funding outside the BSA only promotes short-sighted spending, reducing staff retention and recruitment and ultimately decreasing student achievement. AASB asks that this committee support the will of the Senate Bipartisan Coalition and prioritize increasing the BSA as a definitive commitment to supporting Alaska's public school system and Alaska's future through the education of its young people.

Thank you for the opportunity to testify today.

Lon Garrison,
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