

2/10/12

PRESENTATION

EDUCATION

FUNDING FROM

SCHOOL

DISTRICTS

PERSPECTIVE

<TARGET><BILL></BILL><SUBJECT>2-10-12 PRESENTATION
EDUCATION FUNDING FROM SCHOOL DISTRICTS
PERSPECTIVE</SUBJECT><COMM>HEDC27</COMM></TARGET>

Rep. Lance Pruitt, Vice-Chairman
Rep. Sharon Cissna
Rep. Eric Feige



Rep. Peggy Wilson
Rep. Paul Seaton
Rep. Scott Kawasaki

Rep. Alan Dick, Chairman

HOUSE EDUCATION COMMITTEE

Agenda

Joint Meeting – House Education Committee and
House Finance Subcommittee on Education & Early Development

February 10, 2012

8 a.m.

Ramona Barnes Committee Room 124

I. Call to Order

II. School Officials Presentations

- a. Luke Fulp – Kodiak Island School District
- b. Laura Hylton – Lake & Peninsula Borough School District
- c. David Arp, Sitka School District
- d. Mike Fisher, Fairbanks North Star Borough School District

III. Adjourn



326 Fourth Street, Suite 404-5 · Juneau, Alaska 99801
Phone: (907) 586-9702 · Fax: (907) 586-5879
Website: www.alaskaacsa.org

Alaska Council of School Administrators

February 28, 2012

TO: House Education Members
House Finance Subcommittee for Education Members
FR: Bruce Johnson 
ACSA/AASA Executive Director
RE: Materials Promised

The ACSA membership would once again like to thank you for the opportunity provided for four Alaska School Business Officials to share their FY13 school district projected budgets earlier this month. We trust that you found the presentations informative and helpful in better understanding the complexities of school district budgets.

Two of the presenters, Laura Hylton, Lake and Peninsula School District, and David Arp, Sitka School District, were asked to provide follow-up information. Attached you will find the requested information:

- Lake and Peninsula School District Utility and Energy Information
- Lake and Peninsula School District Vocational Offerings and Partnerships
- Sitka School District FY12 Average Class Size
- Sitka School District Opinion on HB313 – Student Count Estimates

Again, thank you for the opportunity.

ACSA shall provide leadership for and promotion of a collective professional voice in setting the educational agenda for Alaska.

Alaska Association of Elementary School Principals · Alaska Association of Secondary School Principals
Alaska Association of School Administrators · Alaska Association of School Business Officials

The Lake and Peninsula School District
 Utility and Energy Information as Requested by Rep. Tammie Wilson February 10, 2012

\$320 increase to the Base Student Allocation would increase Foundation Funding for FY13 by \$548,608.

School	FY13 Est.				Total
	Water/Sewer	Garbage	Electricity	Heating Fuel	
King Salmon - Office	1,820	2,140	-	31,560	35,520
Chignik Bay	2,520	825	-	26,910	30,255
Chignik Lagoon	8,000	-	-	24,000	32,000
Chignik Lake	5,500	750	-	48,500	54,750
Egegik	-	-	-	45,560	45,560
Igiugig	990	380	-	52,340	53,710
Kokhanok	6,000	-	-	12,540	18,540
Levelock	-	-	-	60,785	60,785
Newhalen	10,000	2,750	-	61,506	74,256
Nondalton	10,788	8,500	-	73,612	92,900
Perryville	1,190	-	-	45,500	46,690
Pilot Point	-	-	-	2,645	2,645
Port Alsworth	-	6,500	-	18,150	24,650
Port Heiden	-	420	-	64,400	64,820
Total	46,808	22,265	-	568,008	637,081
% increase over prior year	0.04	0.11	(1.00)	0.11	(0.55)

School	FY12 Year to date estimate				Total
	Water/Sewer	Garbage	Electricity	Heating Fuel	
King Salmon - Office			41,482	26,300	67,782
Chignik Bay	2,520	825	36,871	17,940	58,156
Chignik Lagoon	8,000	-	52,935	16,200	77,135
Chignik Lake	5,500	750	63,158	48,500	117,908
Egegik	-	-	50,583	45,460	96,043
Igiugig	990	380	22,040	52,400	75,810
Kokhanok	6,000	-	83,637	10,125	99,762
Levelock	-	-	18,257	41,942	60,199
Newhalen	10,000	2,750	118,960	46,560	178,270
Nondalton	10,788	8,500	146,112	73,612	239,012
Perryville	1,190	-	87,803	45,465	134,458
Pilot Point	-	-	29,553	2,555	32,108
Port Alsworth	-	6,500	54,936	21,175	82,611
Port Heiden	-	420	26,664	64,400	91,484
Total	44,988	20,125	832,991	512,634	1,410,738
% increase over prior year	0.12	0.36	0.19	(0.07)	0.08

School	FY11 actual				Total
	Water/Sewer	Garbage	Electricity	Heating Fuel	
King Salmon - Office	1,820	2,140	38,362	24,782	67,104
Chignik Bay	2,610	825	38,453	13,978	55,865
Chignik Lagoon	6,800	-	39,952	24,590	71,342
Chignik Lake	5,219	750	46,244	137,360	189,573
Egegik	3,680	-	48,937	37,071	89,687
Igiugig	-	330	29,429	41,219	70,978
Kokhanok	5,550	-	52,525	4,750	62,825
Levelock	-	-	19,447	46,793	66,240
Newhalen	6,690	3,854	107,872	48,597	167,014
Nondalton	6,600	-	71,545	54,842	132,988
Perryville	1,190	-	94,329	43,882	139,401
Pilot Point	-	-	21,560	2,140	23,700
Port Alsworth	-	6,468	50,647	17,898	75,013
Port Heiden	-	480	39,857	53,601	93,938
Total	40,159	14,847	699,160	551,504	1,305,670
% increase over prior year	1.19	(0.08)	0.18	(0.08)	0.07

Prepared by: Laura Hylton, Business Manager
lhylton@lpsd.com
(907) 246-4280 x310

LAKE and PENINSULA SCHOOL DISTRICT

On the vocational front, LPSD is working in partnership with UAF Extension and the Bristol Bay School District to provide relevant and meaningful vocational education experiences for our students. We have also approached Dillingham and Southwest Region School Districts related to partnering to provide more robust programs.

We are working under the Alaska Educational Tax Credit Program to solicit support and have received small contributions which along with the vocational education multiplier incorporated in the foundation formula last year are being used to provide vocational experiences much like those provided at the Northwestern Alaska Career and Technical Center (NACTEC), a joint-venture regional vocational training center located in Nome.

Course offerings for February's Career and Technical Education Session include:

February 18-24, 2012

Primary Courses: Word Processing/Power Point/Job Readiness -- 3 UAF credits

Basic Welding – 1/4 HS credit

Additional evening offerings:

Driver Education, Behind-the-Wheel portion-- only students with a learner permit

Written Test Tutoring for Driver Education – for all students wishing to participate

Basic First Aid/CPR—for all students without a current First Aid Card

Photography—for all students wishing to participate

Sunday afternoon:

Water Safety—all students

Sitka School District
FY2012 Average Class Size - By School and District

February 15, 2012

School	Classroom Teachers (FTE)*	Enrolled Students**	Average Class Size
Baranof Elementary (Grades K - 1)	15.75	212.5	13.49
Keet Gooshi Heen Elementary (Grades 2-5)	23	383.84	16.69
Blatchley Middle School (Grade 6-8)	19.5	295.75	15.17
Sitka High School (Grades 9-12)	20	356.05	17.80
Pacific Alternative High School (Grades 9-12)	3	25.5	8.50
REACH Home School (Grades K-12)	1	31.85	31.85
Current Districtwide Totals	82.25	1305.49	15.87
Average Class Size If Full \$1.29MM Deficit Came From Classroom Teachers	67.99	1305.49	19.20

* **Includes:** K-5 Classroom, Math, Science, Social Science, Language Arts, Physical Education, Music, Vocational Education, Computer Arts, REACH Homeschool, Foreign Languages, and Art Teachers
Excludes: Guidance Counselors, Librarians, Special Education Teachers, Gifted/Talented Program Teacher, School Psychologist, Athletic Director, Raven's Way Teacher, ESL Teachers, Occupational Therapists

** Based on FY2012 October count (per AS 14.17.600) "Average Daily Membership Report" provided to DEED. actual enrollment numbers and class sizes vary throughout the year.

SITKA SCHOOL DISTRICT

www.sitkaschools.org

300 Kostrometinoff Street
Sitka, Alaska 99835
Phone: (907) 747-8622
Fax: (907) 966-1260



February 16, 2012

Representative Eric Feige
C/O State Capitol
Room 126
Juneau, AK 99801-1182

Dear Representative Feige,

On February 10, 2012 I, along with 3 other school business officials from throughout the State, presented our financial situations to the House Education Committee and the House Education Finance Committee. After the presentations and question/answer session concluded you approached me and some of the others with a request that we review and respond with our opinions to your proposed HB 313. Here are my thoughts, please bear in mind they are not intended to be representative of the other members of our presenting party or the ALASBO/ACSA organizations:

- The underlying concept of allowing districts to use current year enrollment figures to determine the subsequent year funding is a very positive step in the direction of strengthening schools abilities to do future financial planning and smooth out so of the difficulties with hiring practices.
- In the scenario you have presented the main issue I see is a situation where a district was faced with rapidly increasing enrollment. You did help remedy some of this issue by including the 5% hold harmless clause.
 - A suggestion I would offer is to consider decreasing the hold harmless percentage. In very large school districts such as Anchorage, Mat-Su, or Fairbanks each one percent of their enrollment is still a very significant number.
- The hold harmless provision in the bill does not directly address the scenario of a sharp increase in intensive needs students. Currently intensive students qualify for a 13X multiplier so their impact on a district's budget is significant.
- As stated before, while this scenario is a strong step in the right direction, it does not address the issue that districts only true funding sources are the federal, state, and local governments. With the current funding structures in place districts are subject inflationary pressures on expenses with no offset for revenues. Outside of lobbying governments directly districts have no real ability to increase their revenue side of the equation. That said, the other major change I would suggest is adding some language tying the funding stream to a mechanism for offsetting inflation.

I fully understand my suggestions may be unrealistic given the current political climate at the State level and in no way want them to discourage you from continuing to pursue this particular bill or line of thinking. Any step in the direction of solidifying schools abilities to financial plan are desired and truly appreciated.

Thank you again for all the work you have done and are doing for Alaska's schools. If you have any questions please feel free to contact me via phone at 907-966-1254 or Email at arpd@sitkaschools.org.

Sincerely,

David Arp, Business Manager
Sitka School District

"Educating Today's Children to Become Tomorrow's Leaders"

Date: March 25, 2012

To: Representative Bill Thomas, Co Chair
Representative Bill Stoltze, Co Chair

Members of the House Finance Committee
27th Alaska State Legislature

From: Michael Swain, Jr.
President, Bristol Bay Borough School District

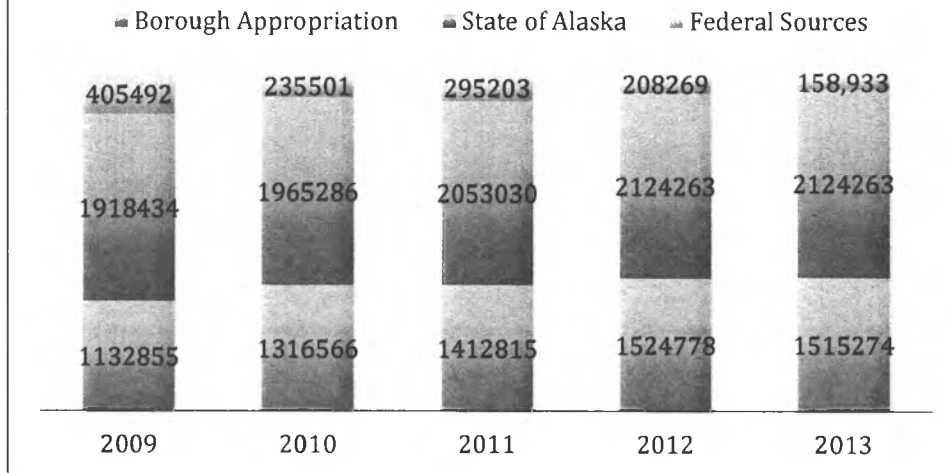
Thank you for the opportunity to provide a perspective on the financial situation and challenges we face in the Bristol Bay Borough School District. As a District that serves approximately 150 students in grades k-12 from the southwest communities of Naknek, South Naknek, and King Salmon, we have a history of providing a quality academic and extra curricular program for the students.

In 2011, we joined an ever-growing list of schools and districts that did not make Adequate Yearly Progress (AYP) as prescribed under the No Child Left Behind (NCLB) legislation. This was the first time we fell short of that measure. It is important to mention we hit all of the academic targets at every grade level and in every subject. We did not reach the 85% graduation rate and only achieved a 72% level. Obviously, this is a rate we will be working on and hope to improve on. I think that graduation rate is also a statistic that puts a complicated matter in an easily calculated metric. It leaves considerable realities out of the discussion.

We were asked to respond to specific questions and to prepare written testimony in advance of the testimony before the Committee.

- **What is your FY13 total school district budget?**
 - In 2013, our total budget is \$4,144,778.
 - In 2012, our total budget was \$3,856,653.
- **What percentage goes to personnel?**
 - Personnel costs this year represent 68% of our total budget. Historically, that number had been 60-65% for the greater part of a decade in Bristol Bay. In the last 5 years we have moved that number up, knowing that our salaries and benefits were not as competitive as necessary and that was a position of not only the district, but the 2007 Education Funding Task Force that the State Legislature had created.
- **Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix)**

Bristol Bay Revenue Sources



- **Did you fund to the total allowable local contribution in FY 12? No**
 - **In FY13?** No, the borough has never gone to the cap, yet they continue to fund at a level that is above the 4 mill commitment they are required to make. Their initial discussions this year starts at an equivalent of 4.4 mill. In some years their cash and in-kind contributions have been above a 5 mill level.
- **If not, how much below were you? On average the Borough contribution is generally \$200,000 plus below the cap. Why?**
 - The Borough has many priorities and like the legislature, there are times when education is not the top or only priority.
 - Members of the community and Assembly hear what individuals like the Governor say about schools being failed systems and bad investments, often echoed by other elected officials, the University of Alaska system, and a national media, and they have a harder time believing we need more money.
 - There are many who believe the rhetoric that schools are failing and are not helping prepare kids for the future. In asking the district to accept the same funding for two years, the fy12 contributions of the borough amounted to a reduction as no costs would stay the same as in FY11.
 - We also recognize that our declining student numbers is also an indicator of the fact that fewer homes in our Borough contain children who attend our schools and as their other expenses continue to escalate it is harder for them to continue to support education at a level they may have.
- **How much has the state contributed to the PERS/TRS unfunded liability on behalf of your school district in FY12?**
 - TRS- \$329,150, PERS \$55,262, Total- \$384,412
- **How much is the state scheduled to contribute for PERS/TRS unfunded liability costs on behalf of your district in FY13?**
 - TRS- \$424,175, PERS \$57,539, Total- \$491,714

- To suggest that this amount of money is an on-behalf amount that we as a district owed is a slightly tilted opinion. This is, and always has been an obligation of the State as a result of creating a Teacher Retirement System or a Public Employee Retirement System. The fact that it was never reported in school district budgets until 2004 supports that same position. This chart illustrates the TRS/PRS liability numbers since it was first required to be reported in 2008.

	2008	2009	2010	2011	2012	2013
TRS On behalf	399,322	289,255	232,688	251,034	329,150	424,175
PRS On behalf	102,327	63,695	28,234	34,219	55,262	67,539
total	501,649	352,950	260,922	285,243	384,412	491,714

- **When was your most recently ratified teacher contract put into place?**
 - We settled a three-year contract in June of 2010. Next January we will begin new negotiations with our teachers.
- **What were the terms? (salary and benefits increases/decreases per year, in percentages {or dollars, if appropriate})**
 - In the last negotiations, salaries increased by 2% for 2010-11, 3% for 2011-12, and 3% for 2012-13 with similar insurance splits above the cap begun in 2008.
 - In the 2007-2008 school year we had also settled a three-year agreement with our teachers and that settlement included a 4% settlement in each year and a requirement that teachers and other staff would begin to pick up a share of their insurance premium.
- **What is your average teacher salary?**
 - In 2012, average teacher salary: \$53,068
 - Lots of recent turnover and retirements in recent years. Average salary number is a limited snapshot of where we are. Remains flat or regressing as a result.
- **What is your starting teacher salary?**
 - In the 2011-2012 school year our starting salary was \$43,914
 - Next year that starting salary will be \$45,231
- **Did you negotiate significant salary increases in you labor contracts for FY2013?**
 - It will be another 3% increase next year
 - Depending on the increase to health insurance costs, the teacher share of the amount paid per month will also go up and cut into that raise.
- **If yes, why did you do that given the current funding situation/debate?**
 - Is 3% significant? Not when people get \$400 month electric bills in Naknek and King Salmon, gas for an auto has been over \$5.25 a gallon for 5 plus years, and a gallon of milk is sold locally at \$12.00. Current round trip airfares to Anchorage from King Salmon are nearly \$600.00.
 - When state employees and other federal employees living in the same region are provided differentials equal to 20-30% more than colleagues in Anchorage to address the high cost of living, shouldn't a similar system exist for the teachers living in those same conditions.
- **What are the cost drivers in your budget?**

- Energy costs are big and there is no controlling those costs. The facility has millions in deferred maintenance to complete and that will grow significantly in next 6 years.
- Transportation costs, the shipping costs associated with supplies and materials, travel for our own staff, professional development presenters, and visiting special education related services personnel who are required to be on-site are all significant.
- Health insurance costs continue to escalate in ways that are significant, as are other insurance costs.
- **How much were your energy costs in FY11?** \$373,744.53
- **How much do you project them to be in FY13?** \$421,000
- **Do you have a system in place to make budget adjustments when enrollment drops—how do you approach this?**
 - We are in a declining enrollment mode and have two large cohorts of @ 20 graduating in fy13 and fy14 and only 5-7 children coming into kindergarten.
 - We are reducing staff as a result, but the next reductions will cause us to restructure our elementary grade level instruction and that will create new challenges that will require significant retraining of teachers and the community.
- **What are your biggest instructional challenges?**
 - Math and writing are big challenges for our district, and science scores remain well below what we would like them to be.
 - In recent years we have dedicated considerable efforts to a review and update of our language arts curriculum, which resulted in the purchase of new instructional materials for grades k-5 and professional development for staff.
 - We are looking into our math program and if there might be a better set of materials for our teachers to use. This is a big undertaking and requires some research so we avoid the mistakes others occasionally make.
 - High turnover demands a greater commitment to professional development for all staff. In a 2-3 year period you could have no teacher trained in the use of specific materials and programs the district has committed to and if we don't change that, academic success will suffer..
- **What grade would you give your school district (A-F)?**
 - We are a district that gets a B or B-. We have high performing teachers and students and understand what the state standards require. We know we can always do better, and while we continue to meet the NCLB academic targets, when the required graduation rate jumped to 85% this year, we did not make that target.
 - In 2010 and 2011 a total of 3 students who did not graduate in 4 years came back to take the last parts of the graduation exam in the fall semester and they passed. That allowed them to earn their diplomas, but there is no credit given to the student or school for that success.
 - We know that every student, every parent, staff member, and community member wants every child to graduate and we will do better in this area. Our small numbers do mean that every single child represents about 10% in that calculation, so we must make sure every child is successful.
- **What are you proposing to do differently to improve student performance?**

- Continue the good things we are doing. The fact that 70-90% of our children are proficient in every academic area, is an indicator that many things we do, our families do, and our students do are working.
- Continue to raise the bar on rigor and implement a plan for most students to have the opportunity to qualify for the Governor's Performance Scholarship and to be better prepared for post secondary pursuits.
- We will be looking at more distance options and using those resources to implement programs for our highest performing students, and all others.
- **Is the state providing the kind of planning and curriculum support that is helpful to your school district?**
 - DEED is a much more regulatory and compliance agency then an agency that can provide supports in curriculum and planning.
 - In recent years a growing focus of their services has been to provide support for those districts and schools identified as the lowest performing, and thankfully, that is not an issue we are dealing with.
 - Our district typically turns to the Anchorage, Mat-Su, and Kenai districts for those supports as they have much more evolved and robust expertise in these areas.
 - We have sought federal grants for additional support in this area and it has been very helpful.
- **How can the DEED, the Board of Education or other state agencies help you achieve better results, other than just providing you with more money?**
 - Truly eliminate the items we regularly suggest are of no value, to us or the state- (ie the 70/30 requirements or waiver letters, a graduation exam that limits any individual students from earning a diploma, help families do a better job of parenting and getting their children to school and learning the importance of that basic skill by enforcing statutes on truancy and having law enforcement and courts fulfill their statutory obligations in this matter, etc)
 - Hold the university system accountable to a higher standard. If they are concerned about k-12 preparation, establish a standard of admission standards that goes beyond open enrollment so everyone understands the competitive world of today and tomorrow will require skills and training beyond high school.
 - Help to support the Department of Labor realize that teacher and administrative shortages in our rural areas are real concerns for the present and future. These shortages will only get worst if we don't take a serious look at what can be done to better invest in recruiting and support for those willing to accept that challenge.
- **How much ARRA funding did you receive over the past few years?**
 - Bristol Bay received just over \$120,000, which included both the ARRA and State Stabilization funding, and the Education Jobs dollars.
- **How did you invest any ARRA funds you received?**
 - We used the one-time ARRA funding for some of the professional development, instructional materials including some technology purchases, and other infrastructure needs we had set aside in recent years.

- Some of this money designated for special education needs allowed us to extend our related services agreements to include an additional visit or provide support for the related costs.
- We used the funds from the Ed Jobs to help offset increasing health costs and other benefits. At \$12,000, it was not enough money to save any position.

Cc Representative Bryce Edgmon

FY13 Preliminary Budget

Kodiak Island Borough School District



Luke Fulp
Chief Financial Officer
February 10, 2012



- 2,500 students
- 420 Employees
- 14 "Brick & Mortar" Schools
- 1 Correspondence Program
- 9 Communities
 - Kodiak (6 schools)
 - Akhiok
 - Chiniak
 - Danger Bay
 - Karluk
 - Larsen Bay
 - Old Harbor
 - Ouzinkie
 - Port Lions

KIBSD by the Numbers



Budget Assumptions



Revenue

- Enrollment will decline by 7 students
 - 2,512 Students
- Reduced funding from Kodiak Island Borough
- No increase to BSA
 - \$5,680
- No increase in pupil transportation funding

Expense

- No salary schedule increases
- 7.2% increase to health insurance
- Town Utilities
 - Power: \$0.18-0.20/KWH
 - Fuel: \$3.50/gallon
- 5% increase to property/general liab. insurance

What is known...

- The Governor's budget included no new increases for K-12 education
 - HB 273 (enacted in 2008): \$476,950 
 - HB 108 (energy funding): \$425,298 
- Salary costs will increase as a result of regular movement on the salary schedule

What is unknown...

- Whether or not assumptions will hold true
- The outcome of collective bargaining
- Level of funding from KIB and State of Alaska

Revenue v. Expense

With On-Behalf

Revenues:	
Local Revenue	\$ 9,901,850
State Revenue	32,071,043
Federal Revenue	2,077,000
Other	1,582,966
Total Revenue:	\$ 45,632,859
Expenses:	
Salaries	\$ 21,848,012
Benenfits	18,221,672
Utilities	4,285,197
Discretionary	4,793,500
Total Expenditures	\$ 49,148,381
Difference	\$ (3,515,522)

Without On-Behalf

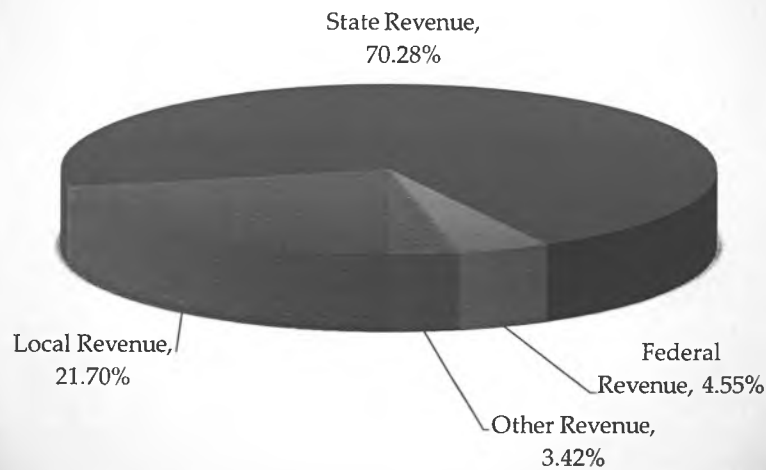
Revenues:	
Local Revenue	\$ 9,901,850
State Revenue	24,714,355
Federal Revenue	2,077,000
Other	1,582,966
Total Revenue:	\$ 38,276,171
Expenses:	
Salaries	\$ 21,848,012
Benenfits	10,864,984
Utilities	4,285,197
Discretionary	4,793,500
Total Expenditures	\$ 41,791,693
Difference	\$ (3,515,522)

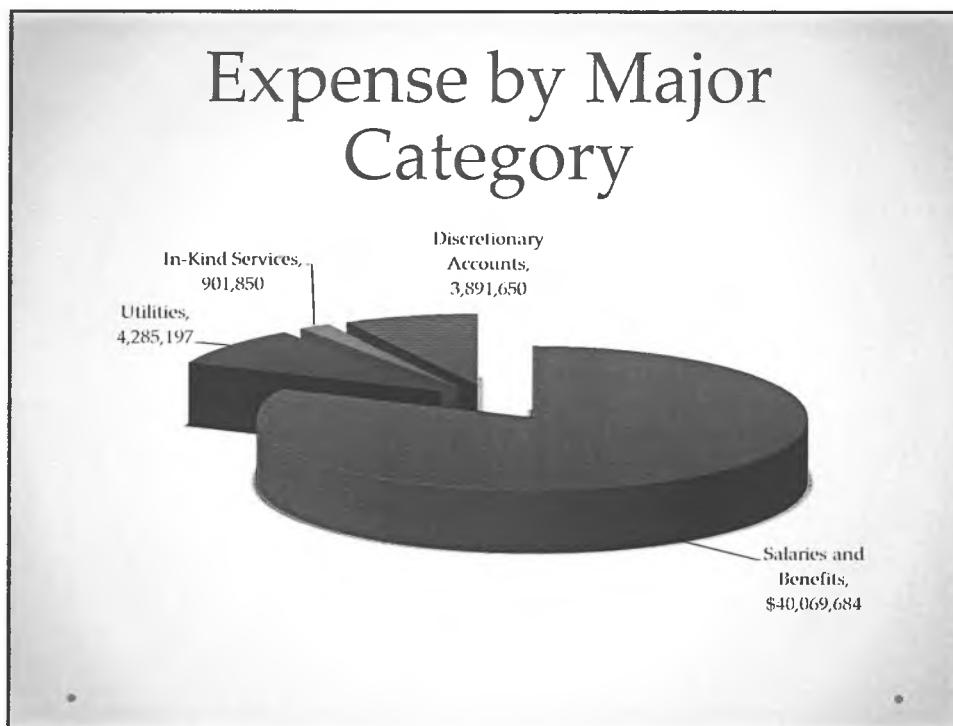
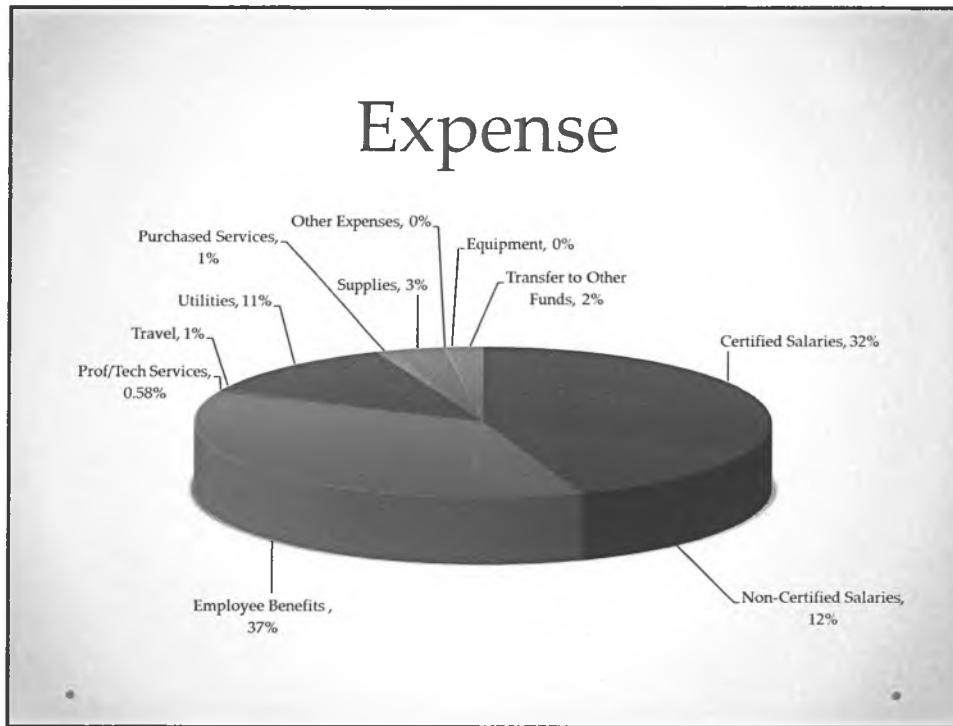
Deficit Contributing Factors...

Loss of one-time State aid	\$ 452,298
Reduced Local Funding	\$ 348,500
Elimination of ARRA Education Jobs Fund	\$ 346,488
Use of Fund Balance (reserves) last year	\$ 891,419
Salary increase due to movement	\$ 316,979
Health Insurance Increase of 7.2%	\$ 366,928
Increase in Transfer to Pupil Transportation	\$ 305,938
Increase in Worker's Comp	\$ 57,022
Increase in In-kind Services (property, general liability)	\$ 38,500
Utility Services	\$ 82,304
Other	\$ 309,146
	\$3,515,522

*HB108
Support FY12 position*

Revenue

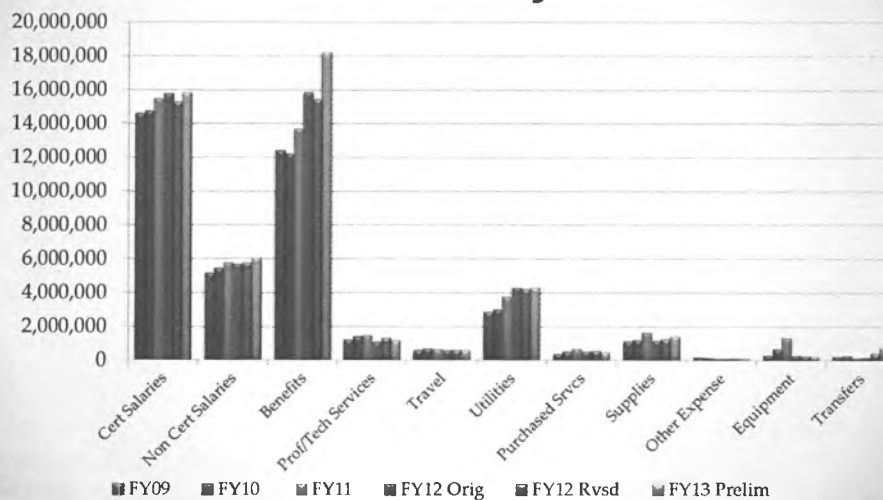




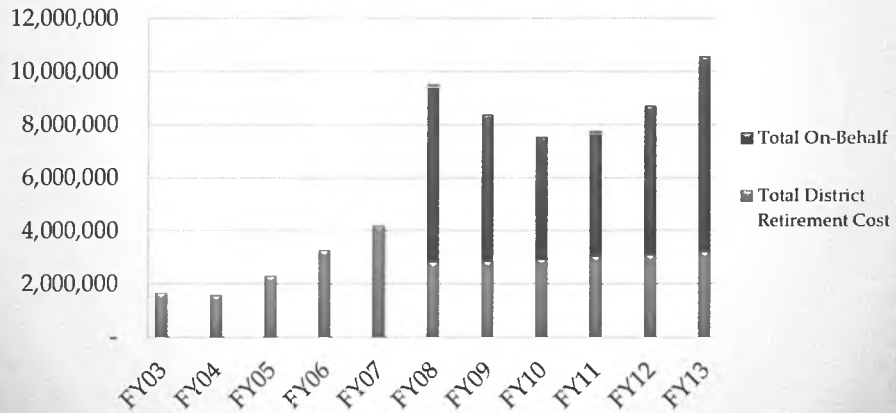
Employee Benefits

Benefit	Amount
Salary / Benefit Contingency	213,249
Health & Life Insurance	6,155,991
Unemployment Insurance	60,195
Worker's Compensation	336,482
FICA/Medicare Contribution	676,100
TRS	8,470,066
PERS	2,122,739
Other Employee Benefits	186,850
Total	18,221,672

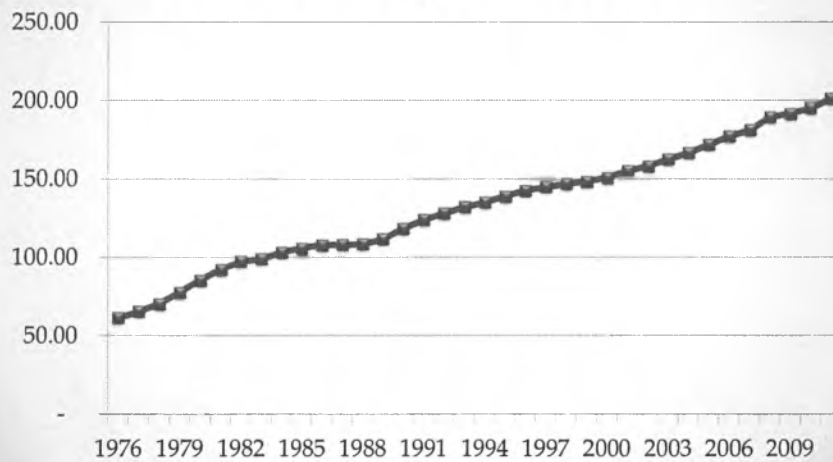
Expense by Object History



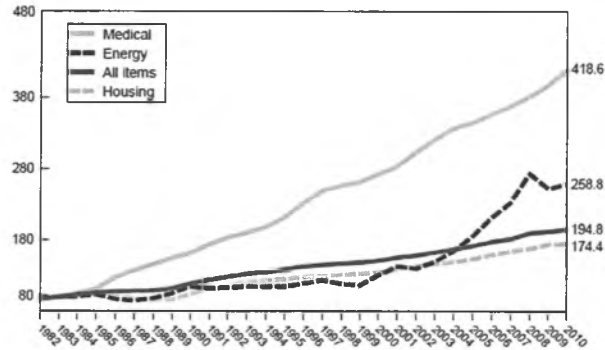
TRS/PERS History



Anchorage CPI-U



Selected Components of Anchorage CPI, 1982-2010¹

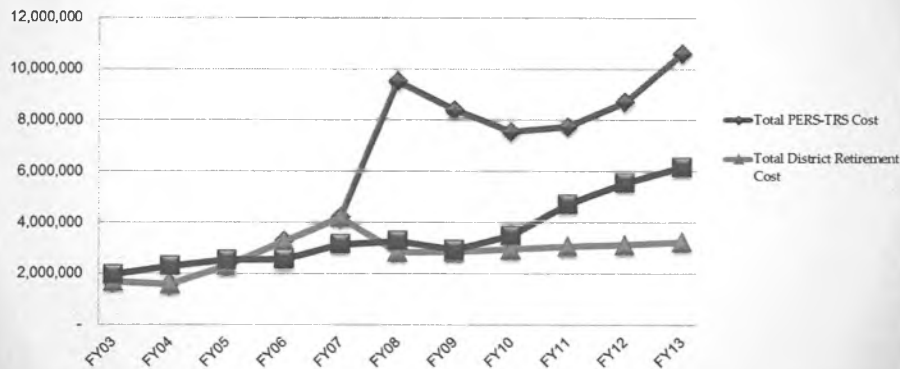


¹The CPI for 2010 is the percent increase in the index from the first half of 2009 to the first half of 2010. All of the other percentages are annual averages for 1982-2009.

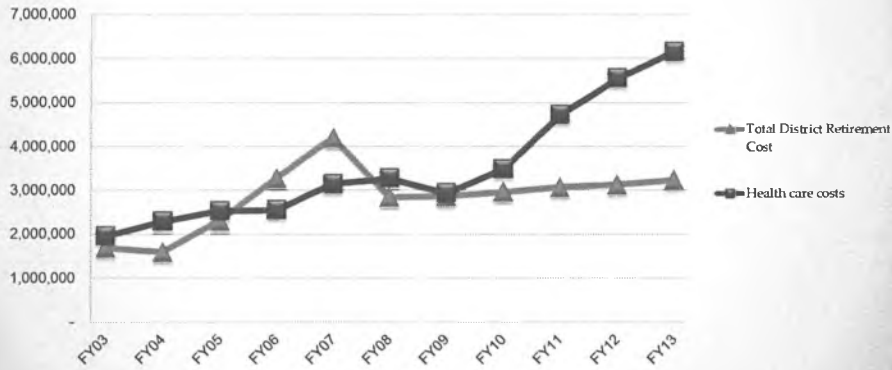
Source: U.S. Department of Labor, Bureau of Labor Statistics

N, F. (2010). The Cost of Living in Alaska. *Alaska Economic Trends*, 3-10.

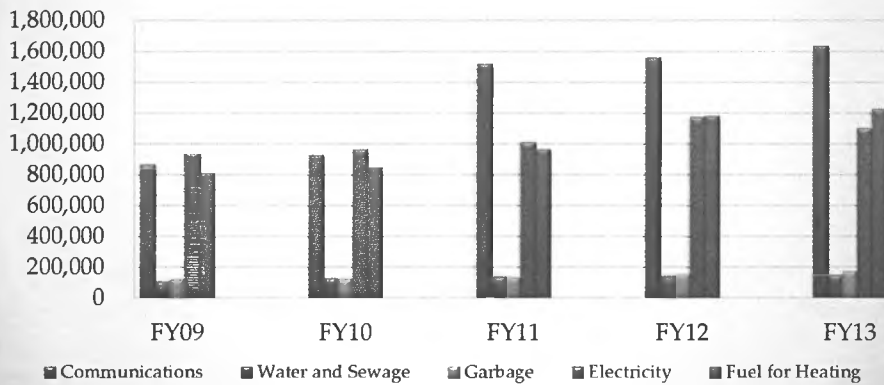
Major Benefits



Major Benefits Without On-Behalf

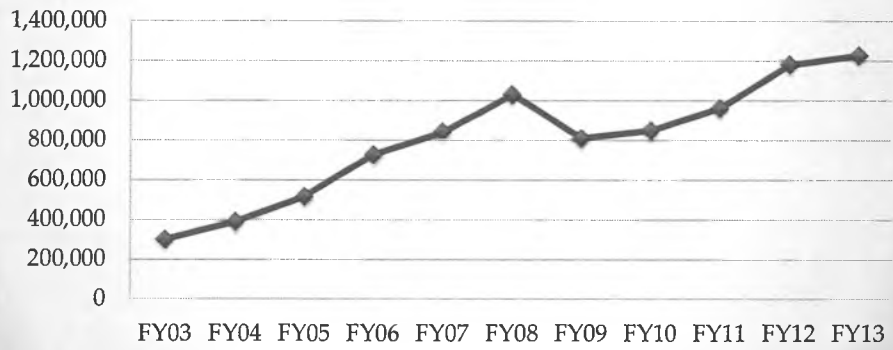


Historical Utilities Chart



Increase of broadband c-rate

Heating Fuel History



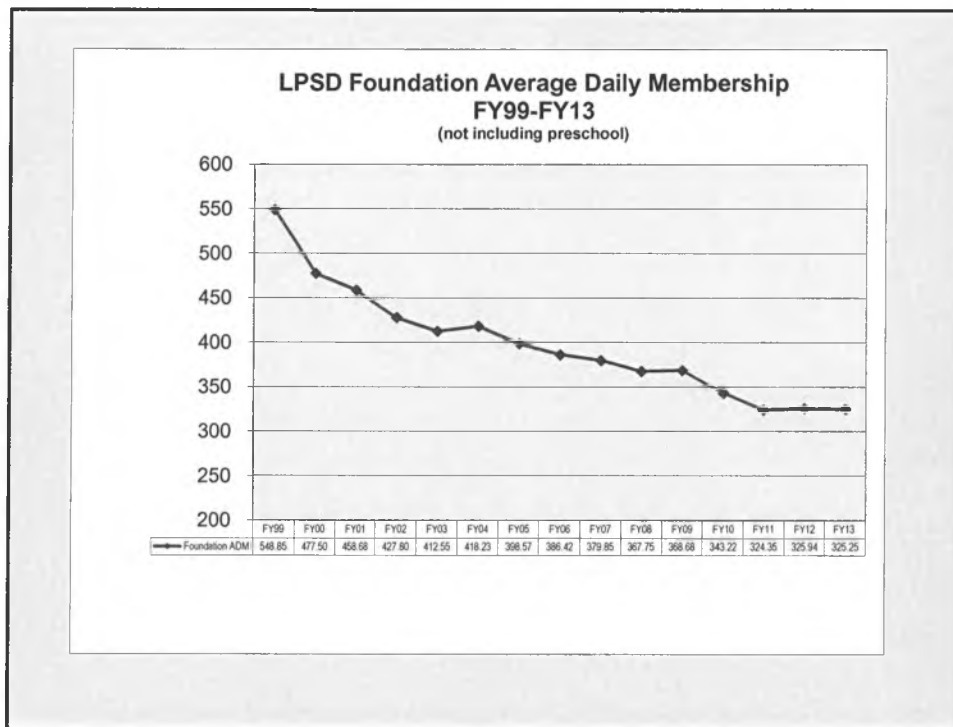
Presentation to House Education
Committee and House Finance Sub-
Committee for Education



February 10, 2012

LPSD Perspective

- Located on the Alaska Peninsula – LPSD operates 13 schools serving 14 communities
- LPSD covers 32,000 square miles
- Our communities are small and remote with school year access limited to air service at 13 locations
- Our community populations are declining as well as student enrollment



LPSD Student Achievement

LPSD implemented a Standards Based System in the 2000-2001 school year. While the process has had its share of ups and downs, 10 years later there is no ignoring the results.

Benchmark (proficient or advanced) Student Comparison							
	2005	2006	2007	2008	2009	2010	2011
% Benchmark in Math	33%	34.7%	46.3%	48.5%	58.4%	66.8%	67.7%
% Benchmark in Reading	55.1%	60.9%	67.8%	66.1%	67.3%	75.5%	71%
% Benchmark in Writing	46.1%	54.1%	51.1%	56.2%	62.1%	67.6%	69.4%

What are the factors creating our student success?

Individual education plans as part of the standards based system

Recruitment and retention of quality teachers – in 2010 LPSD implemented a longevity bonus for teachers

Targeted professional development and research-based curriculum

Early literacy programs distribute age appropriate books to children from birth – 3 years of age

Literacy coaches providing classroom instructional support

Certified tutors providing intensive individual instruction for students

Revenue Assumptions:

- No Base Student Allocation Increase
- Federal Impact Aid program – expected 8-10% reduction
- Increase in Borough funding due to increase in property valuation
- ISER increase from 1.941 to 1.994
- Hold Harmless – 5% reduction in student count from FY11 at final level of 25%
- Reduction in Federal grant funds and grants ending
- E-rate overall funding decreasing from 86% to 81%
- PERS on-behalf increase from 8.76% to 13.84%
- TRS on-behalf increase from 30.05% to 40.11%

THE LAKE AND PENINSULA SCHOOL DISTRICT
Revenue By Source

	Budgeted	Projected	Change
	2011-2012	2012-2013	
Borough Appropriation	1,028,792	1,172,513	143,721
Local Revenue	265,617	265,617	0
State Foundation	8,964,776	8,856,865	(107,911)
One-time Energy Funding	139,321	0	(139,321)
Federal - Impact Aid & ERATE	2,952,079	2,698,886	(253,193)
	<u>13,350,585</u>	<u>12,993,881</u>	<u>(356,704)</u>

Reduction in general fund revenue: \$356,704

Reduction in federal grant revenues: \$873,925

Overall Program shortfall for FY13: \$844,387

THE LAKE AND PENINSULA SCHOOL DISTRICT
Expenditures by Function

	Budgeted		Projected	Change
	2011-2012	2012-2013		
GENERAL INSTRUCTION	4,649,766	4,579,502		(70,264)
SPECIAL EDUCATION	910,607	940,300		29,693
SPECIAL ED-SUPPORT SERV.	106,652	119,150		12,498
SUPPORT SERVICES-PUPILS	99,280	200,500		101,220
SUPPORT SERV.-INSTRUCTION	1,385,550	1,652,255		266,705
SCHOOL ADMINISTRATION	727,570	722,400		(5,170)
SCHOOL ADMIN SUPPORT	51,550	53,650		2,100
BOARD & ADMINISTRATION	610,577	616,519		5,942
DISTRICT ADMIN SUPPORT SERV.	464,450	500,792		36,342
MAINTENANCE	3,010,250	3,221,000		210,750
PUPIL ACTIVITIES	404,600	482,200		77,600
TRANSFERS	791,110	750,000		(41,110)
TOTAL BUDGETED	13,211,962	13,838,268		626,306

Our shortfall is a result of:

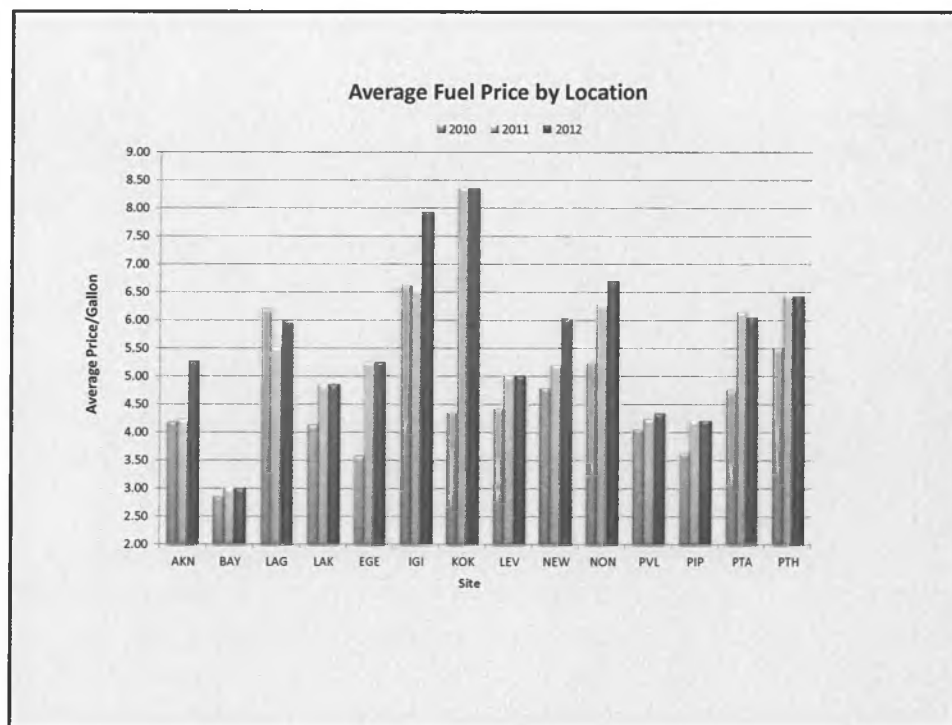
- Expected reduction in impact aid
- No anticipated increase in BSA
- Continued increase in utility and energy costs
- Expected loss of FY12 one-time energy funding
- Expiring federal grant dollars
- Increase in general transportation and postal expenses for transporting staff and materials

Planned cost saving measures:

- Explore outsourcing food service
- Reduce principals: 5 FTE to 4
- Reduce teachers: 5.26 FTE from 48 to 43.74
- Reading Coaches: 1.5 FTE from 2.64 to .5
- Eliminate district counselors: 2 FTE
- Reduce supplies & materials: \$100,000
- Reduce travel of district iterant staff
- Reduce professional development travel

Major Budget Impacts:

- Utility and energy costs are increasing at staggering rates despite efficiency measures; costs continue to increase in spite of reduced usage
- Electricity costs in FY12 have increased on average \$0.10 per kilowatt hour over FY11 increasing electricity costs by \$129,400
- Fuel prices continue to rise and ranging from \$2.99 to \$8.00



LPSD Reality:

- LPSD has reduced administrative and maintenance positions over the last few years and worked to increase efficiencies in energy usage and travel.
- The fact remains that we cannot keep pace with the general inflationary costs any longer without cutting classroom staff and reducing educational programs resulting in fewer opportunities for our students.

- LPSD strives to operate as effectively as possible and absorb budget reductions in non-instructional areas. However, with anticipated reductions necessary for FY13, the core of our instructional program will be impacted.

Thank you for this opportunity to share our budget information and our specific circumstances related to educating our students.

Laura Hylton, Business Manager
Lake and Peninsula School District
lhylton@lpsd.com 907 246-4280 x310

Sitka School District



FY2013 Preliminary Operating Budget

Stat Sheet

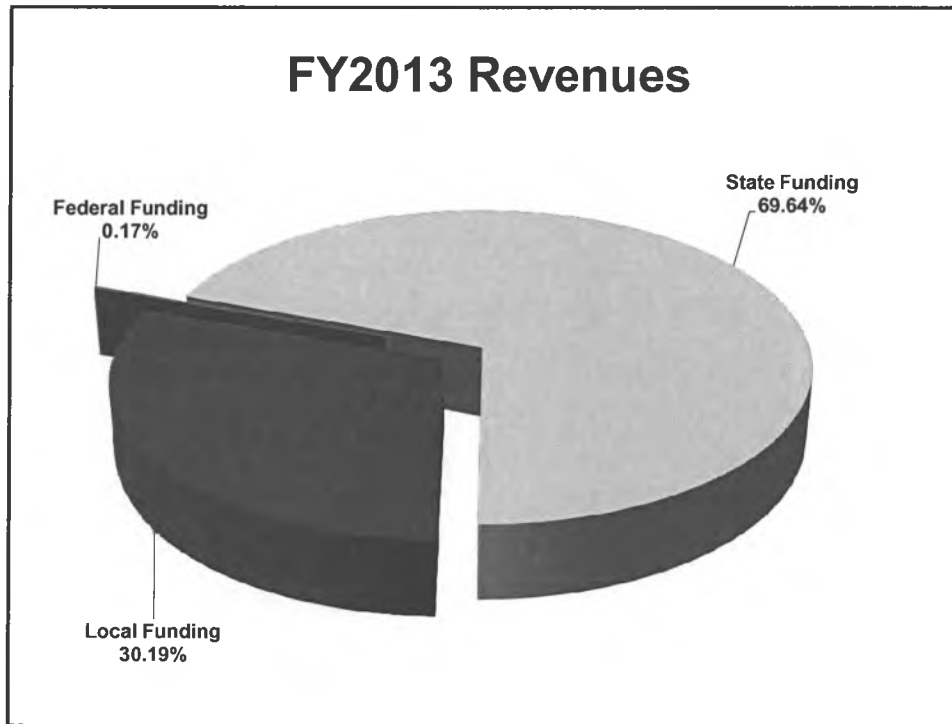
- Located in the City and Borough of Sitka
- Major Industries are
 - Commercial fishing
 - Tourism
 - Health care
 - Education
 - Government agencies
- Not on the Road System
- Population 8800 (flat since 2000)
- 1,306 full time students
- 200 approximate full time equivalent employees
- 5 Schools (all on the island)

**2009-2011 Actual, 2012 Budgeted,
2013 Projected Revenues**

	2009 Actual	2010 Actual	2011 Actual	2012 Budgeted	2013 Projected
State Funding	9,782,286	10,531,615	11,207,721	12,303,659	11,964,276
Local Funding	5,639,242	5,574,495	5,243,359	5,186,975	5,186,975
Federal Funding	<u>880,149</u>	<u>758,673</u>	<u>612,382</u>	<u>547,912</u>	<u>30,000</u>
Total Revenue	16,301,677	16,864,783	17,063,462	18,038,546	17,181,251

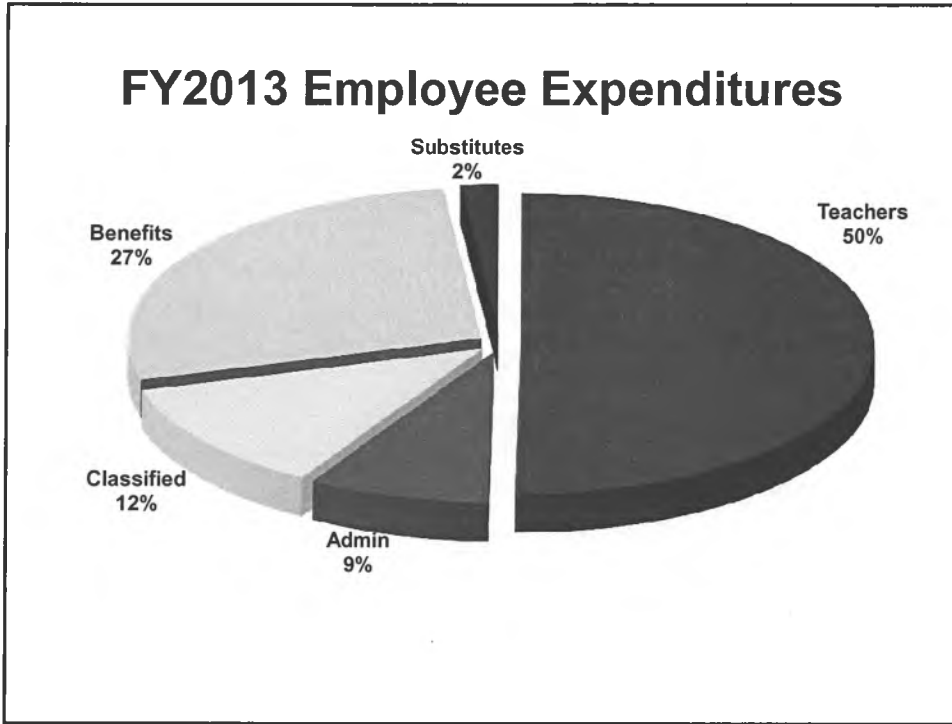
**2009-2011 Actual, 2012 Budgeted,
2013 Projected Revenues**

	2009 Actual	2010 Actual	2011 Actual	2012 Budgeted	2013 Projected
State Funding	9,782,286	10,531,615	11,207,721	12,303,659	11,964,276
Local Funding	5,639,242	5,574,495	5,243,359	5,186,975	5,186,975
Federal Funding	<u>880,149</u>	<u>758,673</u>	<u>612,382</u>	<u>547,912</u>	<u>30,000</u>
Total Revenue	16,301,677	16,864,783	17,063,462	18,038,546	17,181,251



2009-2011 Actual, 2012 Budgeted, 2013 Projected Employee Expense

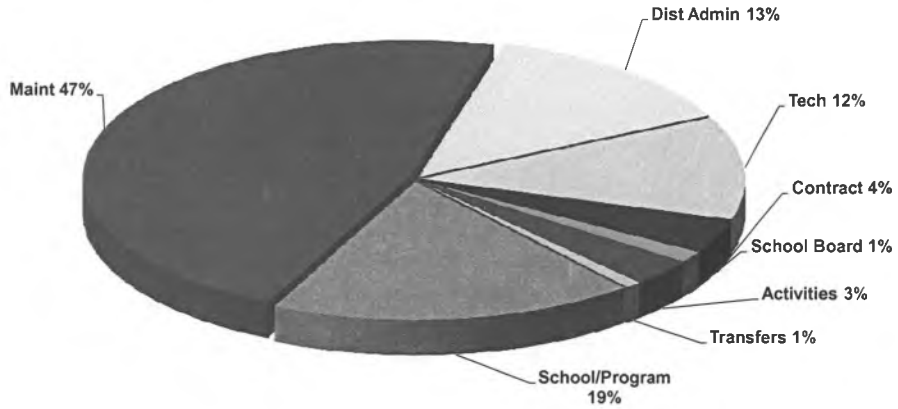
	2009 Actual	2010 Actual	2011 Actual	2012 Budgeted	2013 Projected
Teachers	6,889,428	6,994,244	7,073,743	7,279,546	7,480,163
Admin	1,143,425	1,179,233	1,189,750	1,280,020	1,315,380
Classified	1,520,549	1,595,109	1,594,084	1,780,167	1,848,785
Benefits	3,405,614	3,301,592	3,491,650	3,942,498	3,989,053
Substitutes	<u>257,700</u>	<u>350,007</u>	<u>386,191</u>	<u>335,000</u>	<u>308,000</u>
Total Expense	13,216,716	13,420,185	13,735,418	14,617,231	14,941,381



2009-2011 Actual, 2012 Budgeted, 2013 Projected Non Employee Expense

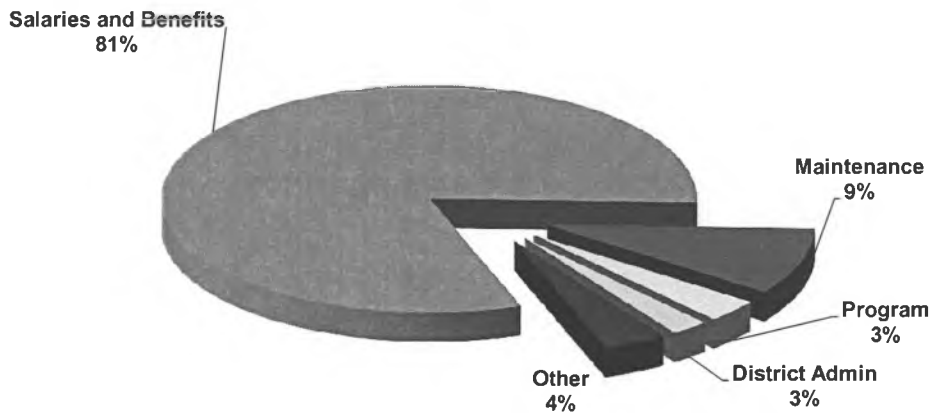
	2009 Actual	2010 Actual	2011 Actual	2012 Budgeted	2013 <i>Projected</i>
Maintenance	1,474,380	1,535,155	1,518,992	1,583,716	1,664,660
School/Program	505,561	795,913	684,798	649,998	647,595
Dist. Admin	303,089	304,697	360,585	518,181	466,803
Technology	52,543	104,501	324,982	394,200	427,200
Contract Svcs	69,257	81,403	74,951	157,700	138,100
School Board	33,401	41,946	37,327	57,100	47,100
Activities	116,180	147,843	166,164	158,645	111,402
Transfers	<u>260,405</u>	<u>247,705</u>	<u>171,953</u>	<u>53,000</u>	<u>28,000</u>
Total Non-Emp Expense	2,814,816	3,259,163	3,339,752	3,572,530	3,530,860

FY2013 Non-Employee Expenditures



4500,000 (400,000 from comm.)

FY2013 Total Expenditures



FY2013 Summary

Revenues	17,181,251
Employee Expenditures	14,941,382
Non-Employee Expenditures	<u>3,530,860</u>
Total Expenditures	<u>18,472,242</u>
Surplus/(Deficit)	(1,290,991)
June 30, 2012 Fund Balance (est)	1,211,261

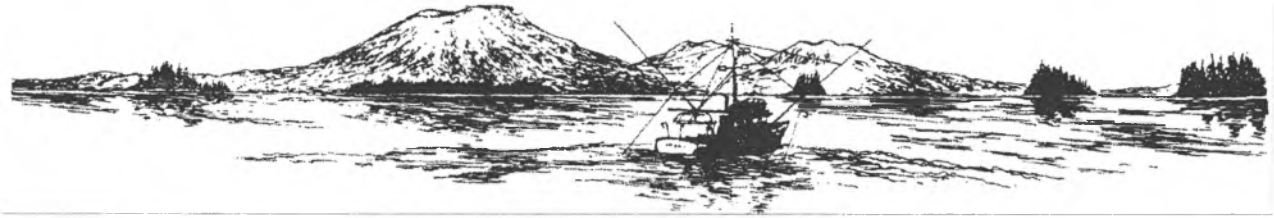
FY2013 Count Impact and Budget Estimates

February 6, 2012

<i>Estimated Number of Students</i>	FY2011-2012 1306	FY2012-2013 1295	Difference -11
Revenues			
2013 City/Boro Appropriation	5,026,975	5,026,975	0
Misc Local Revenue	30,000	30,000	0
E-Rate	130,000	130,000	0
Quality Schools	43,883	43,720	-163
HB108 Allocation	220,639	0	-220,639
Foundation	12,039,137	11,920,556	-118,581
Impact Aid	30,000	30,000	0
Federal Secure Rural Schools	517,912	0	-517,912
Total Revenues	18,038,546	17,181,251	-857,295
Expenditures			
Salaries and Wages	10,674,733	10,952,329	277,596
Benefits	3,942,498	3,989,053	46,555
Maintenance	1,583,716	1,664,660	80,944
School/Program	649,988	647,595	-2,393
District Administration	518,181	466,803	-51,378
Technology	394,200	427,200	33,000
Prof/Tech/Contract Services	157,700	138,100	-19,600
School Board	57,100	47,100	-10,000
Student Activities	158,645	111,402	-47,243
Transfers Out	53,000	28,000	-25,000
Total Expenditures	18,189,761	18,472,242	282,481
Total Gain/(Loss)	-151,215	-1,290,991	

Thank You!

Sitka School District



Stat Sheet

Compiled and Presented By: David Arp, Business Manager

Community Facts:

- 5th largest city in Alaska
- Population in the 8,800's since 2000
- Located on the outer coast of Baranof Island, in Southeast Alaska
- Major Industries:
 - Commercial fishing and fish processing
 - Tourism
 - Health care
 - Education
 - Government agencies
- Serviced by both Alaska Airlines and the Alaska Marine Highway System
 - No roads on/off the island

District Facts:

- 1,306 full time students
- Approximately 200 full time equivalent employees
- 6 volunteer School Board Members, including 1 voting student member
- 7 District Buildings (all located within 5 miles of each other)
 - 5 School Buildings
 - Baranof Elementary
 - Also houses the District REACH home school program
 - Keet Gooshi Heen Elementary
 - Blatchley Middle School
 - Sitka High School
 - Pacific High School
 - 2 Non-School Buildings
 - Community Performing Arts Center
 - Southeast Alaska Career Center
- The District also oversees the local Community Schools, AmeriCorp, 21st Century Learning Center, Community Recycling, and after school Ventures programs

If you would like more information about the Sitka School District you can visit our website at

www.sitkaschools.org

FY2013 Count Impact and Budget Estimates

February 10, 2012

<i>Estimated Number of Students</i>		FY2011-2012 <i>1306</i>	FY2012-2013 <i>1295</i>	Difference <i>-11</i>
Revenues				
A	2013 City/Boro Appropriation	5,026,975	5,026,975	0
B	Misc Local Revenue	30,000	30,000	0
C	E-Rate	130,000	130,000	0
D	Quality Schools	43,883	43,720	-163
E	HB108 Allocation	220,639	0	-220,639
F	Foundation	12,039,137	11,920,556	-118,581
G	Impact Aid	30,000	30,000	0
H	Federal Secure Rural Schools	517,912	0	-517,912
	Total Revenues	18,038,546	17,181,251	-857,295
Expenditures				
I	Salaries and Wages	10,674,733	10,952,329	277,596
J	Benefits	3,942,498	3,989,053	46,555
K	Maintenance	1,583,716	1,664,660	80,944
L	School/Program	649,988	647,595	-2,393
	District Administration	518,181	466,803	-51,378
M	Technology	394,200	427,200	33,000
	Prof/Tech/Contract Services	157,700	138,100	-19,600
	School Board	57,100	47,100	-10,000
N	Student Activities	158,645	111,402	-47,243
	Transfers Out	53,000	28,000	-25,000
	Total Expenditures	18,189,761	18,472,242	282,481
	Total Gain/(Loss)	-151,215	-1,290,991	

Assumptions:

Revenues:

- A City and Borough Appropriation remains unchanged from FY2012 to FY2013
- B Misc Local Revenue remains unchanged from FY2012 to FY2013
- C E-Rate reimbursement remains unchanged from FY2012 to FY2013
- D Quality Schools is adjusted to reflect the decrease in enrollment, 34 intensive students, and the final ISER increase
- E State of AK HB108 Allocation is reduced to zero assuming it will not be reauthorized
- F Foundation is adjusted to reflect the decrease in enrollment, 34 intensive students, and the final ISER increase
- G Federal Impact Aid remains unchanged from FY2012 to FY2013
- H Federal Secure Rural Schools funding is reduced to zero assuming it will not be reauthorized

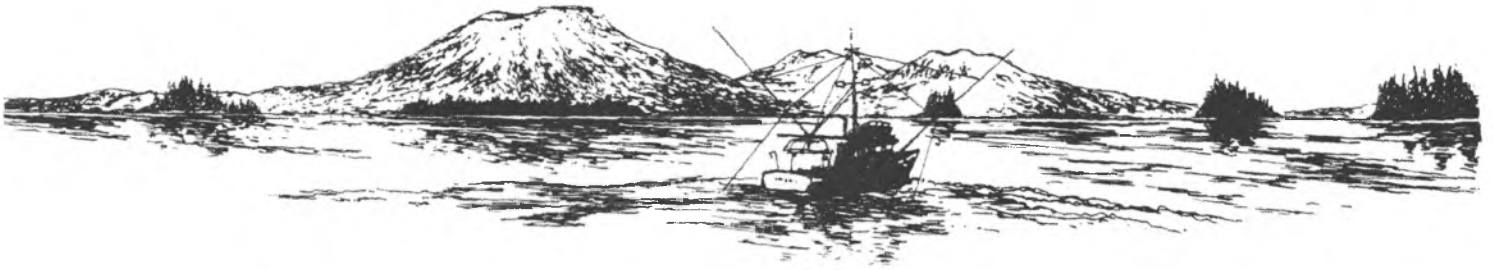
Expenditures:

- I Salaries are adjusted to account for current employees rolled into the FY2013 negotiated agreement scales.
- J Health Insurance premiums remain unchanged from FY2012 to FY2013. Workers Compensation Insurance is increased by 12.5% and all others insurances (non-health) are increased by 2.5% based on estimates from agents
- K Heating fuel costs are increased by \$20,000 as fuel prices are currently forecasted to drop in FY2013. The increase is from the anticipation of using more diesel fuel vs. heating electricity. Electricity is increased by \$15,035 to prepare for anticipated increases from the City Electric Department. The custodial contract is increased by 5% from FY2012
- L School and Program discretionary budgets remain unchanged from FY2012 to FY2013
- M Technology includes a \$75,000 increase to continue the School Board's 5 year plan
- N Activities budgets are set at the FY2012 budget process level (reduced by \$50,000 from FY2011)

Note: The \$1.29MM anticipated deficit for FY2013 equates to 14.26 full time certified teaching positions

SITKA SCHOOL DISTRICT

PRELIMINARY FY2013 OPERATING BUDGET



Staff Hearing

Sitka High Performing Arts Center
Wednesday, January 25 @ 3:45PM

Community Hearing

Keet Gooshi Heen Multi-Purpose Room
Thursday, February 9 @ 7:00PM

Budget Work Session

District Office Board Room
Thursday, March 8 @ 7:00PM

Final Budget Hearing

District Office Board Room
Monday, March 19 @ 7:00PM

**SITKA SCHOOL DISTRICT
FY2013 PRELIMINARY BUDGET
ASSUMPTIONS**

Revenue Elements include:

- Full Time Enrollment decreases from 1306 to 1295
 - 34 Intensive Needs Students (down from 37 in FY12)
 - 30 Correspondence Students
 - 8 Raven's Way Students

- The Foundation formula:
 - BSA = Remains at \$5,680
 - ISER Multiplier = Increases from 1.173 to 1.195

- The annual City and Borough appropriation remains flat - \$5,460,734
 - Operational Funding 5,026,975
 - Pool Operations 44,529
 - Pool Utilities 77,147
 - Community Schools Janitorial 29,067
 - Community Schools Appropriation 150,796
 - Student Activity Travel/Intramural 132,220

- Secure Rural Schools funding and HB108 are reduced to zero in anticipation that they will not be reauthorized

- ERate will remain \$130,000, Miscellaneous Revenue and Impact Aid Revenue will both remain at \$30,000

Expense Elements include:

- 3 paraprofessional positions reduced to offset the assumed reduction in intensive needs students. All other current Full Time Employee levels remain unchanged

- Salaries and wages roll up to FY2013 negotiated agreement levels

- Benefits:
 - Health Insurance does not increase
 - Workers Compensation Insurance increases by 12.5%
 - TRS (12.56%), PERS (22%), FICA (1.45%), SBS (6.13%) all remain unchanged

- Property/Liability/D&O Insurances are increased by 2.5%.

- Utilities:
 - Heating Fuel increases by \$20,000 and Electricity increases by \$15,035
 - Water/Sewage/Garbage, Communications, Electric and Other Utilities are equal to the FY2012 revised budget

- Special Education contract services increase by \$20,000 due to an increased need of speech/language and physical therapy specialists, all other School and Program budgets remain unchanged

- Custodial contract increases by 5%

- Indirect Cost Rate will increase from 3.59% to 5.37%

- Technology is increased by \$75,000 to continue the 5 year funding plan

Fund Balance Elements include:

- \$500,000 transferred out of unreserved fund balance to reduce the initial deficit per School Board approval

Explanation of the revenue categories as presented in the budget:

State Funding

Foundation – The formula appropriation of State funding for school districts based on enrollment

School Improvement Grant – State grant based on enrollment – will not be receiving in FY2013

Energy Relief – State grant to assist with energy costs – will not be receiving in FY2013

Quality Schools Grant – State funds, based on enrollment, to be used for professional development

HB 108 Allocation – A one-time revenue sharing appropriation from the State out of their operating budget for communities and school districts – will not be receiving in FY2013

Miscellaneous State Revenue – Reimbursements from the State for various expenditures – do not anticipate receiving in FY2013

ISER – State funding formula that allocates a cost factor into the Foundation formula – included in the Foundation for FY2013

Local Funding

Borough Appropriation – Local support for from the City and Borough for education

Miscellaneous – Refunds from previous years, COBRA insurance payments, restitution payments, reconciliation adjustments, other local revenue

E Rate Revenue – The discounted refund of telecommunications and internet access fees

Federal Funding

Title VIII Impact Aid – Federal Impact Aid paid to districts for the impact that Federal property has on local property tax of the community

Secure Rural Schools – Federal funds to communities to support schools and roads

Medicaid – Funds for District provided services which are reimbursed by Medicaid – do not anticipate receiving in FY2013

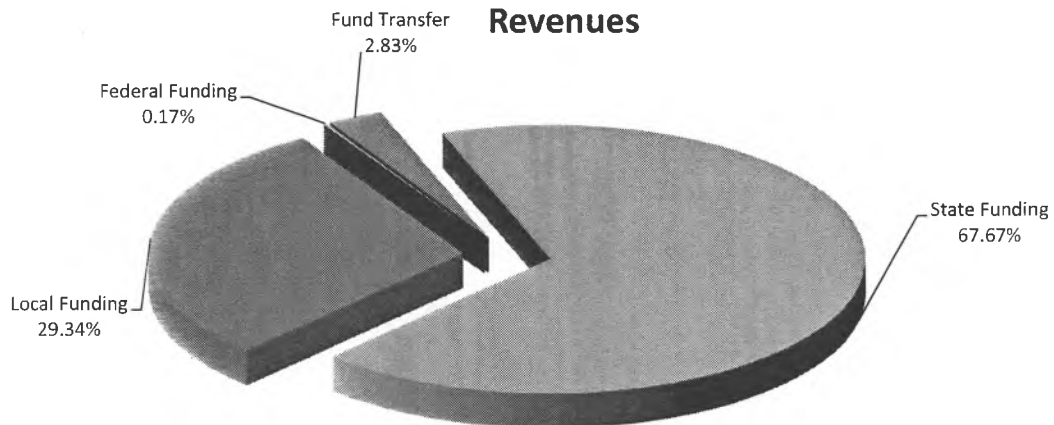
Fund Balance

Fund Transfers – Operating Account Fund Balance funds the Board has approved in advance to be used to balance the budget

**SITKA SCHOOL DISTRICT
OPERATING BUDGET
2008-2011 Actuals, 2012 Revised
2013 PROJECTED**

Revenues

	2008 Actual Revenue	2009 Actual Revenue	2010 Actual Revenue	2011 Actual Revenue	2012 First Revision	2013 Projected Revenue
Students (Foundation Count)	1,366	1,309	1,309	1,291	1,306	1,295
State Funding						
Foundation	8,421,036	9,741,669	10,491,138	11,165,994	12,039,137	11,920,556
School Improvement Grant	235,522	0	0	0	0	0
Energy Relief	216,098	0	0	0	0	0
Quality Schools Grant	34,576	38,428	40,477	41,727	43,883	43,720
HB 108 Allocation	0	0	0	0	220,639	0
Misc State Revenue	0	2,189	0	0	0	0
Iser (in Foundation 10, 11, 12 & 13)	1,083,948	0	0	0	0	0
Total State Funding	9,991,180	9,782,286	10,531,615	11,207,721	12,303,659	11,964,276
Local Funding						
Borough Appropriation	5,338,751	5,498,913	5,439,582	5,138,459	5,026,975	5,026,975
Miscellaneous	19,024	52,951	19,250	23,824	30,000	30,000
E-Rate Revenue	32,457	87,378	115,663	81,076	130,000	130,000
Total Local Funding	5,390,232	5,639,242	5,574,495	5,243,359	5,186,975	5,186,975
Federal Funding						
Impact Aid	39,712	53,612	29,873	36,925	30,000	30,000
Secure Rural Schools	525,767	809,778	728,800	575,457	517,912	0
Medicaid	49,249	16,759	0	0	0	0
Total Federal Funding	614,728	880,149	758,673	612,382	547,912	30,000
Total Revenues	15,996,140	16,301,677	16,864,783	17,063,462	18,038,546	17,181,251
Fund Transfers	19,911	0	87,000	31,498	151,215	500,000
Total Revenues and Transfers	16,016,051	16,301,677	16,951,783	17,094,960	18,189,761	17,681,251
Fund Balance - End of Year	800,106	1,070,250	1,342,683	1,362,476	1,211,261	711,261



Explanation of the employee expense categories as presented in the budget:

Teachers' and Coaches' Salaries

Teachers Salaries – Salaries and extra duty contracts for all non-administrative, certified staff (Teachers, Special Ed Teachers, Librarians, Counselors, Therapists, etc)

Coaching Contracts – Extra duty contracts paid to activities coaches

Administrators Salaries

Superintendent & Asst Superintendent – Salaries for the Superintendent and Assistant Superintendent

Certified Administrators – Salaries for the Special Education Director, School Principals, and Assistant Principals

Non-Certified Administrators – Salaries for the Business Manager, Maintenance Director, Information Technology Director, and Cultural Program Director

Classified Staff Wages

Accounting & Secretarial – Wages for the Accounting and Secretarial staff

Paraprofessionals – Wages for Paraprofessionals

Maintenance – Wages for Maintenance staff

Benefits

Health Insurance and Physicals – The District's portion of health insurance charges and reimbursements to employees for mandatory physicals

TRS/PERS/SBS/FICA – The District's portion for retirement and taxes; TRS (12.56%), PERS (22%), SBS (6.13%), and FICAMED (1.45%)

Workers Compensation – Premiums paid for Workers Compensation insurance

Unemployment Insurance – Premiums paid for unemployment insurance

Substitutes – Wages paid to all certified and non-certified substitutes

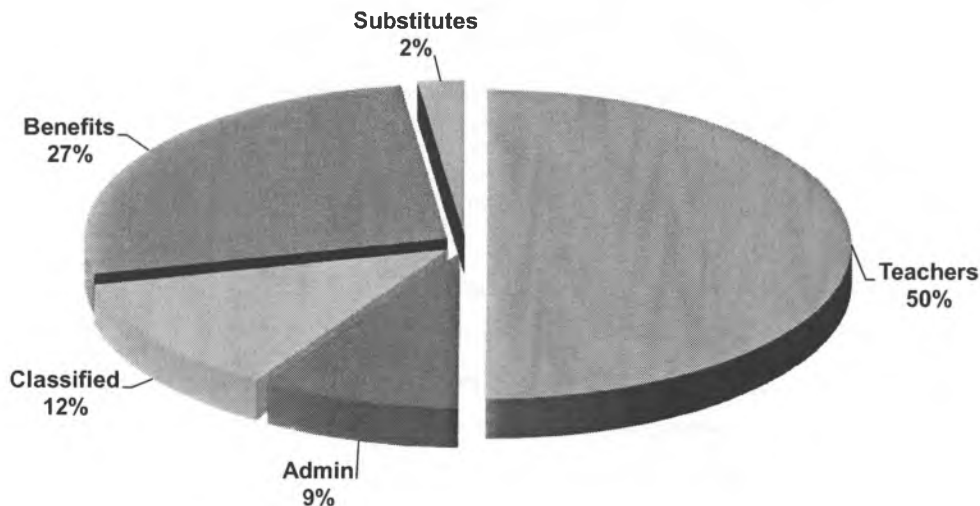
Salary Adjustments – Money set aside for certified employee lane changes and end of year leave buyouts

**SITKA SCHOOL DISTRICT
OPERATING BUDGET
2008-2011 Actuals, 2012 Revised
2013 Projected**

Employee Expenditures

	2008 Actual Expense	2009 Actual Expense	2010 Actual Expense	2011 Actual Expense	2012 First Revision	2013 Projected Expense
Teachers' And Coaches' Salaries						
Teachers	6,889,606	6,772,432	6,880,437	6,966,254	7,166,548	7,292,165
Coaching Contracts	111,065	116,996	113,807	107,489	112,998	112,998
Total Teachers and Coaches	7,000,671	6,889,428	6,994,244	7,073,743	7,279,546	7,405,163
Administrators' Salaries						
Superintendent & Asst Super	199,100	209,192	224,170	211,475	221,631	227,974
Certified Administrators	683,179	724,852	737,909	694,412	750,730	772,634
Non-Certified Administrators	207,793	209,381	217,154	283,863	307,659	314,772
Total Administrators	1,090,072	1,143,425	1,179,233	1,189,750	1,280,020	1,315,380
Classified Staff Wages						
Accounting & Secretarial	562,101	634,224	641,804	659,559	657,980	680,543
Paraprofessionals	596,739	683,325	721,572	717,707	904,435	943,344
Maintenance	190,213	203,000	231,733	216,818	217,752	224,897
Total Classified Staff	1,349,053	1,520,549	1,595,109	1,594,084	1,780,167	1,848,785
Benefits						
Health Insurance and Physicals	1,532,302	1,663,541	1,490,716	1,780,733	2,018,350	1,998,350
TRS/PERS/SBS/FICA	1,552,250	1,604,250	1,649,229	1,562,073	1,795,722	1,848,100
Workers Compensation Insurance	159,213	135,000	144,760	133,144	113,425	127,603
Unemployment Insurance	4,413	2,823	16,887	15,700	15,000	15,000
Total Benefits	3,248,178	3,405,614	3,301,592	3,491,650	3,942,498	3,989,053
Substitutes	214,013	257,700	350,007	386,191	335,000	308,000
Salary Adjustments						75,000
Total Employee Costs	12,901,987	13,216,716	13,420,185	13,735,418	14,617,231	14,941,382

Employee Expenditures



Explanation of the non-employee expense categories as presented in the budget:

School and Program Budgets

Baranof, Keet Gooshi Heen, Blatchley, Sitka High, Pacific High – Discretionary funds allocated to each school

REACH – Materials, curriculum, textbooks, and equipment for the District operated correspondence program

Special Education – Expenditures for contracted services, supplies, equipment, and travel for the District's regular special education program and the summer ESY program

Library Discretionary – Funds allocated to the District libraries for discretionary purchases. One time allocation in FY2010, do not anticipate a recurring expenditure in FY2013

Cultural Program Discretionary – Funds allocated to the District cultural program for discretionary purchases

Maintenance

Supplies – Funds for general maintenance, services, supplies, gasoline, and equipment for the District

Property Insurance – Premiums paid for property insurance

Utilities – Electric, Heating Fuel and Heating Electric, Water/Sewage/Gas, and other utility services

Custodial Contract – Fees paid to NANA Corporation for contract custodial services

District Administration

Travel/Professional Development – Expenditures for District approved travel and Staff Professional Development

Telephone/Communication – Charges for communications including phones and network services

Liability Insurance & Bonding – Premiums for Directors and Officers and the Errors and Omissions policies

Legal Settlement – Fees for resolving legal disputes, none since FY2007

Audit/Legal Fees – General legal consultation fees and expenses associated with the annual audit

Health Services – Equipment and supplies for the District Nurse and charges associated with wellness plan

Districtwide Programming and Supplies – Fees for financial software support, postage, copier maintenance, professional association dues, testing supplies, etc required for general District operations

Indirect Cost Rate Revenue – Revenue generated by the Federal Programs Indirect Cost rate

- *Technically a revenue but the State requires that it is represented as a negative expense*

Technology – Services (anti-virus, firewall, etc), supplies, and equipment funds for technology

Professional/Technical Contract Services – Expenses for professional services used by the District.

Examples are: Cold Water Survival, CPI Common Remitter Services (403b), Library Network (OCLC), First Aid training, Strategic Planning, Improvement Instruction, Schoolmaster/Pinnacle/Phonemaster fees

School Board – Expenses associated with the operations of the Board and Board Meetings

Examples are: Board travel expenses, fees for media services, advertising, and legal notices

Student Activities – These are District expenditures directed to sporting programs and athletic association membership fees, also included here are the charges for the auditorium management company

Transfers

SNEP – The District's annual allocation to support the Sitka Native Education Program

AmeriCorp – Transfers to the Community Schools operated AmeriCorp program, none anticipated in FY2013

Community Schools – Transfers to the Community Schools Program, none anticipated in FY2013

Pool – Transfers to operate and maintain the Blatchley pool, none anticipated in FY2013

Ventures – Transfers to the Community Schools operated before and after school latch key program, none anticipated in FY2013

SEACC – The District contribution to the Sitka Education Consortium, the program was discontinued in FY2012

Hames – Transfers to assist with the daily operations of the Hames PE Center. The District discontinued supporting the program in FY2012

**SITKA SCHOOL DISTRICT
OPERATING BUDGET
2008-2011 Actuals, 2012 Revised
2013 Projected**

Non-Employee Expenditures

	2008 Actual Expense	2009 Actual Expense	2010 Actual Expense	2011 Actual Expense	2012 First Revision	2013 Projected Expense
School/Program Budgets						
Baranoff Elementary	46,358	47,149	57,640	48,309	51,124	47,500
Keet Gooshi Heen Elementary	72,732	85,099	80,680	75,099	79,923	74,860
Blatchley Middle School	70,083	71,454	133,837	105,611	76,740	71,545
Sitka High School	106,862	86,536	138,881	94,878	98,183	91,770
Pacific High School	12,027	11,787	16,535	16,693	11,708	11,310
REACH	44,038	43,083	48,632	83,768	52,210	52,210
Special Education	89,460	160,453	305,102	260,440	265,100	283,400
Library Discretionary	0	0	14,606	0	0	0
Cultural Program Discretionary	0	0	0	0	15,000	15,000
Total School/Program	441,560	505,561	795,913	684,798	649,988	647,595
Maintenance Expense						
Supplies	162,558	134,884	217,518	132,347	142,000	139,000
Property Insurance	134,142	133,575	127,880	128,849	120,341	123,350
Utilities	1,036,536	871,485	849,634	901,441	951,375	986,410
Custodial Contract	327,441	334,436	340,123	356,355	370,000	415,900
Total Maintenance	1,660,677	1,474,380	1,535,155	1,518,992	1,583,716	1,664,660
District Administration						
Travel/Professional Development	21,910	24,231	27,464	26,011	56,380	57,805
Telephone/Communication/Fiber	160,678	142,310	139,184	200,257	225,200	225,200
Liability Insurance & Bonding	40,220	40,194	38,220	40,159	42,893	43,965
Legal Settlement	0	0	0	0	0	0
Audit/Legal Fees	31,026	35,157	36,468	47,890	78,203	81,828
Health Services	2,462	4,118	3,909	2,488	7,805	7,805
Districtwide Programming/Supplies	78,810	113,858	101,065	104,776	157,700	115,200
Indirect Cost Rate Revenue	-79,050	-56,779	-41,613	-60,996	-50,000	-65,000
Total District Administration	256,056	303,089	304,697	360,585	518,181	466,803
Technology	42,385	52,543	104,501	324,982	394,200	427,200
Prof/Tech/Contract Services	76,315	69,257	81,403	74,951	157,700	138,100
School Board	36,121	33,401	41,946	37,327	57,100	47,100
Student Activities	91,974	116,180	147,843	166,164	158,645	111,402
Transfers						
SNEP	28,000	28,000	28,000	28,000	28,000	28,000
AmeriCorp	0	0	15,000	0	0	0
Community Schools	0	103,000	95,000	0	0	0
Pool	0	56,700	0	0	0	0
Ventures	40,705	72,705	82,705	103,953	25,000	0
SEACC	0	0	0	40,000	0	0
Hames	0	0	27,000	0	0	0
Total Transfers	68,705	260,405	247,705	171,953	53,000	28,000
TOTAL NON-EMPLOYEE COSTS	2,673,793	2,814,816	3,259,163	3,339,752	3,572,530	3,530,860

Non-Employee Expenditures



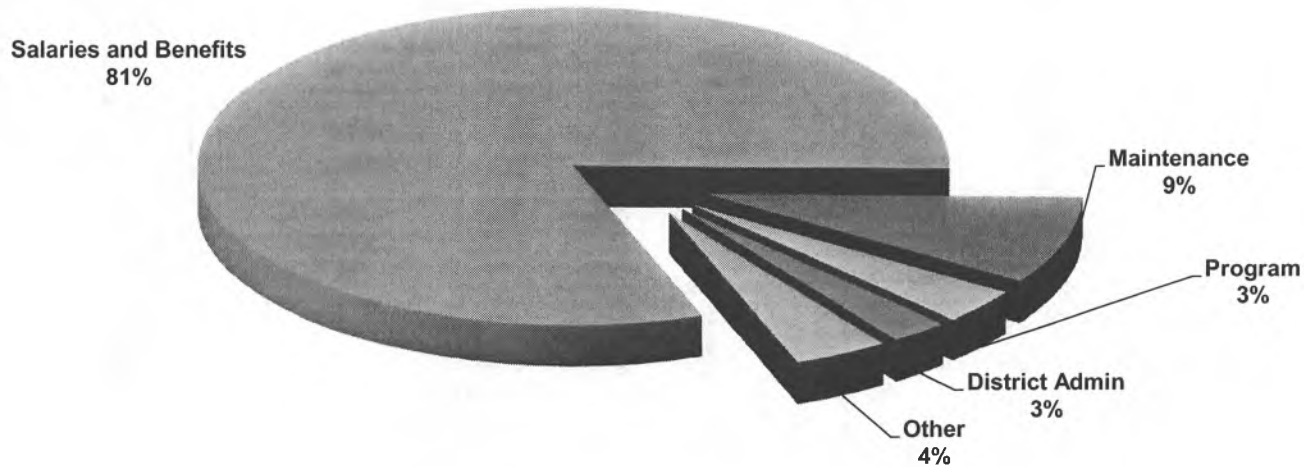
**SITKA SCHOOL DISTRICT
FY2013 BUDGET SUMMARY & FY2008-2013 EXPENDITURE SUMMARY**

Revenue	17,181,251
Employee Expenditures	14,941,382
Non-Employee Expenditures	3,530,860
Total Expenditures	18,472,242
Difference	-1,290,991
Board approved transfer from Fund Balance	500,000
	-790,991 Necessary expense reduction to balance budget

Fund Balance June 30, 2012 (est) 1,211,261
Fund Balance June 30, 2013 (est) 711,261

Expenditure	FY2013 Budgeted	% Of Total	FY2012 Revision	% Of Total	FY2011 Actual	% Of Total	FY2010 Actual	% Of Total	FY2009 Actual	% Of Total	FY2008 Actual	% Of Total
Salaries and Benefits	14,941,382	80.89%	14,617,231	80.36%	13,735,418	80.44%	13,420,185	80.46%	13,216,716	82.44%	12,901,987	82.83%
Maintenance	1,664,660	9.01%	1,583,716	8.71%	1,518,992	8.90%	1,535,155	9.20%	1,474,380	9.20%	1,660,677	10.66%
School/Program	647,595	3.51%	649,988	3.57%	684,798	4.01%	795,913	4.77%	505,561	3.15%	441,560	2.83%
District Administration	466,803	2.53%	518,181	2.85%	360,585	2.11%	304,697	1.83%	303,089	1.89%	256,056	1.64%
Technology	427,200	2.31%	394,200	2.17%	324,982	1.90%	104,501	0.63%	52,543	0.33%	42,385	0.27%
Prof/Tech/Contract Services	138,100	0.75%	157,700	0.87%	74,951	0.44%	81,403	0.49%	69,257	0.43%	76,315	0.49%
School Board	47,100	0.25%	57,100	0.31%	37,327	0.22%	41,946	0.25%	33,401	0.21%	36,121	0.23%
Student Activities	111,402	0.60%	158,645	0.87%	166,164	0.97%	147,843	0.89%	116,180	0.72%	91,974	0.59%
Transfers Out	28,000	0.15%	53,000	0.29%	171,953	1.01%	247,705	1.49%	260,405	1.62%	68,705	0.44%
	<u>18,472,242</u>	<u>100.00%</u>	<u>18,189,761</u>	<u>100.00%</u>	<u>17,075,170</u>	<u>100.00%</u>	<u>16,679,348</u>	<u>100.00%</u>	<u>16,031,532</u>	<u>100.00%</u>	<u>15,575,780</u>	<u>100.00%</u>

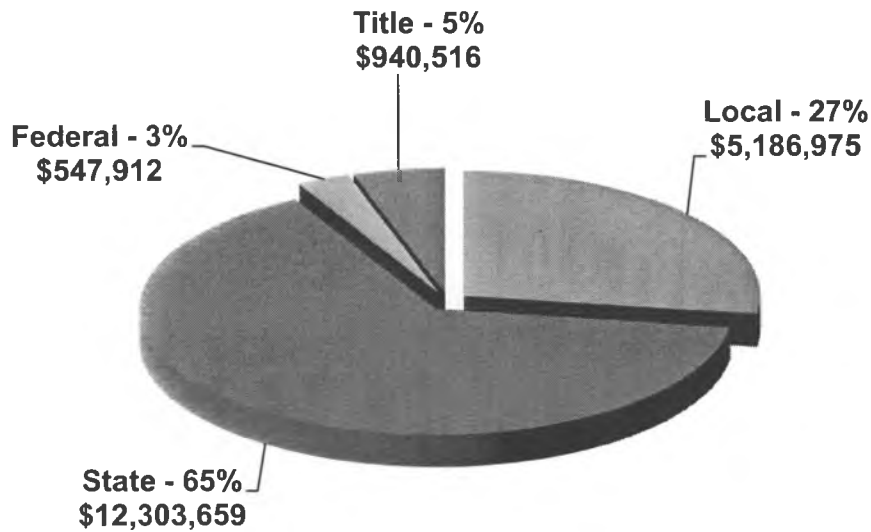
FY2013 Total Expenditures



**Title Grants
Awards and FTE Summary
FY2012**

Fund	Title	Full Time Employees	2012 Award
250	Title II-D (Technology)	0.00	568
258	Title I-A	3.73	379,739
260	Title VI-B	6.00	349,394
262	Preschool (619)	0.50	19,608
264	Title IV-A (Drug Free)	0.00	129
268	Title I-C (Migrant Education)	0.50	41,415
272	School Improvement	0.00	17,053
274	Carl Perkins	0.00	24,249
282	Title II-A (Classroom Reduction)	1.36	108,361
Total Title Grants		12.09	940,516

FY2012 Revenue with Title Grants



Total 2012 Revenues (w/ Title Grants)

\$18,979,062

Successes & Challenges

- 2 National Merit Award Semi-Finalist Scholars out of a class size of 97 students
- Students that equal or outperform the average student in Alaska in all subject areas (Reading by 7%, Writing by 4%, Math is equal, and Science by 10%)
- Alternative high school serves 88% poverty, 40% homeless, and 25% pregnant or parenting population, that has graduated 140 students over the past 20 years who otherwise would have dropped out
- Vibrant K-12 music program which includes exposing students to annual music festivals which feature nationally acclaimed acts
- State Champions in Softball, Debate Sweepstakes, Wrestling. State runner ups in Girls Basketball, Girls Cross Country, Boys Swimming, and Drama/Debate/Forensics
- Special Education Department successfully manages a large number of intensive needs students (2.8% of student population) and continues to see a trend of student referrals to be in Sitka for special services
- Provides flexibility for the increased number of non-traditional students through our REACH home school program
- Continually increasing levels of English as a Second Language students with no dedicated funds to help provide the services and supports that are needed
- The addition of a Native Cultural Program which has grown in size and respect in the short 2 years it's been in existence
- Diminishing local revenues

- Over the last ten years the community of Sitka has supported, by 66% approval of bond issuance, funding for our state of the art Performing Arts Center and renovation of every school facility
- 100% of our teaching staff are highly qualified in their subject area
- Experienced School Board with 27+ combined years and a Superintendent with 10 years of experience
- Middle school grant focused on professional development in technology integration was highlighted as one of the best in the nation by the State Ed Tech Directors Association
- Ongoing need for systemic and sustained professional development for teaching and administrative staff in order to transform schools to meet student learning needs
- Inability to financially plan long term due to inconsistent funding streams (anticipated FY13 deficit of more than \$1.2MM)
- Increasing Federal mandates with decreasing federal funding
- Growing number of Homeless students and students with food and shelter insecurities

Sitka School District

**300 Kostrometinoff St.
Sitka, AK 99835
Phone: 907.747.8622
Fax: 907.966.1260**

Sitka School District



FY13 Legislative Funding Brief



"Educating Today's Children to Become Tomorrow's Leaders"

School Board Members:

- Lon Garrison, President
- Cass Pook, Vice President
- Tim Fulton, Clerk
- Nicole Seehafer, Student
- Dr. Tom Conley, Member
- Tonia Rioux, Member

Questions: District Office @ 907.747.8622

sitkaschools.org

FY13 Funding Study



Teachers collaborating during a professional development opportunity

Background

In August, 2011, the Commissioner for the Department of Education and Early Development (DEED) requested the Alaska Association of School Administrators (AASA) provide him with the projected base student allocation (BSA) needed for Alaskan school districts for FY2013.

To accommodate this important request for factual unbiased information, AASA worked with the Alaska School Business Officials Association (ALASBO), in cooperation with the Department of Education, and 48 of the 54 school districts throughout the state to collect the necessary data to conduct the study.

Results

The analysis of data collected for this intensive study indicates that in order for Alaska's school districts to be able to meet projected cost increases, an equivalent to a **\$320 increase** in the Base Student Allocation of would be required.

AASA has decided to focus on one priority: increasing the FY13 BSA by \$320.

This must be the highest priority in order to avoid staff and program cuts in FY13, which will have compounding detrimental effects to students, communities, and public education throughout Alaska.



Middle school students individually and collectively working on academic content

Progress of Alaskan Public Education

According to Alaska's DEED:

- Alaska's graduation rate has increased 5% over the past seven years with more than 1,000 additional graduates today
- Alaska's dropout rate has steadily decreased from 6% to 4.7% over this same seven year period
- Alaska's public schools continue to produce productive students and prepared citizens
- School districts are making progress and the voting public is proud of public education in Alaska, which demonstrate the sound return on investment in education

Multi-Year Forward Funding is Essential

Without multi-year forward funding, Alaska public schools are facing an extremely challenging FY13 budget development environment due to increasing costs and revenue losses.

Local Reality

For FY2013 the Sitka School District is facing a **\$1.29MM deficit** in order to provide the same level of services as provided in FY2012 while our enrollment is expected to hold steady at approximately 1300 students. Given that 80% of our budget is in personnel it stands to reason that this deficit, which equates to more than **14 full time certified teaching positions**, would come from the ranks of our employees who have the most direct contact with the students.

When increased regulations in both education and food service programs are factored in our District is faced with increased demands with a **13% smaller teaching force with the same number of students.**

Statewide Reality

Anticipated cost increases throughout the State:

- Increased health insurance costs of 7%-15%
- Increased energy costs effecting utilities, supplies and transportation
- Increased employee salary and benefits which have been negotiated
- Increased costs related to the projected CPI inflation rate of 2.7%

Anticipated revenue losses throughout the State:

- Federal Secure Rural Schools and Community Act (Forest Receipts) will no longer provide funding to 24 Alaska school districts
- Federal decrease of 7.8% in many programs including NCLB, e-rate, impact aid and other federal programs
- Elimination of FY12 \$20M energy funds to offset rising energy costs

FY13 SSD Budget Estimates

<i>Estimated Number of Students</i>	FY2011-2012	FY2012-2013	Difference
	1306	1295	-11
Revenues			
2013 City/Boro Appropriation	5,026,975	5,026,975	0
Misc Local Revenue	30,000	30,000	0
E-Rate	130,000	130,000	0
Quality Schools	43,883	43,720	-163
HB108 Allocation	220,639	0	-220,639
Foundation	12,039,137	11,920,556	-118,581
Impact Aid	30,000	30,000	0
Federal Secure Rural Schools	517,912	0	-517,912
Total Revenues	18,038,546	17,181,251	-857,295
Expenditures			
Salaries and Wages	10,674,733	10,952,329	277,596
Benefits	3,942,498	3,989,053	46,555
Maintenance	1,583,716	1,664,660	80,944
School/Program	649,988	647,595	-2,393
District Administration	518,181	466,803	-51,378
Technology	394,200	427,200	33,000
Prof/Tech/Contract Services	157,700	138,100	-19,600
School Board	57,100	47,100	-10,000
Student Activities	158,645	111,402	-47,243
Transfers Out	53,000	28,000	-25,000
Total Expenditures	18,189,761	18,472,242	282,481
Total Gain/(Loss)	-151,215	-1,290,991	

Multi-year forward funding would benefit school districts by:

- Facilitating the process where districts can prepare fiscally sound budgets based on actual revenues for public education
- Providing opportunities for districts to develop sound education programs through long plans and partnerships
- Enabling districts to serve students better through more effective use of resources

Most budgets decisions will be made prior to the adjournment of the 27th Legislature causing heartache and disruption for employees, families, and students. Learning happens best when the environment is secure and stable.