



## Alaska State Legislature Senate Majority News

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### **Senate Finance Seeks \$88 million Education Increase** *FY05 Retirement systems funding included*

**(Juneau)**—Culminating two weeks of hearings and fact-finding, Senate Finance Committee co-chairs Sen. Lyda Green and Sen. Gary Wilken today forwarded legislation to increase funding for education.

“Having looked at the individual funding ideas introduced as separate legislation in the building, we have tried to craft a package that is acceptable on both sides of the aisle. We’re offering this in the spirit of cooperation,” said Senate President Gene Therriault (R-North Pole).

Acting on the recommendations of the chairmen, the committee agreed to forward the legislation to the full senate for consideration.

“We’ve heard from the PERS/TRS experts, superintendents, parents and school children expressing concerns over the programmatic impacts resulting from status quo funding, the need in the classroom is real and the retirement problems were largely unforeseen,” said Sen. Lyda Green (R-Wasilla).

“Funding K-12 education this early in the session is tremendously important to the school districts, parents and teachers to avoid the annual pink-slip drop that causes unwarranted anxiety in households around the state,” said Sen. Gary Wilken (R-Fairbanks).

The Finance Committee amended an existing appropriation bill, Senate Bill 35, to include K-12 foundation funding and university funding.

The bill proposes an increase of \$82 million, which equates to a \$407 increase to the per student base allocation in the foundation formula. This includes funding to cover shortfalls in the Public Employees Retirement System and Teachers’ Retirement System due to market fluctuations and increased health costs. It also includes \$5.8 million to cover similar retirement costs for the University of Alaska.

“This meets or exceeds the request to cover the anticipated shortfall for school districts across the state,” said Sen. Green.

While the increased education funding would come from the state’s general fund, the bill also authorizes a draw from the Constitutional Budget Reserve to make up possible shortfalls in the Fiscal Year 04 and 05 operating budgets. Depending on the amount of funding approved, further legislation must be passed to adjust the base student allocation in the state’s foundation formula.

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