



ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Legislative Finance Division

430 Main St.
Juneau, Alaska
(907) 465-3795

MEMORANDUM

DATE: January 29, 2025

TO: Representative Rebecca Himschoot
Representative Andi Story
Co-Chairs, House Education Committee

FROM: Conor Bell
Fiscal Analyst

SUBJECT: Responses to Committee Questions from January 24 Meeting

Thank you for inviting the Legislative Finance Division to present on Alaska's K-12 funding history. Responses to questions and requests for follow-up information from the committee hearing are below.

Provide details on which states include inflation-proofing in their education funding formula.

Below are examples of states including inflation-proofing in their education funding formula. Note that this list is not exhaustive. Legislative Research may be able to conduct a more thorough analysis.

Nevada's education statute states that "to the extent practicable", the statewide base per pupil amount should not be less than the prior year amount plus inflation. The statute provides exceptions for when there is insufficient money in the State Education Fund.

California's Education Code Section 42238.02(d)(2) adjusts base education grant funding "...by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year."

New York's periodically calculates a Foundation Amount, which is the average cost of education in "successful school districts", as determined by statistical analysis. For years when the Foundation Amount is not updated, the most recent Foundation Amount is annually adjusted by the prior year inflation, as measured by the Bureau of Labor Statistics Consumer Price Index.