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AMENDMENT #1 ✓

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TO: CSHB 266(FIN)

- 1 Page 61, line 16:
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Table 1: Estimated Deficits of Selected School Districts for FY2015²

School District	Current BSA		\$85 Increase to BSA	
	Estimated Deficit (in millions)	Estimated Number of Layoffs Due to Deficit	Estimated Deficit (in millions)	Estimated Number of Layoffs Due to Deficit
Anchorage	\$ 23.0	175.0	\$ 15.2	Not Reported
Fairbanks North Star Borough	\$ 8.0	60.0	\$ 5.8	Not Reported
Juneau	\$ 4.8	35.0	\$ 3.8	25
Kenai Peninsula Borough	\$ 4.5	57.2	\$ 3.1	Not Reported
Kodiak Island Borough	\$ 2.4	29.0	\$ 2.2	24
Matanuska Susitna Borough	\$ 7.3	Not Reported	\$ 4.8	Not Reported
Total	\$ 50.0	356.2	\$ 34.9	Not Available

Notes All of the queried districts appear to have made their projections assuming receipt of the additional \$25 million included in Governor Parnell's FY2015 Proposed Budget (https://omb.alaska.gov/ombfiles/15_budget/EED/Proposed/comp141.pdf).

Sources: Also according to the Office of the Governor, a \$100 increase to the BSA equates to a \$25 million increase in state aid to school districts.

Anchorage School District (ASD) information from "Budget Proposed for 2014-15 School Year," Anchorage School District, January 21, 2014, <https://www.asdk12.org/news/archives/budgetproposedfor2014-15schoolyear.html>, Heather Roach, Communications Department, Anchorage School District, 907-742-4151, and Mark Foster, Chief Financial Officer, Anchorage School District, 907-742-4331. Not included in the layoff figures are an anticipated reduction of 44 teaching positions due to a decline in student enrollment this school year and a projected continued decline next school year.

Fairbanks North Star Borough School District information is from Superintendent Pete Lewis, 907-452-2000 ext. 11401 and Mike Fisher, Chief Financial Officer, 907-452-2000 ext. 11302. Mr. Lewis notes that the District is projecting between 50 and 70 teachers and some support staff would be laid off. For the purposes of this analysis, we split the difference. Mr. Lewis also indicates that the District is anticipating no change in enrollment figures for the next school year.

Juneau School District information from Superintendent Glenn Gelbrich, 907-523-1702, David Means Director of Administrative Services, 907-523-1770, and "Juneau Schools Look to Cut \$4.8M," *Juneau Empire*, January 29, 2014, <http://juneauempire.com/state/2014-01-29/juneau-schools-look-cut-48m#.UvF082xvzMA>. Superintendent Gelbrich notes that a portion of the estimated layoffs are due to declining enrollment but did not provide a precise figure. As a result, in this table we attribute all layoffs to the budget shortfall.

Kenai Peninsula Borough School District figures are from Superintendent Steve Atwater, Ph.D., 907-714-8836. The deficit figures reported above do not include the portion of the deficit that will be covered by the District's health care reserves (approximately \$ 2.1 million) and \$1.5 million in expenditures already reduced by the District for FY2015.

Kodiak Island Borough School District information from Superintendent Stewart McDonald, 907-481-6200.

Matanuska Susitna Borough School District information from Luke Fulp, Assistant Superintendent of Business and Operations, 907-746-9277. Mr. Fulp notes that at this time the District does not have a specific plan to close the budget gap and as such does not wish to speculate on the number of staff layoffs that may occur.

We asked each school district what they thought the BSA should be in order to negate their respective budget deficit and provide their responses in Table 2. These suggestions average just over \$314.

² As you know, we provided similar information to that found in Table 1 to your office earlier in February. Since then, some districts have refined their budget estimates; as a result, we include the most recent information provided by each district in Table 1.

Table 2: Suggested Increases to the BSA Needed to Avoid Budget Shortfall, Selected School Districts

School District	Suggested Increase to the BSA
Anchorage	\$ 251
Fairbanks North Star Borough	\$ 275
Juneau	\$ 450
Kenai Peninsula Borough	\$ 268
Kodiak Island Borough	\$ 400
Matanuska Susitna Borough	\$ 245
Notes	Anchorage School District (ASD) from Mark Foster, Chief Financial Officer, Anchorage School District, 907-742-4331.
and	
Sources:	Fairbanks North Star Borough School District information is from Mike Fisher, Chief Financial Officer, 907-452-2000 ext. 11302. Mr. Fisher notes that the District is projecting a needed BSA of between \$250 and \$300. For the purposes of this analysis, we split the difference.
	Juneau School District information from David Means, Director of Administrative Services, 907-523-1770.
	Kenai Peninsula Borough School District information from Superintendent Steve Atwater, Ph.D., 907-714-8836.
	Kodiak Island Borough School District information from Superintendent Stewart McDonald, 907-481-6200.
	Matanuska Susitna Borough School District information from Luke Fulp, Assistant Superintendent of Business and Operations, 907-746-9277.

We hope this is helpful. If you have questions or need additional information, please let us know.