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U.S.

Alaska's Schools Face Cuts at Every Level Over Oil Collapse

By KIRK JOHNSON MARCH 14, 2016

ANCHORAGE — Alaska's schools are bleeding red ink.

The University of Alaska has said it will reorganize its campuses and may have to cut more than 8 percent of the staff, but professors are already heading for the exits. The state's largest public school district, here in Anchorage, is cutting 49 teaching positions and increasing class sizes. And in tiny rural schools like Nightmute — which has 80 students in a village of about 300 people — the pain has almost reached the point of paralysis: Five of the school's six teachers are leaving at the end of the school year.

The most troubling part, teachers, professors and administrators across the state said, is that with a roughly \$3.5 billion state budget shortfall, things could get much worse — not least for morale.

“At every one of our campuses, something is likely to go away,” said James R. Johnsen, the president of the University of Alaska. “And if every campus is losing something, then every campus has a constituency that is aggrieved.”

Some other school systems and universities around the country — like in Milwaukee and Baton Rouge, La. — are also struggling with new budget cuts, or with

old ones lingering from the recession. The problem up here, though, is oil, and the taxes on it that Alaska collects to pay for most state expenditures.

Drillers are pumping less, and at around \$40 a barrel, the state is collecting less in taxes on the oil that is pumped, making for a state budget crater of crisis proportions. The Republican-controlled Legislature has so far been loath to consider new taxes in an election year, and education, along with health and welfare, accounts for about two-thirds of the state budget.

The deeper story, educators and state officials said, is that a long-delayed day of reckoning over education policies and promises made in a different era, under different circumstances, has arrived.

In the mid-1970s, for example, when memories of the bleak and barren boarding schools for rural tribal people were still fresh, Alaska declared that it would eliminate the differences between rich districts and poor ones. Fairness and equity, the state said, would be the rule. Oil money allowed that promise to be kept, with the state paying almost \$60,000 per year, per pupil, to educate students in some of the country's most remote and isolated public schools.

The University of Alaska, gifted with a flood of oil money and federal research grants — which have also been in retreat — embarked on a path of ambition that included introducing new academic disciplines. As enrollment grew to nearly 29,000 students, the school built hundreds of buildings across three major campuses — in urban centers like Anchorage and Fairbanks, and in rural spots off the road system where the costs for heating fuel and supplies, all of which have to be delivered by airplane, can be absurdly high.

In 2006, when the stock market was near its peak, Alaska also shifted its teacher retirement system for new hires, from guaranteed pensions to self-directed plans similar to a 401(k). Then, to make the idea more attractive, it made benefits portable, meaning that teachers vested in plans could quit and not lose money that they, or the state, had put in. The result, as tough times have walloped the schools, is a flood of resignations, and teachers heading south with Alaskan money in their pockets, looking for new jobs somewhere else.

“It’s gotten harder to get teachers to come here, and very hard to get them to stay,” said Kameron H. Perez-Verdia, the president of the Anchorage School District.

With no agreement in sight on how to fix the nearly \$3.5 billion revenue deficit from the oil collapse — which has erased about two-thirds of the state budget — educators said that rumors and speculation from Juneau, the capital, were only making things worse.

Gov. Bill Walker, an independent, has proposed restoring the state’s personal income tax, which was repealed in 1980 after the oil gusher hit, and raising many other taxes as well, from alcohol to gasoline.

And while Mr. Walker’s plan includes deep cuts in spending for education, some legislative proposals are even more drastic. One lawmaker proposed closing dozens of the smallest rural schools. Others have said the university should retreat from its expensive research function and become more like a community college system, focused on teaching. A proposal to cut back on subsidies for high-speed Internet in rural areas sent another shiver through the education system, since about 90 percent of University of Alaska students take at least one course remotely.

“It would set us back 10 years,” said Linda Ady, the library director in Pelican, an island community of 110 people in southeast Alaska, where good cellphone service is available only if you climb a mountain, and high-speed Internet at the library is the main link for people doing university course work or connecting with the wider world.

Making matters worse is that Alaska’s economic cycle is profoundly out of step with the rest of the nation. During the depths of the recession in 2008 and 2009, Alaska was barely scathed because oil revenues held steady. So it could — and did — happily entice teachers to come north for the pay, or the adventure, or both. Now the tables have been turned, and states like Oregon, Nevada and Arizona have said that with better economic times, they are hiring teachers again.

“We’re losing faculty. They’re getting poached,” said Brian M. Barnes, a professor and the director of the Institute of Arctic Biology at the University of Alaska in Fairbanks. Professor Barnes said that 10 of the 60 biology faculty members

at the campuses in Fairbanks and Anchorage have already left. “Adding insult to injury is that they come back for research, now working for somebody else,” he added.

Stories of teacher departures are varied, and often anguished and conflicted.

Amanda Barrett, 24, who came to Nightmute — almost 1,100 miles from Juneau — last August for her first teaching job, said she was returning home to New Jersey when the school year ended to look for work there or in Pennsylvania. The reasons, she said, are personal, and no reflection on her school or village. But the cultural shock of bush Alaska in winter, off the road system, was also no small thing, she said.

Frank von Hippel, a professor of biology at the University of Alaska, recently accepted a job at Northern Arizona University in Flagstaff, which is giving him a raise and paying the costs of moving his lab. He said that the unsettled budget climate had prompted him to look around, and that when he did, the offer was great.

“Part of the problem up here is the uncertainty,” Professor von Hippel said. “It’s not only the declining budgets, but no clarity on where we’re going to end up.”

Some state lawmakers said Alaska’s education system, in the fat financial years, rarely had to restrain the impulse to provide a new service, add a new job or build a new building, and that going back to a core mission could be positive.

“You just can’t do everything, and that, in my opinion, is what they have tried to do,” said Tammie Wilson, a Republican who chairs the subcommittee in the Alaska House of Representatives that oversees the University of Alaska’s budget. “They can’t keep doing business the way they have.”

Dr. Johnsen, the university president, said he completely agreed with that position and has a plan that would consolidate strengths — and notably reduce administrative overhead — at the school’s three main accredited campuses, in Fairbanks, Anchorage and Juneau.

He said that the troubles in Alaska’s oil were also a signal the state’s economy was shifting into a new era, and that the education system must be a part of the answer in training people for that next economic chapter.

But with fewer high school graduates in Alaska continuing directly to college than in almost any other state, partly because well-paying blue-collar jobs have been so abundant, there are also fewer traditions around education to support it or sustain it, or to push lawmakers to fund it. The inevitable reality for now, Dr. Johnsen said, is that there will be blood.

“We’ve got to bring out the sharp knives,” he said.

Correction: March 26, 2016

An article on March 15 about budget cuts that Alaska schools are facing because of lower oil prices referred incorrectly to science faculty departures at the University of Alaska. Ten biology faculty members who have left were from both the Fairbanks and Anchorage campuses, not just Fairbanks, creating a loss of 10 faculty members out of 60, not 10 out of 45.

A version of this article appears in print on March 15, 2016, on Page A1 of the New York edition with the headline: Oil’s Collapse Sends Alaska Schools Into Crisis, Taking Toll on Budgets and Staff .

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Alaska Dispatch News

Education

Anchorage School District plans to cut 219 positions, including 159 teachers, to balance budget

✎ Author: Jerzy Shedlock ⌚ Updated: September 28, 2016 📅 Published January 21, 2014

The Anchorage School District will cut 219 positions -- including administrators, support staff and classroom teachers -- next school year, Superintendent Ed Graff announced Tuesday. District administrators are working with a \$566 million operating budget for the 2014-2015 school year, \$23 million shy of the funds the district says it needs.

And the funding gap is expected to widen considerably, with an estimated budget gap of \$49 million in the 2015-2016 school year. The budget recommendation is the "best we can offer our students with limited resources," Graff said.

Cutting classroom teachers by 159 positions means an increase in the student-teacher ratio. The loss of 44 teacher positions is due to a decline in student enrollment, a trend that's projected to continue another year.

Graff said the district and the Anchorage School Board are still working through which schools will lose teachers. Before they start determining who will lose their jobs and what schools will lose instructors, the budget needs to be approved by the school board. The school board will deal with the budget twice in February, consider public feedback, and then work through staffing particulars.

The staffing process happens in April. Teachers on the chopping block should be informed of their termination in May, Graff said.

Balancing the budget is a challenge, he said, and the district's top priority is limiting the impact to students. Teachers have calmly weathered the storm over the past year or so, but worries bubble below the surface.

Graff said he went from classroom to classroom at the beginning of the school year and thanked teachers for sticking with it through some rough transitions, which included the swift departure of the previous superintendent. As Graff handed a letter of thanks to one teacher, she began crying. She thought it was a notice of termination.

School Board President Tam Agosti-Gisler chimed in, adding that the budget woes are "a distraction for teachers."

Unprecedented reductions

While the conversation tends to focus on teachers and the potential impact to students, the district's central administration faces the largest reduction.

Twenty percent of those jobs will disappear this year and next. Administrators manage the overall operations of schools, including cafeteria staff and building maintenance employees. They also oversee academic standards and try to ensure schools have the resources to meet those standards.

Ten specialty counseling positions will be cut of the budget proposal passes. Secondary counsellors will be pooled together and assigned based on student enrollment numbers and individual needs of schools. The recommendation came through during last year's budget process but was avoided.

Over the past four years, the district has reduced its budget by eliminating the equivalent of 491 full-time positions, or roughly 718 employees. That total doesn't include the more than 200 full-time equivalent positions slated for elimination during the coming school year.

The staff reductions are unlike anything Graff has seen in his 23 years with the district, he said.

"I believe any further reductions will jeopardize our momentum," he said.

Goodbye to swimming

To offset the loss of teachers and attempt to balance classroom sizes, the district is proposing shifting high schools from a six-period to seven-period schedule.

And the public has made it clear it wants the district to keep as many opportunities for students in place as possible. Graff dubbed the new approach as "Core plus more," a play on the district's implementation of Alaska Common Core Standards, a guideline of sorts of what students are expected to learn. The standards are similar to the nationwide Common Core Standards.

The addition of a seventh period will align middle and high school schedules. Middle school teachers currently teach for five of seven periods per day. Now they'll teach six periods. The district is also proposing getting rid of one of two daily planning periods.

Graff said he believes teachers and support staff will do "everything in their ability to continue to provide learning experiences that meet the needs of every student."

The only extracurricular classes Graff is proposing to cut next year, for now, are high school swimming classes.

"Swimming is not a required course, nor is there a swim test requirement for graduation," he said. The cut shouldn't impact after-school swimming and diving team activities and rentals.

Sustainable funding

The district's money troubles are the result of flat funding and rising health care costs.

The state's Base Student Allocation (BSA), the number of dollars school districts receive per student, has remained steady at \$5,680 the last three years.

Funding shortfalls have been the new norm the past five years. A \$25 million budget deficit for the current school year was closed by spending some of the district's budget reserves and making cuts to support staff and classroom supplies. Teaching positions were not included in the cuts for the 2012-2013 school year.

Agosti-Gisler said the board is calling all public education supporters to tell the state's legislators about what they value in Anchorage's public education system and urge them to increase the base allocation.

Graff said the district needs consistent, sustainable funding to keep the district afloat. "We're a people-intensive business," he said, a business that requires human resources to provide quality education. Still, in meetings with lawmakers, Graff said he hasn't heard "comments as to what we need to do to secure funding."

Soaring health care costs

Rising health care costs dry up district dollars far more than salaries, and classroom supplies are a mere fraction of the funding total.

"There's active medical and retiree medical," said Mark Foster, the district's chief financial officer. "Those are the two dominant factors in cost growth" over the past two decades. It's not uncommon for employees' health care costs to see increases in the double-digit percentages on an annual basis, he said.

Outside states have healthier, competitive prices when compared to Alaska. Foster said that 10 percent of Alaskans' income went toward staying healthy around 1990. Now, 20 percent of their wealth is going into health care, he said.

"It's not just that health care costs are rising everywhere; they're rising in Alaska much faster," Foster said.

The district is working with employee unions, trying to get them to pay a higher portion of the cost. Its teacher-compensation package is an ongoing point of contention for some educators, especially given the new demands and standards they are facing. Officials say their plans moving forward focus on improving performance in the classroom, a balancing act that means doing more with less.

A recent three-year agreement between the teachers' union and district have helped contain some of the rising health care costs, Graff said.

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Protesters led by Great Alaska Schools speak out about potential last minute education funding cuts on Wednesday. (Photo by Anne Hillman/KSKA)

State lawmakers cut education funding in the proposed budgets by nearly \$13 million Tuesday night. They moved the money into the oil and gas tax credit fund.

Previously, the House and the Senate both allocated full funding for education, which included a \$50 increase to the per pupil state funding formula guaranteed by [House Bill 278](#) in 2014.

Legislative Finance Division Director David Teal said in the House budget, the government was going to use \$145 million leftover money from fiscal year 2016 to pay for education. But during the conference committee meeting, they decided not to.

“They put it into the oil and gas tax credit fund instead,” Teal said during a phone interview. He couldn’t say why because he’s not a legislator.

Senate Majority spokesperson Michaela Goertzen wrote in an email that the conference committee chose not to fund the increase because it “was approved under vastly different budget conditions. ... Given the current state budget deficit, we are not in a position to continue the increase for FY17.”

Teal said the exact impacts on each school will depend on student counts in the fall.

Anchorage School Board member Tam Agosti-Gissler said the district estimates they will have to trim \$4.6 million from the Anchorage School District budget if the legislature keeps these cuts. She said she doesn’t know how they would make up for the loss. Friday is the cutoff for issuing pink slips to non-tenured teachers, and the deadline for tenured teachers already passed.

“And so that puts us in a really big bind in terms of how we’re going to balance this budget,” she said.

Fourteen-year-old Anchorage student Galen Schmidt attended a protest in downtown Anchorage with about 25 other community members. He said the cuts to education will have impacts beyond just this year.

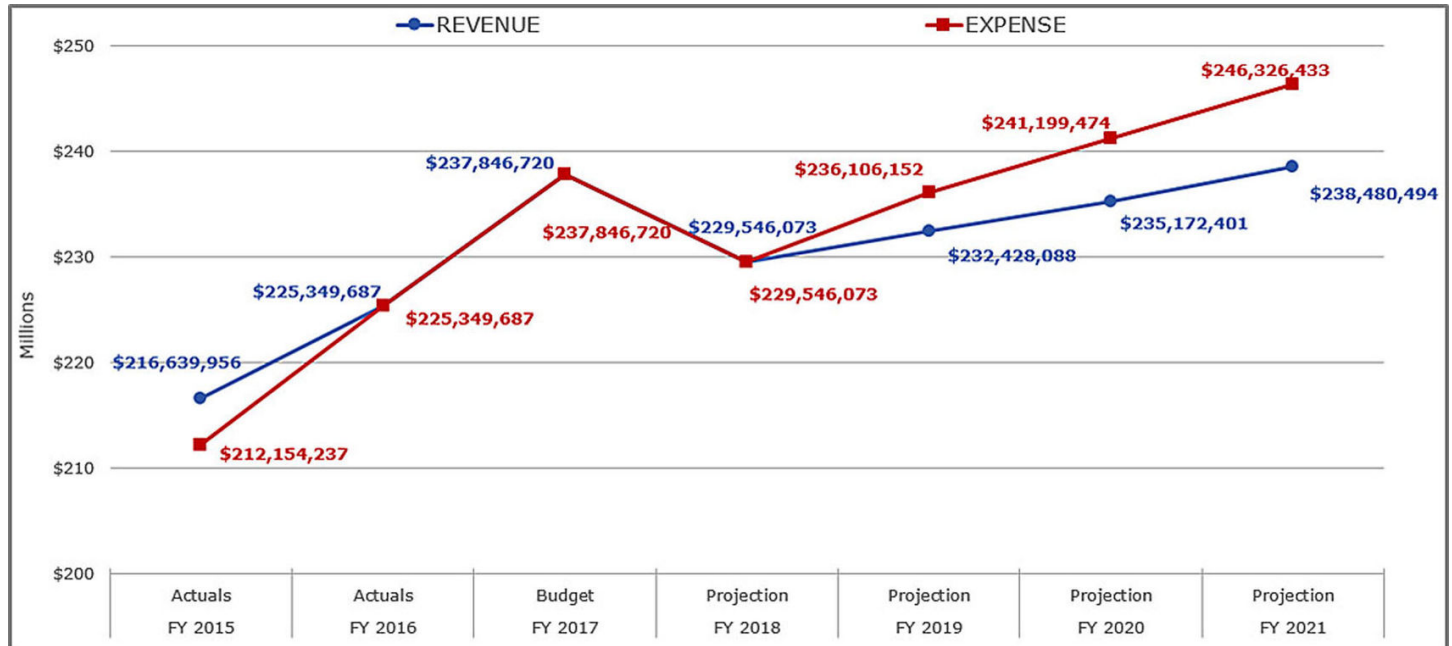
“I think more funding can open new doorways for a lot of students,” he said. “And I feel that states that invest the most in education see the most benefits in the long run, and states that invest the least in education have (negative) consequences.”

Both houses must vote on whether or not to accept the conference committee’s budget.

Superintendent discusses state of schools

Goyette believes vote for a sales tax would 'be tight'

By CHRIS FORD Frontiersman.com Jul 14, 2017



The Mat-Su Borough School District shed \$13 million off its 2017-2018 school year spending in order to meet the state-mandated balanced budget. However, based on expected costs versus revenues, it will be forced to make further cuts. The district is seeking a 2 percent boroughwide sales tax to help cover the anticipated deficit.

Courtesy Mat-Su Borough School District

PALMER — If approved by the borough assembly, voters throughout the Mat-Su will be asked to decide whether to cover an anticipated \$13 million Mat-Su Borough School District deficit through a sales tax proposal. MSBSD Superintendent Monica Goyette said she remains confident all parties involved will come through.

Now that legislators in Juneau have hammered out a final budget for fiscal year 2017-2018, and the borough has done the same, the district needs to make up the difference. Bottom line, Goyette noted, is that both government units “flat-funded” education for the 2017-2018 school year.

That means the state kept its base student allowance (BSA) unchanged for at \$5,930 from last year’s budget. The borough assembly approved a \$3.2 million funding increase for the upcoming school year, which was vetoed by borough Mayor Vern Halter. Goyette said the district was actually penalized financially by the state for a projected 300 student enrollment increase for 2017-2018. Based on MSBSD data, the district spent a total of \$12,645 per student this past school year and will reduce that to \$12,016 for the upcoming school year.

“Because of the state foundation formula, \$1.9 million was shifted from the state to the required local contribution,” Goyette said adding flat funding from the borough doesn’t account for the cost shift.

Earlier this year, the MSBSD Board of Education passed a resolution asking the borough to consider a sales tax on all non-residential goods sold in the Mat-Su. The assembly upped that a percentage point and is expected to hold the first public hearing at its Tuesday, Aug. 1 regular meeting. Goyette said the school board is scheduled to finalize a resolution for a 2-percent request at a special July 26 session.

The request would cap the borough’s annual district contribution at \$50 million. In its most recent budget, the borough’s total allotment came in at approximately \$57.5 million. Goyette said based on the most current data, the district would realize about \$9 million in additional revenues for each one percent sales tax increase.

Goyette said the board and administration has worked hard to prioritize where the additional revenues would go. First is to reduce the pupil to teacher ratio (PTR) which it increased by up to two students—depending on grade level—to eat up some of the expected shortfall. The second is to reduce the increased student activities fee which was also hiked. Student activities include extracurricular items such as sports, clubs, and trips. The third goal is to increase the district’s personalized learning opportunities.

“We did a survey with the public,” Goyette said in explaining the three main goals. “One area where we said ‘no’ to a decrease was in school safety.”

To come up with the balanced budget by June 30, which is required by state law, the board approved reductions in the following areas and includes the anticipated savings: PTR increase, \$2.8 million; non-certified staffing reductions, \$2.8 million; certified staffing reductions, \$2.3 million, department and school-based budget reductions, \$1.9 million; student activity reductions, 0.8 million; salary contingency reduction, 0.4 million, substitute allocation reduction, \$0.3 million; and executive salary reductions, \$0.1 million.

The reductions include more than 76 fewer teaching posts—more than 15.5 in special education; more than a dozen positions in student and instruction support services; almost 11 posts in administration support; almost 19 operation and maintenance employees; one full-time curriculum specialist, an administrative secretary; and a 15 percent cut to department budgets, a 20 percent cut to district coaching posts and a 13 percent reduction to travel and ice rink rentals.

In addition, the district has been able to save \$1.2 million in health insurance renewals, and another \$0.4 million in transportation and food service subsidies. Goyette agreed to a four-percent salary cut and other executive staff will see a two-percent pay reduction.

School administrators have noted at past meetings that the MSBSD is at the bottom of the state’s “Big Five” per pupil funding list at \$2,924. Fairbanks comes in fourth at \$4,035 followed by Anchorage at \$4,393, Juneau at \$5,418 and Kenai tops the list at just under \$5,500, per student. Of the state’s 19 officially recognized boroughs, eight implement a sales tax. Some of those utilized derived funds to augment school district budgets.

Goyette said if approved by the borough assembly, the district is hoping to get the question on the Oct. 3 borough election.

“It’s going to be tight,” Goyette said.

She said if the proposal doesn’t make it on the ballot, there is a chance that voters could decide the outcome in a special election. Goyette said the district estimates it will take two to three months from the time of approval before the district could begin collecting taxes.

“Regardless, we will be starting the school year with current budget reductions (in place) and we’ll look to try and solve class sizes,” said Goyette.

Goyette said the district is prohibited from spending taxpayer money on the initiative.

“We can only do information-based presentations,” Goyette said. “I will go to the public. If folks want to invite us for a presentation, I’ll be there. I’m starting to attend city council and community council meetings. I’m excited to go out and explain things.”

The superintendent said any scheduled informational meeting dates will be posted on the school’s website at www.matsuk12.us.

Although the district has “sucked up” the 2017-2018 school year budget with the above implemented changes, Goyette said if its funding sources and levels remain unchanged, board members and the administration will have to chop a projected \$3.5 million from the budget in 2018-19 school year and six million the year after that.

“The foundation of a great community is great schools,” said Goyette. “We believe one of the reasons the Mat-Su continues to grow is the quality of its educational opportunities.”

Any community group wishing to have Goyette make a presentation can call the administrative offices at 907-746-9200.

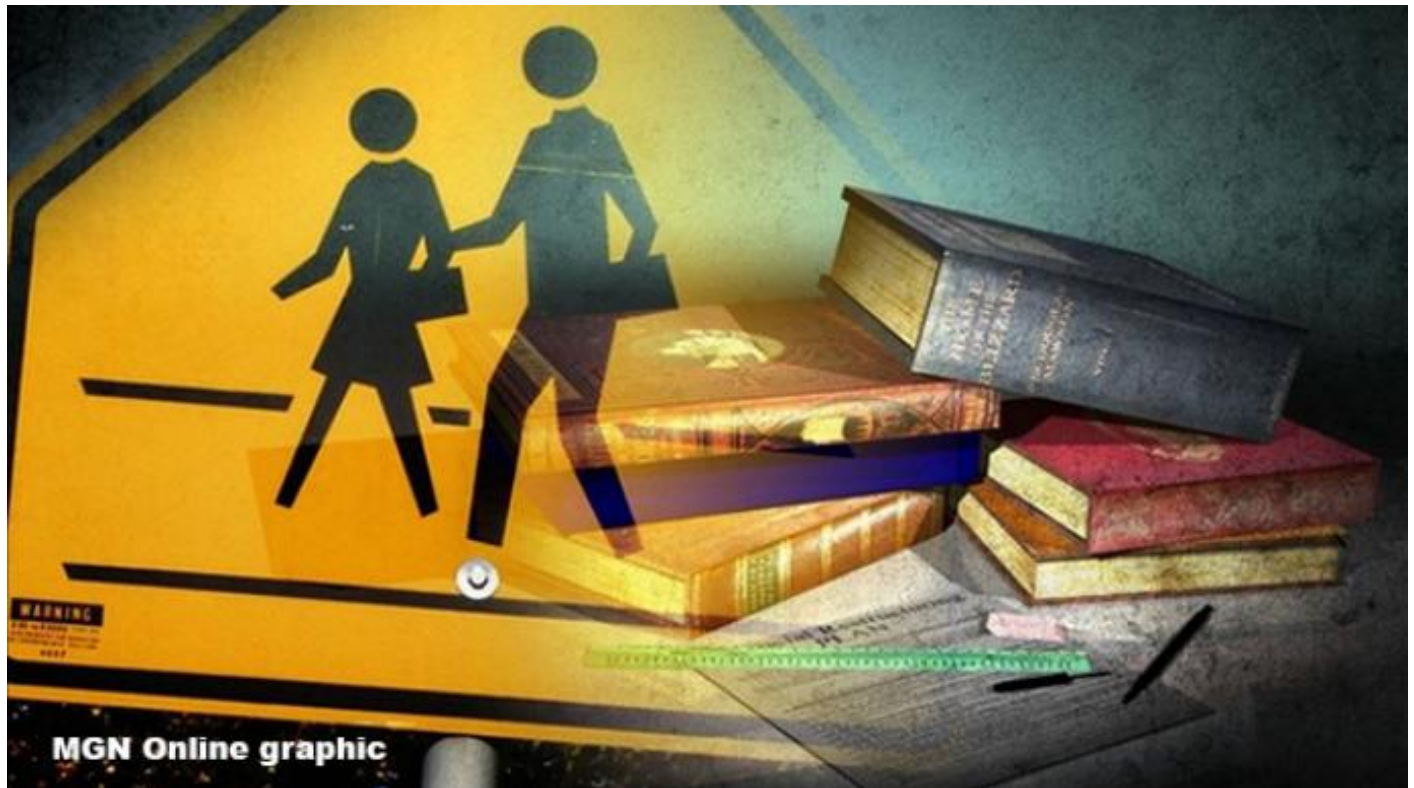
Contact reporter Chris Ford at 352-2270 or chris.ford@frontiersman.com

Teachers receiving pink slips discuss uncertainty, need for state budget



By Victoria Taylor | Posted: Wed 6:58 PM, May 24, 2017 | Updated: Thu 1:43 PM, May 25, 2017

ANCHORAGE, Alaska (KTUU) For 220 Anchorage teachers, librarians and counselors, the last day of the semester was filled with celebrations and uncertainty.



Bayshore Elementary School is one of the many schools affected by the district's cuts.

"Teachers already have a hard job," Bayshore Elementary School parent, Chris Kutscheid, said.

The school handed out four pink slips to instructors as part of the layoffs.

Not every school in the district handed out the notices, which were largely prompted by the lack of a state budget being passed before the end of the school year.

Derks is one of the four educators being let go from the school.

"We were busting at the seams this year, so I can't imagine," she said. "We had positions that didn't get filled this year, because of the freeze. I can't imagine how this school is going to run, without more teachers."

Other educators say life outside the classroom could also get tight over the next few months.

"Being the last day of school, it's kinda hard especially knowing that I don't know my faith as a teacher next year," said Kim Resheske, the school's physical education teacher. "So I don't know how to prepare."

Resheske said she's concerned if lawmakers don't pass a budget soon, she's going to lose her health insurance.

The district says it handed out the layoff notices to first and second-year employees; however, those in special education and other areas considered hard to fill were not part of the cuts.

Resheske and Derks are both experienced teachers.

Derks, a second year educator with ASD, said she spent six years teaching in California. A trip to Alaska in her early twenties, prompted her to move to the state eventually.

Resheske said she was once tenured with ASD. Having left for a job out of state last year, she was rehired by the district to replace the former Bayshore P.E. instructor after retirement.

Some parents say they're concerned about what the cuts may mean for students.

"Once you have your school running smoothly, you kinda just shake it up like an earthquake," Kutscheid said. "And you can't do that to kids."

Bayshore is a nationally recognized school for high performance. Teachers admit, even before the cuts they were spread thin.

"We have superheroes among us, but I think we're asking them to do too much with too little," said parent, Stephanie Bird.



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