

# SPONSOR STATEMENT

## Senate Bill 1 Increase the Amount of the Base Student Allocation

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Since 1998, the K-12 public school funding formula has distributed state education dollars based on a per student allocation. Senate Bill 1 increases this allocation by \$430, establishing the per student dollar at \$5,810.

Senate Bill 1 recognizes that day-to-day educational costs continue to increase, causing a financial strain on the school budgets in all 53 school districts. The eight percent proposed increase in the student dollar will help mitigate these rising costs, thus allowing local school boards to direct more education dollars into the classroom.

This legislation does not address the major cost increase facing each school district this year. The substantial rise to the required retirement contribution for each employee in every district totals over \$200 million statewide. The per student dollar amount would need to grow \$1,000 just to cover this year's increase. This financial burden must be addressed by the Legislature and in a manner acceptable to both our school districts as well as the State of Alaska. An alternative bill will address the solution.

Senate Bill covers an estimated inflation rate (Department of Labor, November, 2006) and provides additional funds to help school districts to reduce class size. Please join me in support of Alaska's public school system and give your approval to Senate Bill 1.

February 8, 2007