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ALASKA STATE LEGISLATURE



SENATOR GRETCHEN GUESS

Memorandum

Date: February 21, 2003

To: Senator Fred Dyson
Chair Health, Education, and Social Services Committee

From: Senator Gretchen Guess

A handwritten signature in cursive script, appearing to read "Gretchen G. Guess".

Re: Hearing Request

Please consider this a formal request for a hearing of Senate Bill 11, "*An act requiring an annual inflation adjustment of the base student allocation used in the formula for state funding of public education; and providing for an effective date.*" This bill would help ease the burden of financing schools by adjusting the foundation formula to account for inflation.

If you have any questions regarding SB 11 please feel free to contact me or my aide Maridon Boario at x2435.

Thank you very much for your consideration.



ALASKA STATE LEGISLATURE
SENATOR GRETCHEN GUESS

Memorandum

Date: February 18, 2004

To: Senator Fred Dyson
Chair Health, Education, and Social Services Committee

From: Senator Gretchen Guess *G. Guess*

Re: Hearing Request: SB 11

Please consider this memo a formal request for a hearing of the Sponsor Substitute for Senate Bill 11, "*An act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date.*" This bill would adjust the foundation formula to account for inflation, increase the base student allocation for FY 2005 to adjust for uncompensated inflation since 1998 and hold schools harmless for mandatory increases in overhead costs, and would provide a two percent annual increase in the base student allocation to fund reduced class size and compliance with mandates like the Federal No Child Left Behind act.

If you have any questions regarding SB 11 please feel free to contact me or my aide Wayne Leighty at x2435.

Thank you very much for your consideration.



ALASKA STATE LEGISLATURE
SENATOR GRETCHEN GUESS

Sponsor Statement

SB 11 :

"An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

SB 11 is a comprehensive first step forward in providing adequate funding to our K-12 educational system. This first step has three integral parts: (1) Increase base student allocation to \$4600; (2) Inflation proof educational funding for the future; (3) Provide an annual increase for the next five years for class size reduction and compliance with the Federal No Child Left Behind (NCLB) act.

As we know, all our districts are having trouble paying the bills. Past funding has not kept up with inflation and the bear market has resulted in higher retirement and insurance costs. This combination is leading districts to drastic cuts to our classrooms. The base student allocation amount of \$4600 makes up for these costs, holding districts harmless from last year, and puts back the \$10M cut from last year. But, it is only the first part of a needed plan.

The second part of the plan is inflation-proofing education funding for the future; it is aimed at preventing our current situation from happening again. The Consumer Price Index (CPI) for Anchorage rose approximately 21 percent from 1992 to 2002. Over the last ten years, however, the legislature increased the base foundation formula only seven percent. SB 11 would place an inflationary adjustment in Alaska Statute 14.17.470 based on the CPI for the Anchorage area compiled by the Bureau of Labor Statistics, U.S. Department of Labor

The final part of this plan is to provide a two percent increase to the base student allocation for the next five years. These funds are focused on two critical components of our system: class size reduction and compliance with NCLB.

It is time the legislature provides a comprehensive, long-term plan for education funding. I believe this plan is a reasonable approach.

Thank you for your consideration.

ALASKA STATE LEGISLATURE



SENATOR GRETCHEN GUESS

Sponsor Statement

SB 11

"An Act requiring an annual inflation adjustment of the base student allocation used in the formula for state funding of public education; and providing for an effective date."

SB 11 would help ease the burden of financing schools by adjusting the foundation formula to account for inflation. Currently, the foundation formula statute does not have an inflation adjustment for the base student allocation of \$4,010.

The Consumer Price Index (CPI) for Anchorage rose approximately 21 percent from 1992 to 2002. However, over the last ten years, the legislature increased the base foundation formula (\$4,010) only seven percent.

SB 11 would place an inflationary adjustment in Alaska Statute 14.17.470 based on the CPI for the Anchorage area compiled by the Bureau of Labor Statistics, U.S. Department of Labor.

Inflation has eroded many of our district's budgets for years. This bill would ensure our schools would at least keep up with inflation now and in the future.

Thank you for your consideration.