



Representative Andi Story
Co-Chair, House Education Committee
Alaska State Legislature

Sponsor Statement

House Bill 272 (Version I)

February 7, 2022

“HB 272, An Act relating to education; increasing the base student allocation; and providing for an effective date.”

Families, schools, and communities have gone through a seismic shift in the last two years. While COVID relief funding is welcome and necessary, the federal aid is to supplement state education investments, not replace them. These federal funds help weather the adversity of new problems and opportunities brought on by the tumultuous changes to our lives and our children’s learning environments. Despite this additional help, the support for our children’s education’s bottom line is eroding.

For the past several years, our schools have experienced financial loss due to state flat funding, raising inflation, and increased fixed costs. When school districts lose ground financially, it hurts kids. Resources have to be diverted from classrooms to cover the increasing price tags on non-negotiable fixed costs such as fuel, water and sewer, electricity, insurance, and maintenance costs. This shortchanges the attention and services children receive.

U.S. Census data places Alaska 6th in the nation for education spending (state, federal, local). When adjusted for the cost of living index (COLI), Alaska’s education spending is just below the U.S. average according to the Institute of Social and Economic Research (ISER). Looking more closely, Alaska has unique attributes that impact costs: smaller schools, (many located off the road system), the highest health care costs in the nation, and high energy costs.

HB 272 provides a long-overdue adjustment to the Base Student Allocation (BSA) in the foundation formula in FY23 of \$223 per student, for the first time since FY17. This frees up money to help with classroom needs for services for kids. Then in the second year, FY24, there is a \$55 per student increase for inflation to maintain buying power. Setting this number in advance offers much needed predictability and stability in the budget process. This allows for planning to retain teachers (avoiding pink slips), support staff, and maintaining services and interventions for children and increasing student achievement.

An investment in education is an investment in our children and the future workforce of Alaska. It meets the constitutional obligation to maintain public schools. If we continue to fully fund but flat fund our K-12 education system, we are actively divesting funds in Alaska’s most treasured resource, our children.