

AASB's 2023 Legislative Priorities

On behalf of our member school districts statewide, the AASB Board of Directors has adopted three legislative priorities: **Funding, Educators and Students**. Supporting resolutions can be found in [Where We Stand 2023](#).

Our Mission: The Association of Alaska School Boards advocates for children and youth by assisting school boards in providing quality public education, focused on student achievement, through effective local governance.

Sufficient and Sustainable Public Education Funding

Sufficient, sustainable and stable funding is required to meet Alaska's obligation to provide quality, public education for every Alaska student. Educating Alaska's youth is the best strategy for successfully meeting and safeguarding Alaska's prosperity.

- ▶ **Increase the Base Student Allocation (BSA)** – From 2012 to 2022, the BSA has only increased by \$250 per student (4.2%) while inflation has increased by at least 24% (Anchorage CPI), resulting in crippling staff shortages, school closures, and program eliminations. AASB advocates for not less than an **\$860 increase to the BSA for FY2024**.
- ▶ **Decouple education funding from the General Fund Budget** - Create an Education Permanent Fund/ Endowment to provide reliable, stable, and predictable revenue to school districts.
- ▶ **Prevent cost-shifting of expenses** - Such as transportation, bond-debt reimbursement, major maintenance, and retirement contributions to districts and local communities.

Recruitment and Retention of Teachers, Administrators & Staff

School districts face an unprecedented crisis of retaining and recruiting qualified, effective teachers, administrators, and support staff which seriously hinders providing Alaska students with a quality education.

- ▶ **Implement recommendations** - of the Teacher Recruitment & Retention Task Force.
- ▶ **Reinstitute a competitive retirement program** - including both defined benefits and defined contributions.
- ▶ **Invest in teacher housing** - required for most rural school districts.
- ▶ **Grow Alaska teachers and administrators** - work with partners and the University of Alaska to improve and expand teacher training programs, teacher-mentor programs, and alternative certification pathways.

Student Wellness and School Safety

The pandemic has impacted student wellness for every demographic, especially students experiencing poverty or trauma. Violence, neglect, and sexual abuse have increased, resulting in reduced social-emotional well-being and academic achievement.

- ▶ **Address student mental health** - Support and fund mental health services for all Alaskan students, including trauma-engaged practices in Alaska schools.
- ▶ **Prevent student sexual abuse by school staff** - Support the implementation of policies and training regarding professional boundaries between staff and students.
- ▶ **Reduce school and student violence**. Support and fund the needed programs and services.

RESOLUTION #2023-12

A resolution requesting that the State increase and inflation-proof the BSA, and implement a more equitable local funding mechanism than the required local contribution.

WHEREAS, it is the State's constitutional obligation to establish and maintain a system of public schools; and

WHEREAS, the State currently provides only 64% of education funding, while local government contributions and local impact aid make up the remainder; and

WHEREAS, as part of the funding formula designed by the State, a minimum local contribution of 2.65 mills (or equivalent) is required; and

WHEREAS, federal Impact Aid is intended to be distributed directly to school districts impacted by federal lands and activities, and to supplement local budgets; and

WHEREAS, education is by far the largest budget item for those local governments with education powers, and is required of all boroughs, and home rule and first class cities in the Unorganized Borough; and

WHEREAS, increasing local contributions to keep pace with rising costs means trade-offs for each local government, including increasing taxes and decreased spending on other essential programs, such as public safety and infrastructure; and

WHEREAS, the State's fiscal challenges increase the potential for additional costs to fall on boroughs, and home rule or first class cities in the Unorganized Borough; and

WHEREAS, instead of shifting the cost of education – and the State's responsibilities – to local governments, the State should give greater flexibility to local governments to give as they are able, while the State simultaneously ensures adequate levels of funding, and

WHEREAS, the State has not increased the BSA corresponding to higher costs and inflation.

NOW, THEREFORE BE IT RESOLVED that AML requests the State raise and inflation proof the BSA; and

BE IT FURTHER RESOLVED, that AML encourages the State to pursue a more equitable and inclusive means of funding education than is currently raised through the required local contribution.

FAIRBANKS NORTH STAR BOROUGH BOARD OF EDUCATION

RESOLUTION 2022-18:

IN SUPPORT OF STUDENT SUCCESS AND STATE SCHOOL DISTRICT FUNDING

WHEREAS, students are the priority of the Fairbanks North Star Borough School District and successfully educated students provide economic benefits to our community and state; and

WHEREAS, public education is a mainstay of Alaska and America and support of public education is imbedded in Alaska's State Constitution as a priority and responsibility of our state legislature; and

WHEREAS, excellent, equitable, and high-quality public schools are attractive to military families and others who may choose to relocate to military installations or Interior Alaska; and

WHEREAS, the Fairbanks North Star Borough School District has increased graduation rates from 73.6% in 2010-11 to 80.7% in 2018-19 and has decreased drop-out rates from 4.2% in 2010-11 to 3.5% in 2018-19, despite yearly budget shortfalls; and

WHEREAS, the state of Alaska has not raised the Base Student Allocation for five years, creating a significant loss of purchasing power funding to the Fairbanks North Star Borough School District; and

WHEREAS, in previous years, due to budget shortfalls, the Fairbanks North Star Borough School District has had to cut foreign languages, fine arts, and other electives that enhance the student's learning experience; and

WHEREAS, in light of an anticipated revenue shortfall, current budget discussions have led to the closure of three schools, as well as class size increases, the elimination of fine arts programs, and the elimination of approximately 130 positions to include teachers, counselors, classroom aides, and other support staff positions in order to balance the annual budget; and

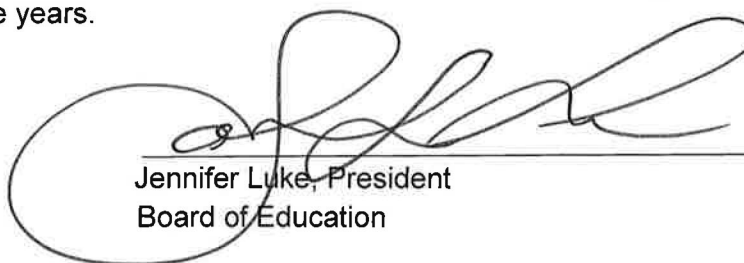
WHEREAS, the state of Alaska is experiencing a financial surplus this year due to increased oil revenue, and the legislature is considering an amendment to appropriate \$50 million of supplemental funding for Alaska School Districts; and

WHEREAS, House Bill 272 would provide for an increase of \$278 per student to the Base Student Allocation (BSA) over two years, and House Bill 273 will provide a mechanism to inflation-proof the BSA for future years and while this will not totally replace the loss of funding over the last five years, it is a step in the right direction towards investment in education;

NOW, THEREFORE, BE IT RESOLVED, the Fairbanks North Star Borough Board of Education requests the Alaska State Legislature to ensure our students have the funding necessary to provide an education for their future success by passing HB 272 and HB 273, and

BE IT FURTHER RESOLVED, the Fairbanks North Star Borough Board of Education requests the Alaska State Legislature to allocate one-time funds of at least \$50 million of the surplus revenue to Alaska public schools to replace the loss of funding over the last five years.

Passed and Approved: April 5, 2022


Jennifer Luke, President
Board of Education

ATTEST:


Sharon Tuttle
Executive Assistant to the Board



Rogers Park Community Council Resolution in Support of Full Funding of Public Education

WHEREAS, the State of Alaska Constitution provides that one of the core responsibilities of State and Local Governments is to provide for public education,

WHEREAS, State Statutes provide that home rule municipalities have the authority and responsibility to provide support for public education,

WHEREAS, the Municipality of Anchorage, under its home rule authority, has accepted the authority and responsibility to act on behalf of the people in its community to ensure full funding of public education up to the State of Alaska imposed funding caps on local public education funding,

WHEREAS, investments in public education, including pre-K and smaller class sizes with high quality teachers, have increasingly been found to be a cost-effective investment in providing students and their families with the foundation they need to both help extend their education and secure larger economic opportunities¹,

WHEREAS, investments in public education have increasingly been found to be associated with measurable improvements in student achievement results²

WHEREAS, increased investments in public education will be critical to help remediate the wide range of learning losses that arose during the pandemic³

WHEREAS, the State of Alaska has fallen way behind Washington State where they have been increasing their investment in public education and significant investments are needed to catch up with salaries across Washington State where Anchorage competes to attract and retain highly qualified and effective teachers,

- WA State Avg. Teacher Salary Increase FY1718-FY2223 (5 years) = 50%
- Anchorage CPI-U Inflation Increase FY1718-FY2223 (5 years) = 20%

¹ R. Chetty, "Opportunity Insights: Education: How Do We Amplify Education as an Engine of Mobility? Using big data to help children get the most from school," <https://opportunityinsights.org/education/> , retrieved November 27, 2022

² C.K.Jackson, C. Wigger, H. Xiong, "Do school spending cuts matter? Evidence from the Great Recession", American Economic Journal: Economic Policy, 12(3), 304-335, (2021); C.K. Jackson, C. Mackevicius, "The distribution of school spending impacts", Annenberg Institute at Brown University, Education Working Paper 21-357

³K. Shores, M. Steinberg, "Fiscal Federalism and K-12 Education Funding: Policy Lessons from Two Educational Crises" (Great Recession and COVID-19), Educational Researcher Policy Forum (2022)

- AK State Avg. Teacher Salary Increase FY1718-FY2223 (5 years) = 8%, rapidly falling behind local inflation

WHEREAS, Governor Dunleavy, in his February 16, 2019, revised budget submission to the Legislature, eviscerated public education funding levels [cut State K12 Aid to School Districts by 24%] while proposing minuscule support for early reading [cut \$10.00 in K12 Budget for each 1c proposed for early reading], setting the stage for a dramatic decline in the real, inflation adjusted state financial support of public education over his first term in office,

WHEREAS, declining state financial support of public education simultaneously lowers the State of Alaska imposed funding caps on local public education funding (Anchorage), unduly limiting our local community's ability to increase funding to address local challenges,

WHEREAS, Governor Dunleavy, lead the successful effort to eliminate state support of school bond debt reimbursement which had helped enable local communities to sustain local school facilities with major component replacements, roofs, heating/ventilation systems, seismic upgrades, aging water/wastewater system, sprinkler and lighting system replacements, and increasing space to meet the needs of the students whose needs were formally recognized in the George W. Bush Administration's Americans with Disabilities Act, exacerbating a growing backlog of needed facility repairs and replacements which have led to compromises in local classrooms, e.g, leaking roofs, aging heating and ventilation systems, old lighting systems.

WHEREAS, inflation in Anchorage has increased by 14.4 % over the past four years [BLS, Anchorage CPI-U, October 2018-October 2022 percentage increase] and dramatically eroded local purchasing power for our schools, teachers, students and families in our community,

WHEREAS, several States have significantly increased their support of public education over the past four years and are looking to continue to do so, including making major investments in teacher compensation to enable them to attract and retain highly qualified and effective teachers

- Education Week, Teaching Profession, "Teacher Salaries Aren't Keeping Up with Inflation", April 27, 2022:
 - "When adjusted for inflation, the average teacher salary decreased by an estimated 3.9% over the last decade"
 - "Some states have passed significant pay raises this year...Mississippi teachers...an increase of more than 10 percent...Alabama will receive raises that range

from 4 percent to nearly 21 percent...**New Mexico teachers will see their base salary levels increase by an average of 20 percent**

- National Association of State Budget Officers, Budget Blog, July 29, 2022:
 - **“The strong growth in tax collections and revenues exceeding forecasts led many states to report their largest surplus in state history, with governors calling for...additional investments in areas including education and infrastructure...”**

WHEREAS, the most recent University of Alaska Institute of Social and Economic Research Teacher Compensation Study [UAA ISER, Salary & Benefits Schedule and Teacher Tenure Study, Table 2, 2014 data, November 13, 2015] indicated that Anchorage needed to increase teacher salary schedules by 10% [from 1.24 to 1.38 X Washington State’s average teacher salary, adjusted for Alaska and Washington State purchase power parity]; extending the findings of that teacher compensation study to 2022 teacher salaries, indicates that Anchorage *now needs to increase the local teacher salary schedule by 44% in order to become competitive with Washington State teacher salaries* [MAFA Analysis of Alaska and Washington Teacher Salaries, 2014-2022]

NOW, THEREFORE, BE IT RESOLVED, THAT the Rogers Park Community Council supports the full funding of public education to the level required in Alaska to enable our teachers, students, families and communities to recover from:

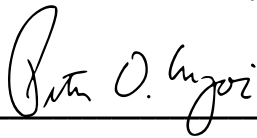
- the significant decline in real inflation adjusted loss of purchasing power for our schools,
- the significant decline in real inflation adjusted Alaska and Anchorage teacher compensation levels, especially as compared to Washington State, which has historically provided Anchorage and Alaska with a supply of new highly qualified and effective teachers,
- the decline in student learning growth rates and complications arising from mental health challenges that occurred during the COVID-19 pandemic,
- the increase in class sizes to:
 - 50% above recommended levels in the critical early K-3 Elementary grade levels
 - 28% above recommended levels in 4th – 12th grade levels

- which significantly hinders aggregate class instructional pace and effectiveness⁴
- a decline in teacher professional development and classroom support services which enable our teachers to help our students learn and grow,
- a decline in support staff salaries and benefits relative to competitive alternatives which has led to high staff vacancy rates which have had a negative impact on students and their families, e.g., bus driver compensation failed to attract/retain an adequate supply of drivers leading to significant and disruptive rationing of bus service this fall in Anchorage

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT, the Rogers Park Community Council (RPCC) requests that the **Anchorage School District** advocate for the full funding of the preK-12 public education budget required to meet the needs of our students and families with the Governor, Legislature, Assembly and Mayor to enable Anchorage students and families to recover from funding and pandemic deficits and get back on track for strong, sustained academic growth and preparation for success in life,

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT, the Rogers Park Community Council (RPCC) requests **our Anchorage Assembly and Mayor** advocate for full funding of public education with the Governor and Legislature to enable our children, families and community to begin to recover from funding and pandemic deficits and get back on track for strong, sustained academic growth and preparation for success in life.

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT, the Rogers Park Community Council (RPCC) requests **our Anchorage Legislators** advocate for full funding of public education with the Governor and their colleagues in the Legislature to enable our children, families and community to begin to recover from funding and pandemic deficits and get back on track for strong, sustained academic growth and preparation for success in life. The Rogers Park Community Council (RPCC) would anticipate full funding of education to be a first priority of bills passed by the legislature this session.



Pete Mjos, Rogers Park Community Council President

Date: December 12, 2022

Votes For: 32

Votes Against: 2

Abstentions: 2

⁴ MAFA Comparison of Fall 2022 class size to ASD Evidence Based Public School Funding Model (2016); MAFA Review of R. Chetty, et al, Opportunity Insights and referenced education research on benefits of smaller class size/ challenges of larger class sizes presented to Alaska State Senate Finance Committee and joint meeting of the Alaska State House/Senate Education Committees, 2019

AISD

Annette Island School District

February 8, 2023

Dear Representative Ortiz,

This letter is to provide support for increasing the BSA at a minimum level of \$863 per student as outlined and presented by the Alaska Council of School Administrators (ACSA). At Annette Island School District (AISD), similar to many other districts, we have been subject to cost increases in multiple budgetary areas over the past five years. The list below does not capture all cost increases, but outlines those that are most impactful. In comparing costs from **FY19 to FY23**, costs have increased in the following categories:

- Heating oil: 26%
- Electricity: 26%
- Personnel: 18%
- Food Service: 22%
- Health Insurance: 12%

In addition, our enrollment has decreased 4% from **FY21 to FY23**. Enrollment decreases negatively impact AISD through losses in revenue from both of our major funding sources, State Foundation funding (BSA) and Federal Impact Aid funding.

These cost increases and losses of revenue have created a budgetary shortfall for FY23 and FY24. With a healthy fund balance this year, AISD can absorb the FY23 shortfall. However, the FY24 projected shortfall will have a significant impact on the services that we will be able to offer our students for the 2023-24 school year if revenues do not increase. Currently, we are projecting a shortfall of \$1.2 million for FY24. This does not include absorbing three employees that are currently funded out of ARP.

AISD is a high-needs district, with a current (FY23) IEP ratio of 27% and a projected FY24 IEP ratio of 32%. We have implemented a reading program that fully aligns with the Alaska Reads Act that has been deemed as "robust and evidence-based" by DEED. This work is led by a Reading Specialist, funded through Title I. We have similar initiatives in progress to address achievement gaps in mathematics, led by a Math Specialist, funded through ARP. AISD's ARP funds will be depleted this year. With our projected budget shortfall for FY24, we will not be able to continue to fund this critical math specialist position without an increase to the BSA. In addition, in order to develop a balanced budget for FY24, we will have to decrease our teaching staff across the District, which will further negatively impact our reading and math initiatives, as well as other programs that align with the Alaska Education Challenge. Overall, we are looking at a potential 12% decrease in staffing.

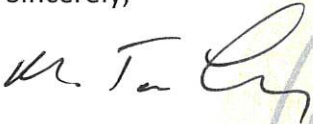
In order for AISD to meet the goals outline in the adopted Alaska's Education Challenge, we require an increase to the BSA. As a reminder, the Alaska's Education Challenge outlines the District's responsibility to meet the following goals:

1. Support ALL students to read at grade level by the end of third grade.
2. Increase career, technical, and culturally relevant education to meet student and workforce needs.
3. Close the achievement gap by ensuring equitable education rigor and resources.
4. Prepare, attract, and retain effective education professionals.
5. Improve the safety and well-being of students through school partnerships with families, communities, and Tribes.

We have strived diligently over the past four years to align our district goals and priorities around this challenge and have implement quality programs to meet these challenges. I implore the House to pass legislation and collaboratively work with the Senate to fully fund public education by increasing the BSA to the minimum level of \$863 per student.

Thank you for the work that you do, for your time, and for your support.

Sincerely,



M. Taw Lindsey
Superintendent, AISD
PO Box 7
Metlakatla, AK 99926
907-886-6332, ext. 2261
907-821-0145, cell
tlindsey@aisdk12.org



Ketchikan Tlingit & Haida Community Council

Central Council of the Tlingit and Haida Indian Tribes of Alaska

P.O. Box 8644

Ketchikan, Alaska 99901

1 Title: Support of the Increase of State of Alaska Base Student Allocation for Public Schools

2
3 WHEREAS, the Central Council of Tlingit & Haida Indian Tribes of Alaska (Tlingit &
4 Haida) is a federally recognized tribe with more than 33,000 citizens, and the Ketchikan Tlingit
5 & Haida Community Council represents more than 1,600 tribal citizens; and
6

7 WHEREAS, the tribal youth in the Ketchikan area experience high rates of dropout and
8 historical low involvement in extracurricular activities; and
9

10 WHEREAS, the Ketchikan Tlingit & Haida Community Council finds that the education
11 in a public setting for native youth is imperative for the future themselves, their families, and our
12 tribe; and
13

14 WHEREAS, the state of Alaska has the duty and obligation to provide quality and
15 equitable education to the youth of Tlingit & Haida so that they are given the basic tools so after
16 graduation they can contribute back to their communities in a variety of ways; and
17

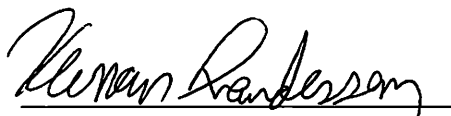
18 WHEREAS, the cost to educate the students in Ketchikan and around the state of Alaska
19 has increased significantly due to inflation of costs of goods and services, housing, and health
20 insurance, and as a result has created a shortage of staff at all levels within our school district
21 that has negative impacts on the quality of education of students; and
22

23 WHEREAS, the Alaska Association of School Boards notes that from 2012 to 2022, the
24 BSA has only increased by \$250 per student, which is a 4.2% increase, while inflation has
25 increased by at least 24%; and
26

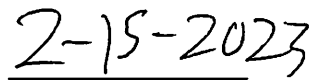
27 WHEREAS, in order for the State to meet its constitutional obligation of maintaining its
28 public schools, the BSA must be increased by an amount such as the \$860, at a minimum,

recommended by AASB analysis, that provides adequate funding for each school district, that makes up for past erosion, and offsets historically high current inflation.

NOW THEREFORE BE IT RESOLVED, the Ketchikan Tlingit & Haida Community Council calls upon the Alaska State Legislature and the Governor of Alaska to make a meaningful increase within the base student allocation so that Tlingit & Haida youth can continue to have quality education in every public school across the state of Alaska.



President Keenan Sanderson



Date

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2022-13

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL IN SUPPORT OF ALASKA STATE HOUSE BILL 273 (HB-273), WHICH WOULD LINK THE BASE STUDENT ALLOCATION (BSA) DIRECTLY TO THE CONSUMER PRICE INDEX FOR URBAN ALASKA

WHEREAS, The City of Dillingham recognizes its partnership role with the Dillingham City School District in ensuring a robust and competitive primary and secondary education for all students in the District; and

WHEREAS, Alaska public schools have been flat-funded by the State since 2017, even as the cost for essential services and goods have increased rapidly during the same period of time; and

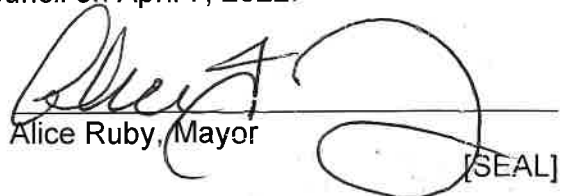
WHEREAS, The Dillingham City School District works diligently to provide the same, or increased levels of service, despite this reduced spending power; and

WHEREAS, Continuing to under-fund our public school system will only exacerbate existing challenges to pay for teacher retention and recruitment, classroom instruction, extra-curricular activities, student transportation services, facility needs, and all other associated and necessary expenditures; and

WHEREAS, Passage of Alaska House Bill 273 would link the Base Student Allocation (BSA) in the Foundation formula to the Consumer Price Index for Urban Alaska.

NOW, THEREFORE, BE IT RESOLVED the Dillingham City Council hereby declares its support for House Bill 273 (HB-273) and other efforts to increase funding for the public education system currently being debated at the Alaska State Legislature.

PASSED and ADOPTED by the Dillingham City Council on April 7, 2022.


Alice Ruby, Mayor [SEAL]

ATTEST:



Lori Goodell, City Clerk



LOWER YUKON SCHOOL DISTRICT

P.O. Box 32089 • Mountain Village, Alaska 99632

Phone: (907) 591-2411

www.lysd.org

George Smith
Chairman

Gene Stone
Chief School Administrator

Good Afternoon Senate Finance Committee Members,

My name is Gene Stone and I am the Superintendent for the Lower Yukon School District. Thank you for providing this opportunity to advocate on school funding. It is encouraging to hear that our legislative body has publicly shared they are going to work to address the current funding deficiencies that exist as a result of flat funding for education since 2017.

As a rural school district LYSD has seen costs soar in transportation, shipping, building materials, housing and school maintenance, labor costs, recruiting costs, fuel and nutrition services costs. We have to supplement our food costs by one million dollars a year. Our activities costs have increased by 500K, recruiting costs for teachers requires overseas recruiting now along with the use of recruiters to address the existing teacher shortage.

Many of our CIP projects don't end up making the cut for funding so we as a district have to hope there are fund balances at the end of the year to pay for inherited infrastructure issues. We recently have neared zeroing out our fund balance to pay for a tank farm project in Hooper Bay that cost the district 4.5 million dollars.

The BSA amount of \$860 shared in the ADN recently should be a starting point at the lower level of increasing the BSA. We can't attract teachers without adequate housing. Our students went through the COVID pandemic without access to internet. Our District is recognized as having one of the highest poverty levels in the country.

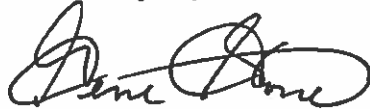
We have been an innovative district and have partnered with ASD to provide CTE opportunities. We paid for and renovated the old Long House Hotel so our students could have CTE opportunities that could not be funded if we tried to fund a program in rural LYSD. We have done our part to be innovative, share resources with ASD and provide a return on investment to stakeholders and the State of Alaska.

CHILDREN FIRST

Alakanuk Emmonak Hooper Bay Kotlik Marshall Mt. Village Pilot Station Russian Mission Scammon Bay Nunam Iqua

We have three collective bargaining units that deserve raises to address the rampant inflation. Please make adequate education funding a priority for our kids and teachers.

Thank you,

A handwritten signature in black ink, appearing to read "Gene Stone", with a stylized, cursive script.

Gene Stone



Iditarod Area School District
PO Box 90
90 Chinana Road
McGrath, Alaska 99627
907.524.1226
907.574.0207

Anvik
Grayling
McGrath
Holy Cross
Iditarod Distance Learning Center
Nikolai
Shageluk
Takotna

Dear Mr. Chairman and Committee

My name is Helen Cheek, and I am the Superintendent of the Iditarod Area School District. I want to testify on behalf of our district in favor of an increase to the SBA.

We need to increase school safety for students, staff, and the community

Over the last two years crime has risen in our villages, and the schools have incurred thousands of dollars of expenses to replace stolen items and repairs for damaged buildings.

Technology losses:

- ☐ Student laptops stolen
- ☐ Student iPads stolen
- ☐ School servers stolen
- ☐ School security cameras broken

Lack of Troopers:

- ☐ There have been no arrests
- ☐ There are no VPOs in the villages
- ☐ Although we have the thieves on tape - no repercussions
- ☐ No restitution of lost items

Damage to structures and Emotional Well-being of staff:

- ☐ Buildings are repaired with very little funds
- ☐ Teachers will not apply to our schools
- ☐ Teachers' quarters are broken into, and all their belongings stolen
- ☐ Doors, windows, and locks broken which result in costly repairs
- ☐ Emotional support is needed
- ☐ OCS does nothing about delinquent students and their lack of parental controls

Regards,

DocuSigned by:

Helen Cheek

37EBFB4107954C9...

Helen Cheek
Superintendent
Iditarod Area School District

02/01/2023

Good afternoon Chair Tobin and members of the committee,

My name is Kimberly Hankins and I am the Superintendent of the Lower Kuskokwim School District – LKSD - headquartered in Bethel. LKSD serves approximately 4,000 students, in 29 schools, located in 24 communities, over a land area of 22,000 square miles. Of our 29 schools, only six are accessible by road and the rest we must travel to by plane. As a district, we rely heavily on air transportation – to connect students for activities, to connect our itinerant staff such as social workers and counselors with students, and to connect our teachers and principals with professional development and with one another.

We have a lot to be proud of in LKSD. We have a strong grow-your-own program for teachers, administrators, and counselors. We have excellent immersion and dual language programs that rely on locally-grown talent. We have wonderful curriculum materials that are place-based and culturally relevant, and are provided both in English and Yugtun. We have outstanding students who deserve an excellent education, every day.

I am calling today to advocate for an increase in the base student allocation. In order for LKSD as a district to cover our fundamental needs, we need a substantial increase in the BSA. At a minimum, LKSD is faced with increased fuel and utility costs, increased travel costs, increased supply costs, increased insurance costs, and increased construction costs. We are struggling to recruit teachers, to provide adequate teacher housing, and to keep our facilities in working order.

As a rural district we are used to having to work extra hard to fill vacancies, however educator recruitment has become increasingly difficult in recent years. The cost of filling each vacancy continues to rise and while teachers and administrators used to be attracted in part to the salary they could make in LKSD, with flat funding, our salaries have not kept pace with the rest of the United States. Despite rigorous recruitment, we consistently begin each school year with numerous vacant positions. These position vacancies have a direct impact on student learning.

Here are some numbers that help paint the picture of the costs increases we are seeing:

- A 46% increase in fuel costs
- A 38% increase in utilities costs
- A 40% increase in travel costs
- A supply costs increase between 10-20%
- An insurance rate increase of 26%

We are not asking for more money in order to do more, we are simply advocating for an increase in the BSA to make us whole and to assist us in keeping up with rapidly increasing costs. As it is, we are doing less, with less, and the students of LKSD and Alaska deserve better than that.

Thank you for your time.

Re: BSA Increase - HB65 Bill Hearing
Lessens_Kelly Lessens_Kelly@asdk12.org
February 15, 2023

There's MUCH I could say to support a BSA increase!

Much of what I'm relaying here is encapsulated in the "[Preliminary budget](#)" for ASD for the 23-24 school year, the [budget book](#) itself, and the ProForma budget that the Board approved in December. These are housed (along with all of our other public budget-related resources, ie the work sessions this fall when we reviewed the costs of many educational components, ie swimming, 6th grade band/orchestra, language immersion programs, etc) on our "FY24" homepage: <https://www.asdk12.org/Page/19172>

For FY24, the \$30 BSA increase that has been approved in conjunction with the AK Reads Act will net ASD \$2.676 million. For context, approximately \$310 million is slated to come to ASD c/o State Revenue from the Foundation Formula for FY24. Right now, however, ASD projects that an inflation-proofed BSA for FY24 would have to increase by \$1,268 above the \$5960 figure that has been approved. For FY24, that figure is closely aligned with the dollar figure proposed in HB65 and the recent findings from Legislative Finance (for SB 52). For context, ASD's structural deficit for FY24 is roughly \$67-68 million, and we have approximately \$80 million less in purchasing power than in the 2016-17 school year.

All that being said, I think it's important to state that even if ASD does not receive any BSA increase in FY24, we WILL be able to balance our budget.

How?

We can do so this year—and this year only—based on unspent one-time funds from the state and federal government (which remain and have grown due to unprecedented vacancy rates), plus cuts/efficiencies. However, whether the FY24 budget still provides the staffing ratios our students need is a reasonable question (as is whether how we're staffing our schools is evidence-based...I'll return to that at the end).

We can balance our FY24 budget because FY24's "budget band-aids" include the \$16m in one-time funds from the State that we saved from FY23, the last of our remaining federal relief (ESSR) funds (totaling ~\$19.9m), and our fund balance (which has grown to about \$29m but will be spent down to the Board minimum). Notably, both the remaining ESSR and Fund Balance funds are as sizable as they are because of the 100s of vacancies we've experienced across the system for this entire year. ([Here's an overview of our vacancies shared during an October Finance committee meeting](#)—see slide 5), for a little perspective. Administrators would have current vacancies available for your office, but I've been told they're running 400-450/month this year, while in normal years, vacancies would run ~ 150-200/month.

We are also balancing the FY24 budget by cutting the administration by about \$2.1m, increasing our "pupil to teacher ratio" across the K-12 system by +1 (to save about \$7.3m), closing an elementary school (Abbott Loop Elementary, which is in Reps. Schrage / Colombe and Sen. Kauffman's districts, and saves ~\$900k by cutting a few school-based personnel ie principal/front office, and utilities), and radically restructuring our "ASD Virtual" services (ie eliminating elementary & middle school offerings there).

I think it's important to share that the +1 PTR change across all grade levels in ASD will eliminate about 62 "FTE" (full time equivalent) teaching positions, which will largely happen through attrition (not firing). But that means that if a high school Calculus BC teacher retires at the end of this year, s/he may not be rehired...causing students to lose the opportunity to take that course in person at their local high school. (A parent told that us that this is happening at Service HS, which is why I share the story.) The PTR + 1 staffing change also means that even though Abbot Loop Elementary students will move to Trailside and Kasuun, the new +1 PTR formula means that the 10 classroom teachers at Abbot Loop will not all be allocated to the receiving schools: Kasuun will receive an additional 7.5 teacher FTE next year, according to our budget book (see [p 476](#)) for the 170 or so students moving there, but Trailside (which is receiving 35-40 students) will not receive *any* through the budget formula. So despite increases in student enrollment at those receiving schools, the +1 PTR budget formula means that next year's staffing rates will not align with this year's. (*Though ASD may be able to allocate "hold back" teachers to help those specific receiving schools accommodate their new students' needs, doing so would be outside the +1 PTR formula that all schools in ASD are going to experience, and has yet to be determined.) In sum, though I've detailed what this means for a few schools, it's important to understand that the +1 PTR "savings" will increase classroom sizes at all of our schools and will likely decrease certain offerings at secondary schools.

Similarly, administrative cuts are going to result in those positions remaining unfilled & job responsibilities shifted. Our Director of Gifted Education will be retiring, for instance, and the FY24 budget proposes to move his responsibilities overseeing the delivery of gifted services to 3,000 students to another administrator (who already has a full-time job). Dimond and Service high schools will each lose a security position, while South High School will lose an Assistant Principal. One of the more depressing statistics from our planned cuts, in my opinion, is that the administration will "save" about \$924,000 by cutting 14 custodial positions; the administration has so little hope of seeing those positions filled that they simply deleted them from the budget. (As of last week, we had 58 custodial vacancies.) Again, these cuts/efficiencies are all detailed in that preliminary budget document.

Back in December, ASD's OMB prepared a 6 year outlook based on current law/flat funding as part of the ProForma budget. This chart is visible on the last page of the "ProForma" (on p 18 [here](#)). Note that line 4 in this chart explores ASD's average PTR, as funded by the General Fund (state/local \$) from FY 19- FY 29. The chart excludes PTR positions that have been funded through federal relief funds between FY21-FY23. It's important to understand that the recurring, backfilling [allocations of our federal relief funds towards classroom teachers during these years has held average PTR down significantly](#). Allocating > \$56 million in relief funds to

classroom teachers in FY23 alone, for instance, prevented a +10 PTR increase across the K-12 system this year, and relief fund allocations held PTR down by +4 in FY 22, for instance. But because of our extraordinary number of vacancies this year (some of which have been staffed by uncredentialed long-term subs and temporary J-1 visa holders) we will be able to reallocate ~\$19.9m of our remaining relief funds to preventing a + 2.75 PTR increase in FY 24. But because our federal relief funds have to be spent by the end of FY24, the outlook for an unchanged BSA shows the average PTR soaring to 37.4 by FY29. (In sum, given that past Boards have held Kindergarten PTR to 21 and secondary PTR at just over 30 through FY24, with average PTRs for FY19-24 remaining in the mid-20s, the supposition that that ASD's average PTR will increase to > 37 is extraordinary.)

A few other data points:

- Liability Insurance is going up 34% and Property insurance up 3.3% in FY24. These premium increases are the result of diminished available market share and capacity for casualty coverage for school districts, across the country, due in large part to sexual abuse, misconduct, traumatic brain injury exposures and infectious disease concerns stemming from the COVID-19 pandemic.
- Utilities – ASD's overall utilities budget is projected to increase by about \$1.34 million, or about 6.58 percent. Most notably heating (18.7 percent) and electric (1.5 percent) is projected to increase based on an escalation of natural gas prices over the past year.
- Fuel – is expected to exceed 12 percent growth based on current prices for regular gasoline.
- Transportation is not funded through the BSA but seems relevant to bring up here. State transportation funding for ASD is currently projected at approximately \$19.81 million, reflecting the current rate of \$481 per non-correspondence ADM that has been in place since FY 2015-16, but expenditures are estimated to be \$27,825,594. Some of that will be backfilled by local property tax contributions. (The District is requesting \$5.11 million in local tax revenue to supplement the Pupil Transportation Fund to support current levels of operation.) Additionally, the District anticipates using \$2.5 million in fund balance to address the shortfall. The overall Pupil Transportation revenues and expenditures are expected to increase by \$1.99 million, or about 7.8 percent, as the demand for drivers across multiple industries (ie tourism) pushes wages higher. Additionally, the sustained increases in the price of fuel are expected to continue to put a strain on finances.

Though this is getting long, I wanted to direct you to a summary of our long-term financial planning in [p 13 in the budget book](#). My own summary of the projected shortfalls described below comes down to \$68m for FY24, \$78-85m for FY25, \$91-105m for FY26, and \$104-125m for FY27.

"For fiscal year 2024-2025, the District will have exhausted remaining stimulus funds and spent its savings down to the board minimum and will be faced with difficult choices on how to provide an adequate education to all students. The budget shortfall for FY 2024-2025 can roughly be calculated as the usage of one-time Federal grants (\$20 million) and fund balance (\$45 million) plus 2 to 3 percent normal price inflation on existing costs (\$13 to \$20 million) for an estimated total shortfall of \$78 to \$85 million. For FY 2025-2026 and FY 2026-2027, the District expects to contend with medical and liability insurance cost increases above the rate of

inflation and normal inflation on salaries, benefits, services and supplies which will generate additional shortfalls of approximately \$13 to \$20 million each year. These shortfalls could be exacerbated by prolonged periods of higher than average inflation as seen in 2021 and 2022. **These budget shortfalls over the next three years could result in the elimination of over 1,200 positions in order to close the fiscal gap and balance the budgets if additional revenue sources are not provided."**

Finally, though this probably will be difficult to hear, I wanted to share a bit about an entirely different approach to the question of what the BSA might really need to be. Back in the fall of 2015, ASD hired the Picus-Odden firm to conduct an educational adequacy study for ASD. This study identified the resources that would be required to improve student performance, as the impact of adequate funding on high school graduation rates is known to be positive and significant. At that time, the evidence based model identified that class sizes should be no larger than 15 for K-3 and 25 for 4-12. It also identified low tutor-to-student and counselor-to-student ratios, instructional coaches, and other key staff as central to that evidence-based model. [In Sept 2018, the Board received an updated analysis of the funding gap for an evidence-based model](#), and found that the FY18 structure generated a gap of > \$115 million. Offhandedly, when I asked the administration about that gap last February, they ballparked that gap to be ~\$150 million. (For context, ASD has 813 elementary classrooms, and 218 of them exceed 25 students/class. I don't know how many K-3 classrooms exceed 15 students, however.)

So when we talk about a BSA increase, my personal opinion is that while a BSA increase of \$1000 or \$1250 would be bold, vital, and incredibly welcome (!), the reality may be that any BSA increase needs to account for inflation AND should be evaluated for its ability to do more than providing status-quo levels of staffing. If we don't receive an adequate BSA increase, and soon, ASD will be forced to reckon with many of the deeply challenging programmatic / school-based cuts that we explored this fall and which would be to the detriment of our students and Alaska's economy as a whole (as families who value education and are mobile may choose to move Outside).

Again, thank you for reaching out and for supporting Rep. Ortiz in this critical bill. Please feel free to follow up if you have any questions!

Kelly Lessons
Anchorage School District
School Board Treasurer