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Senate Finance Committee

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Bill Would Create Equitable School Funding

(JUNEAU) - The Senate Finance Committee introduced legislation today to improve the current foundation funding formula for public schools.

“Now that we have had a chance to evaluate how changes made to the foundation funding formula in 1998 have impacted our schools, we can fine-tune it to better meet the education needs of our students,” said Sen. Dave Donley (R-Anchorage), co-chair of the Senate Finance Committee.

Several changes would be made to the foundation funding formula under Senate Bill 174. It would increase the per-pupil base allocation and amend portions of the Education Foundation Formula program. This would increase available funds to all schools, making certain that **NO** child will be left behind.

Under SB 174, city and borough school districts would be required to contribute whichever is less - their total basic need or the equivalent of a four-mill property tax levy. Some today are paying less than two mills, while most are paying more than 6 mills. This allows all local governments to contribute more equitably toward K-12 education costs, allowing communities that are able to pay for the basic needs of their students to do so, and freeing up funds to distribute to schools that need additional help.

SB 174 would also increase the base student allocation by \$36 to \$3,976. These additional funds are available because of the change in local contribution responsibility. Each district receives more funding per student because of the redistribution of funds based on this local contribution revision.

The way in which the number of schools in a district is determined would also change under this bill. Communities with an adjusted daily membership (ADM) of more than 400 would count each facility as a separate school. Currently, a community must have an average daily membership of 750 before separate facilities are counted as individual schools. This again redistributes money across the state, providing additional funds to the smaller communities that require assistance due to declining enrollments.

“SB 174 would bring more equity to local government school funding, increasing funding for every child, without changing the net amount the state spends on education,” said Donley. “The increased state funds made available by the more equitable local contribution requirements are redistributed among students throughout the state, giving all of our schools increased resources to help our students excel, and making certain that all our children receive a good education.”

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