

Anchorage & Alaska K-12 Education Cost Drivers / Investments

History & Outlook

Prepared by Anchorage School District
Office of Management & Budget
Senate Finance Committee Hearing
Tuesday, September 10

Overview

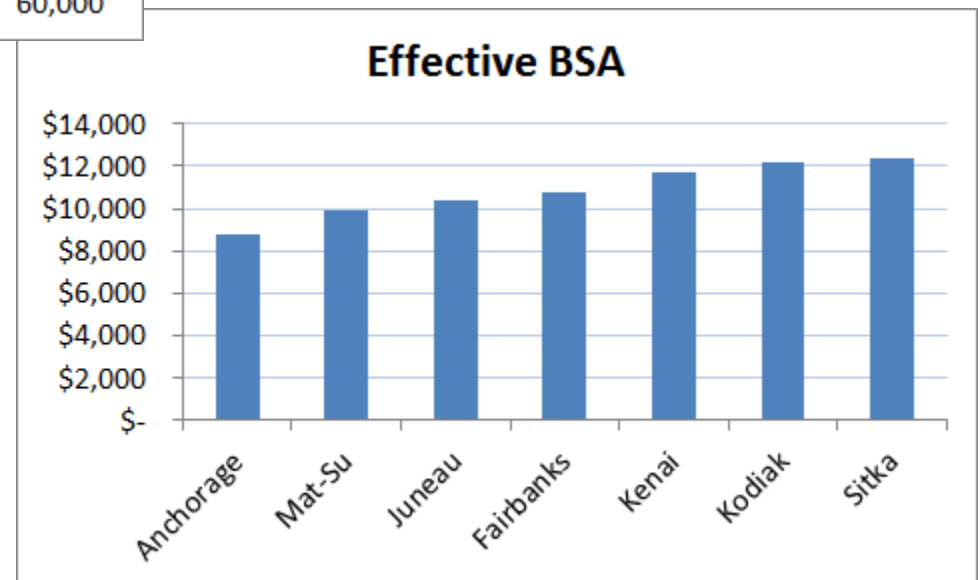
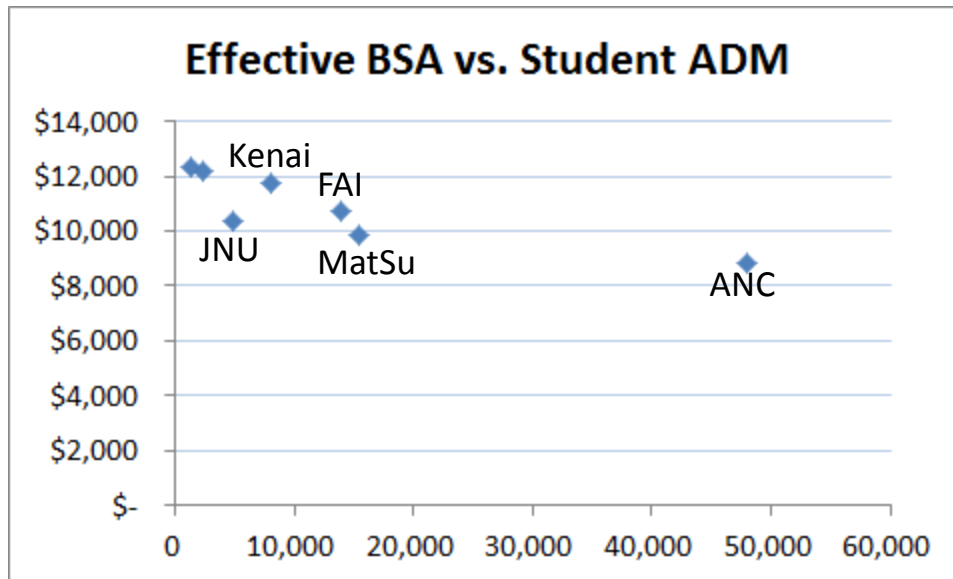
- Foundation Formula – Basic Statistics
- Anchorage K-12 Basic Education Investments
 - Review of basic cost drivers/allocations
 - Health Coverage/Medicare Care price escalation challenges
- K-12 Education Investment Benchmarks
- K-12 Educational Investment Opportunities

State Foundation Formula Basic Demographics

FY14 Projections				
District	Basic ADM	Intensive Needs Students	Intensive Pct of ADM	"Effective BSA" (\$/ADM)
Anchorage	48,027	789	1.6%	\$ 8,815
Fairbanks	14,014	432	3.1%	\$ 10,721
Juneau	4,894	90	1.8%	\$ 10,369
Kenai	8,016	144	1.8%	\$ 11,732
Kodiak	2,400	35	1.5%	\$ 12,194
Mat-Su	15,476	303	2.0%	\$ 9,876
Sitka	1,318	40	3.0%	\$ 12,347
Other	<u>24,528</u>	<u>360</u>	<u>1.5%</u>	
Statewide	118,673	2,193	1.8%	\$ 11,437

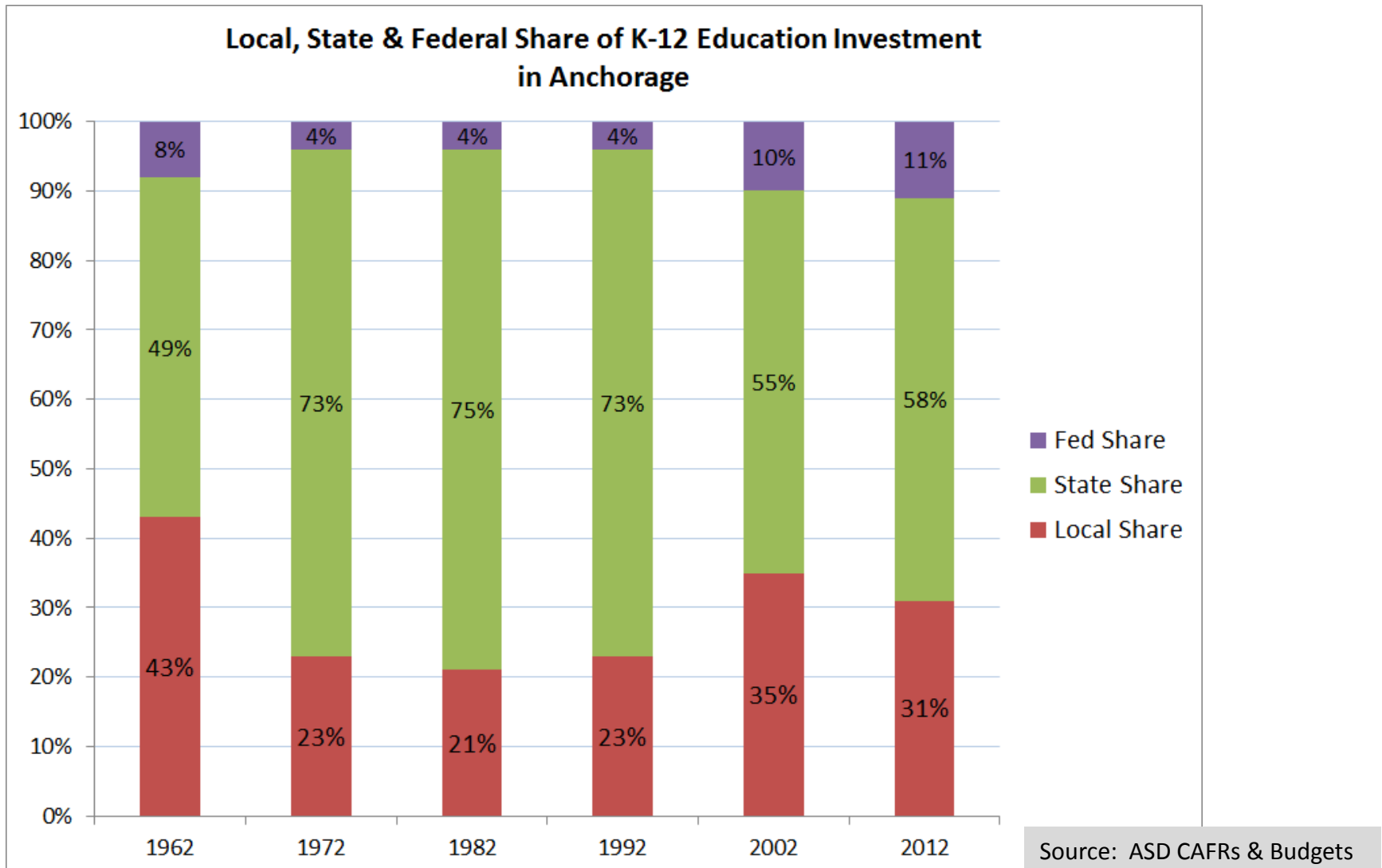
Source: Legislative Finance Division, K-12 Funding, August 2013

State Foundation Formula Basic Demographics (FY14 Projections)



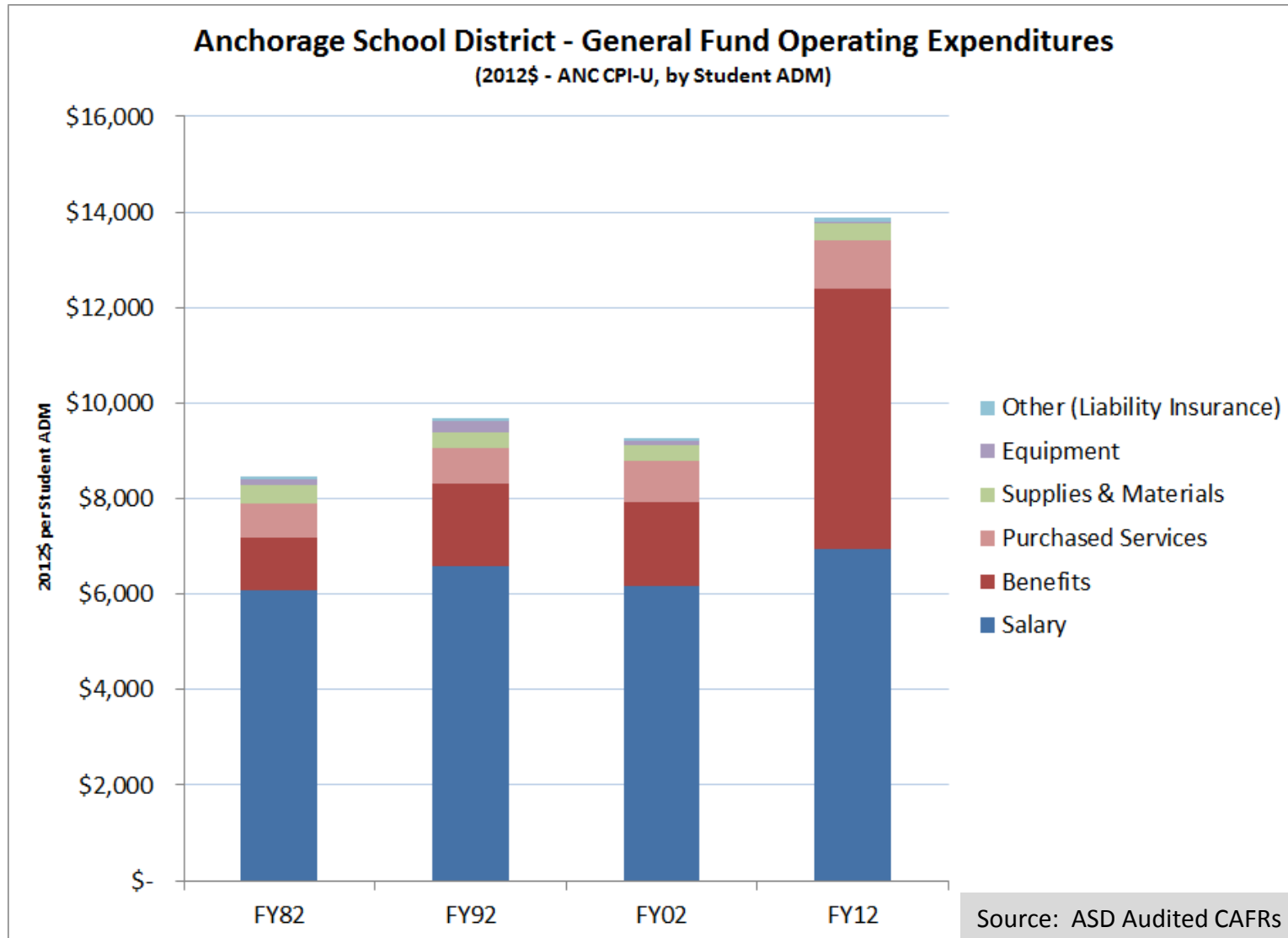
Source: Legislative Finance
Division, FY14 Projection of K-12
Funding, August 2013

Who Pays? [All Funds: Op Ex + Cap Ex]



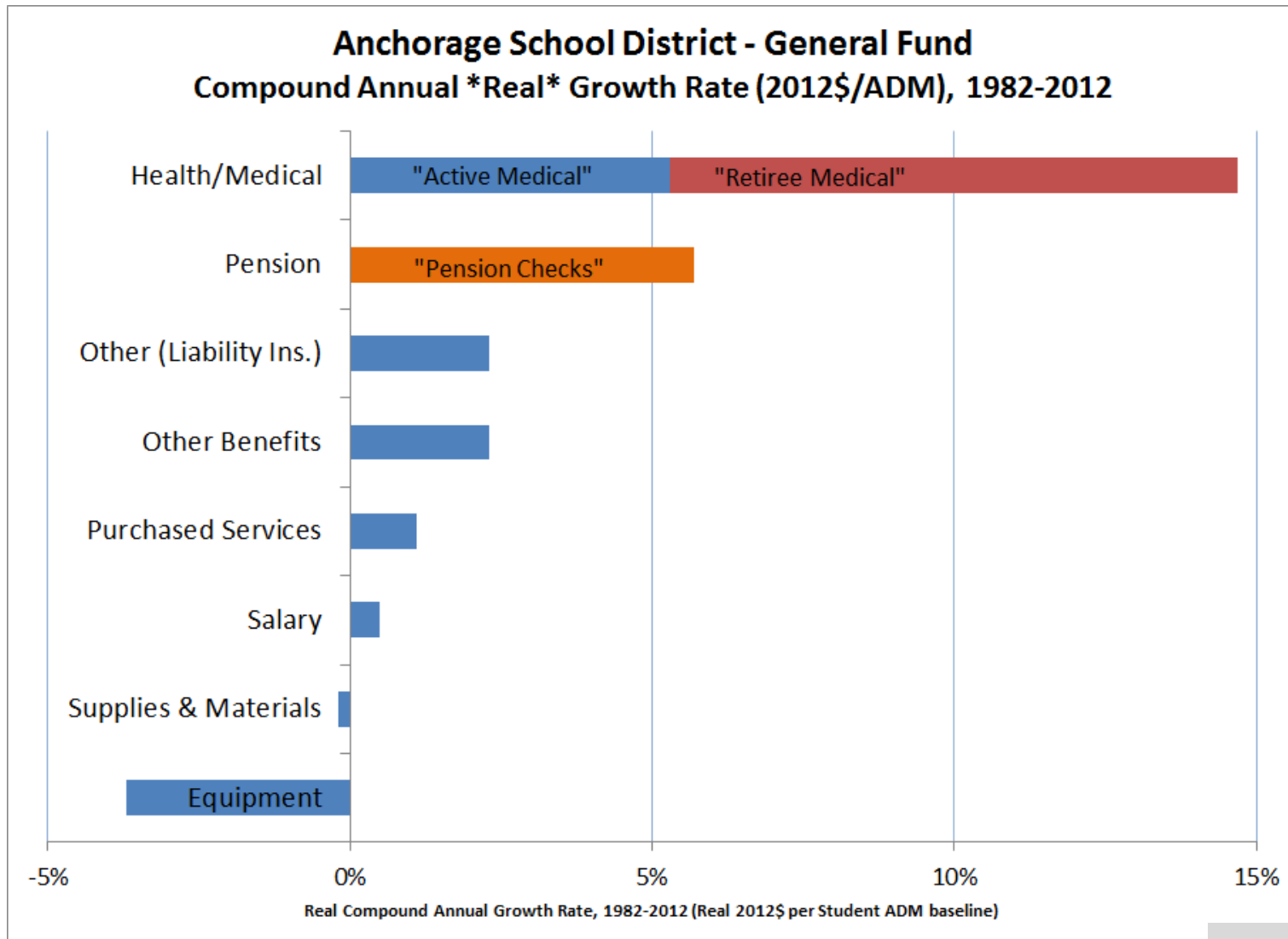
History of Educational Investments in Anchorage

K-12 Education Investment Levels (2012\$/student ADM, cpi-u adj.)



History of Educational Investments in Anchorage

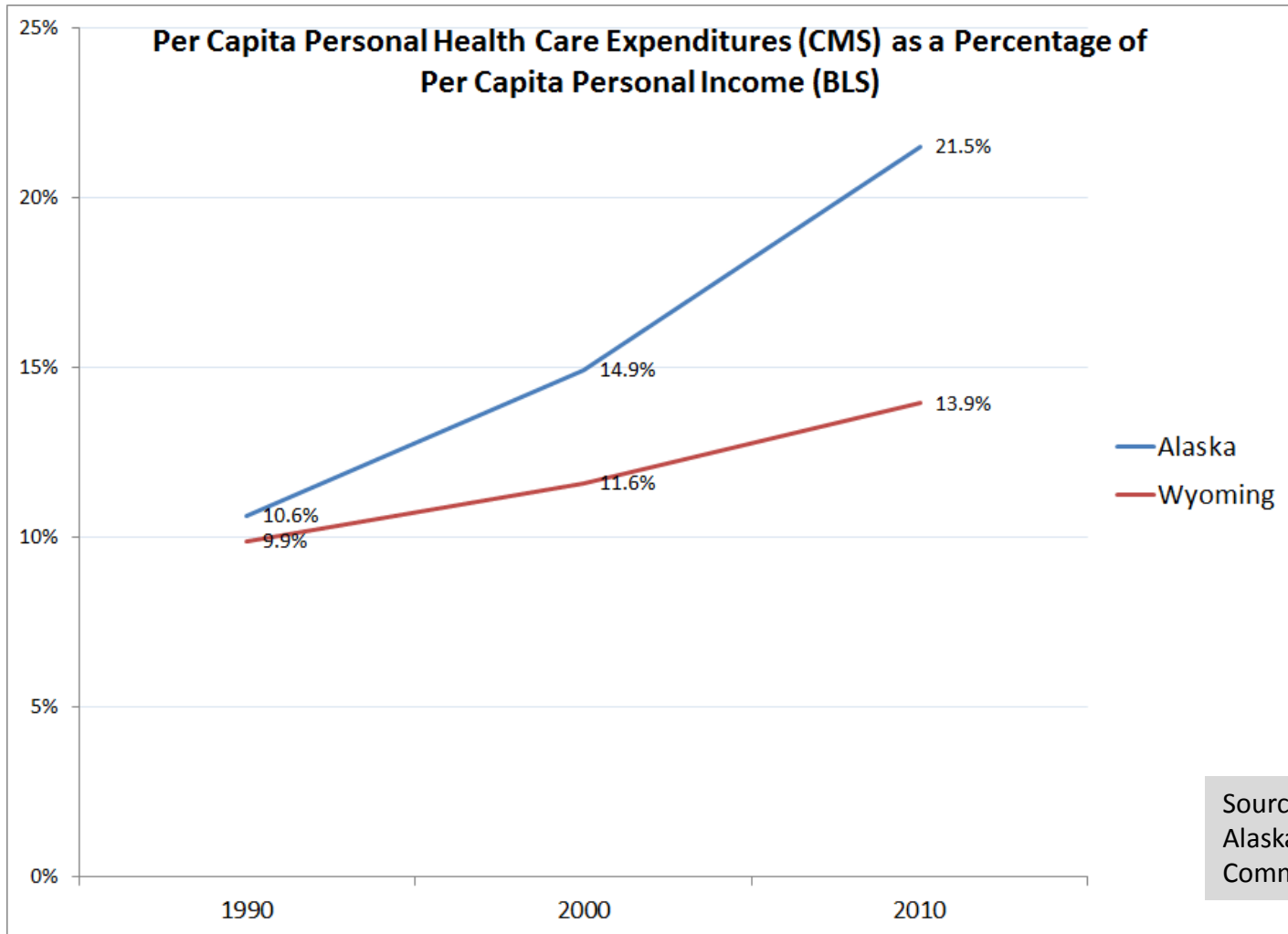
Compare Cost Drivers – Real Compound Annual Growth Rate (2012\$/student baseline)



Source: ASD Audited CAFRs

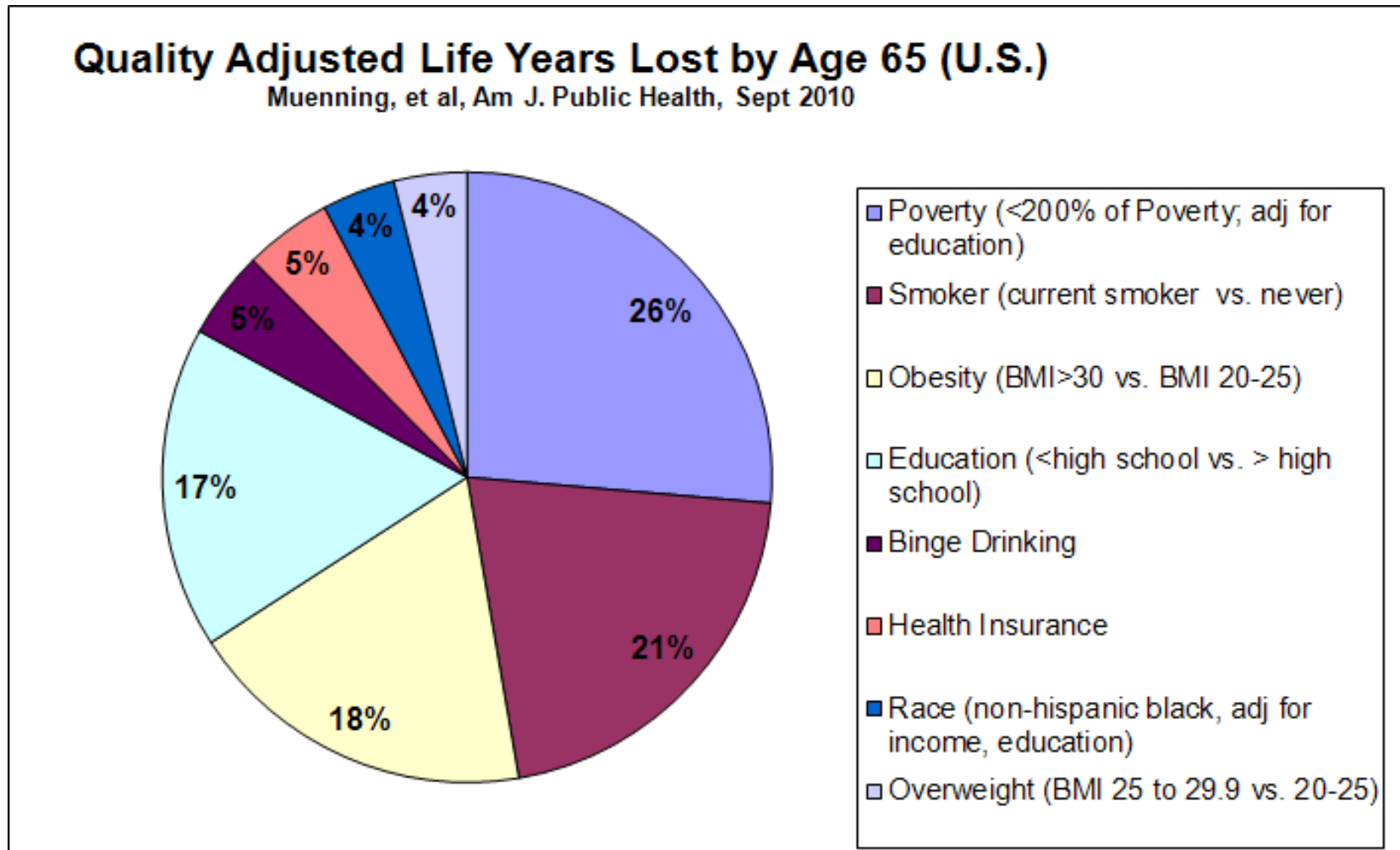
Educational Investments in Alaska

Medical Care Cost Driver Effects All Sectors and Is Well Above Benchmarks



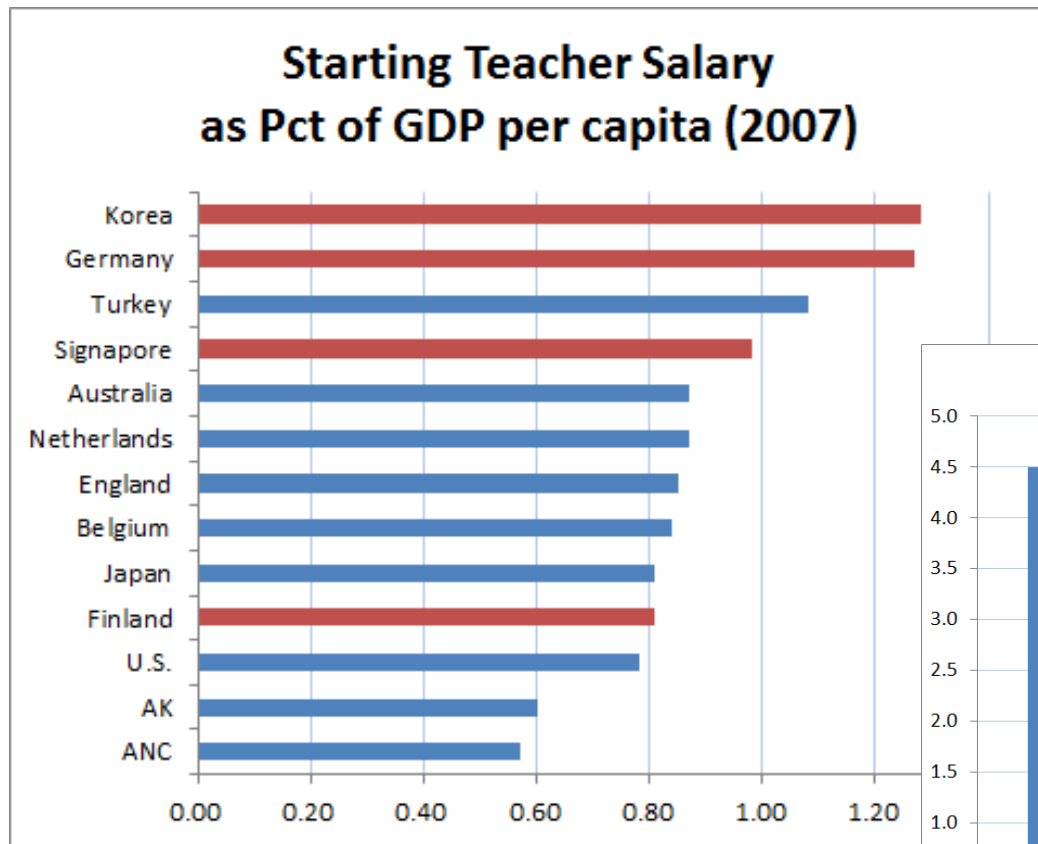
Education Investments – Medical Cost Driver

Relative value of Health Insurance/Medical Care vs. High School Education

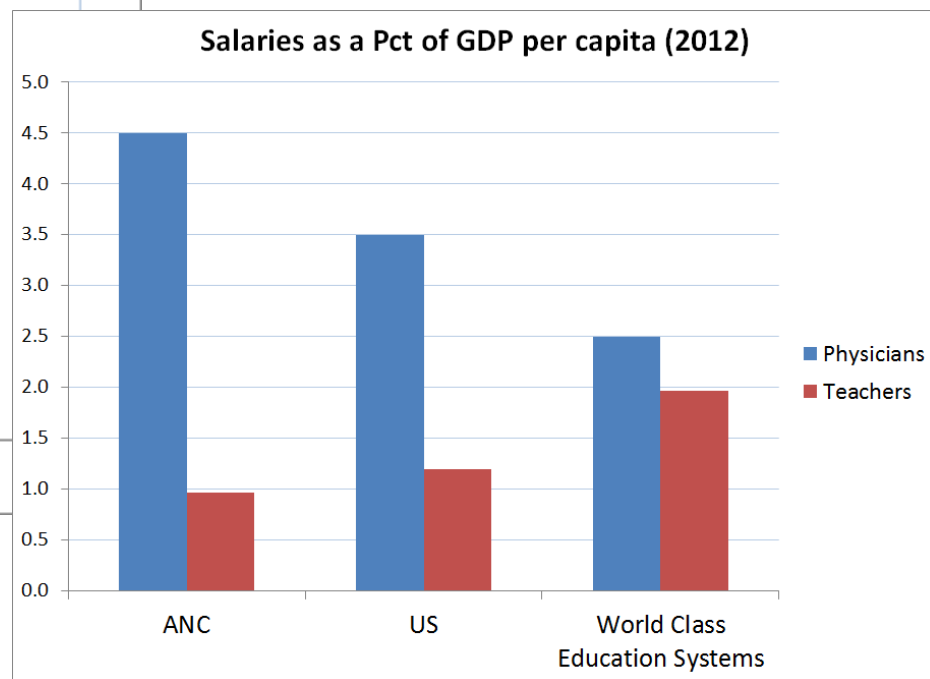


Education Investments

Considerations in Responses to Excessive Medical Cost Inflation

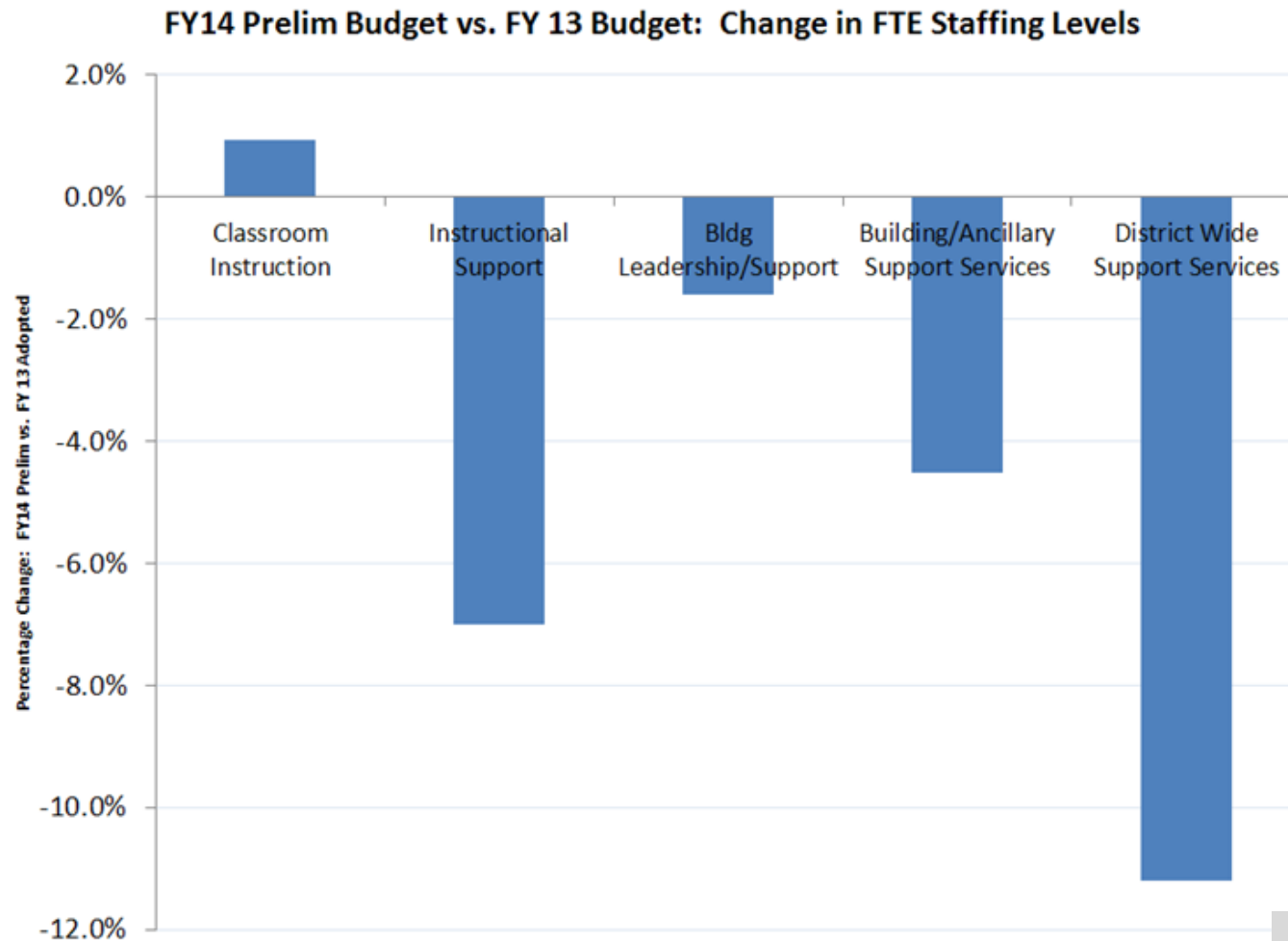


Sources: McKinsey (2010),
ASD OMB Analysis



Educational Investment in Anchorage

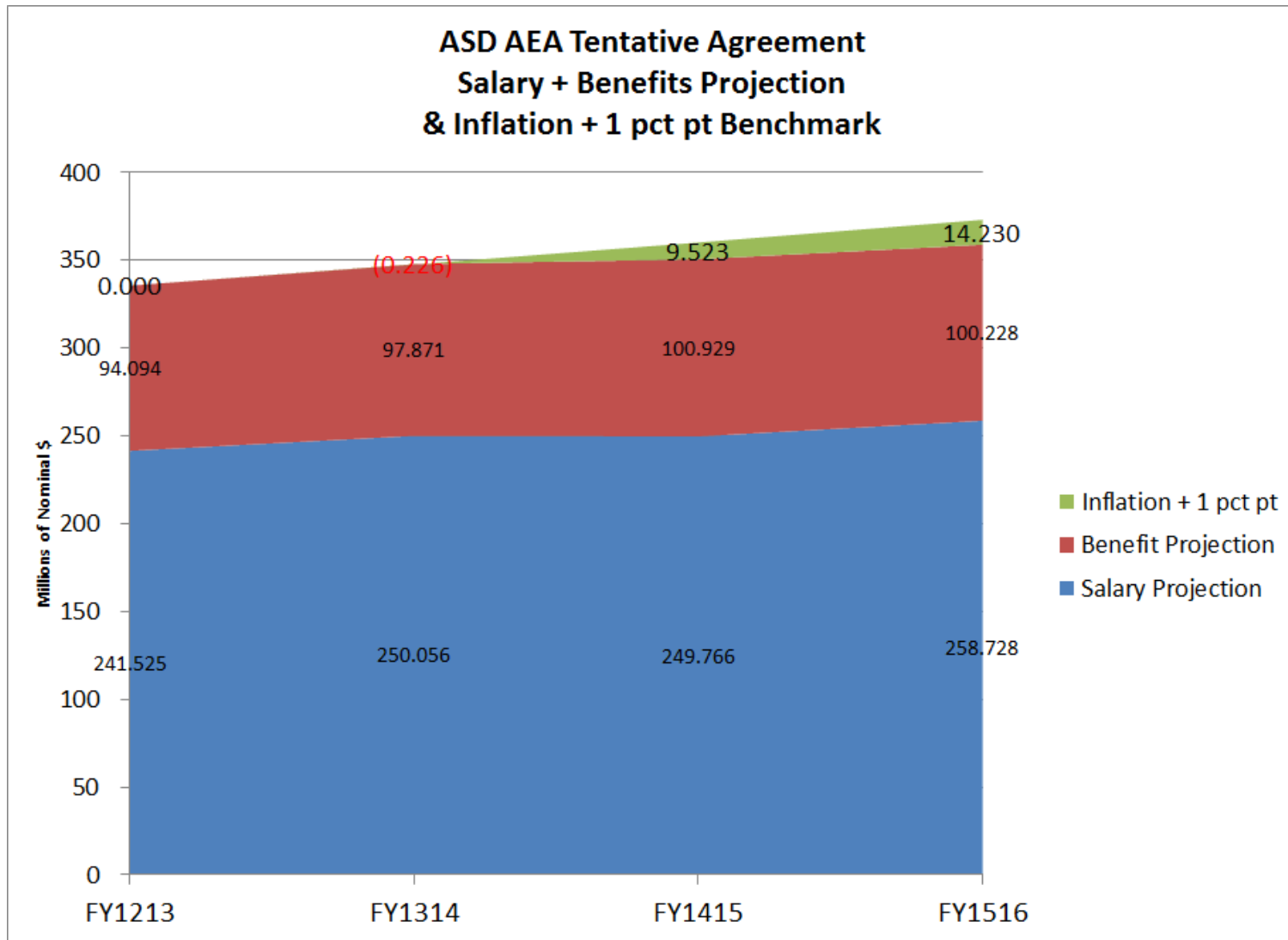
Current Realignments in Response to Cost-Driver Analysis and Classroom Effectiveness Assessments - Strategic Pivots to Realign on High Value Direct Classroom Instruction



Source: ASD OMB Analysis

Educational Investments in Anchorage

Near Term Strategic Realignment in Response to ASD Cost-Driver Analysis



The Outlook: High Value Education Investments

K-12 High Value Investments Opportunities

