

Senate Finance DEED Subcommittee

Cost Drivers in K-12 Education

August 21, 2013



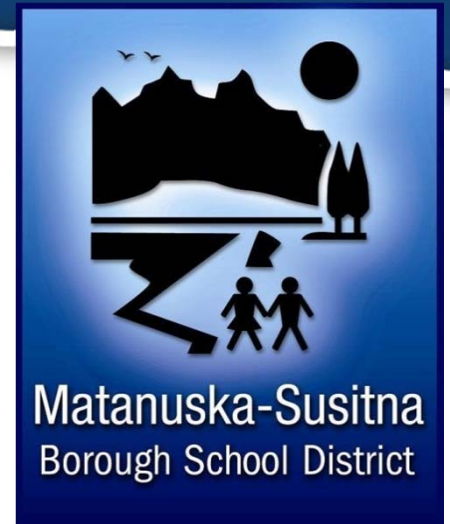
Matanuska-Susitna Borough School District

OVERVIEW

Facts & Figures

- Encompasses 24,502 sq. miles, roughly the size of West Virginia
- Population of 88,995
- 17,500 Students
 - 2nd Largest District in Alaska
- 2,000 Employees
 - Largest Employer in the Borough
- 45 Schools
 - 21 Elementary Schools
 - 5 Middle Schools
 - 8 High Schools
 - 6 Charter Schools
 - 5 Special Mission

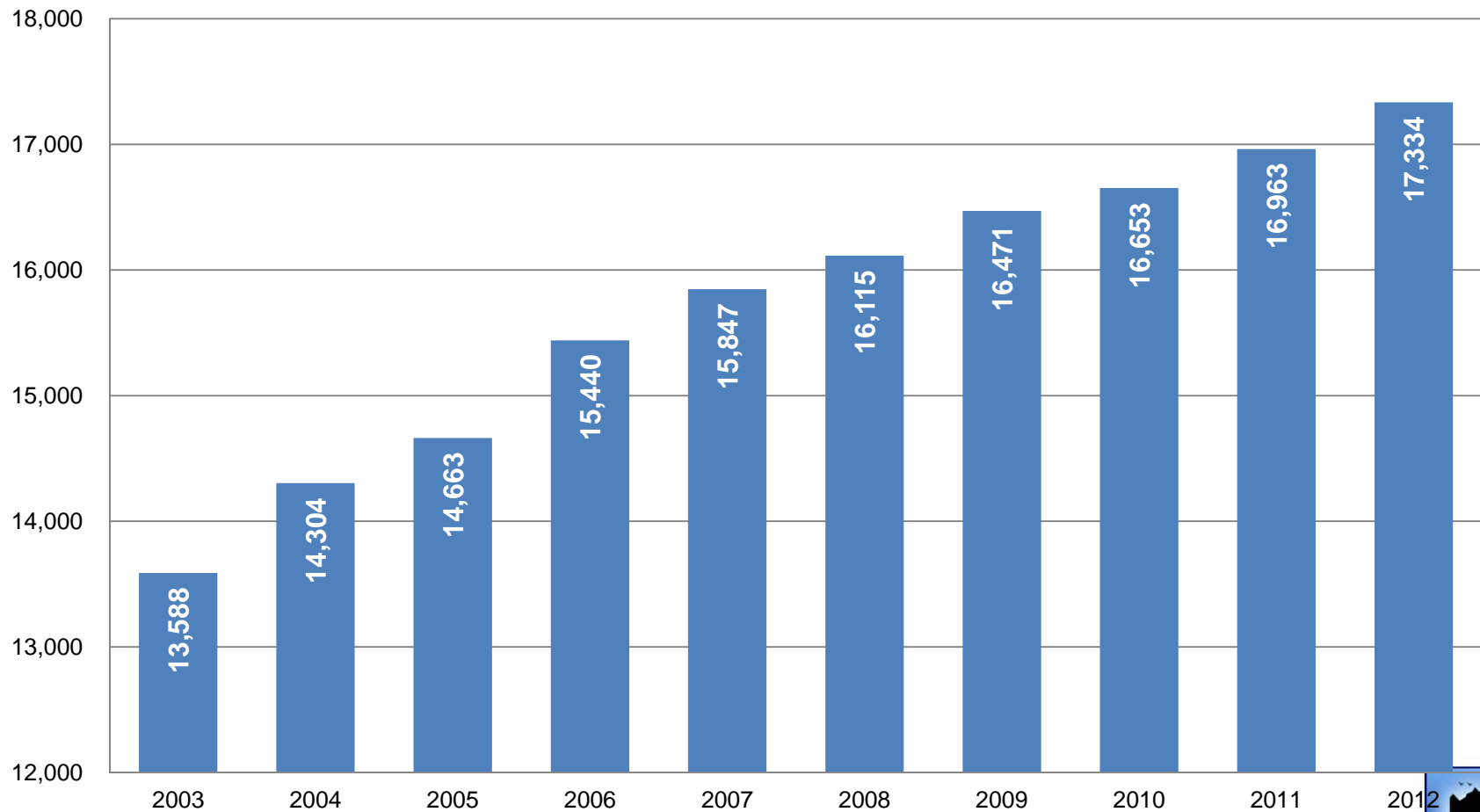




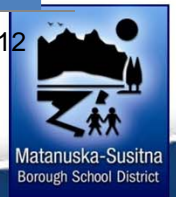
General Fund

TEN YEAR ANALYSIS

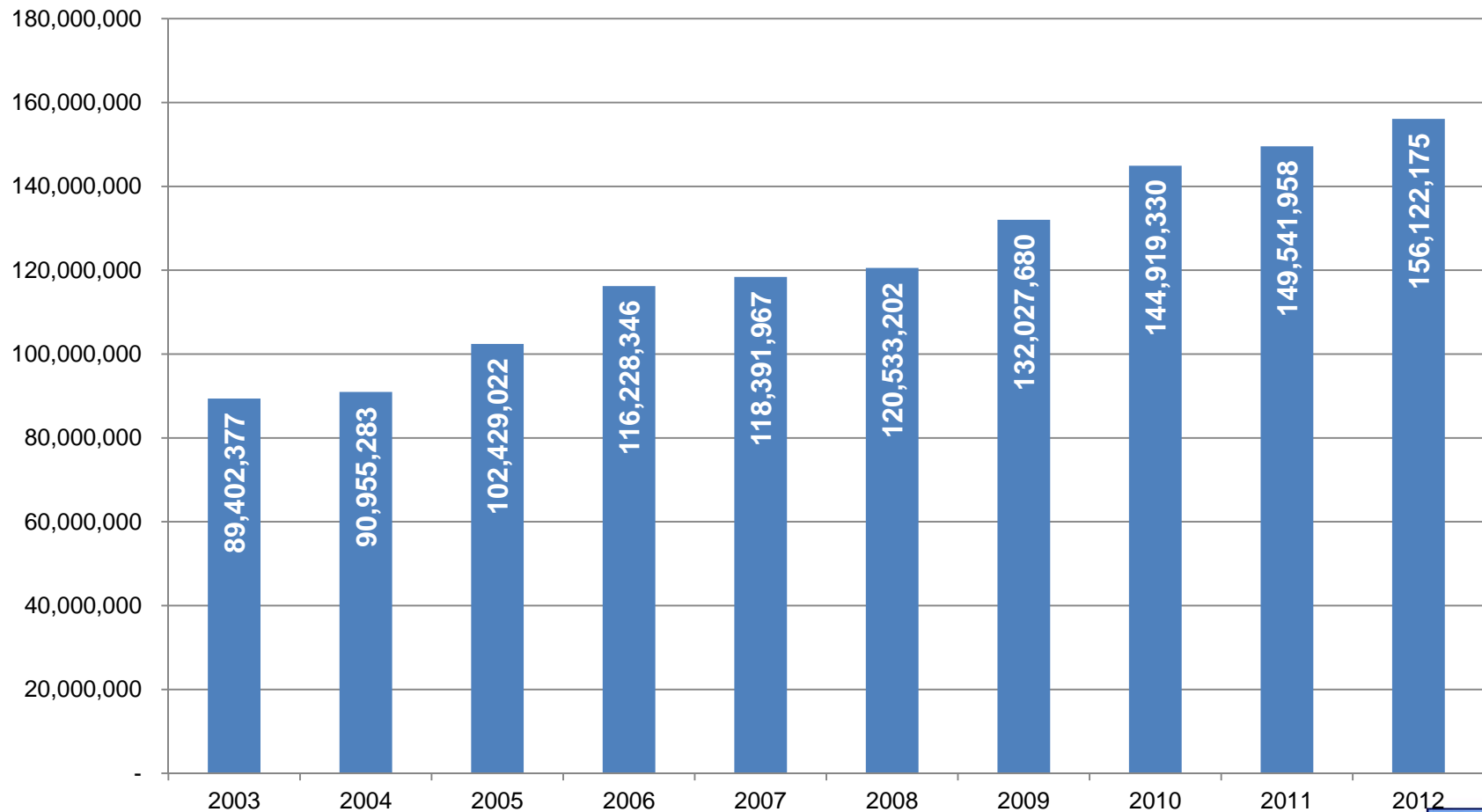
Enrollment History



Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



Total Salaries & Benefits*



*Employee Benefits does not include the on-behalf contributions for TRS & PERS, which began in 2008

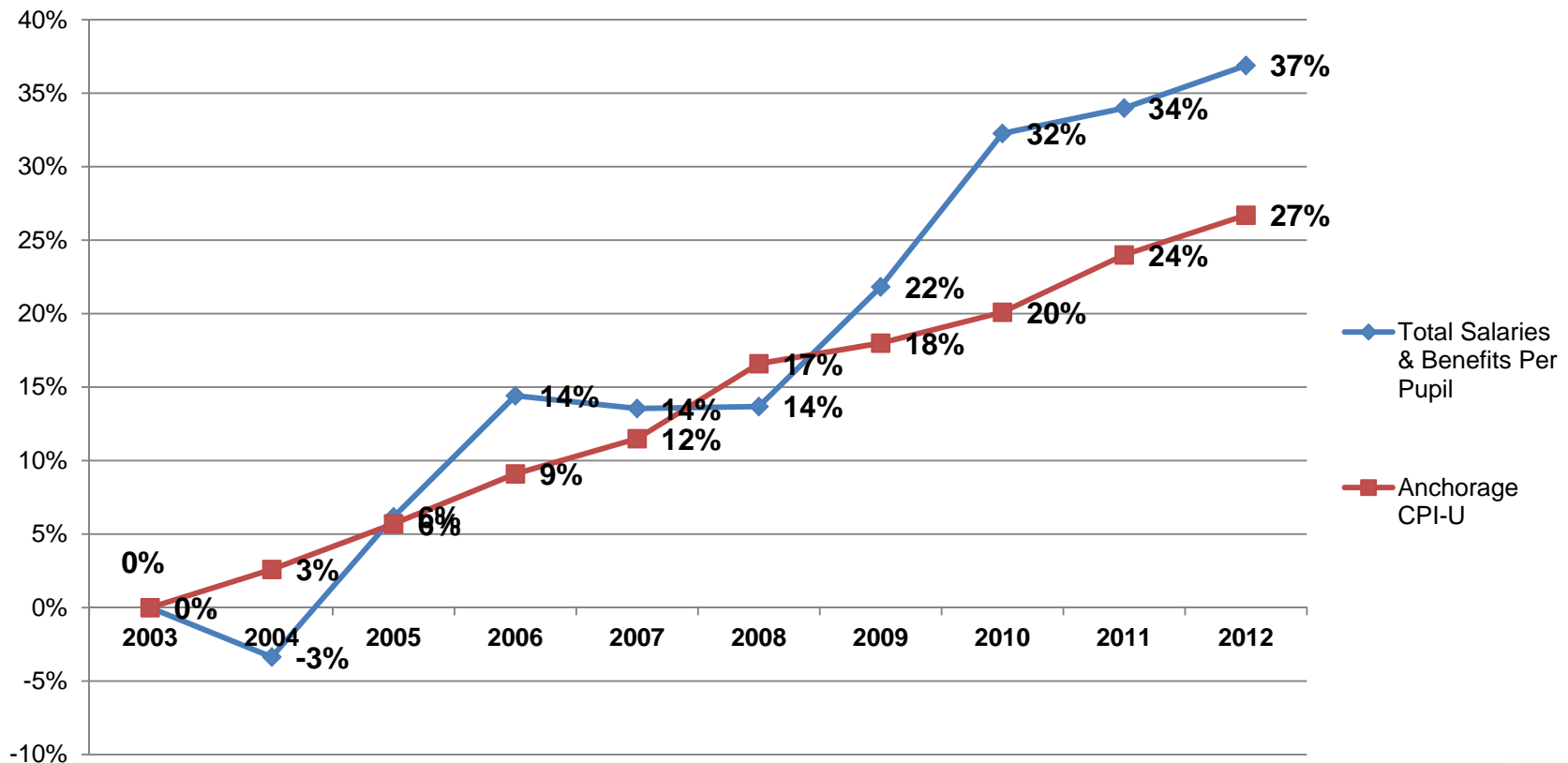
Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



Straight Line Growth Rate

Total Salaries & Benefits Per Pupil*

(FY2002-03 Base Year)

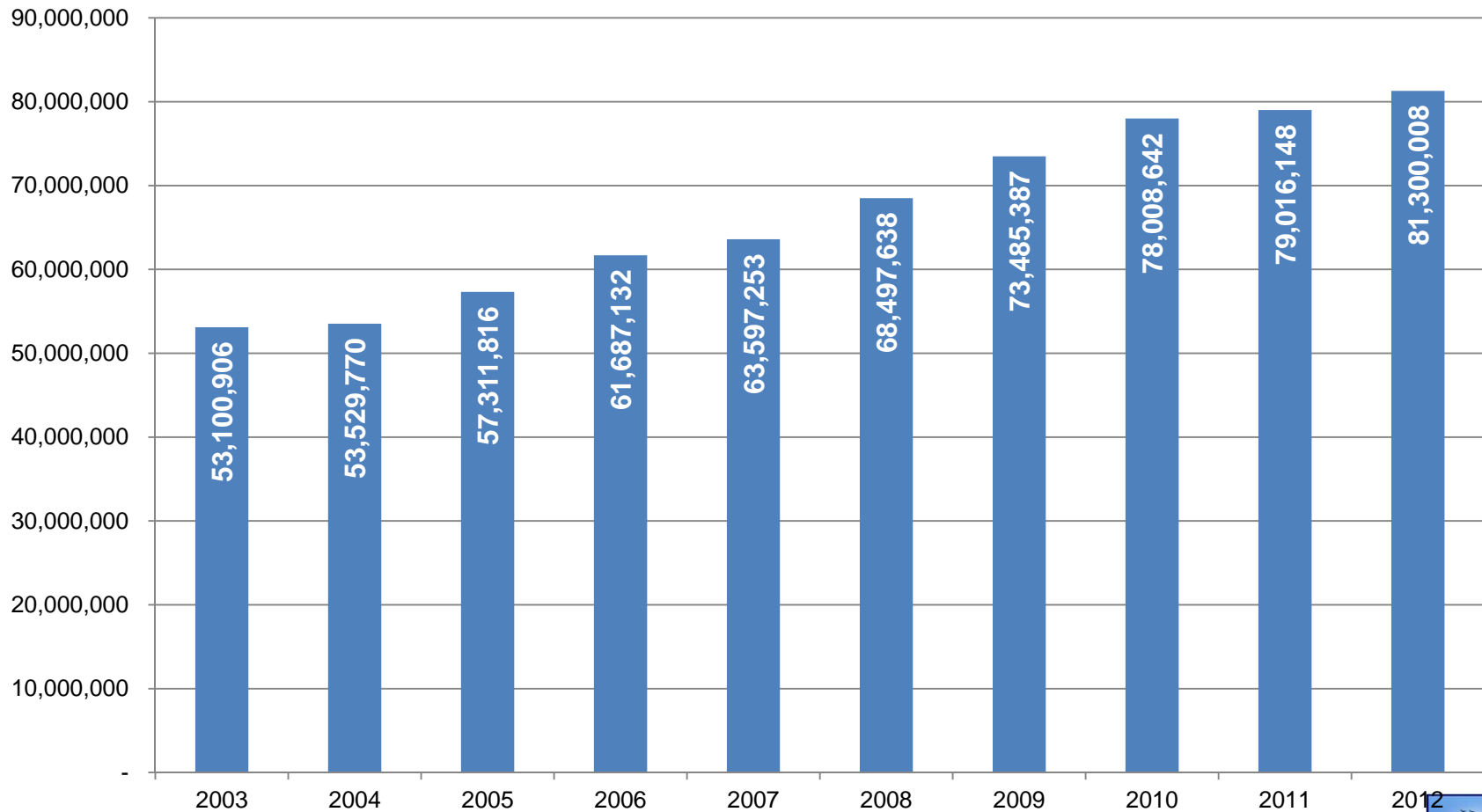


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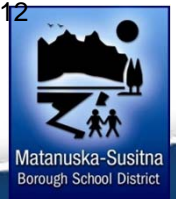
Source: Alaska Department of Labor & Workforce Development and Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



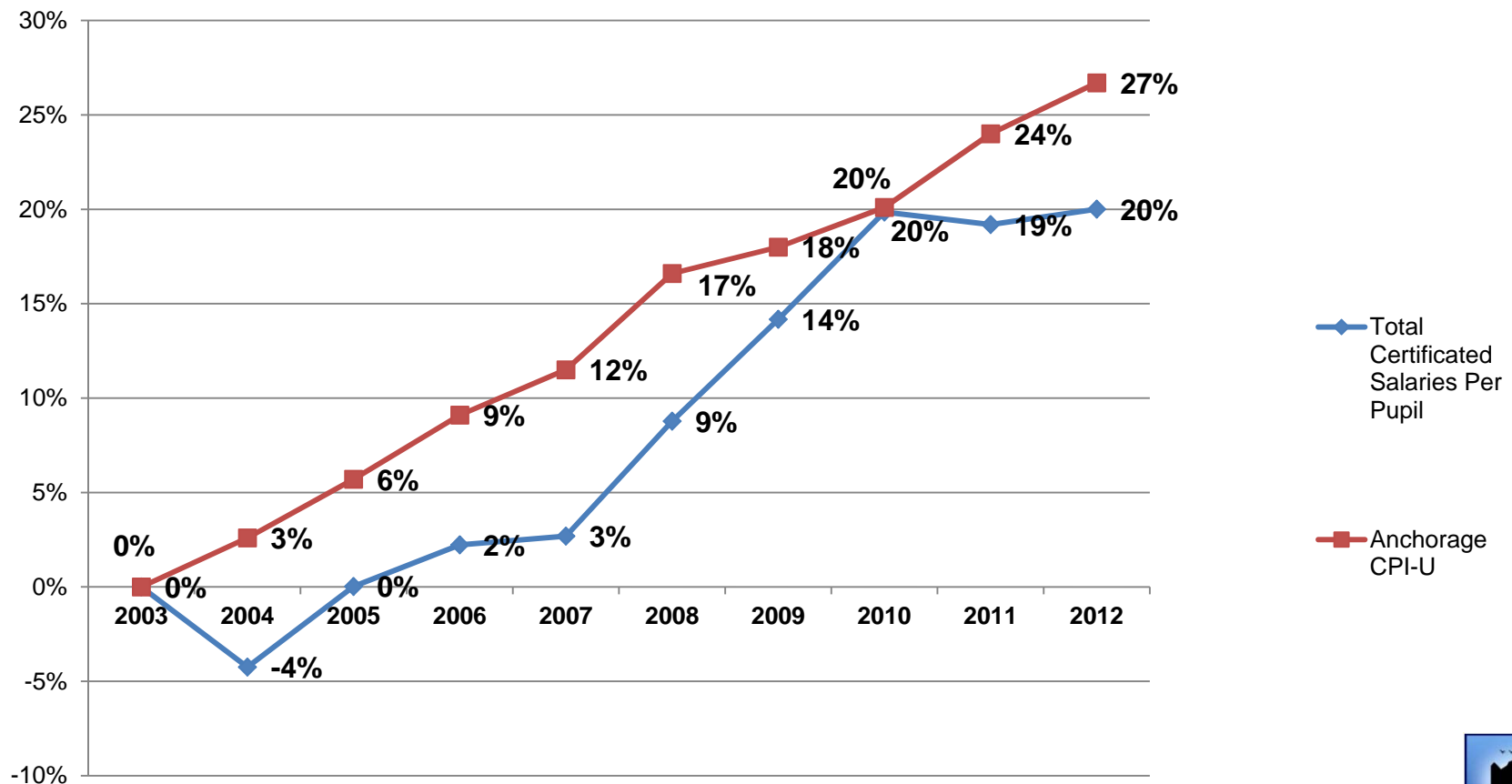
Total Certificated Salaries



Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



Straight Line Growth Rate Comparison Certificated Salaries Per Pupil (FY2002-03 Base Year)



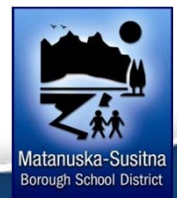
Source: Alaska Department of Labor & Workforce Development and Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



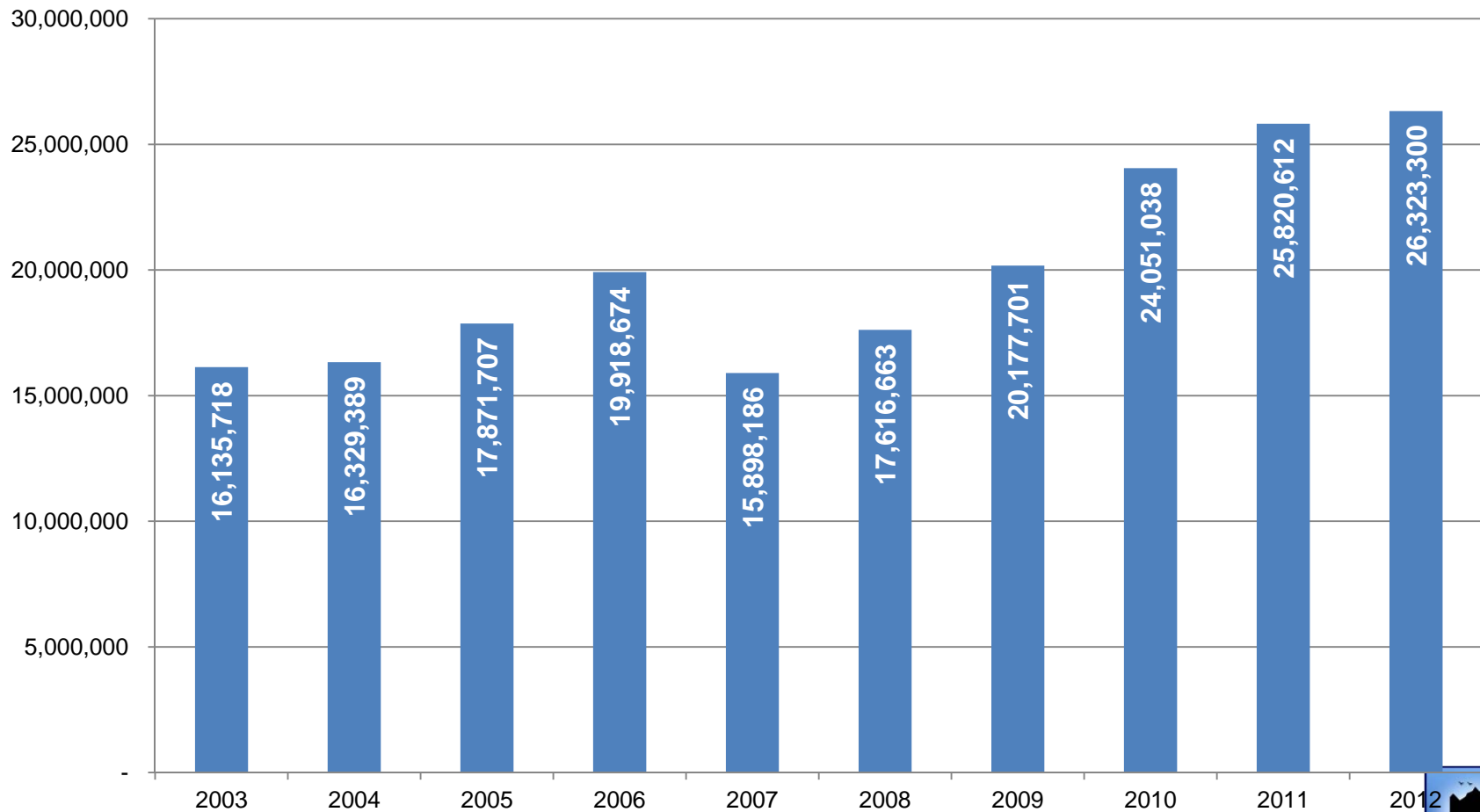
Average Class Size

| | Average Class Size | | |
|-------------|--------------------|----------------|--------------|
| Fiscal Year | Elementary Schools | Middle Schools | High Schools |
| 2003 | 24.0 | 23.0 | 25.0 |
| 2004 | 26.0 | 24.0 | 27.0 |
| 2005 | 23.5 | 23.0 | 24.0 |
| 2006 | 23.5 | 23.0 | 24.0 |
| 2007 | 23.5 | 23.0 | 24.0 |
| 2008 | 23.5 | 21.6 | 24.1 |
| 2009 | 23.5 | 21.6 | 23.4 |
| 2010 | 21.9 | 24.1 | 23.2 |
| 2011 | 22.4 | 26.5 | 28.1 |
| 2012 | 24.3 | 26.5 | 28.1 |

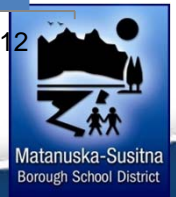
Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



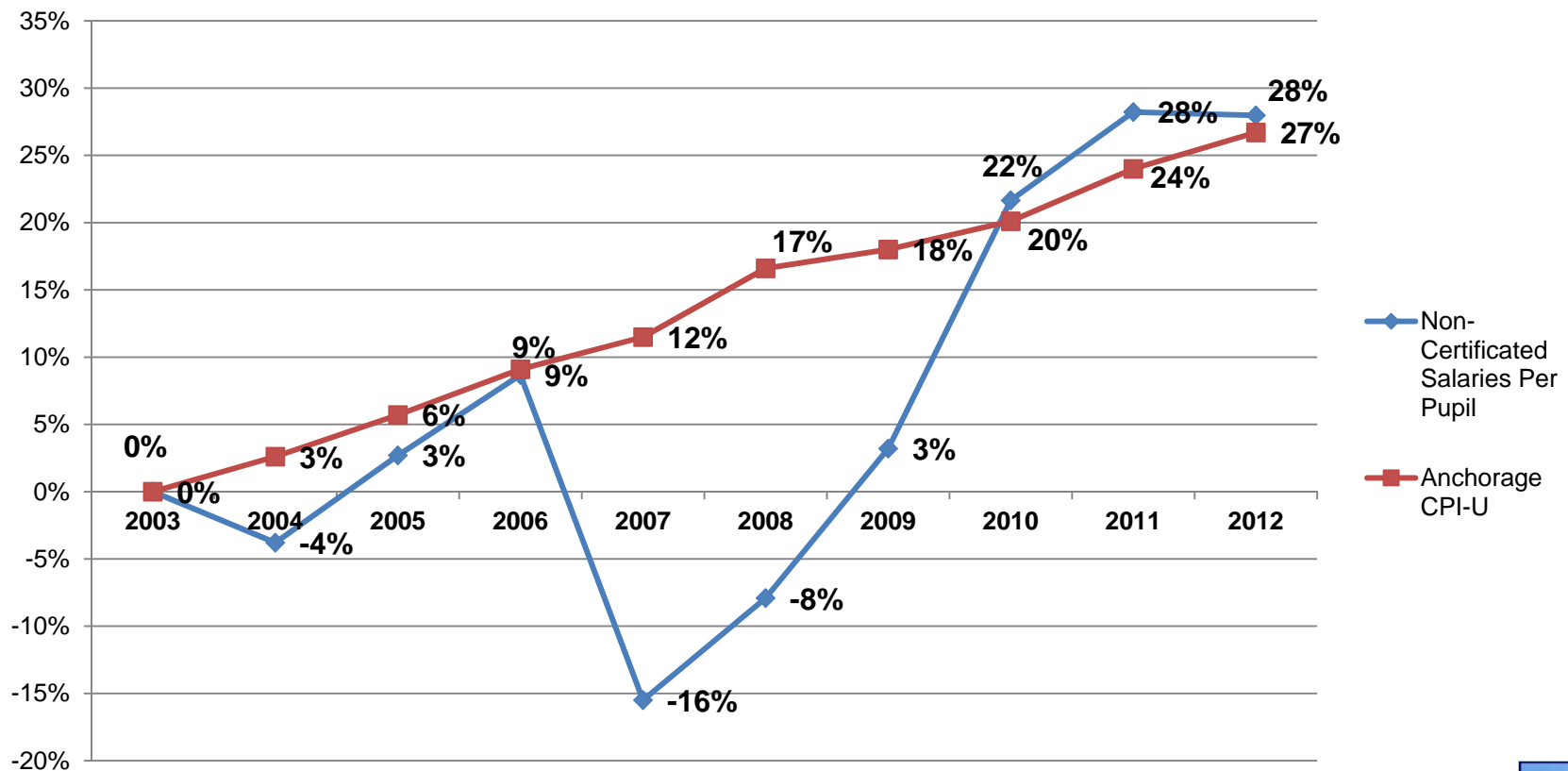
Total Non-Certificated Salaries



Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



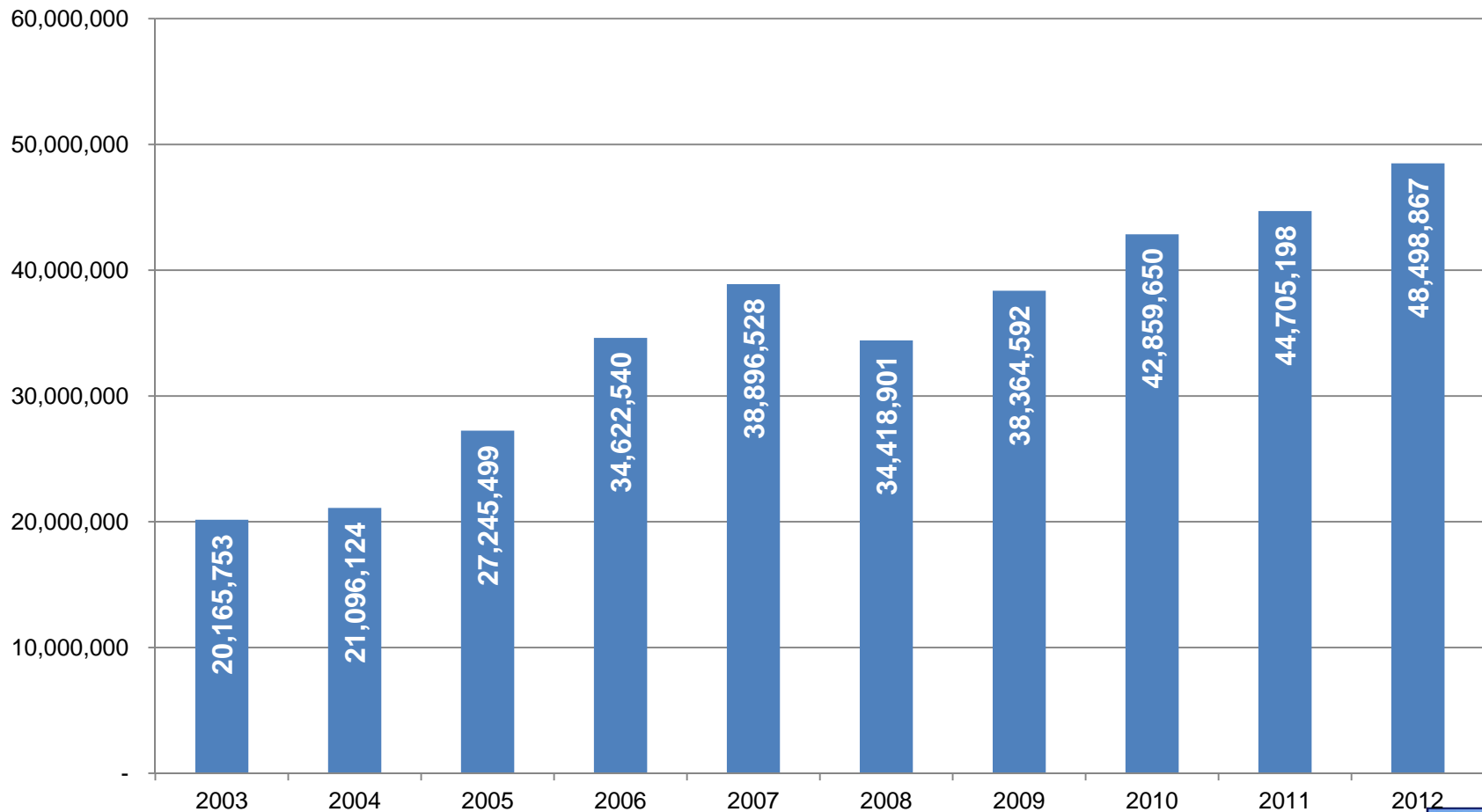
Straight Line Growth Rate Comparison Non-Certificated Salaries Per Pupil (FY2002-03 Base Year)



Source: Alaska Department of Labor & Workforce Development and Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports

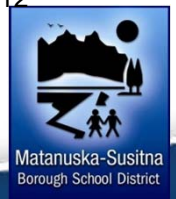


Total Employee Benefits*

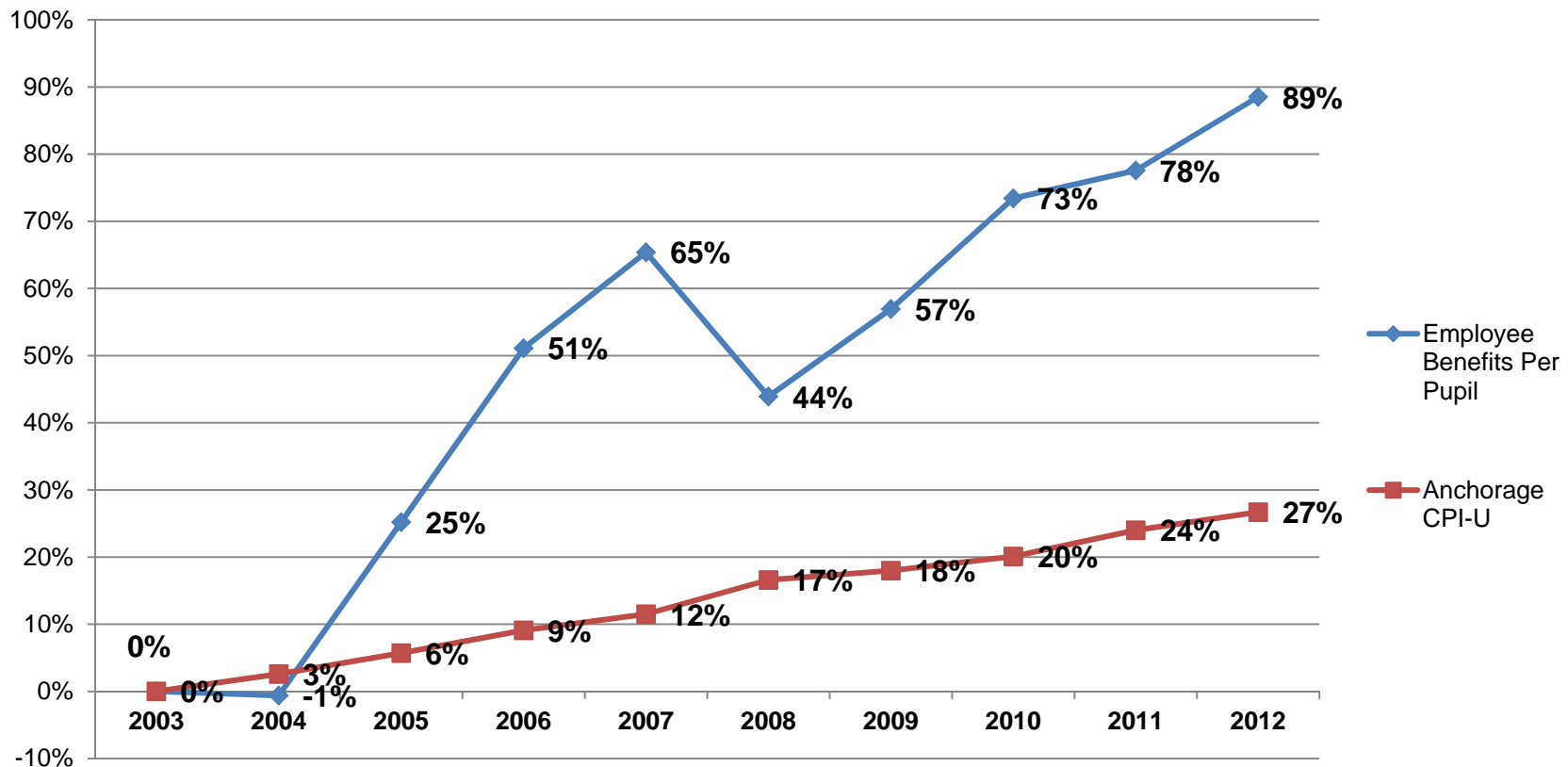


*Employee Benefits does not include the on-behalf contributions for TRS & PERS, which began in 2008

Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports

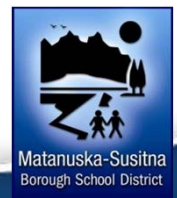


Straight Line Growth Rate Comparison Employee Benefits Per Pupil* (FY2002-03 Base Year)



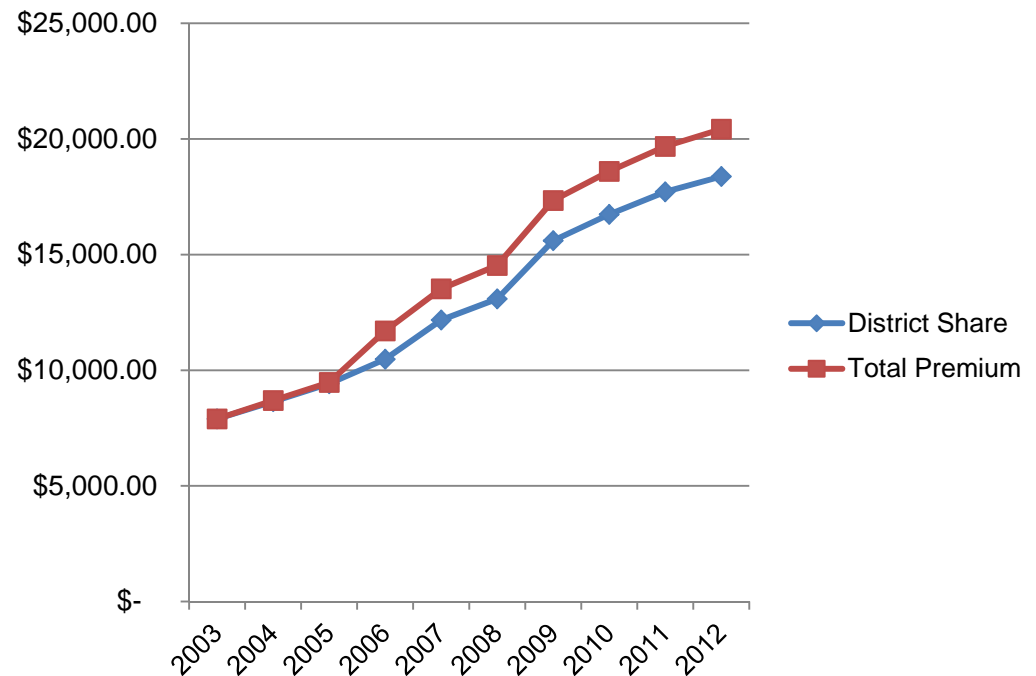
*Employee Benefits does not include the on-behalf contributions for TRS & PERS, which began in 2008

Source: Alaska Department of Labor & Workforce Development and Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



Health Insurance

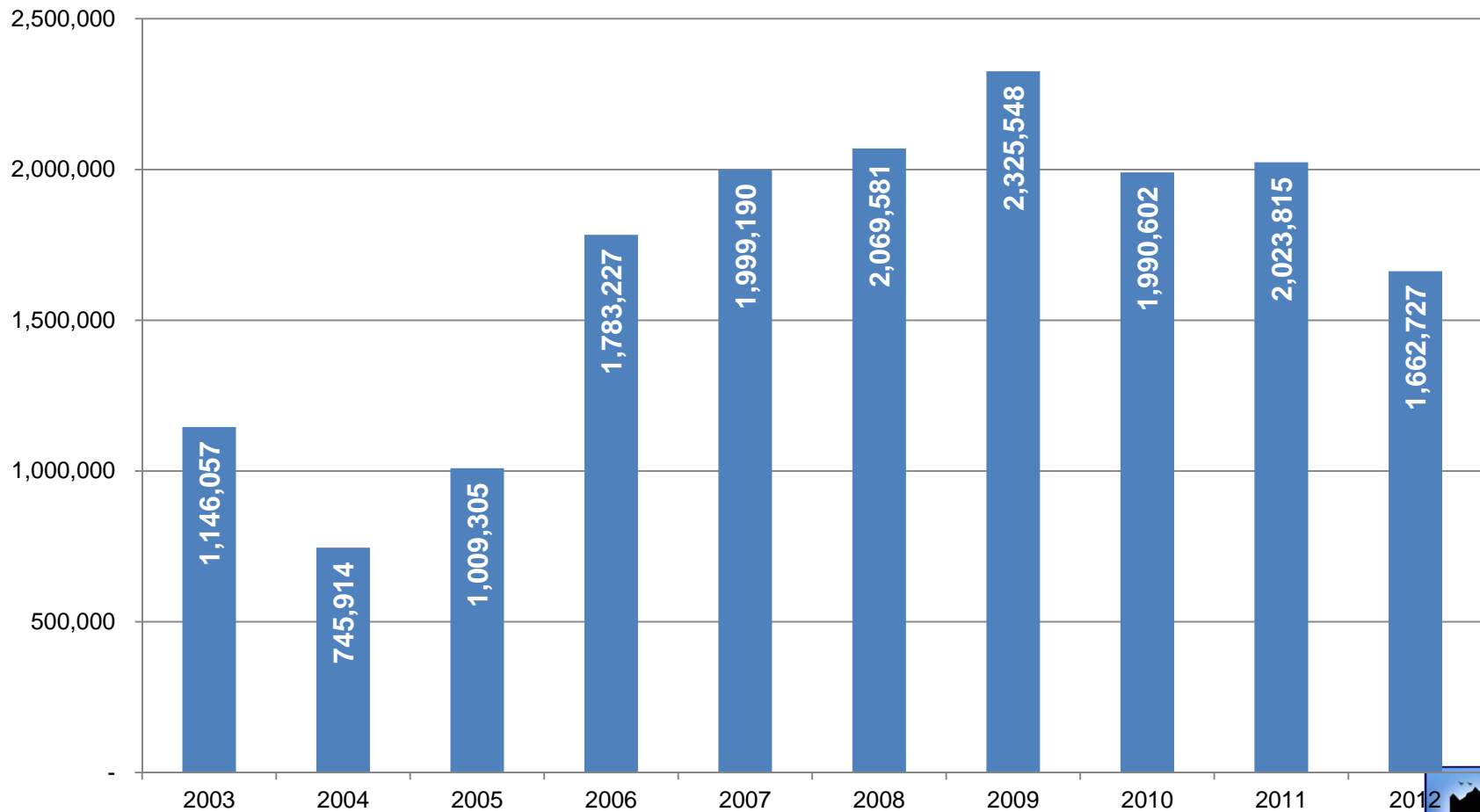
- The total Health Premium has risen steadily since 2003 with an overall increase of almost 160%
- Through bargaining however, the District has set a priority to attempt to maintain these increases and our costs have increased about 133%



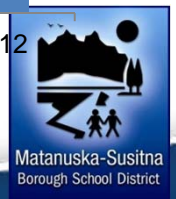
Source: Matanuska-Susitna Borough School District Department of Human Resources



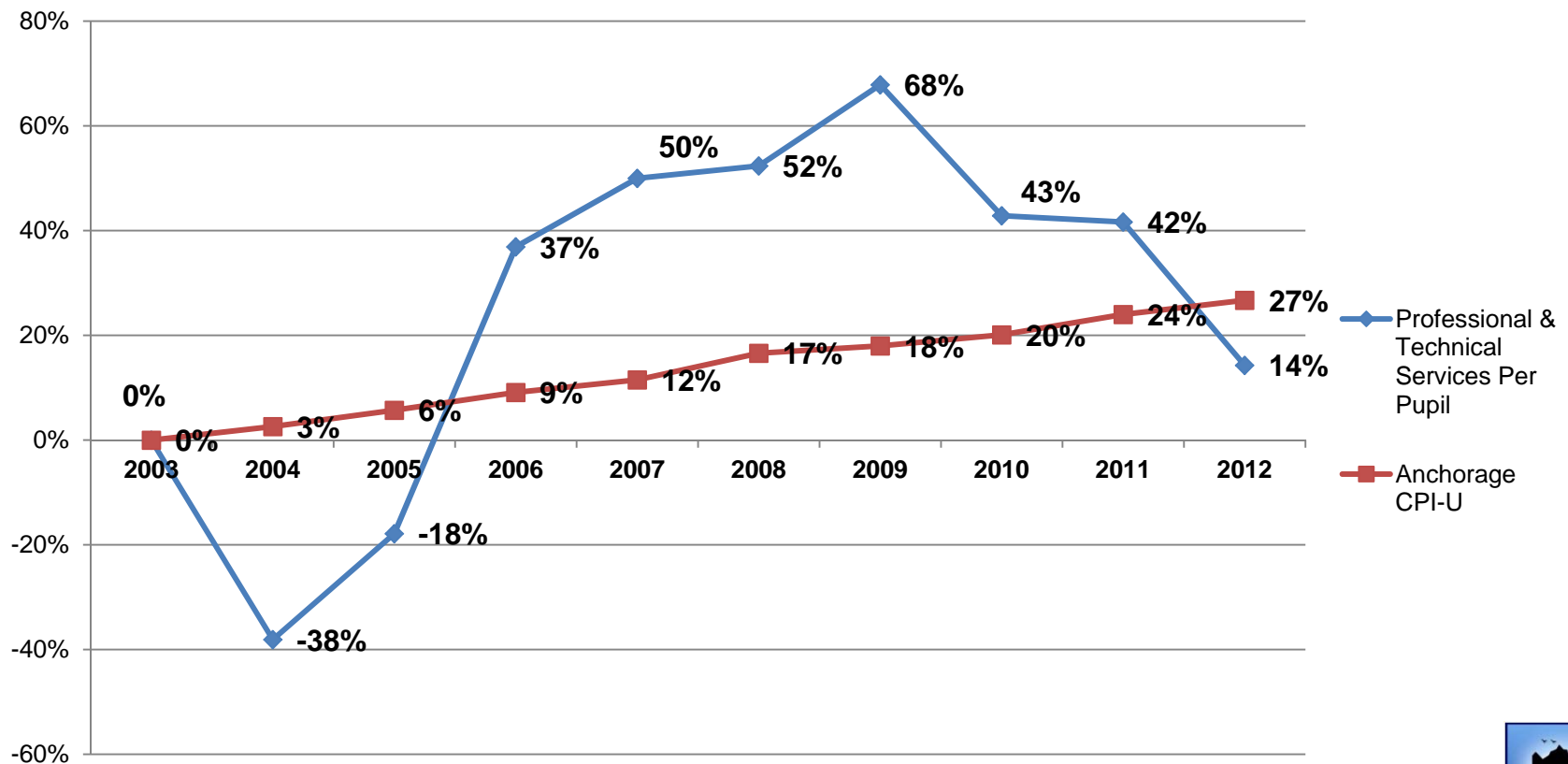
Total Professional & Technical Services



Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



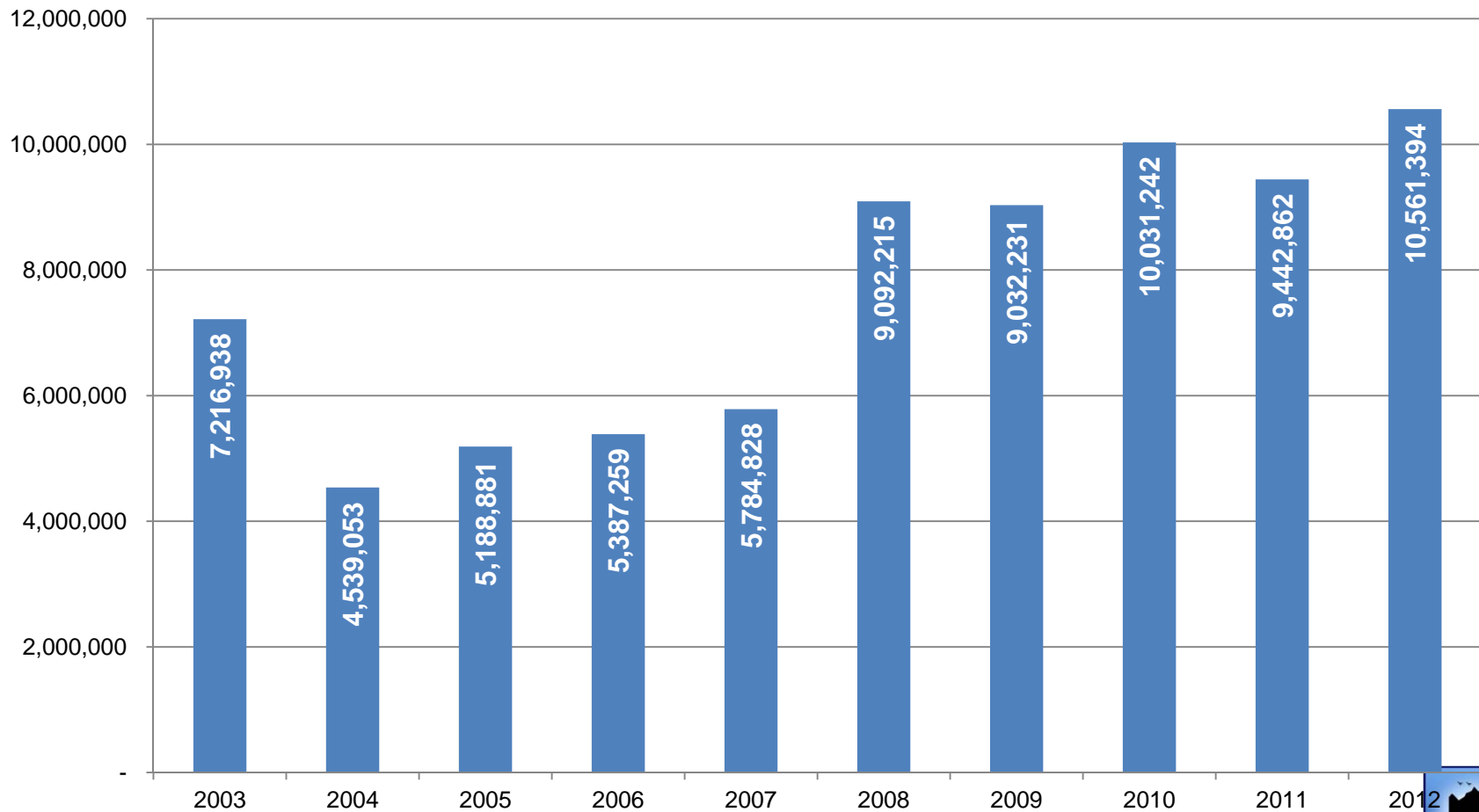
Straight Line Growth Rate Comparison Professional & Technical Services Per Pupil (FY2002-03 Base Year)



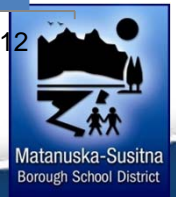
Source: Alaska Department of Labor & Workforce Development and Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



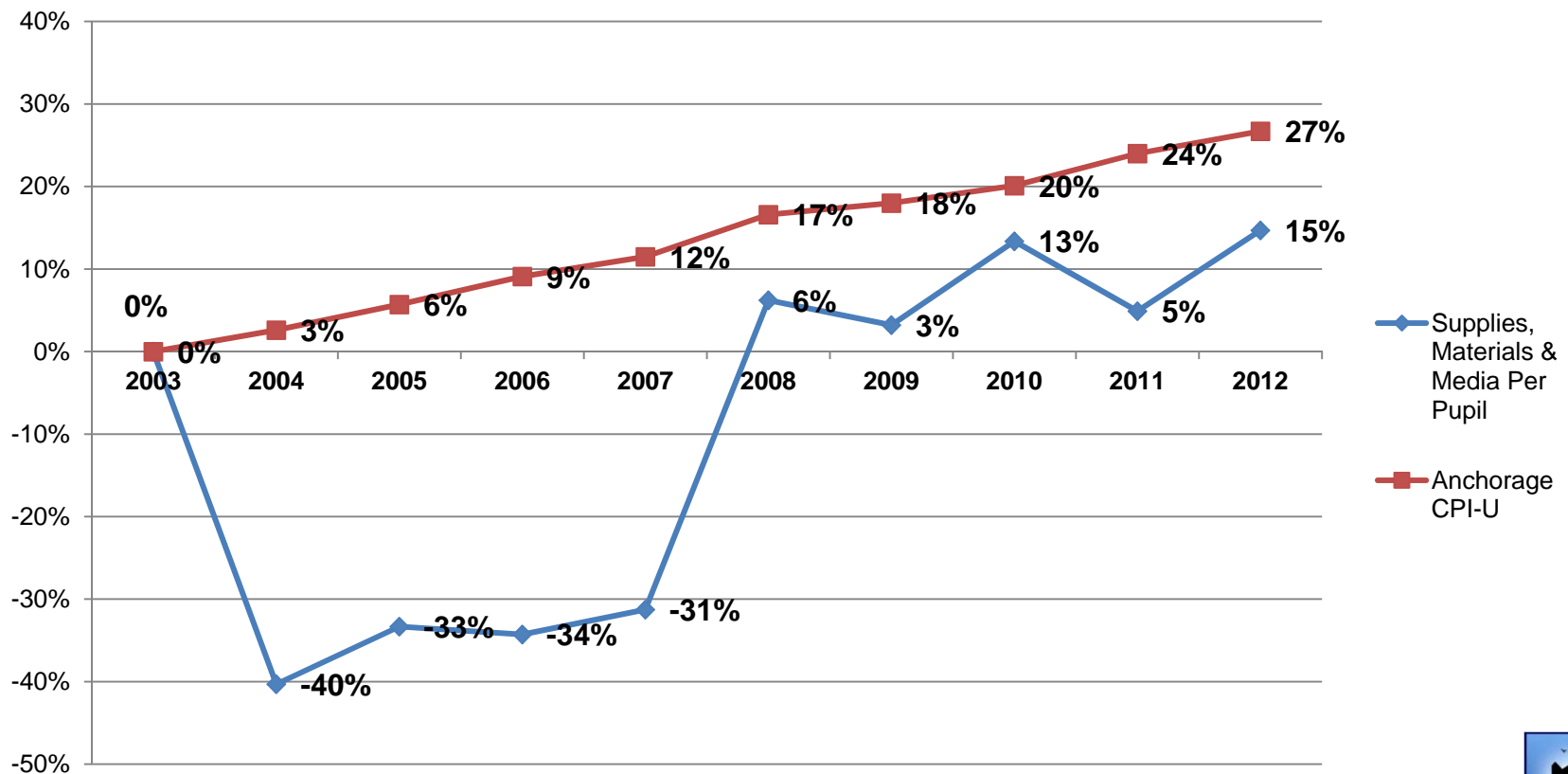
Total Supplies, Materials & Media



Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



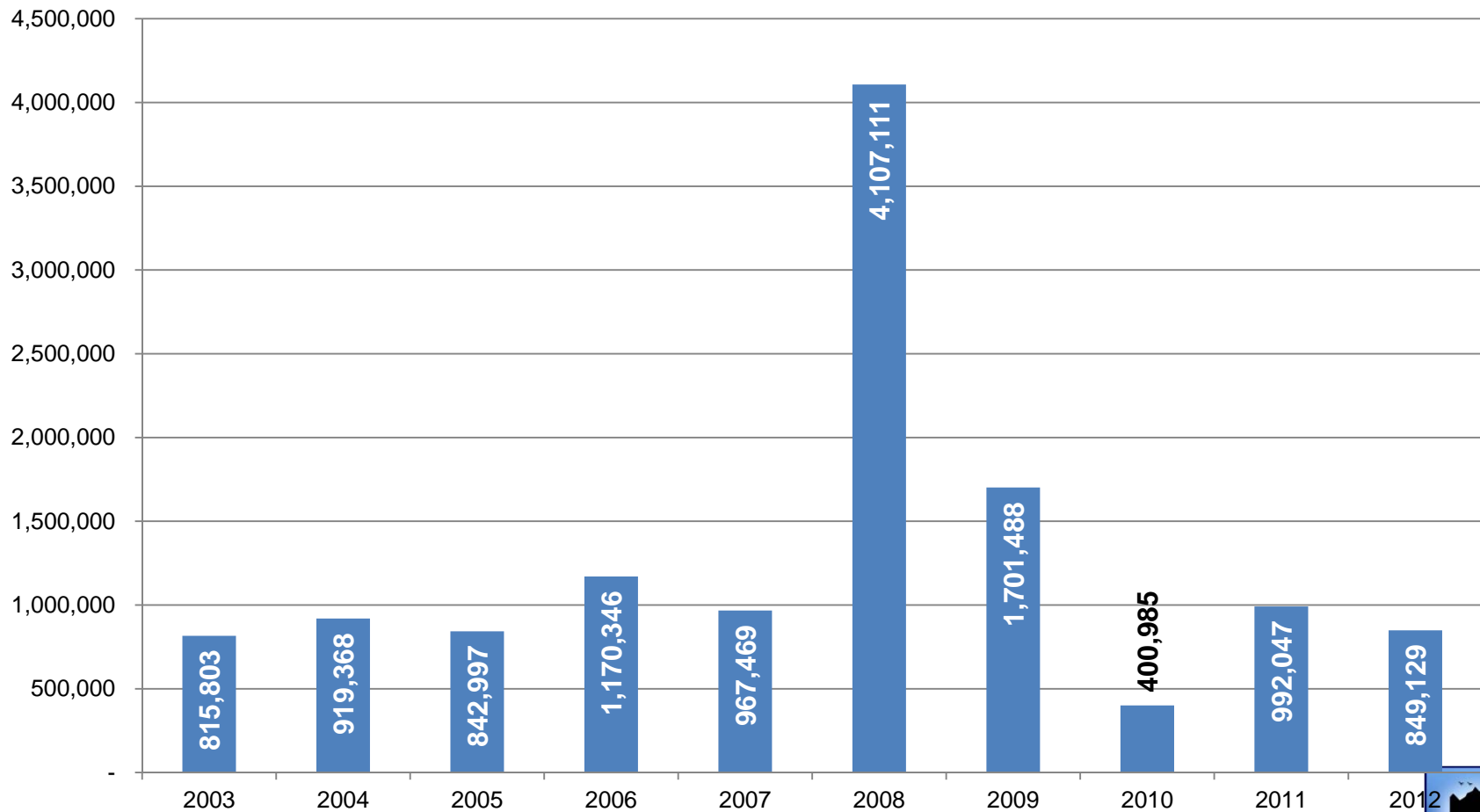
Straight Line Growth Rate Comparison Supplies, Materials & Media Per Pupil (FY2002-03 Base Year)



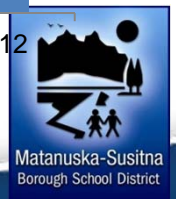
Source: Alaska Department of Labor & Workforce Development and Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



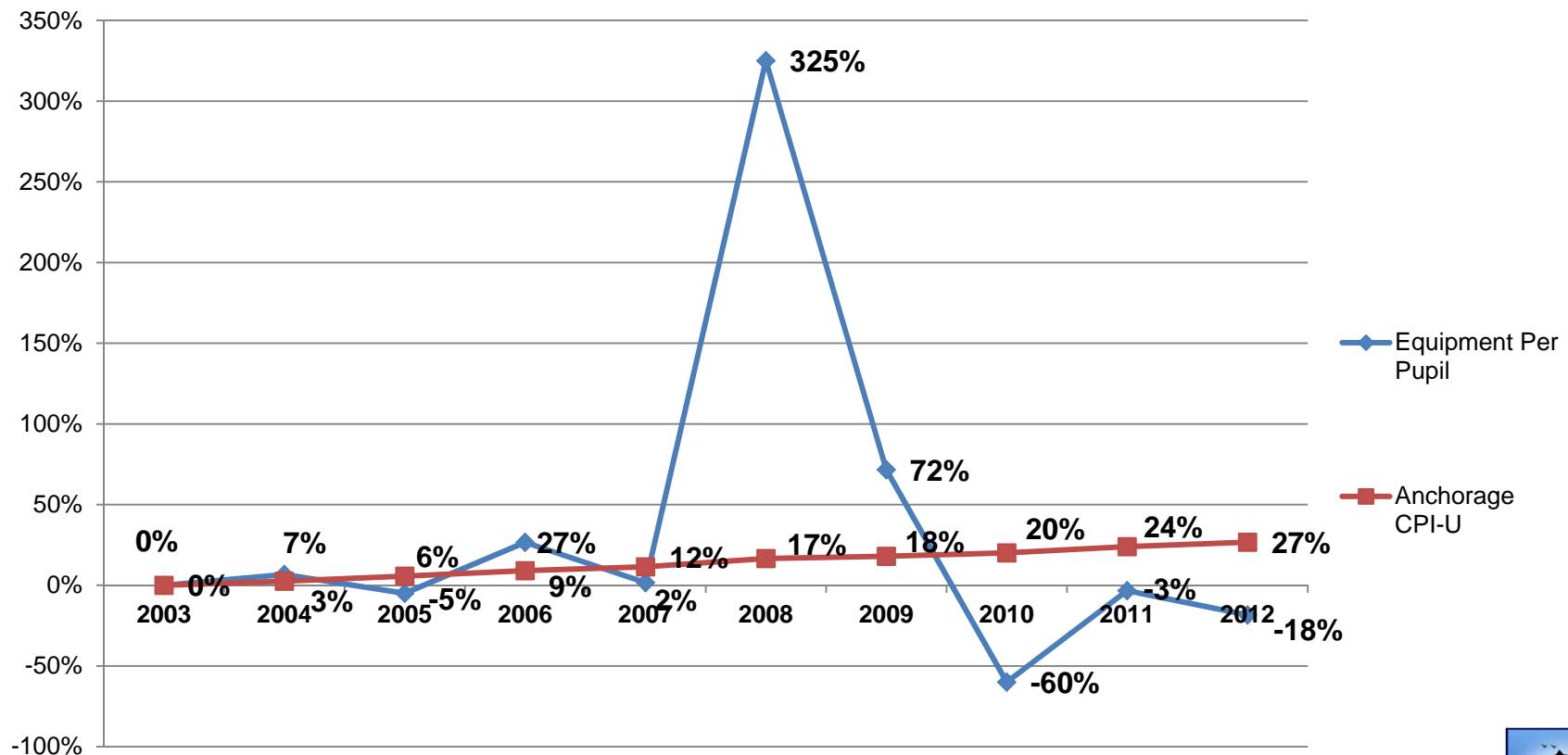
Total Equipment



Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



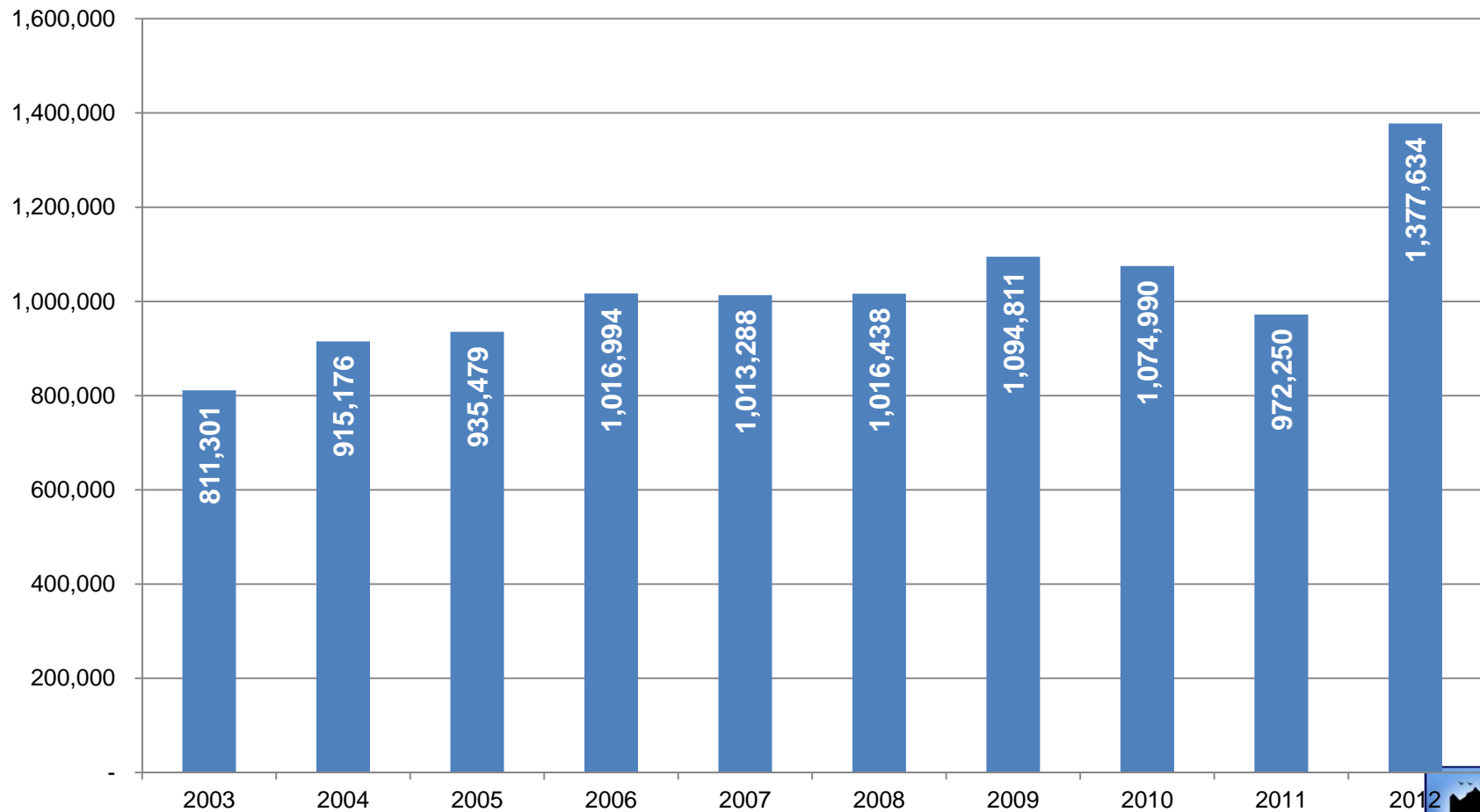
Straight Line Growth Rate Comparison Equipment Per Pupil (FY2002-03 Base Year)



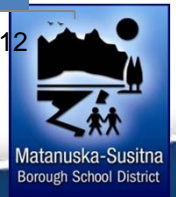
Source: Alaska Department of Labor & Workforce Development and Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



Total Utility Services



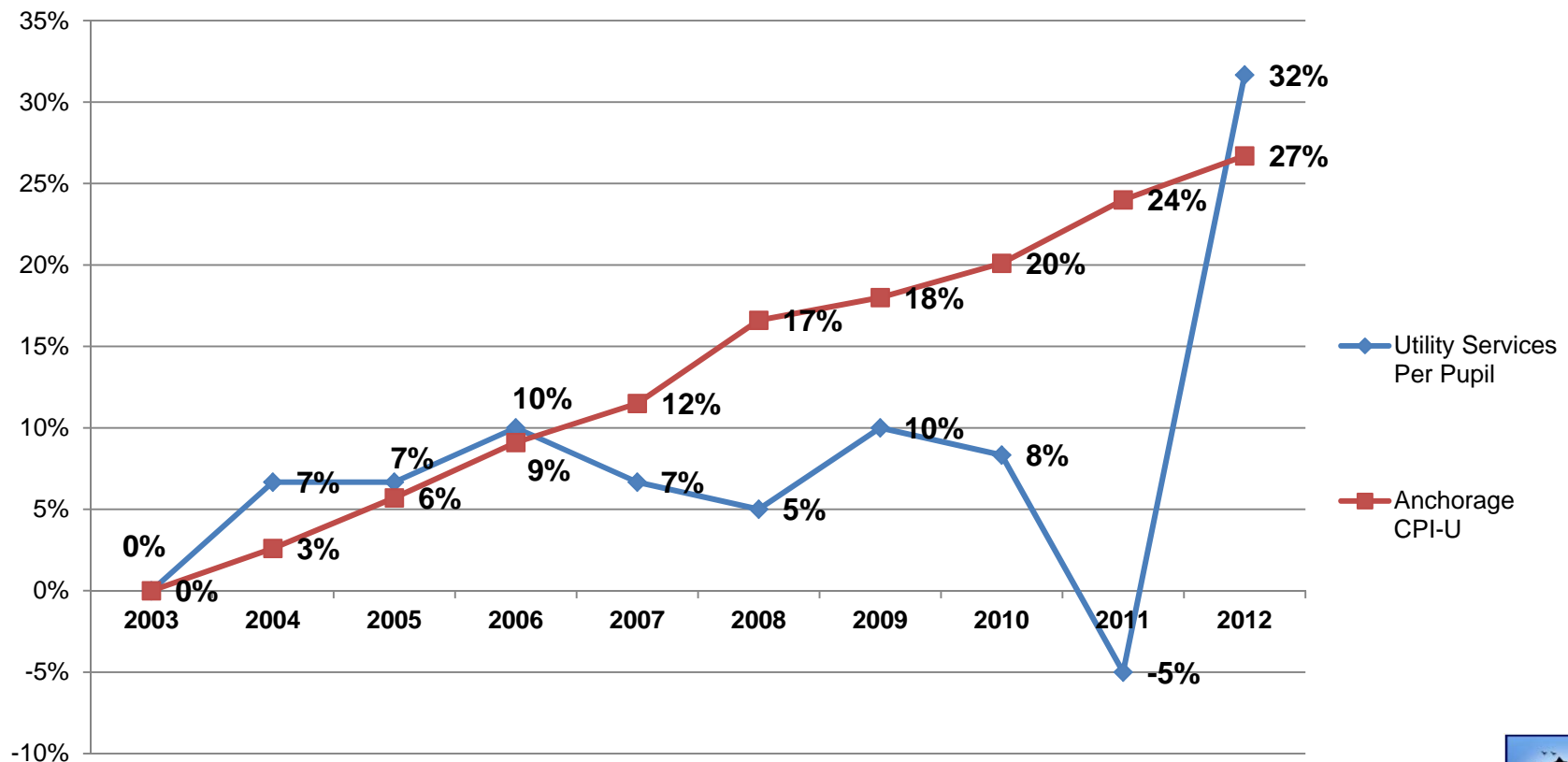
Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



Straight Line Growth Rate Comparison

Utility Services Per Pupil

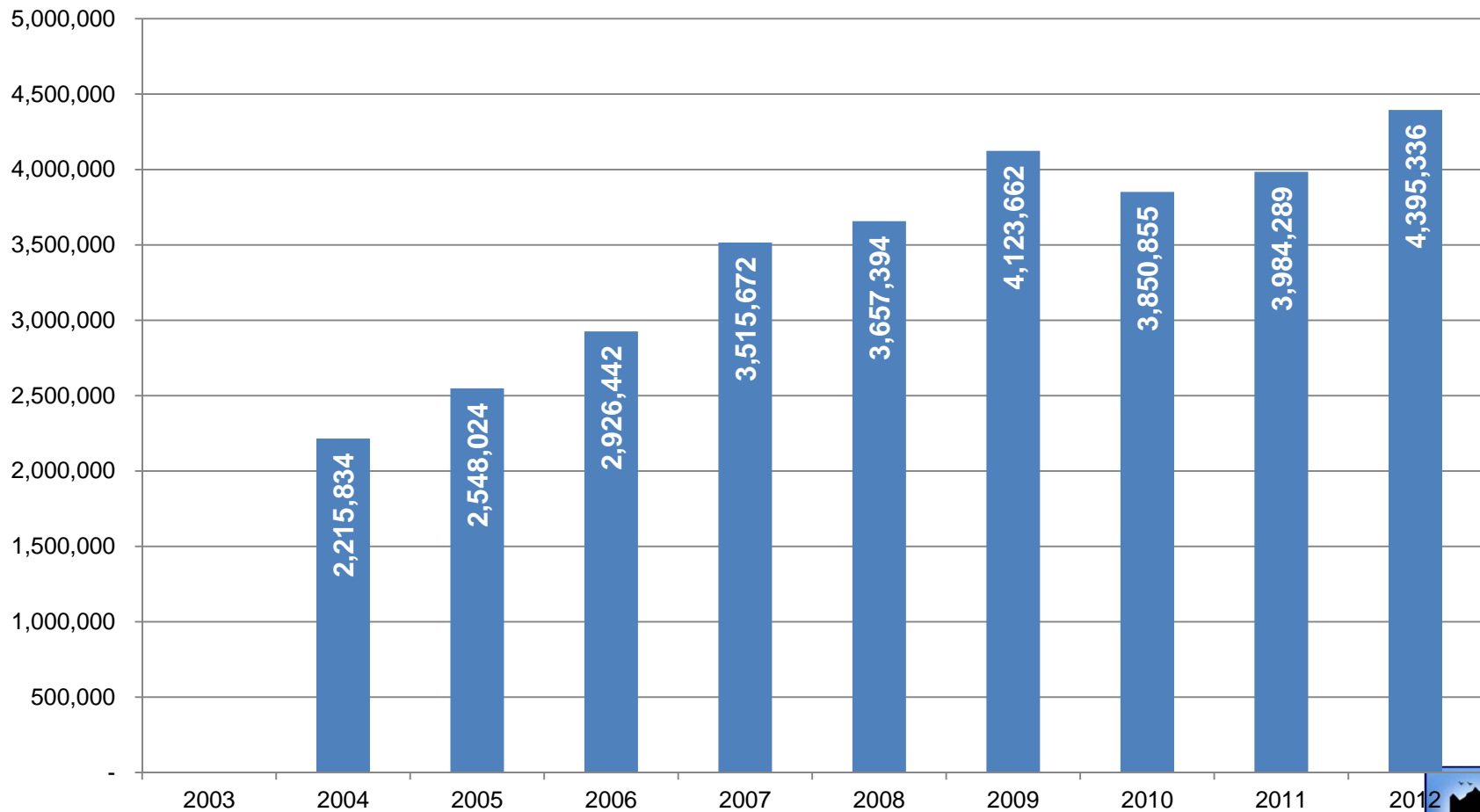
(FY2002-03 Base Year)



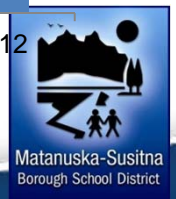
Source: Alaska Department of Labor & Workforce Development and Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



Total Energy



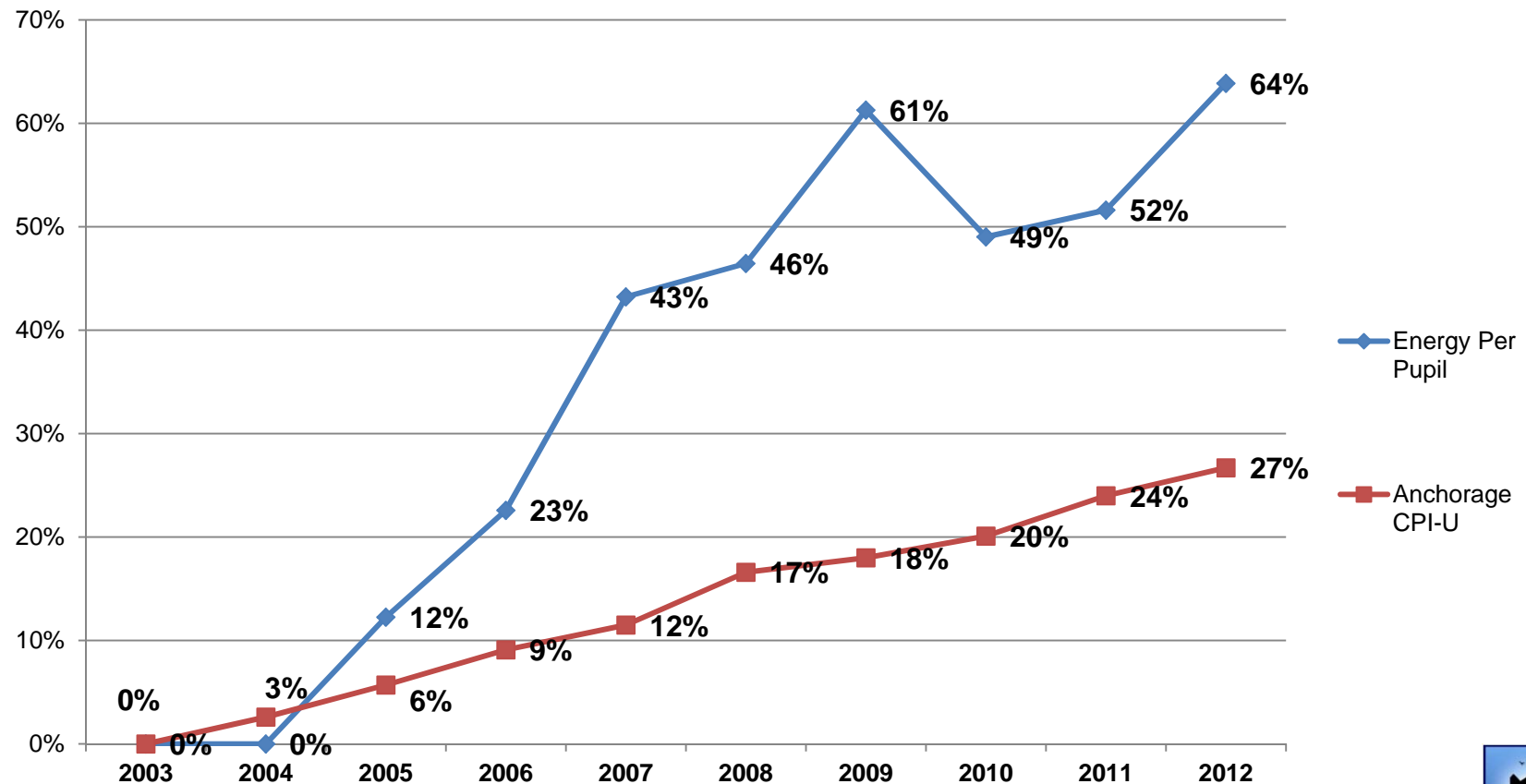
Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports



Straight Line Growth Rate Comparison

Energy Per Pupil

(FY2002-03 Base Year)

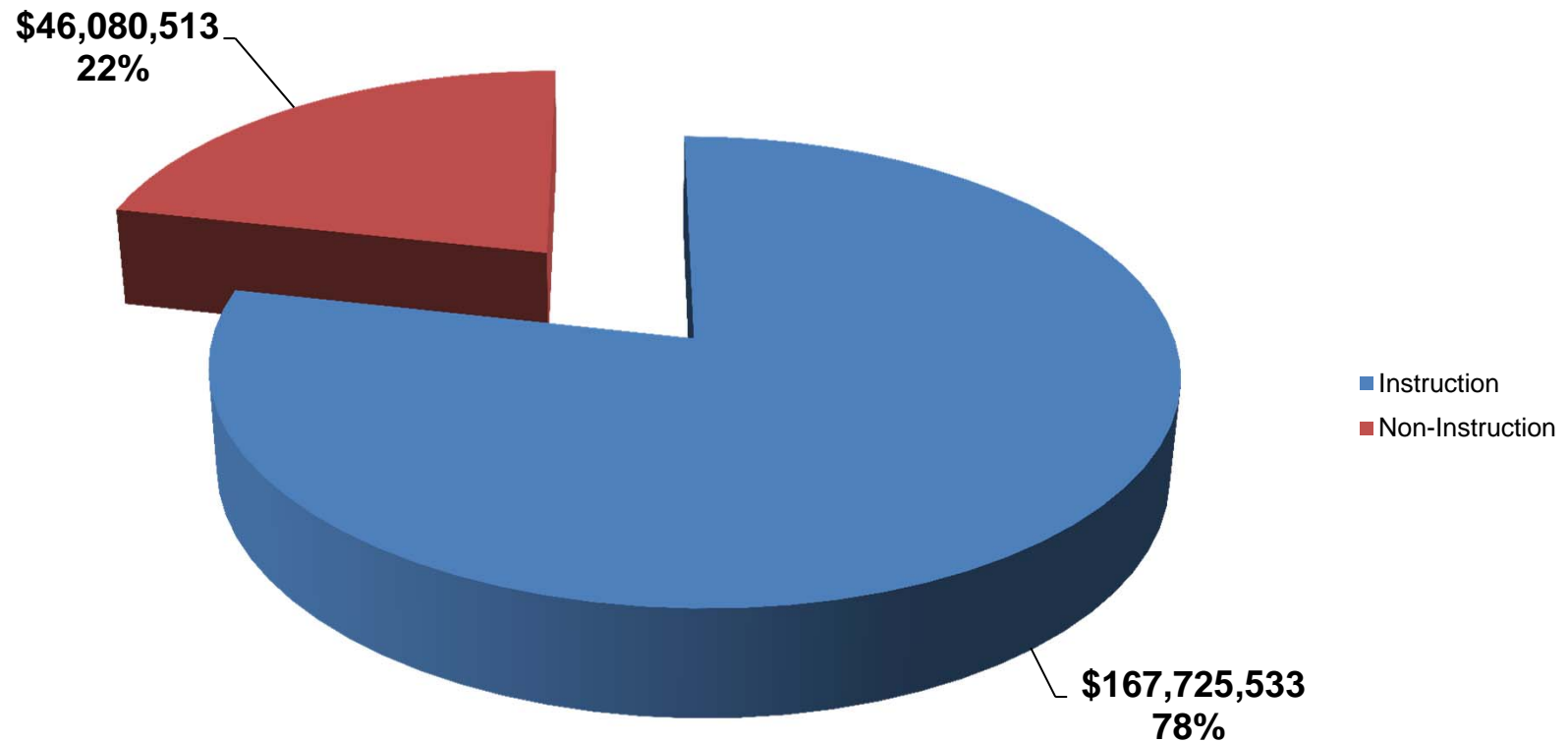


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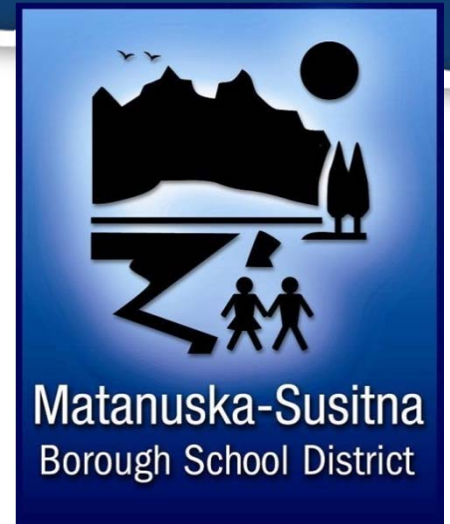
Focus on Instruction

2012 General Fund Expenditures



Source: Matanuska-Susitna Borough School District Comprehensive Annual Financial Reports





Financing the Future

LONGTERM FORECAST

Revenue Assumptions

- Borough Revenue continues to INCREASE at 3%
- Federal Revenue Maintains with ZERO INCREASE or DECREASE
- State Energy Relief Funding continues at \$100 per Adjusted ADM
- Student Safety and Security Grant ends after FY14
- ZERO INCREASE or DECREASE in the State Foundation Formula
- Intensive Count maintains at 321 students
- Other Local Receipts maintains with ZERO INCREASE or DECREASE

Expense Assumptions

- Certificated Salaries are maintained with an average annual step INCREASE of 1.8%
- Non-Certificated Salaries are maintained with an average annual step INCREASE of 3.2%
- Health and Life insurance INCREASE at an annual rate of 8% with the INCREASE split 50/50 between employee's and the District (Overall INCREASE to District costs equal 4%)
- All other deduction factors are maintained with any INCREASE due to INCREASE in Salary factors
- Utilities INCREASE at an annual rate of 10%
- Insurance Bonds & Premiums INCREASE at an annual rate of 1.5%
- Indirect rate is maintained at 5.58% annually and amounts are based on Grant projections included in the FY14 Budget Book
- All other Non-Personnel accounts are maintained with ZERO INCREASE or DECREASE



Long Term Forecast

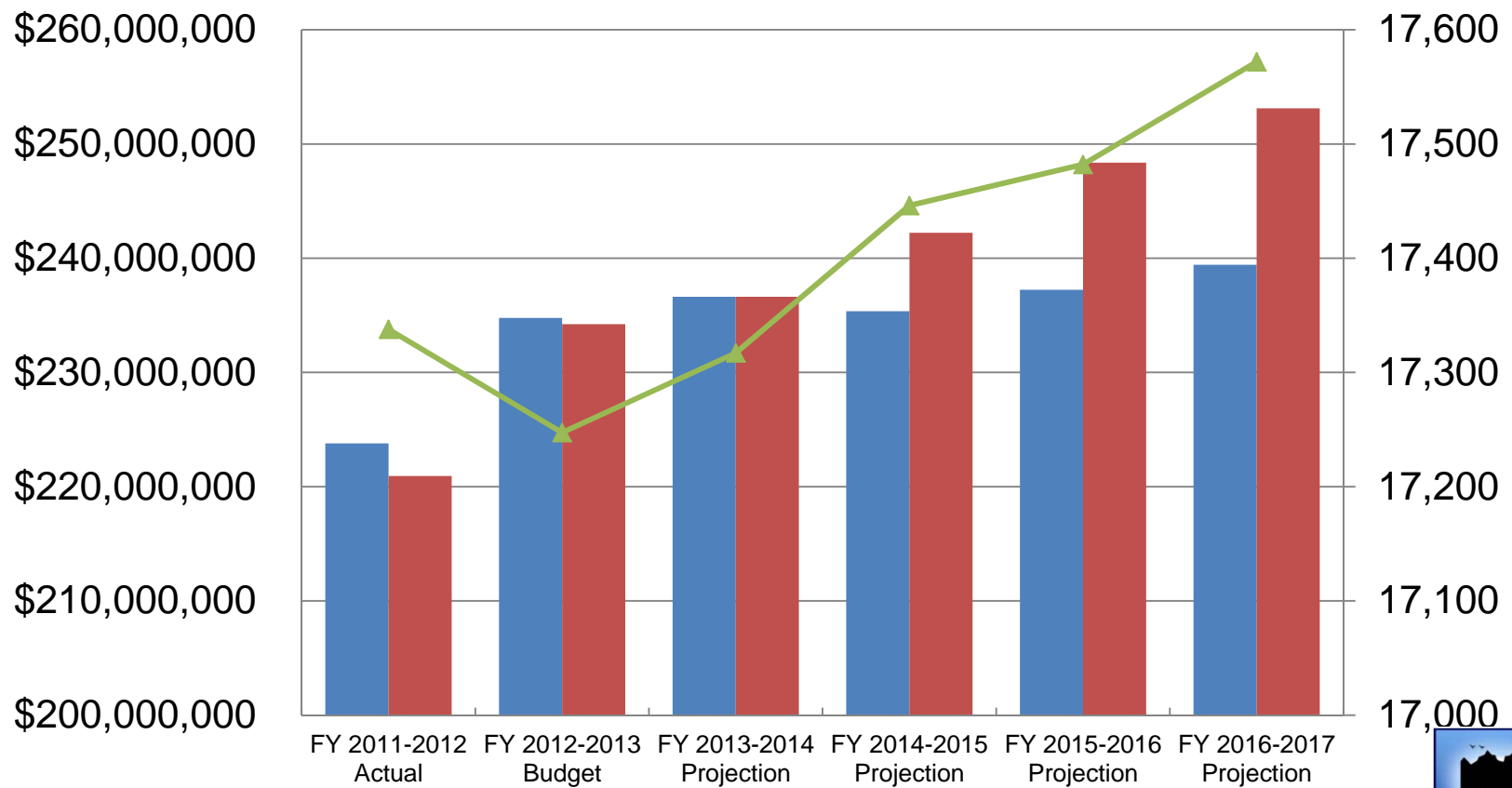
| | FY 2011-2012 Actuals (A) | FY 2012-2013 Budget (C) | FY 2013-2014 Projection (E) | FY 2014-2015 Projection (F) | % Change (F) - (E) | FY 2015-2016 Projection (G) | % Change (G) - (F) | FY 2016-17 Projection (H) |
|--|--------------------------------|-------------------------------|-----------------------------------|-----------------------------------|--------------------------|-----------------------------------|--------------------------|---------------------------------|
| Enrollment | 17,338 | 17,247 | 17,317 | 17,446 | 0.74% | 17,482 | 0.21% | 17,572 |
| REVENUE | | | | | | | | |
| Federal Revenue | \$ 1,989,092 | \$ 1,837,000 | \$ 1,910,679 | \$ 1,800,000 | -5.79% | \$ 1,800,000 | 0.00% | \$ 1,800,000 |
| State Foundation | \$ 139,579,127 | \$ 141,742,098 | \$ 138,299,622 | \$ 139,316,720 | 0.74% | \$ 139,614,123 | 0.21% | \$ 140,148,754 |
| State Energy Relief Funds | \$ 2,361,367 | \$ 2,929,851 | \$ 2,864,272 | \$ 2,891,010 | 0.93% | \$ 2,896,231 | 0.18% | \$ 2,905,617 |
| Student Safety & Security | \$ - | \$ - | \$ 2,410,327 | \$ - | -100.00% | \$ - | | \$ - |
| Borough Support | \$ 48,048,419 | \$ 49,797,786 | \$ 51,291,720 | \$ 52,830,472 | 3.00% | \$ 54,415,386 | 3.00% | \$ 56,047,848 |
| Other Local Receipts - student & user fees | \$ 1,660,677 | \$ 147,500 | \$ 200,000 | \$ 200,000 | 0.00% | \$ 200,000 | 0.00% | \$ 200,000 |
| Sub-Total Revenue | \$ 193,638,682 | \$ 196,454,235 | \$ 196,976,620 | \$ 197,038,202 | | \$ 198,925,740 | | \$ 201,102,219 |
| State On-behalf for Emp. Retirement Systems | \$ 28,752,528 | \$ 36,616,844 | \$ 38,317,531 | \$ 38,317,531 | 0.00% | \$ 38,317,531 | 0.00% | \$ 38,317,531 |
| Total Revenue | \$ 222,391,210 | \$ 233,071,079 | \$ 235,294,151 | \$ 235,355,733 | | \$ 237,243,271 | | \$ 239,419,750 |
| Use of Fund Balance | \$ 1,400,935 | \$ 1,699,886 | \$ 1,334,970 | \$ - | -100.00% | \$ - | 0.00% | \$ - |
| Total Projectected Revenue & Fund Balance | \$ 223,792,145 | \$ 234,770,965 | \$ 236,629,121 | \$ 235,355,733 | -0.54% | \$ 237,243,271 | 0.80% | \$ 239,419,750 |
| EXPENSES | | | | | | | | |
| Personnel Costs | | | | | | | | |
| Salaries | \$ 107,622,808 | \$ 112,752,770 | \$ 111,747,522 | \$ 114,316,361 | 2.30% | \$ 116,947,262 | 2.30% | \$ 119,641,807 |
| Benefits | \$ 48,498,867 | \$ 50,541,448 | \$ 51,975,228 | \$ 54,340,997 | 4.55% | \$ 56,878,692 | 4.67% | \$ 59,495,240 |
| State On-behalf for Emp. Retirement Systems | \$ 28,752,528 | \$ 36,616,844 | \$ 38,317,531 | \$ 38,317,531 | 0.00% | \$ 38,317,531 | 0.00% | \$ 38,317,531 |
| Non-Personnel Costs | | | | | | | | |
| Utilities | \$ 5,767,579 | \$ 6,378,969 | \$ 7,111,464 | \$ 7,822,610 | 10.00% | \$ 8,604,871 | 10.00% | \$ 9,465,358 |
| Non-Personnel Costs | \$ 23,164,264 | \$ 27,717,227 | \$ 25,902,376 | \$ 25,856,464 | -0.18% | \$ 26,038,169 | 0.70% | \$ 26,204,233 |
| Total Expenditures | \$ 213,806,046 | \$ 234,007,258 | \$ 235,054,121 | \$ 240,653,963 | | \$ 246,786,525 | | \$ 253,124,169 |
| Transfers to Other Funds, including Food Service, | \$ 7,123,916 | \$ 225,000 | \$ 1,575,000 | \$ 1,575,000 | | \$ 1,575,000 | | \$ - |
| Total Expenditures | \$ 220,929,962 | \$ 234,232,258 | \$ 236,629,121 | \$ 242,228,963 | 2.37% | \$ 248,361,525 | 2.53% | \$ 253,124,169 |
| Net Ending Unassigned Fund Balance (Deficit) | \$ 1,699,886 | \$ 538,707 | \$ - | \$ (6,873,230) | | \$ (11,118,254) | | \$ (13,704,419) |

Three Year Projection

REVENUE

EXPENSE

ENROLLMENT



Structural Deficit

—◆— REVENUE —■— EXPENSE

