

House Finance Committee Questions to Board Presidents
Fairbanks North Star Borough Board of Education
March 27, 2012

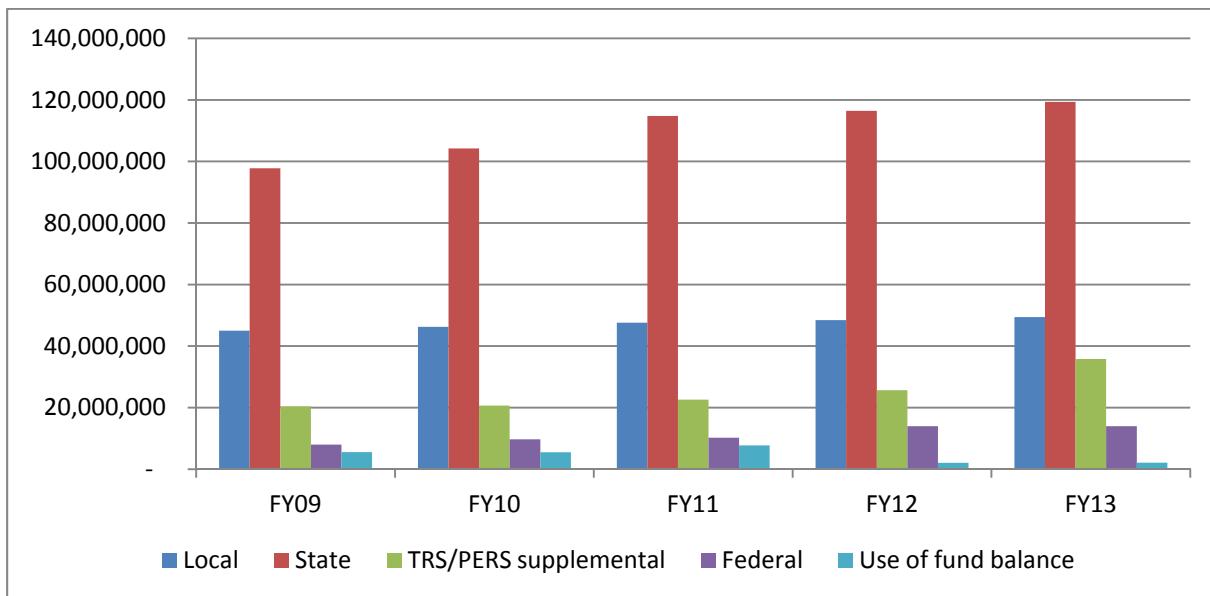
What is your FY13 total school district budget? What percentage goes to personnel?

The FY13 Operating Fund budget is still in process until we know how much funding will be provided by both the local assembly and the state. The recommended budget with our requested/estimated funding level is:

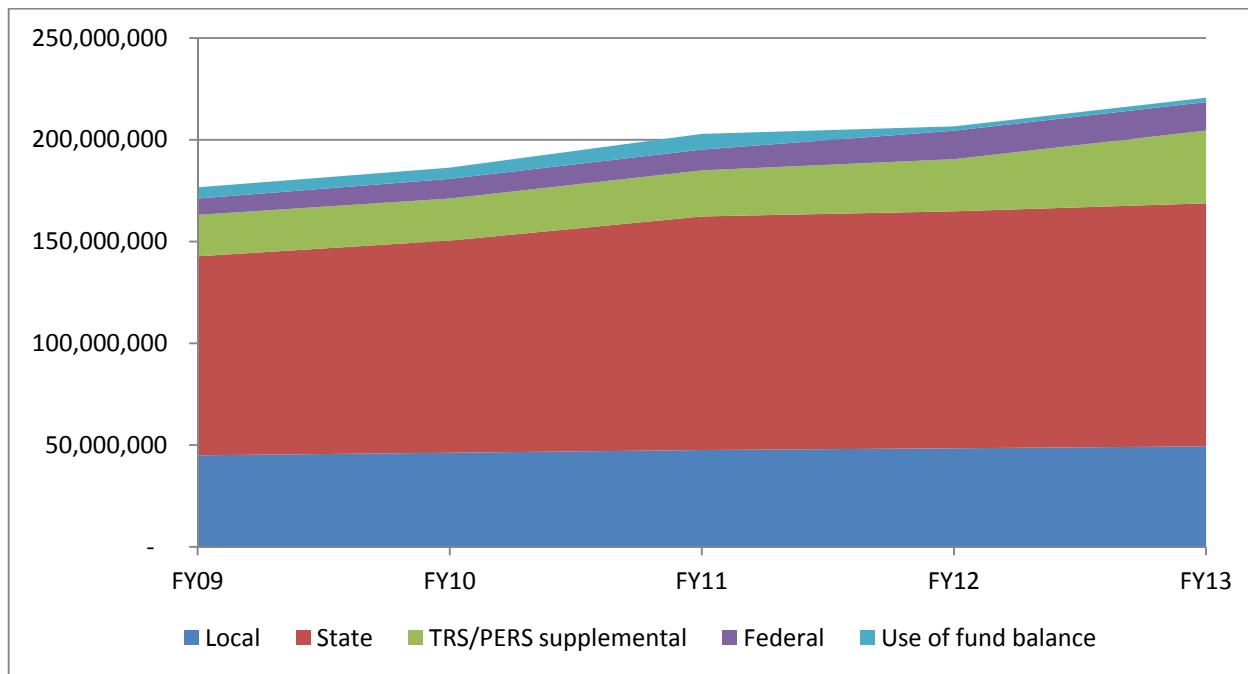
Operating Fund only	Current Operations	TRS/PERS Unfunded Liability		Total FY13 Recommended Budget	
Salary & wages	\$ 107,671,737			\$ 107,671,737	
Employee benefits	48,242,858	\$ 35,820,160		84,063,018	
Other costs	28,965,715			28,965,715	
Total recommended budget	\$ 184,880,310	\$ 35,820,160	\$ 220,700,470		
Personnel costs - %	84.3%			86.9%	

Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix).

	FY09 Approved Budget	FY10 Approved Budget	FY11 Approved Budget	FY12 Approved Budget	FY13 Recommended Budget
Local	\$ 45,027,500	\$ 46,261,520	\$ 47,634,700	\$ 48,468,300	\$ 49,439,100
State	97,777,240	104,231,030	114,781,410	116,435,440	119,368,640
TRS/PERS supplements	20,407,890	20,667,010	22,614,950	25,646,580	35,820,160
Federal	7,981,080	9,722,230	10,211,110	13,985,250	13,956,280
Use of fund balance	5,525,200	5,480,390	7,726,910	2,079,820	2,116,290
	\$ 176,718,910	\$ 186,362,180	\$ 202,969,080	\$ 206,615,390	\$ 220,700,470



Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix). (continued)



Did you fund to the total allowable local contribution in FY 12? In FY13? If not, how much below were you? Why?

Our local Assembly did not fund to the maximum allowable contribution in FY12, nor do we anticipate they will in FY13.

	Actual FY10	Actual FY11	Approved FY12	Requested FY13
Maximum allowable local contribution	59,758,787	61,684,971	63,188,190	63,217,594
Initially approved local contribution	45,522,700	46,522,700	47,359,300	48,359,300
Required lapse back to Borough	(2,182,799)	(1,223,198)	?	?
Actual local contribution	43,339,901	45,299,502	47,359,300	48,359,300
% of maximum allowed	<u>72.5%</u>	<u>73.4%</u>	<u>74.9%</u>	<u>76.5%</u>

How much has the state contributed to the TRS/PERS unfunded liability on behalf of your school district in FY12? How much is the state scheduled to contribute for TRS/PERS unfunded liability costs on behalf of your district in FY13?

TRS/PERS unfunded liability	Actual FY10	Actual FY11	Approved FY12	Requested FY13
TRS	\$ 16,615,652	\$ 18,728,033	\$ 22,182,480	\$ 30,834,206
PERS	1,750,178	2,772,197	3,464,100	4,985,954
Total	\$ 18,365,830	\$ 21,500,230	\$ 25,646,580	\$ 35,820,160

When was your most recently ratified teacher contract put into place?

The last ratified teacher contract expired June 30, 2011. Currently, teachers are working under the terms of the previous contract and negotiations are on-going.

a) What were the terms? (salary and benefits increases/decreases per year, in percentages or dollars, if appropriate)

The three year teacher contract that expired June 30, 2011 included steps and columns, and the equivalent of 4 percent to the salary table in each of the three years.

b) What is your average teacher salary?

Average teacher salary based on a salary download as of October 11, 2011 was \$69,150.

c) What is your starting teacher salary?

The current teacher salary table includes a starting annual salary of \$44,679, and a maximum annual salary of \$86,914.

d) Did you negotiate significant salary increases in your labor contracts for FY2013? If yes, why did you do that given the current funding situation/debate?

The School Board's current bargaining position is steps and columns for FY13, plus 1 percent on the salary table.

What are the cost drivers in your budget?

1. Personnel is the major cost driver.
2. Health costs and retirement system costs are a big part of personnel costs associated with staffing.
3. Utilities.
4. Transportation subsidy.

How much were your energy costs in FY11 (includes Central Kitchen). How much do you project them to be in FY13?

Utility	Actual		Budgeted		Recommended
	FY10	FY11	FY12	FY13	
Electric	\$ 3,814,074	\$ 3,893,468	\$ 4,356,390	\$ 4,611,941	
Heat	1,790,933	2,366,316	2,517,553	2,818,207	
Water/Sewer	401,886	461,500	541,662	543,936	
	\$ 6,006,893	\$ 6,721,284	\$ 7,415,605	\$ 7,974,084	

Do you have a system in place to make budget adjustments when enrollment drops—how do you approach this?

1. We use fund balance and reserve teaching positions, if available.
2. We have zero available fund balance at June 30, 2011. There are consequences in trying to accumulate fund balance.
3. By local ordinance, there are two provisions that require the district to return funds to the borough. At the end of the fiscal year, return 28.5 percent of: any unspent funds, any revenues exceeding budget, or the balance of any current fund balance if we had planned to use but didn't. It does not matter if the revenue that generated the lapse was from special needs intensive funding or impact aide funds, which has been the case the two years this ordinance has been in place. After that computation, we are required to return anything over 7 percent of the local contribution amount (~3.2m). In the last two years, the district has returned over \$3.4m to the borough, and additionally has lost over \$400k in state funding because of that lapse and the way the foundation formula works.

What are your biggest instructional challenges?

- Improving student achievement for all students.
- Closing the achievement gap in multiple areas (gender, ethnicity, special needs, disadvantaged)
- Improving our technology skills of our students and staff. Our initial data indicates our students and staff are developing the necessary technological skills for success but this is still an area for growth.
- Recruiting, hiring, and retaining a diverse workforce with the talents and abilities to fulfill the district's mission and invest in quality professional development to meet district goals.

What grade would you give your school district (A-F)?

I would give our District a "B" grade overall. Our parent surveys indicate that over 80% of our parents give our schools an "A" or "B" grade.

What are you proposing to do differently to improve student performance?

We must meet the needs of our students using innovative and creative methods. We are making solid progress. For example, our graduation rate has increased 17 percent to 71.1 percent. Currently we are working to improve student performance by:

- Addressing attendance issues – with policy changes; truancy action; and considering the impact of mandatory attendance change from 16 to 18 years of age. (The dropout rate for students under 16 is .6 percent.)
- Providing transition/support services – Freshman Academy; Ignition Program (student mentorship program); Challenge Day; credit recovery; PowerSchool Premier; Graduation Liaison.
- Developing portfolios, district-wide formative and summative assessments, and implementing a nationally normed referenced assessment for grades 3-10.

What are you proposing to do differently to improve student performance? (continued)

- Offering school choice options:
 - B.E.S.T. (home school/correspondence)
 - Charter Schools (Chinook, Star of the North/CEC, Effie Kokrine, Watershed)
 - Magnet School
 - Career/Technical Focused High School
 - SMART (continuing to provide academic options for students who are expelled)
- Building, sustaining a state-of-the-art Career Technical Education options through:
 - Apprenticeship Agreements with Labor (increase student participation)
 - Community Technical College Partnership
 - Delineate Career Pathways
 - Engineering Academy
- Continuing to offer programs such as:
 - Alaska Native Education (ANE) Program (We have cut the Alaska Native dropout rate in half. We need to continue this valuable work.)
 - Intervention Programs – Use Universal Screenings (RTI) to identify students who are struggling academically and apply reading and math interventions as early as possible in their academic careers.
 - After School Programs
- Continuing to enhance relationship with service members and their families:
 - Military Student Transition Coordinator
 - Military Compact
 - Air Force and Army school board advisory members

Is the state providing the kind of planning and curriculum support that is helpful to your school district?

To an extent yes, as new standards are up for approval. We need clear learning targets (standards) and then align our assessment systems, with multiple measures to assess students. Most districts adopt curriculum on a six year cycle. If what we are currently using is not well aligned, students are at a disadvantage (using old misaligned materials). Changing a system takes time, to adopt, train and implement. Decisions around NCLB and evaluation loom. There is ambiguity because some are questioning the standards, some have evaluation and assessment questions, but many question the effectiveness NCLB. While this process (shift to new standards, assessment and systems) will take time; we must not lose sight of our mission, which is to prepare students for the future. This requires all of us working together.

Other possibilities are to move GED into the Department of Education from the Department of Labor. Under the state's current reporting system, a student who earns a GED counts against a district as a dropout. With the move to DEED, the federal government would not count successful GED students as dropouts.

How can the DEED, the Board of Education or other state agencies help you achieve better results, other than just providing you with more money?

Advocate for public education. We also need help navigating the bureaucratic processes from the federal government, which includes cumbersome reports and requirements. DEED is a good resource to our district; they help with information and support. As we transition to new standards having clear direction and helping people understand the timelines (in years) continues to be an issue. Commissioner Hanley has done a good job of making sure we are aware.

We do not receive any monetary support from the State Board of Education.

How much ARRA funding did you receive over the past few years?

We received \$16.1 million in ARRA funding. Last year we also received \$2.1 million in Jobs Bill money (funded 22 teachers).

a) How did you invest any ARRA funds you received?

Fairbanks does not have any ongoing costs (staffing or other) from ARRA funding. Please see the summary document below about our investment of ARRA funds.

American Recovery and Reinvestment Act of 2009 (ARRA)

Students, parents and staff in the Fairbanks North Star Borough School District (FNSBSD) are benefitting from approximately \$16.1 million in federal funds received as a result of the American Recovery and Reinvestment Act of 2009 (ARRA). The expectations from the federal government are that education funds provided through the ARRA for 2009-2011 will be used to: jump start school reform and improvement efforts; save and create jobs; and stimulate the economy.

Through a thoughtful, intense and focused planning process in which the district considered student data, district goals and priorities, federal and state guidance, and stakeholder input, the district developed a comprehensive plan that will lead to improved results for students, long-term gains in school and district capacity, and increased productivity and effectiveness.

The table below outlines each ARRA funding type, amount received by the district, the intended use of the funds as prescribed by the federal government, and how the district will utilize the funds over the two year period.

ARRA Funding Type	Amount	Purpose	Use
Title I, Part A Improving the Academic Achievement of the Disadvantaged	\$2,823,899	Funds are provided for schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards.	<ul style="list-style-type: none">• Implement Response to Instruction/Intervention (RTI)• Provide additional support for the English Language Learner Program
Title II, Part D Enhancing Education Through Technology	\$ 154,993	Funds are provided to improve student academic achievement through the use of technology in schools.	<ul style="list-style-type: none">• Support ongoing implementation of the district's Technology Blueprint.

a) How did you invest any ARRA funds you received? (continued)

ARRA Funding Type	Amount	Purpose	Use
Special Education IDEA Part B & Section 619 Pre-School Disabled	\$3,694,429	Funds are provided to implement innovative strategies to improve outcomes for infants, toddlers, children, and youths with disabilities while stimulating the economy.	<ul style="list-style-type: none"> • Phase in a reduction in case loads by adding additional special education staff • Update individual education plan (IEP) software • Provide professional development
National School Lunch Program Equipment Assistance	\$ 2,619	Funds are provided to purchase school food service equipment to ensure that children receive healthy, safe meals at schools in which not less than 50 percent of the students are eligible for free or reduced price meals.	<ul style="list-style-type: none"> • Purchase freezer for Salcha Elementary
Impact Aid Construction Formula	\$ 438,937	Funds are provided for construction activities, including the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities; and inspecting and supervising the construction of school facilities.	<ul style="list-style-type: none"> • Modernize schools for broadband connectivity to schools and wireless connectivity within schools
State Fiscal Stabilization Fund	\$8,987,103	Funds are provided to support the five categories that reflect the priorities of ARRA: <ol style="list-style-type: none"> a. Adopting rigorous college- and career-ready standards and high-quality assessments; b. Establishing data systems and using data for improvement; c. Increasing teacher effectiveness and equitable distribution of effective teachers; d. Turning around the lowest-performing schools; and e. Improving results for all students, including early learning, extended learning time, use of technology, preparation for college, and school modernization. 	<ul style="list-style-type: none"> • Provide intensive professional development in areas such as the RtI model, math, science, writing, and information literacy • Support a comprehensive, analytical review of the ELL program in order to implement program design changes in the updated ELL Program Plan of Services • Support the implementation of Smaller Learning Communities at Lathrop High School • Expand and improve the Career Technical Education program • Support the implementation of secondary education reform projects • Continue the district's Graduation Success Program • Implement programs that support freshman transition • Replace obsolete computer and library labs throughout the district • Replace aging band and orchestra instruments • Expand recruiting efforts to attract minority applicants