

ANCHORAGE MUNICIPAL ASSEMBLY & ANCHORAGE SCHOOL DISTRICT

A joint resolution of the Anchorage Municipal Assembly and the Anchorage School Board in support of the fair, inflation-adjusted State funding required to maintain a quality public school system and increase student performance.

WHEREAS, strong educational systems are a vital part of healthy communities; and

WHEREAS, Article VII Section 1 of the Alaska State Constitution mandates that “The legislature shall by general law establish and maintain a system of public schools open to all children of the State;” and

WHEREAS, the State of Alaska’s Foundation Formula is the statutory mechanism for funding Alaska’s system of public schools; and

WHEREAS, the U.S Consumer Price Index calculates that inflation increased 27.6% between July 1, 2016 and September 2023;

WHEREAS, the Base Student Allocation (BSA), which is the primary component within the Foundation Formula, remained unadjusted between July 1, 2016 and June 30, 2023; and

WHEREAS, the BSA increased from \$5,930 to \$5,960 effective July 1, 2023 and comprising a 0.5% increase since July 1, 2016; and

WHEREAS, the data informing the current District Cost Factor (DCF), one of the multipliers within the Foundation Formula and which serves to compensate each district for differing costs of delivering education, have not been updated since the release of a 2004 study by the Institute of Social and Economic Research (ISER); and

WHEREAS, the State of Alaska’s formula for funding pupil transportation has not been adjusted since July 1, 2015 (FY 16) despite historic inflationary drivers in fuel and labor costs; and

WHEREAS, the State of Alaska, in June 2015, halted its historic model for reimbursing municipal governments for 60-70% of their debt service for new school construction and major maintenance, made the law retroactive to January 2015 so as to exclude the recently passed Anchorage school bond, and subsequently asserted that it will reimburse only up to 50% of that debt service when funding resumes in FY 25; and

WHEREAS, static funding provided through the State of Alaska’s Foundation Formula since the 2016-2017 school year (FY 17) and its Pupil Transportation Formula since the 2015-2016 school year (FY 16), despite historic inflationary drivers and dynamic changes to the costs of educating students in districts across the State of Alaska, have significantly increased the structural deficit and diminished the purchasing power of the Anchorage School District (ASD) and districts across the State; and

WHEREAS, despite periodic but unpredictable allocations of one-time funds, the State of Alaska's outdated DCF, nearly static BSA, and unadjusted pupil Transportation funding, together with its deviation from prior practices of reimbursing school construction and maintenance, have produced marked cost shifts to Anchorage taxpayers; and

WHEREAS, in response to these challenges, the Anchorage School Board and administration have decreased ASD's administrative overhead, minimized growth in labor costs, pursued school consolidation, promoted additional efficiencies, and identified new revenue opportunities; and

WHEREAS, the Anchorage School District's attempt to minimize growth in wages across all of its bargaining units over the previous eight budgeting cycles has become a primary cause of the unprecedented staffing shortfalls that have challenged and/or currently exist in all areas, including and especially in busing, food and custodial services, classroom instruction, paraprofessional support, and special education; and

WHEREAS, despite the decrease in ASD's purchasing power since FY 17, the Board and Administration have consistently sought to align available resources in support of the will of local parents and educators as well as Board goals by maintaining class sizes, supporting student academic achievement, encouraging teacher retention, retaining its nationally acclaimed language immersion programs, providing extracurricular and Career and Technical Education opportunities, and ensuring that all students access gifted education, English Language Learner, and/or Special Education services, as appropriate; and

WHEREAS, the ASD—despite its receipt of occasional and unpredictable one-time State funds and its use of available Fund Balance—has maintained student learning over each of the past four budget cycles by backfilling its growing General Fund deficit by allocating more than \$102 million of its \$184.6 million in Federal student relief funds to maintain pupil-to-teacher ratios; and

WHEREAS, the ASD has used and/or obligated its remaining Federal relief funds through September 2024 to respond to the COVID-19 pandemic, support fully reopening its schools, facilitate continuity of learning, measure and address student learning loss, and address students' social, emotional, mental health, and academic needs resulting from the pandemic; and

WHEREAS, the scale of ASD's \$68 million structural deficit for FY24, despite its receipt of one-time funding from the State and its use of Fund Balance and remaining Federal relief funds to balance the budget, meant that it was unable to maintain its 2022-2023 pupil-to-teacher ratios for the 2023-2024 school year, without eliminating valued programs; and

WHEREAS, ASD's structural deficit for the 2024-2025 school year is now projected to be **\$98 million**, at a minimum; and

WHEREAS, ASD's commitment to providing all students an equal and adequate opportunity to achieve to the State's curriculum and performance standards is now at unprecedented risk; and

WHEREAS, the Anchorage School Board may be forced to eliminate approximately 650 educators, paraprofessionals, and key support staff in May 2024 unless Legislative action is taken by the middle of February, 2024, in advance of the ASD Board's obligation to pass a balanced budget for the 2024-2025 school year;

NOW, THEREFORE, BE IT RESOLVED that the Anchorage Assembly and Anchorage School Board hereby urge the Alaska State Legislature and Governor to address the State of Alaska's Constitutional responsibility to maintain its system of public schools by passing immediate legislation to 1) raise the Base Student Allocation by no less than **\$1,413 to \$7,373** so as to account for inflation **based on the CPI-U for Urban Alaska** that has accrued since July 1, 2016 **and has been projected to increase by no less than 2% through FY25** and **thus** enable strategic investments in improved student outcomes, and 2) increase its transportation funding by at least \$209 per pupil to \$690 per pupil for FY25; and

BE IT FURTHER RESOLVED that the Anchorage Assembly and Anchorage School Board hereby urge the Alaska State Legislature and Governor to establish a means for the State of Alaska to be able to maintain its system of public schools by 1) passing additional legislation that will adjust the Base Student Allocation to account for inflation on an annual basis, 2) directing and appropriating necessary funds to pay for a State-funded ISER study of the District Cost Factor; 3) passing additional legislation that would update the DCF on a triennial basis; and 4) return to historic models of cost sharing for capital projects.

PASSED AND APPROVED this 19th day of December 2023

**ANCHORAGE ASSEMBLY &
ANCHORAGE SCHOOL BOARD**

Christopher Constant, Assembly Chair

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