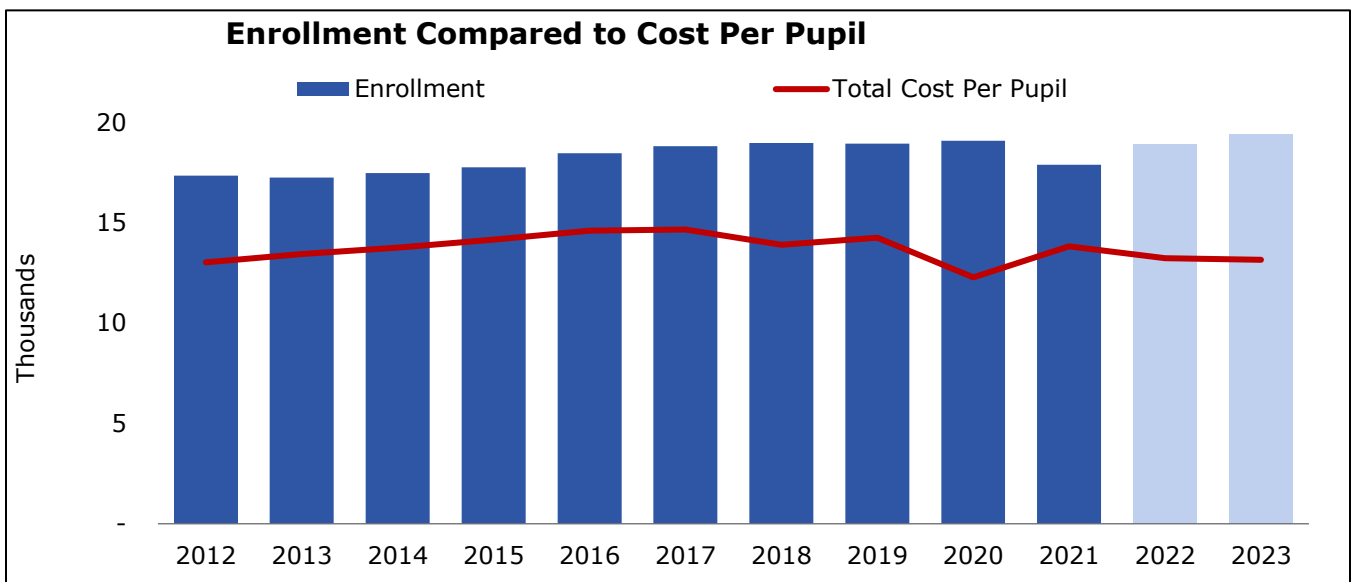
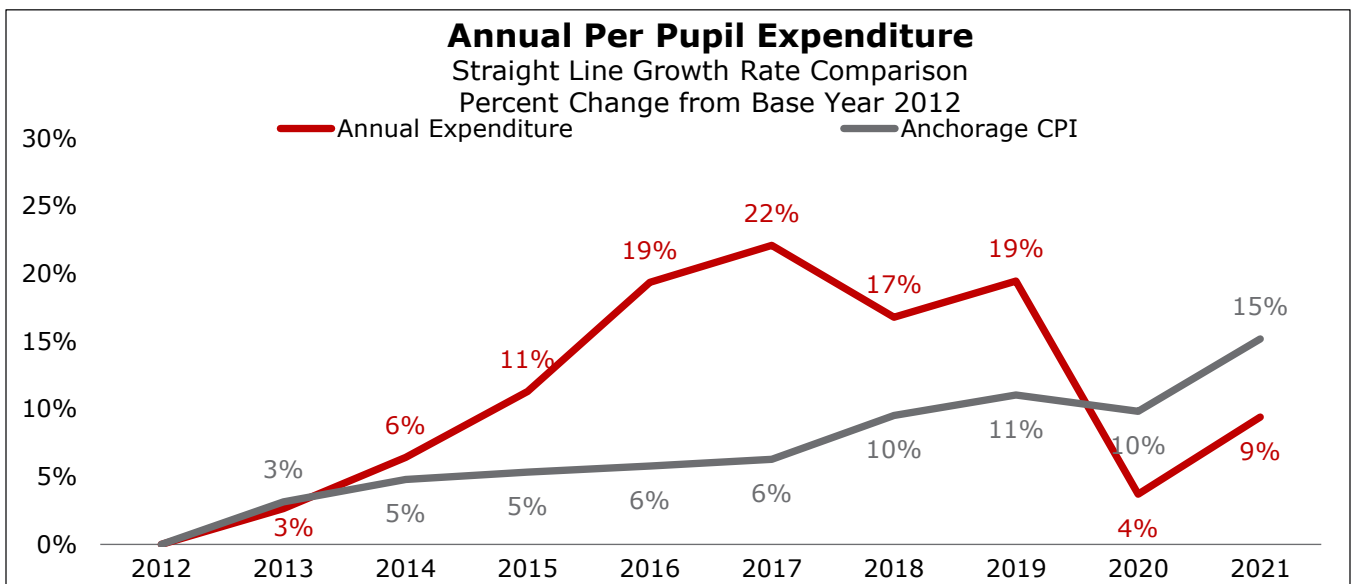




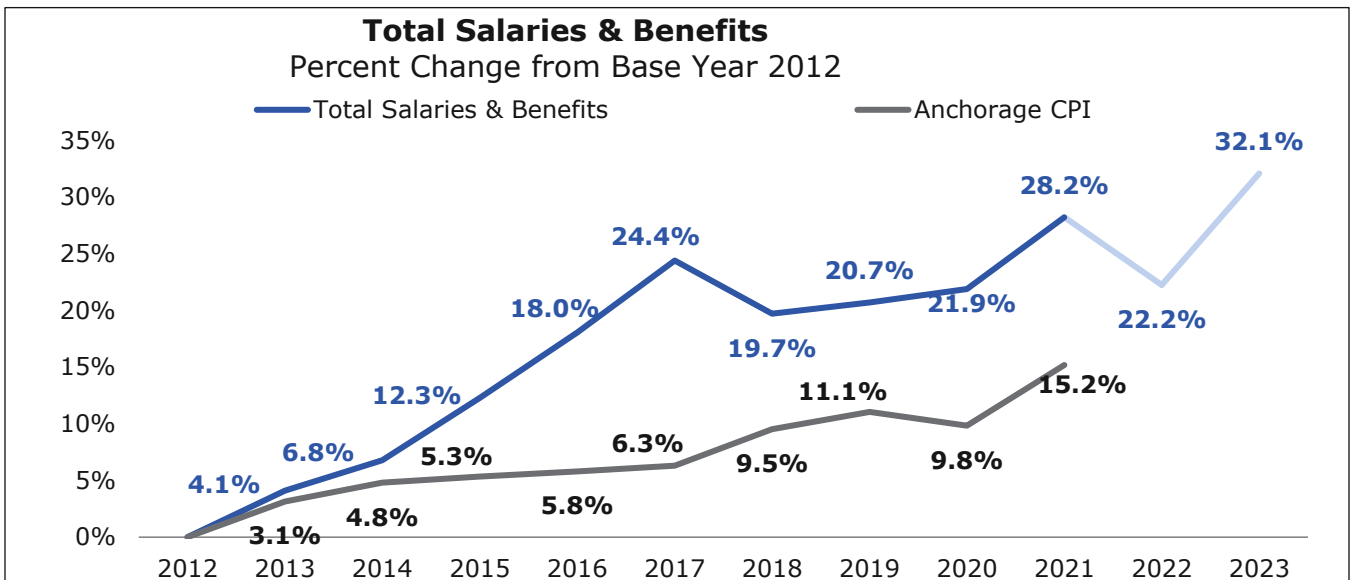
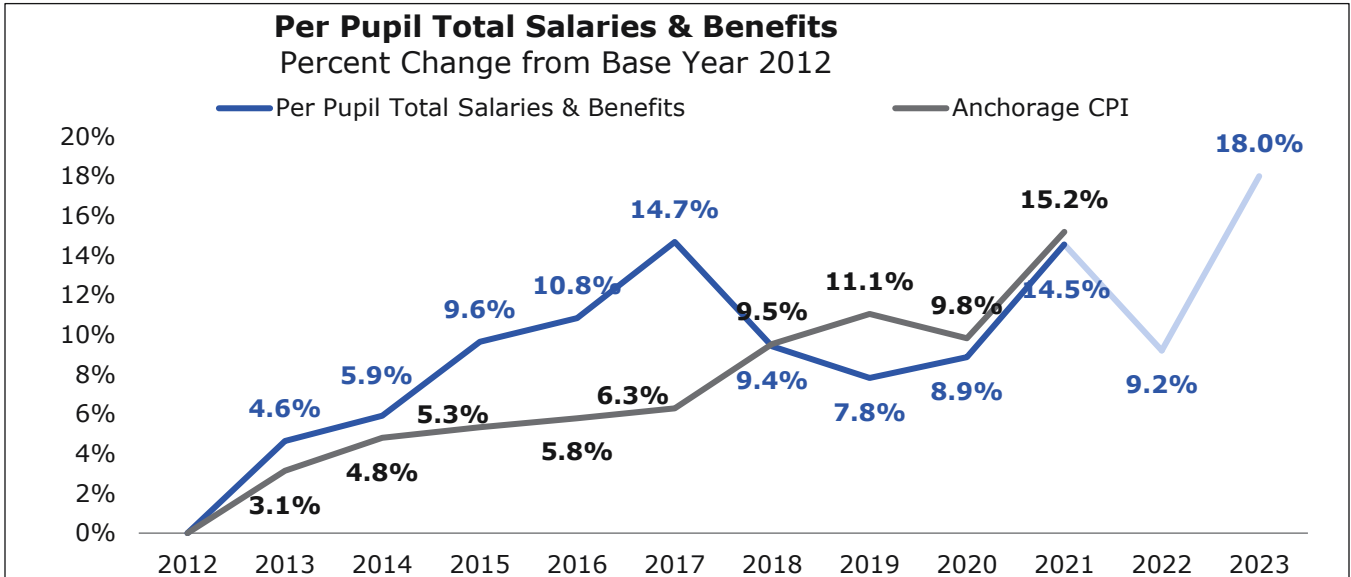
**OFFICE OF THE SUPERINTENDENT**

February 9, 2022  
MSBSD Written Testimony for HB 272

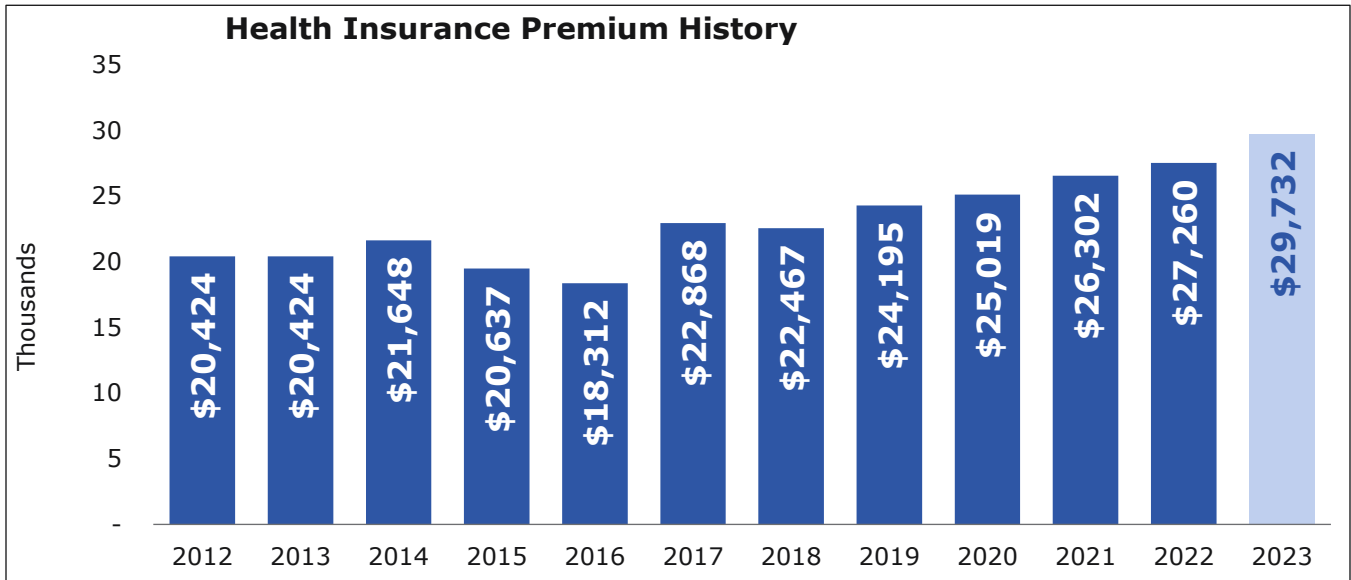
Although enrollment has varied from year to year, the District has grown by approximately 1,648 students over the past decade. Because an increase in the number of students served has a high correlation to operating costs, the District analyzes expenditures on a per-pupil basis, allowing some planned expenditures to be adjusted based on expected enrollment. The attached graphs present data for the District's largest costs. All years shown are fiscal years, and the dark blue represents audited data, the light blue represents MSBSD's most recent budget for that fiscal year as of 02/09/2022.



A per pupil comparison of annual expenditures over the last decade shows an overall upwards trend that generally exceeded the rate of inflation. Part of this growth can be directly attributed to increased enrollment, but some costs such as for utilities, energy, and property and general liability insurance, do not necessarily have a direct correlation to enrollment, and instead are dependent upon market rates. Towards the end of FY 2017-FY 2019, the District instituted spending freezes for all non-essential purchases, which did result in reduced expenditures for those years.



The largest cost driver that strongly correlates to enrollment, but is also dependent upon market costs, is employee compensation and benefit costs, which make up over 80% of total expenditures. Excluding the State of Alaska on-behalf payments, certificated salaries, non-certificated salaries, and employee benefits, have increased by 28% over the past decade. Health insurance premiums, which are the second largest cost outside of certified staff salaries, have increased by approximately 33%. The District has attempted to contain healthcare increased by negotiating shared increases with all employee groups. However, healthcare costs continue to rise.



There have been dramatic increases in the year-over-year expenditures for professional and technical services, largely due to increases in costs for occupational therapists, physical therapists, sign language interpreters, speech language pathologists, and other service providers.

