

**3/27/12**

**PRESENTATIONS :**

**SCHOOL BOARD**

**PRESIDENTS-**

**BRISTOL BAY ,**

**CORDOVA ,**

**FAIRBANKS ,**

**MATANUSKA ,**

**ANCHORAGE**

**(PM MEETING)**

<TARGET><BILL></BILL><SUBJECT>3-27-12 PRESENTATIONS  
SCHOOL BOARD PRESIDENTS-BRISTOL BAY, CORDOVA, FAIRBANKS,  
MATANUSKA, ANCHORAGE (PM  
MEETING)</SUBJECT><COMM>HFIN27</COMM></TARGET>

Alaska State Legislature  
HOUSE FINANCE COMMITTEE

Agenda

1:30PM

Tuesday, March 27, 2012

School Board Presidents or Designated Board Member

Bristol Bay- Michael Swain, President

Cordova- Pete Hoepfner, President

Fairbanks- Kristina Brophy, President

Matanuska- Susitna- Lynn Gattis, Member

Anchorage- Gretchen Guess, President

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HOUSE FINANCE COMMITTEE  
Agenda  
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Tuesday, March 27, 2012

School Board Presidents or Designated Board Member

**Testifiers in Person:**

Bristol Bay- Michael Swain, President

Cordova- Pete Hoepfner, President

**Testifiers on Teleconference:**

Fairbanks- Kristina Brophy, President

Matanuska- Susitna Michael Dunleavy, President

Anchorage- Gretchen Guess, President

Date: March 25, 2012

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

Members of the House Finance Committee  
27<sup>th</sup> Alaska State Legislature

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

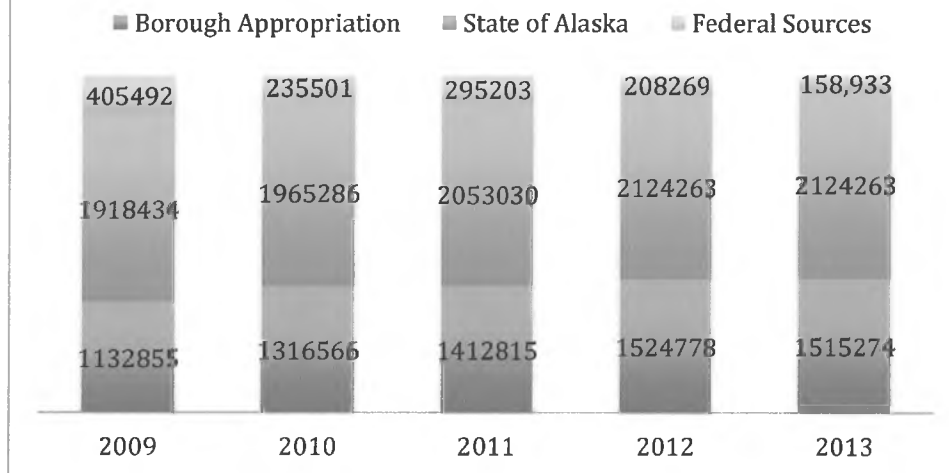
Thank you for the opportunity to provide a perspective on the financial situation and challenges we face in the Bristol Bay Borough School District. As a District that serves approximately 150 students in grades k-12 from the southwest communities of Naknek, South Naknek, and King Salmon, we have a history 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
<b>total</b>	<b>501,649</b>	<b>352,950</b>	<b>260,922</b>	<b>285,243</b>	<b>384,412</b>	<b>491,714</b>

- **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 than 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



## Cordova School District

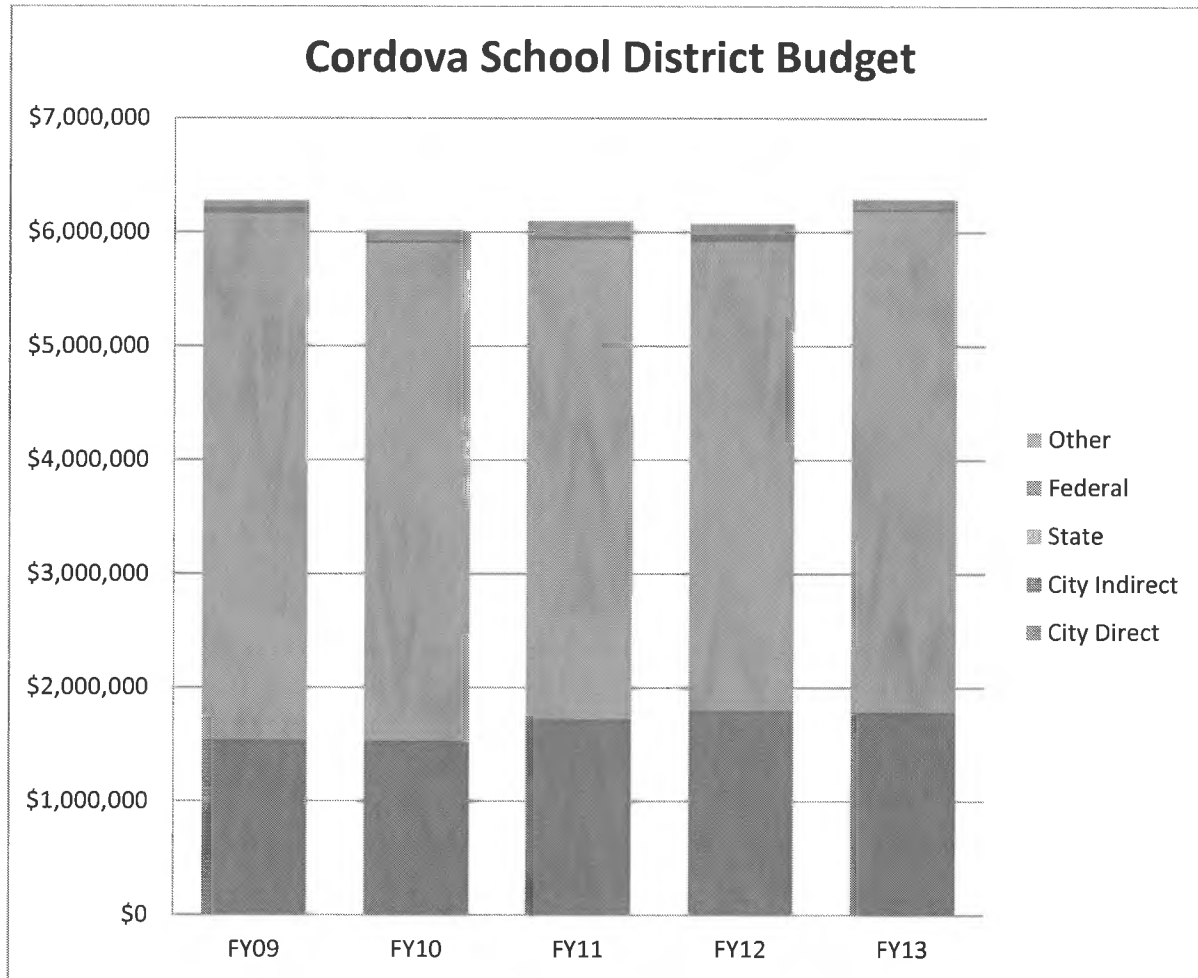
Questions:

- What is your FY13 total school district budget? **\$6,290,730**
  - What percentage goes to personnel? **79.66%**
- 

### FY13 Budget

Function	Salaries	Benefits	Non-Personnel	Total
100	1,616,618	1,352,825	285,000	3,254,443
200	238,083	194,949	36,000	469,032
300	79,772	64,237	1,800	145,809
350	174,265	127,533	74,500	376,298
400	147,590	115,688	34,700	297,978
450	86,504	82,330	0	168,834
510	91,226	74,977	49,000	215,203
550	117,323	95,233	53,200	265,756
600	144,281	141,926	562,950	849,157
700	45,916	19,804	107,500	173,220
900	0	0	75,000	75,000
Total	2,741,578	2,269,502	1,279,650	6,290,730
Percent	43.58%	36.08%	20.34%	

- Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix)



- Did you fund to the total allowable local contribution in FY 12? In FY13?
  - If not, how much below were you? Why?

Year	Local Contribution	Maximum Contribution	Percent
FY12	1,799,862	1,822,580	98.75%
FY13	1,790,940	1,886,641	94.93%

The district requested the cap from the city but it was not approved.

- How much has the state contributed to the Pers/TRS unfunded liability on behalf of your school district in FY12?
  - How much is the state scheduled to contribute for Pers/TRS unfunded liability costs on behalf of your district in FY13?

Fiscal Year	TRS	PERS	Total
FY12	\$718,148	\$93,930	\$812,078
FY13	\$846,119	\$95,639	\$941,758

- When was your most recently ratified teacher contract put into place? **FY10**
  - What were the terms? (salary and benefits increases/decreases per year, in percentages {or dollars, if appropriate})

Salary Terms                      3% salary raise in FY10  
    4% salary raise in FY11  
    5% salary raise in FY 12

Benefit Terms                      Teachers paid \$60 per month for health insurance in FY10  
    Teachers paid \$104 per month for health insurance in FY11  
    Teachers paid \$196 per month for health insurance in FY12

- What is your average teacher salary? **\$72,445**
- What is your starting teacher salary? **\$47,484**
- Did you negotiate significant salary increases in you labor contracts for FY2013?  
 If yes, why did you do that given the current funding situation/debate?

**The Cordova School District is presently negotiating a contract with the teachers for the next three years.**

- What are the cost drivers in your budget? **Teacher salaries, health insurance and energy**
- How much were your energy costs in FY11? **Fuel costs were \$139,268 and electricity cost \$193,701 for a total cost of \$332,969.**
- How much do you project them to be in FY13? **Estimated at \$300,000 with lighting retrofits in the high school.**
- Do you have a system in place to make budget adjustments when enrollment drops—how do you approach this? **We are not replacing teachers who leave the district.**

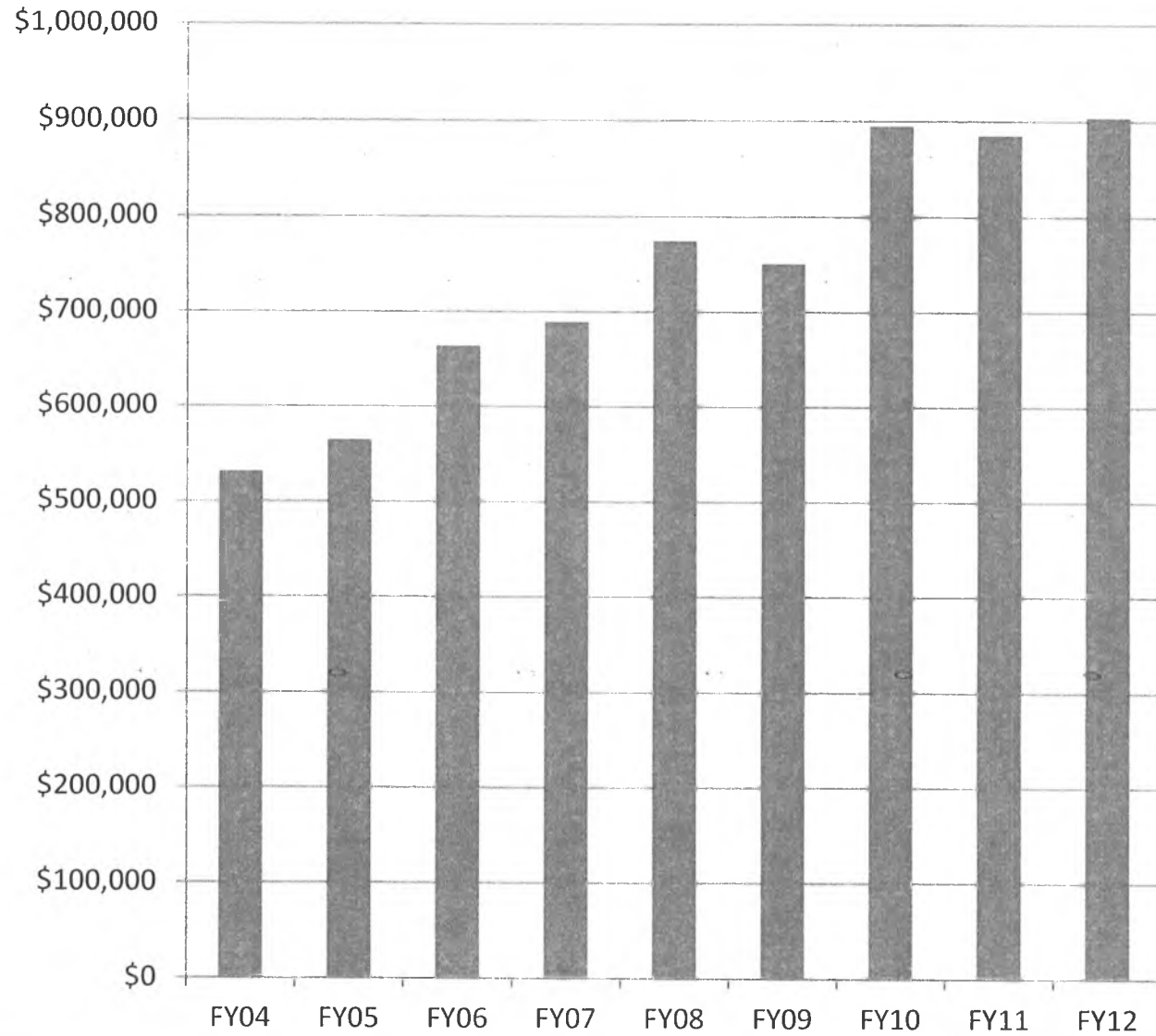
- What are your biggest instructional challenges? — *see attached*
- What grade would you give your school district (A-F)?
  - What are you proposing to do differently to improve student performance?
- Is the state providing the kind of planning and curriculum support that is helpful to your school district?
- 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?
- How much ARRA funding did you receive over the past few years?

Fund	FY10	FY11	FY12	Total
National School Lunch Program ARRA	29,031	0	0	29,031
Title I-A Basic ARRA	24,172	17,240	0	41,412
Title II-D ARRA	2,273	0	0	2,273
Title VI-B ARRA	69,799	19,849	0	89,648
Preschool Disabled ARRA	2,887	749	0	3,636
State Fiscal Stabilization ARRA	0	131,801	0	131,801
Education Jobs Fund ARRA	0	0	37,732	37,732
<b>Total</b>	<b>128,162</b>	<b>169,639</b>	<b>37,732</b>	<b>335,533</b>

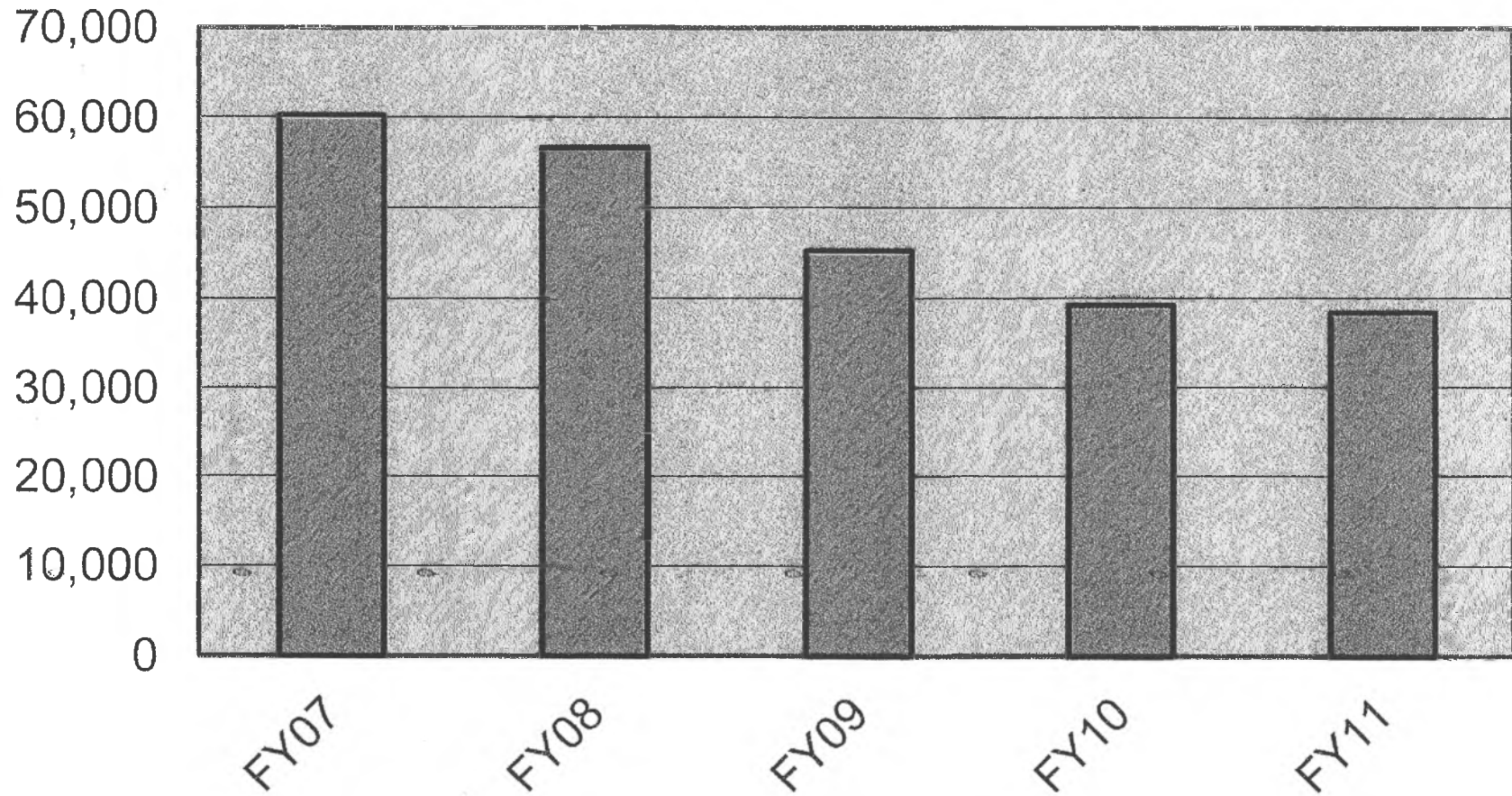
How did you invest any ARRA funds you received?

**We invested in a new oven and cooler for the kitchen, stage lighting, Mustang skid-steer, special education instruction, teacher salaries and benefits, and teacher education.**

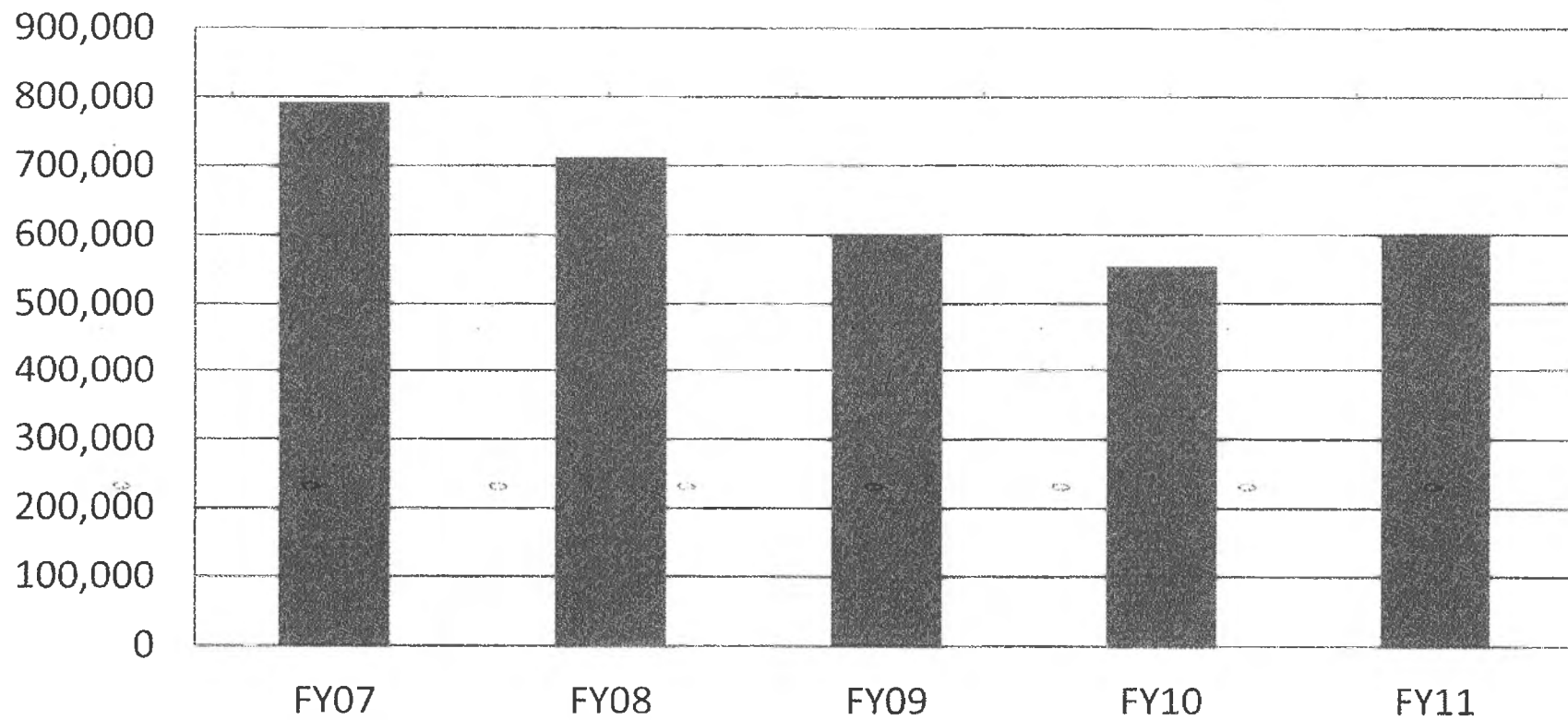
## Total Health Insurance Premium Cost for Cordova School District



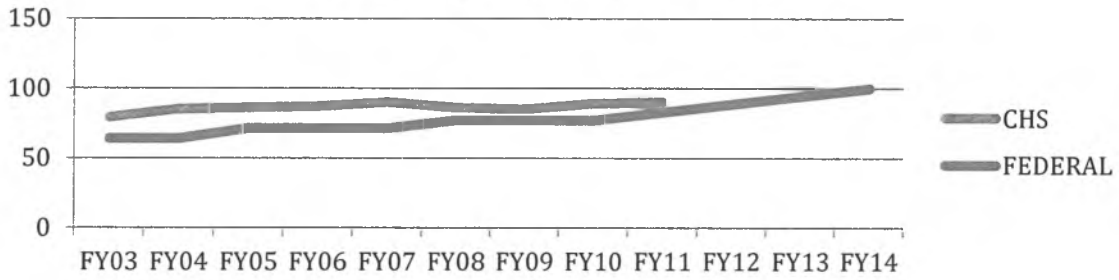
### Cordova School District Fuel Usage FY07-FY11



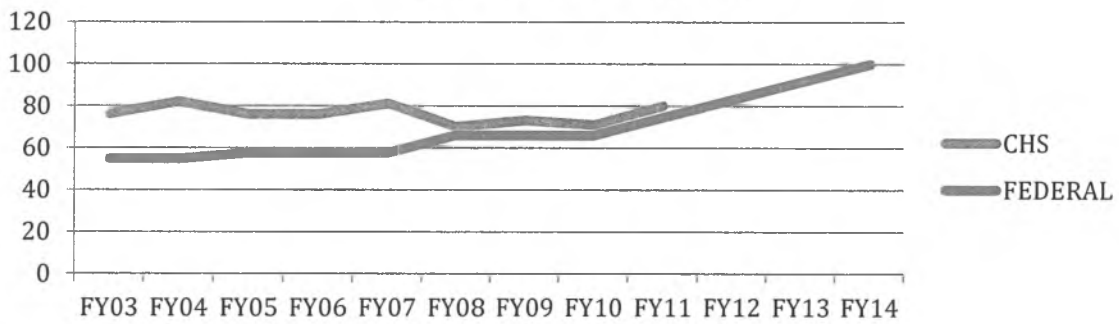
# Cordova School District Electric Usage FY07-FY11



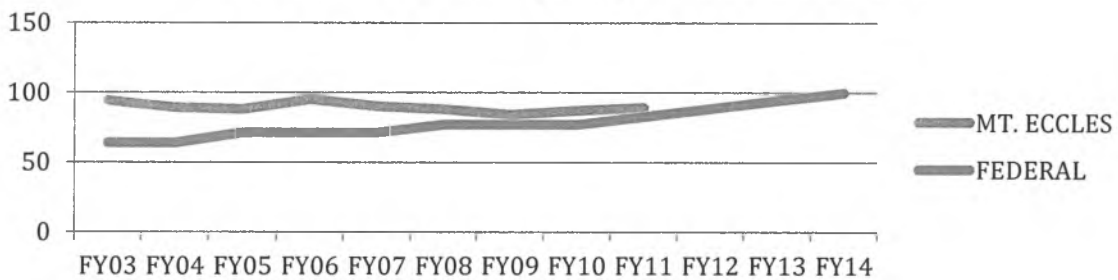
### CHS Language Arts Scores



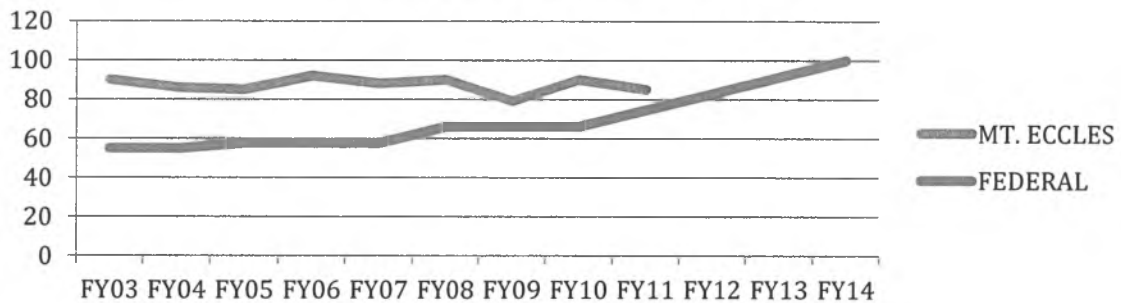
### CHS Math Scores



### Mt. Eccles Language Arts Scores



### Mt. Eccles Math Scores



# CORDOVA SCHOOL DISTRICT

PO Box 1330 \* 675 Second Street  
Cordova, Alaska 99574  
(907) 424-3265 \* FAX (907) 424-3271

Cordova Jr/Sr High School  
(907) 424-3266  
FAX (907) 424-5215

Mt. Eccles Elementary  
(907) 424-3236  
FAX (907) 424-3117

## **What are the biggest instructional challenges:**

- Trying to anticipate what the Standards will look like from year to year.
- Accessing/understanding growing data (and in some cases lacking data...YRBS). With the MAP testing we continue to grow with our student's needs (current/accurate data that reflects the individual student)
- Curriculum resources. Textbooks (electronic/traditional) are very expensive. Cordova struggles with the financial costs of such; in addition, with the Standards in transition, it is difficult to dedicate funds knowing that our purchases could be out dated in a year (or less).
- Expense of professional development. Bringing resources to Cordova can be very expensive. We do great things with video conferencing/webinars/Skype, but there are trainings that do require face time of the presenter.

Alaska Staff Development Network (ASDN) provides great ongoing coursework for staff professional development that compliments the training needs as well. This is sponsored by AASA and is

coordinated by Kelly Tonsmeire and Bruce Johnson.

-Growing number of mandates from state/federal government.

Although many of these mandates are supported by staff and administration, it is tough to squeeze them all in during our limited inservice times.

The high school staff recently volunteered to work through the scheduled professional development with more student contact time making the PD schedules even more challenging.

**What grade do you give Cordova School District? What are we proposing to do differently to improve student performance?**

-I give Cordova Schools an A for our school district's efforts. In order to get that A to an A+ will require curriculum development in all areas. We have developed a great baseline of training development for our staff as we await the direction the Standards/Common Core will move.

We utilize technology to its fullest in these efforts by better engaging our students allowing them to fully understand and relate to what they are learning and have established opportunities to apply what they learn (boat building skills/Science Fair/growing salmon/4<sup>th</sup> R role playing).

-Cordova is successfully working with better, more aggressive data collection that allows us better understanding of our students.

Current SBA testing is outdated with limited opportunities for

specific/detailed student reports that teachers need for immediate lesson development.

-Once we have the security of knowing where our curriculum is taking us, we can easily transfer our developed skills to implement the current curriculum.

-Also, in order to raise our student proficiency, we need to be more aggressive in assisting young mothers as they develop their mothering skills. Unfortunately, the state does not recognize this need for preschool development in communities such as Cordova. Although our student proficiency is near the top for the state of Alaska, support for a preschool program could raise the scores considerable in nearly each grade level.

### **State planning/curriculum support time helpful??**

-Cordova is pleased with the support provided by EED. Areas such as special education continue to grow with paperwork burdens to staff. In this case, EED does an exceptional job assisting us.

Director's meetings and teacher meetings are scheduled annually at the state level that allows interested/available staff to attend and participate in the many discussions.

-Areas involving traditional curriculum development (ex: math) that require an active teacher's input/involvement are always offered by EED. In these cases, Cordova staff always considers participating and if the schedules allow we do send staff to Juneau. In most cases, staff involvement is challenged by an already busy teacher schedule or inclement weather challenges in getting to/fro...making most teachers squirm over potentially more missed days. One tidbit

of data that has been consistent over the years is the fact that the more time a classroom teacher misses, the more their students (and scores) will struggle. Staff professional development needs to be done when it is most appropriate for all parties. Sending staff out of town for a week to assist EED typically has collateral damage at home if there is not a great sub in the classroom.

Many teachers worry about leaving their classrooms for this reason.

-Other opportunities for EED staff development include the 4<sup>th</sup> R Curriculum in which Cordova was invited and was did attend the days of training and continues to be on the steering committee at the state level.

-Overall, the growing feeling across the district is the need to secure our curriculum direction that will allow us to develop our resources that will complement our student's learning needs. Adoption of the standards/Common Core will allow us to move forward at a more confident rate.

**How can DEED, BOE and other state agencies help achieve better results...other than money?**

-Cordova feels strongly that we do a great job <sup>let</sup> educating our students. Yet, all we read in the paper are quotes from Bill Thomas or Governor Parnell stating how "we" are all failing. Community members that have no school-aged children come to believe this information. The Governor consistently appears to undermine the success of our schools by purposely stating inaccurate information about the many successes of schools or the dropout rates. The bottom line...We are

not all failing. Improve communications from state officials would remedy many of the issues that currently erode the confidence in our schools.

-All parties need to realize that with the uniqueness of Alaska, there will be no easy fix/short term solutions to the expectations of the state/federal/local governments. Cordova feels strongly that Commissioner Hanley is doing a great job with his efforts to improve communications and we look forward to his regular updates. He is willing to state areas of need as well as the areas that we are struggling with that he needs support in.

-Accountability however is good for all parties!

Students/schools/communities are competitive in many fashions whether it is in basketball, science fairs; Battle of the Books or in the area of academic scores. Schools/children that are struggling to meet the proficiency levels as mandated by the state/federal government need support in order to establish the strong fundamentals critical for their education. It makes no sense to "punish" children for issues they are not responsible for, nor capable of overcoming without responsible oversight. Do you punish doctors when people get sick, do you eliminate police when there is a crime spree?

-Hopefully, we have opportunities to reestablish what are priority areas without punishing our children. Holding school districts responsible for reasonable growth is an expectation very few could argue. To do it right however, each community needs to be better engaged to realize the expectations. As board

members/administrators, this message needs to be delivered as clearly as we expect it delivered from the Governor.

With shared responsibilities, accountability is good.

-Please be reminded that this is not Lake Woebegone of Northern Minnesota! 100% guaranteed proficiency is not realistic for any person or body.

## Helen Phillips

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**From:** Peter Ecklund  
**Sent:** Tuesday, April 03, 2012 4:21 PM  
**To:** Helen Phillips  
**Subject:** FW: Question asked of Cordova School District on ARRA funds  
**Attachments:** Education Jobs ARRA funds.pdf

Am forwarding this for distribution to members

I am Peter Hoepfner, president for the Cordova School District. At the end of my testimony on Tues March 27, Representative Fairclough asked a question about ARRA funds. It was mentioned that we were paying salaries and benefits via stimulus funds.

I was not sure what ARRA Fund 269 referenced when asked at the end of my testimony.

Our business manager gave me the following information on ARRA funds 268 - these funds are for wages and benefits to retain existing employees, rehire former employees, or to hire new employees, in order to provide early childhood, elementary or secondary educational services. The attached list shows how much of these funds - - for salaries and benefits - - go to each district in the state of Alaska.

Peter Hoepfner  
Board Chair,  
Cordova School District

Attached is the allocation of ARRA Education Jobs funds by district. These funds are for wages and benefits to retain existing employees, rehire former employees, or to hire new employees, in order to provide early childhood, elementary, or secondary educational services.

Verna

<i>Allocations based on the federal fiscal year 2010 Title I, Part A final allocations for school year 2010-2011</i>	<b>Final FY 2011 Education Jobs Fund Allocation</b>
	<b>23,069,591</b>
Alaska Gateway School District	151,383
Aleutian Region School District	0
Aleutians East Borough School District	38,305
Anchorage School District	7,639,562
Annette Island School District	73,651
Bering Strait School District	857,127
Bristol Bay Borough School District	12,382
Chatham Region School District	62,156
Chugach School District	51,932
Copper River School District	118,056
Cordova City School District	37,732
Craig City School District	58,366
Delta Greely School District	266,691
Denali Borough School District	23,016
Dillingham City School District	107,818
Fairbanks North Star Borough School District	2,155,402
Galena City School District	32,313
Haines Borough School District	67,370
Hoonah City School District	33,941
Hydaburg City School District	42,737
Iditarod Area School District	122,493
Juneau Borough School District	444,799
Kake City School District	47,755
Kashunamiut School District	215,000
Kenai Peninsula Borough School District	1,368,815
Ketchikan Gateway Borough School District	358,616
Klawock City School District	52,225
Kodiak Island Borough School District	346,488
Kuspuk School District	180,226
Lake And Peninsula School District	123,059
Lower Kuskokwim School District	1,528,693
Lower Yukon School District	1,221,777
Matanuska-Susitna Borough School District	2,262,133
Nenana City School District	41,269
Nome City School District	89,900
North Slope Borough School District	247,304

Northwest Arctic School District	664,331
Pelican City School District	0
Petersburg City School District	60,302
Pribilof Island School District	21,728
Sitka Borough School District	255,631
Skagway City School District	0
Southeast Island School District	52,537
Southwest Region School District	360,629
St. Marys City School District	108,337
Tanana City School District	16,128
Unalaska City School District	20,467
Valdez City School District	40,487
Wrangell City School District	90,173
Yakutat City School District	20,816
Yukon Flats School District	159,452
Yukon Koyukuk School District	191,581
Yupit School District	260,257
Mt. Edgecumbe High School	266,245
Totals:	<b>23,069,591</b>
State Admin. at 2%	470,808
Total State allocation	23,540,399

**House Finance Committee Questions to Board Presidents  
Fairbanks North Star Borough Board of Education  
March 27, 2012**

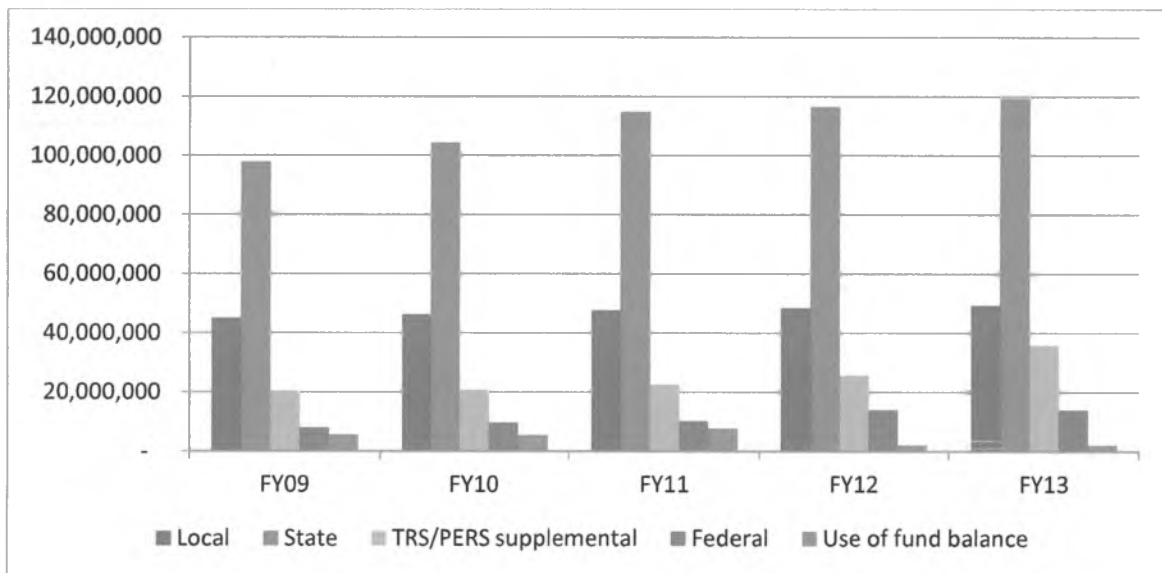
**What is your FY13 total school district budget? What percentage goes to personnel?**

The FY13 Operating Fund budget is still in process until we know how much funding will be provided by both the local assembly and the state. The recommended budget with our requested/estimated funding level is:

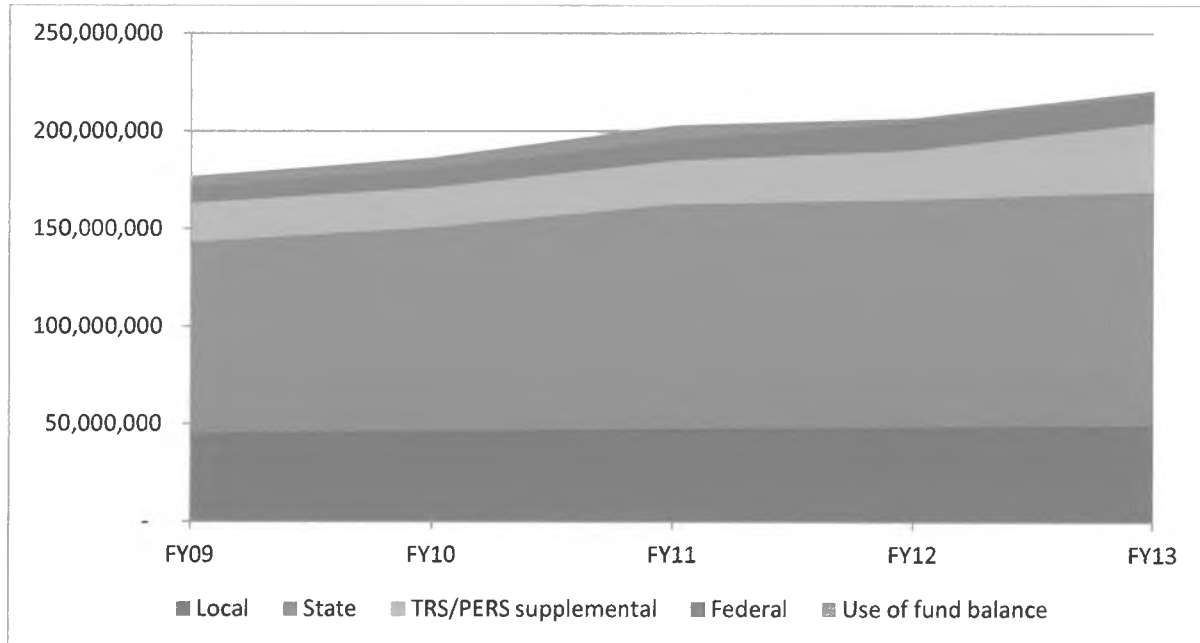
Operating Fund only	Current Operations	TRS/PERS Unfunded Liability	Total FY13 Recommended Budget
Salary & wages	\$ 107,671,737		\$ 107,671,737
Employee benefits	48,242,858	\$ 35,820,160	84,063,018
Other costs	28,965,715		28,965,715
Total recommended budget	\$ 184,880,310	\$ 35,820,160	\$ 220,700,470
Personnel costs - %	84.3%		86.9%

**Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix).**

	FY09 Approved Budget	FY10 Approved Budget	FY11 Approved Budget	FY12 Approved Budget	FY13 Recommended Budget
Local	\$ 45,027,500	\$ 46,261,520	\$ 47,634,700	\$ 48,468,300	\$ 49,439,100
State	97,777,240	104,231,030	114,781,410	116,435,440	119,368,640
TRS/PERS supplementa	20,407,890	20,667,010	22,614,950	25,646,580	35,820,160
Federal	7,981,080	9,722,230	10,211,110	13,985,250	13,956,280
Use of fund balance	5,525,200	5,480,390	7,726,910	2,079,820	2,116,290
	\$ 176,718,910	\$ 186,362,180	\$ 202,969,080	\$ 206,615,390	\$ 220,700,470



Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix). (continued)



Did you fund to the total allowable local contribution in FY 12? In FY13? If not, how much below were you? Why?

Our local Assembly did not fund to the maximum allowable contribution in FY12, nor do we anticipate they will in FY13.

	Actual FY10	Actual FY11	Approved FY12	Requested FY13
Maximum allowable local contribution	59,758,787	61,684,971	63,188,190	63,217,594
Initially approved local contribution	45,522,700	46,522,700	47,359,300	48,359,300
Required lapse back to Borough	(2,182,799)	(1,223,198)	?	?
Actual local contribution	43,339,901	45,299,502	47,359,300	48,359,300
% of maximum allowed	<u>72.5%</u>	<u>73.4%</u>	<u>74.9%</u>	<u>76.5%</u>

How much has the state contributed to the TRS/PERS unfunded liability on behalf of your school district in FY12? How much is the state scheduled to contribute for TRS/PERS unfunded liability costs on behalf of your district in FY13?

TRS/PERS unfunded liability	Actual FY10	Actual FY11	Approved FY12	Requested FY13
TRS	\$ 16,615,652	\$ 18,728,033	\$ 22,182,480	\$ 30,834,206
PERS	1,750,178	2,772,197	3,464,100	4,985,954
Total	\$ 18,365,830	\$ 21,500,230	\$ 25,646,580	\$ 35,820,160

**When was your most recently ratified teacher contract put into place?**

The last ratified teacher contract expired June 30, 2011. Currently, teachers are working under the terms of the previous contract and negotiations are on-going.

**a) What were the terms? (salary and benefits increases/decreases per year, in percentages or dollars, if appropriate)**

The three year teacher contract that expired June 30, 2011 included steps and columns, and the equivalent of 4 percent to the salary table in each of the three years.

**b) What is your average teacher salary?**

Average teacher salary based on a salary download as of October 11, 2011 was \$69,150.

**c) What is your starting teacher salary?**

The current teacher salary table includes a starting annual salary of \$44,679, and a maximum annual salary of \$86,914.

**d) Did you negotiate significant salary increases in you labor contracts for FY2013? If yes, why did you do that given the current funding situation/debate?**

The School Board's current bargaining position is steps and columns for FY13, plus 1 percent on the salary table.

**What are the cost drivers in your budget?**

1. Personnel is the major cost driver.
2. Health costs and retirement system costs are a big part of personnel costs associated with staffing.
3. Utilities.
4. Transportation subsidy.

**How much were your energy costs in FY11 (includes Central Kitchen). How much do you project them to be in FY13?**

Utility	Actual FY10	Actual FY11	Budgeted FY12	Recommended FY13
Electric	\$ 3,814,074	\$ 3,893,468	\$ 4,356,390	\$ 4,611,941
Heat	1,790,933	2,366,316	2,517,553	2,818,207
Water/Sewer	401,886	461,500	541,662	543,936
	<u>\$ 6,006,893</u>	<u>\$ 6,721,284</u>	<u>\$ 7,415,605</u>	<u>\$ 7,974,084</u>

**Do you have a system in place to make budget adjustments when enrollment drops—how do you approach this?**

1. We use fund balance and reserve teaching positions, if available.
2. We have zero available fund balance at June 30, 2011. There are consequences in trying to accumulated fund balance.
3. By local ordinance, there are two provisions that require the district to return funds to the borough. At the end of the fiscal year, return 28.5 percent of: any unspent funds, any revenues exceeding budget, or the balance of any current fund balance if we had planned to use but didn't. It does not matter if the revenue that generated the lapse was from special needs intensive funding or impact aide funds, which has been the case the two years this ordinance has been in place. After that computation, we are required to return anything over 7 percent of the local contribution amount (~3.2m). In the last two years, the district has returned over \$3.4m to the borough, and additionally has lost over \$400k in state funding because of that lapse and the way the foundation formula works.

**What are your biggest instructional challenges?**

- Improving student achievement for all students.
- Closing the achievement gap in multiple areas (gender, ethnicity, special needs, disadvantaged)
- Improving our technology skills of our students and staff. Our initial data indicates our students and staff are developing the necessary technological skills for success but this is still an area for growth.
- Recruiting, hiring, and retaining a diverse workforce with the talents and abilities to fulfill the district's mission and invest in quality professional development to meet district goals.

**What grade would you give your school district (A-F)?**

I would give our District a "B" grade overall. Our parent surveys indicate that over 80% of our parents give our schools an "A" or "B" grade.

**What are you proposing to do differently to improve student performance?**

We must meet the needs of our students using innovative and creative methods. We are making solid progress. For example, our graduation rate has increased 17 percent to 71.1 percent. Currently we are working to improve student performance by:

- Addressing attendance issues – with policy changes; truancy action; and considering the impact of mandatory attendance change from 16 to 18 years of age. (The dropout rate for students under 16 is .6 percent.)
- Providing transition/support services – Freshman Academy; Ignition Program (student mentorship program); Challenge Day; credit recovery; PowerSchool Premier; Graduation Liaison.
- Developing portfolios, district-wide formative and summative assessments, and implementing a nationally normed referenced assessment for grades 3-10.

## What are you proposing to do differently to improve student performance? (continued)

- Offering school choice options:
  - B.E.S.T. (home school/correspondence)
  - Charter Schools (Chinook, Star of the North/CEC, Effie Kokrine, Watershed)
  - Magnet School
  - Career/Technical Focused High School  
SMART (continuing to provide academic options for students who are expelled)
- Building, sustaining a state-of-the-art Career Technical Education options through:
  - Apprenticeship Agreements with Labor (increase student participation)
  - Community Technical College Partnership
  - Delineate Career Pathways
  - Engineering Academy
- Continuing to offer programs such as:
  - Alaska Native Education (ANE) Program (We have cut the Alaska Native dropout rate in half. We need to continue this valuable work.)
  - Intervention Programs – Use Universal Screenings (RTI) to identify students who are struggling academically and apply reading and math interventions as early as possible in their academic careers.
  - After School Programs
- Continuing to enhance relationship with service members and their families:
  - Military Student Transition Coordinator
  - Military Compact
  - Air Force and Army school board advisory members

## Is the state providing the kind of planning and curriculum support that is helpful to your school district?

To an extent yes, as new standards are up for approval. We need clear learning targets (standards) and then align our assessment systems, with multiple measures to assess students. Most districts adopt curriculum on a six year cycle. If what we are currently using is not well aligned, students are at a disadvantage (using old misaligned materials). Changing a system takes time, to adopt, train and implement. Decisions around NCLB and evaluation loom. There is ambiguity because some are questioning the standards, some have evaluation and assessment questions, but many question the effectiveness NCLB. While this process (shift to new standards, assessment and systems) will take time; we must not lose sight of our mission, which is to prepare students for the future. This requires all of us working together.

Other possibilities are to move GED into the Department of Education from the Department of Labor. Under the state's current reporting system, a student who earns a GED counts against a district as a dropout. With the move to DEED, the federal government would not count successful GED students as dropouts.

**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?**

Advocate for public education. We also need help navigating the bureaucratic processes from the federal government, which includes cumbersome reports and requirements. DEED is a good resource to our district; they help with information and support. As we transition to new standards having clear direction and helping people understand the timelines (in years) continues to be an issue. Commissioner Hanley has done a good job of making sure we are aware.

We do not receive any monetary support from the State Board of Education.

**How much ARRA funding did you receive over the past few years?**

We received \$16.1 million in ARRA funding. Last year we also received \$2.1 million in Jobs Bill money (funded 22 teachers).

**a) How did you invest any ARRA funds you received?**

Fairbanks does not have any ongoing costs (staffing or other) from ARRA funding. Please see the summary document below about our investment of ARRA funds.

American Recovery and Reinvestment Act of 2009 (ARRA)

Students, parents and staff in the Fairbanks North Star Borough School District (FNSBSD) are benefitting from approximately \$16.1 million in federal funds received as a result of the American Recovery and Reinvestment Act of 2009 (ARRA). The expectations from the federal government are that education funds provided through the ARRA for 2009-2011 will be used to: jump start school reform and improvement efforts; save and create jobs; and stimulate the economy.

Through a thoughtful, intense and focused planning process in which the district considered student data, district goals and priorities, federal and state guidance, and stakeholder input, the district developed a comprehensive plan that will lead to improved results for students, long-term gains in school and district capacity, and increased productivity and effectiveness.

The table below outlines each ARRA funding type, amount received by the district, the intended use of the funds as prescribed by the federal government, and how the district will utilize the funds over the two year period.

<b>ARRA Funding Type</b>	<b>Amount</b>	<b>Purpose</b>	<b>Use</b>
Title I, Part A Improving the Academic Achievement of the Disadvantaged	\$2,823,899	Funds are provided for schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards.	<ul style="list-style-type: none"> <li>• Implement Response to Instruction/Intervention (RTI)</li> <li>• Provide additional support for the English Language Learner Program</li> </ul>
Title II, Part D Enhancing Education Through Technology	\$ 154,993	Funds are provided to improve student academic achievement through the use of technology in schools.	<ul style="list-style-type: none"> <li>• Support ongoing implementation of the district's Technology Blueprint.</li> </ul>

a) How did you invest any ARRA funds you received? (continued)

ARRA Funding Type	Amount	Purpose	Use
Special Education IDEA Part B & Section 619 Pre-School Disabled	\$3,694,429	Funds are provided to implement innovative strategies to improve outcomes for infants, toddlers, children, and youths with disabilities while stimulating the economy.	<ul style="list-style-type: none"> <li>• Phase in a reduction in case loads by adding additional special education staff</li> <li>• Update individual education plan (IEP) software</li> <li>• Provide professional development</li> </ul>
National School Lunch Program Equipment Assistance	\$ 2,619	Funds are provided to purchase school food service equipment to ensure that children receive healthy, safe meals at schools in which not less than 50 percent of the students are eligible for free or reduced price meals.	<ul style="list-style-type: none"> <li>• Purchase freezer for Salcha Elementary</li> </ul>
Impact Aid Construction Formula	\$ 438,937	Funds are provided for construction activities, including the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities; and inspecting and supervising the construction of school facilities.	<ul style="list-style-type: none"> <li>• Modernize schools for broadband connectivity to schools and wireless connectivity within schools</li> </ul>
State Fiscal Stabilization Fund	\$8,987,103	<p>Funds are provided to support the five categories that reflect the priorities of ARRA:</p> <ol style="list-style-type: none"> <li>a. Adopting rigorous college- and career-ready standards and high-quality assessments;</li> <li>b. Establishing data systems and using data for improvement;</li> <li>c. Increasing teacher effectiveness and equitable distribution of effective teachers;</li> <li>d. Turning around the lowest-performing schools; and</li> <li>e. Improving results for all students, including early learning, extended learning time, use of technology, preparation for college, and school modernization.</li> </ol>	<ul style="list-style-type: none"> <li>• Provide intensive professional development in areas such as the Rtl model, math, science, writing, and information literacy</li> <li>• Support a comprehensive, analytical review of the ELL program in order to implement program design changes in the updated ELL Program Plan of Services</li> <li>• Support the implementation of Smaller Learning Communities at Lathrop High School</li> <li>• Expand and improve the Career Technical Education program</li> <li>• Support the implementation of secondary education reform projects</li> <li>• Continue the district's Graduation Success Program</li> <li>• Implement programs that support freshman transition</li> <li>• Replace obsolete computer and library labs throughout the district</li> <li>• Replace aging band and orchestra instruments</li> <li>• Expand recruiting efforts to attract minority applicants</li> </ul>



**Innovation Choice**  
**Customer Service**

*Matanuska-Susitna Borough School District prepares students for success*



***Matanuska-Susitna School District  
Testimony to the House Finance Committee***

***Michael Dunleavy  
President, Matanuska-Susitna Borough School District  
Board of Education***





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## MSBSD School Board

*Mission: Mat-Su Borough School District prepares students for success*

March 27, 2012

Dear House Finance Committee:

My name is Michael Dunleavy. As the president of the Mat-Su School Board, I want to thank you for this opportunity to speak on behalf of the Mat-Su School Borough District. It is with great respect for you and pride for my community that I share the current fiscal reality, instructional challenges, and future goals of the Mat-Su School District. For those members who are not familiar with our school district, let me start by providing a minds-eye picture of the Mat-Su School District:

- The Mat-Su Borough is located 35 miles north of Anchorage seated alongside the Susitna and Matanuska rivers
- Our Borough spans 25,000 miles making the district's student transportation a priority and challenge
- Mat-Su School District is the largest employer in the Borough, with approximately 2,500 employees
- The Mat-Su Borough passed its largest bond in October 2011, allowing for new school construction and renovation
- MSBSD educates 17,500 students, with an average annual enrollment growth of 425 students over the last ten years.





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- Our programs operate in 44 schools allowing for parent and student choice that include, but are not limited to:
  - ✓ small community schools
  - ✓ charter schools—MSBSD houses six charter schools
  - ✓ comprehensive high schools—MSBSD has four large high schools
  - ✓ neighborhood elementary and middle schools—MSBSD offers 20 neighborhood elementary schools and six middle schools
  - ✓ special mission schools focusing on: language immersion, career and technical education, and STEM (just to name a few)
  - ✓ alternative/credit recovery schools
  - ✓ vibrant and growing home school programs, including the completely renovated Mat-Su Central School.

With this information in mind, I will share the answers to your questions posed for this testimony. After the presentation, I welcome your questions about the operations, programs, and goals of the Mat-Su School District.

Thank you,

Michael Dunleavy, President  
MSBSD School Board

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### ***What is your FY13 total school district budget? What percentage goes to personnel?***

As you can see from the table below, total District budget (not including PERS/TRS) is \$205,352,831 and 83.31% goes to personnel costs. Total District budget (including OBO) is \$231,127,831.

FY13 General Fund Budget Expenditures		
\$ 205,352,831	Not including OBO	<b>83.31% Employee Compensation</b>
\$ 231,127,831	Including OBO	



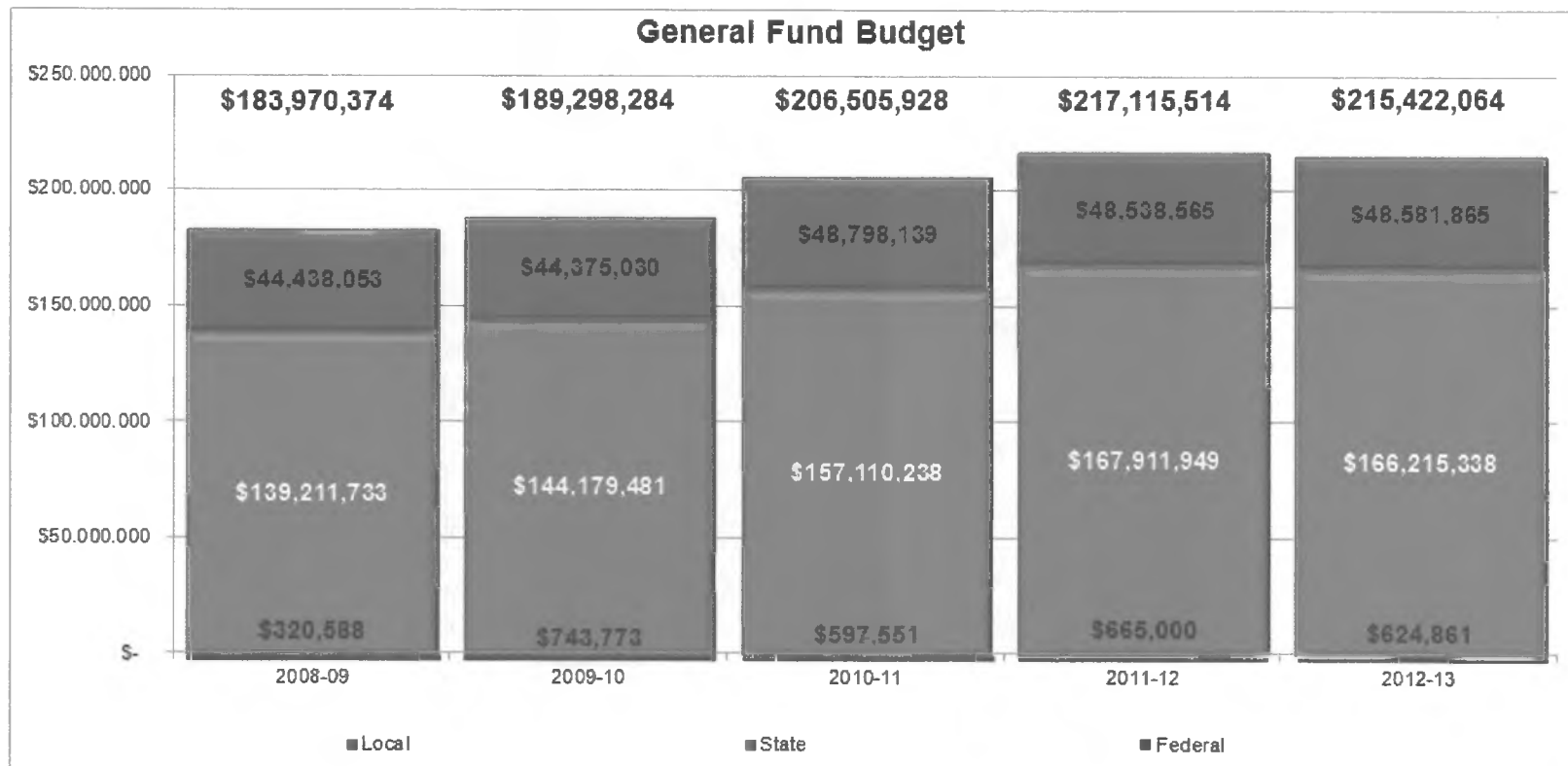


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**Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix).**



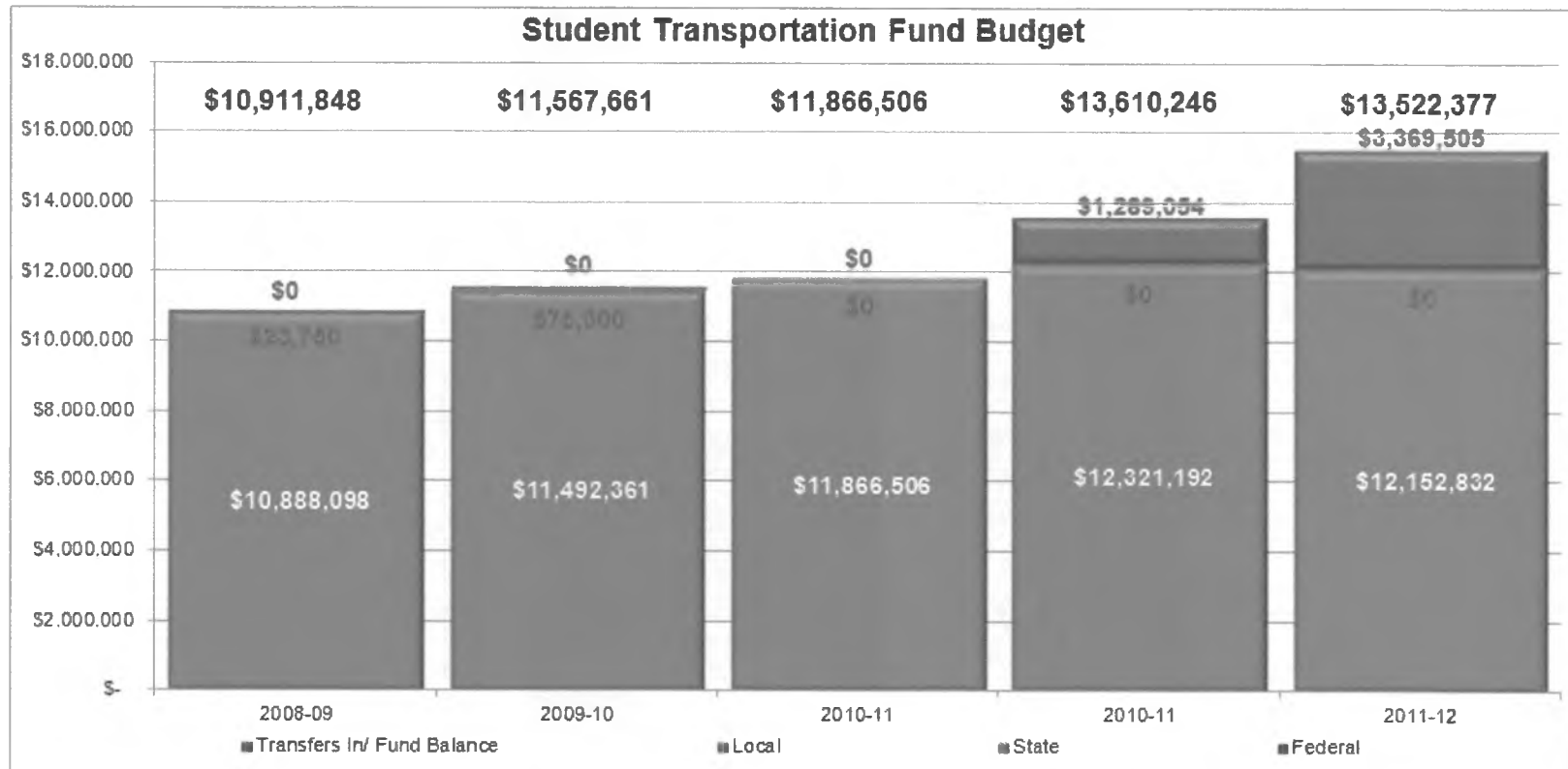


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**Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix).  
(Cont.)**



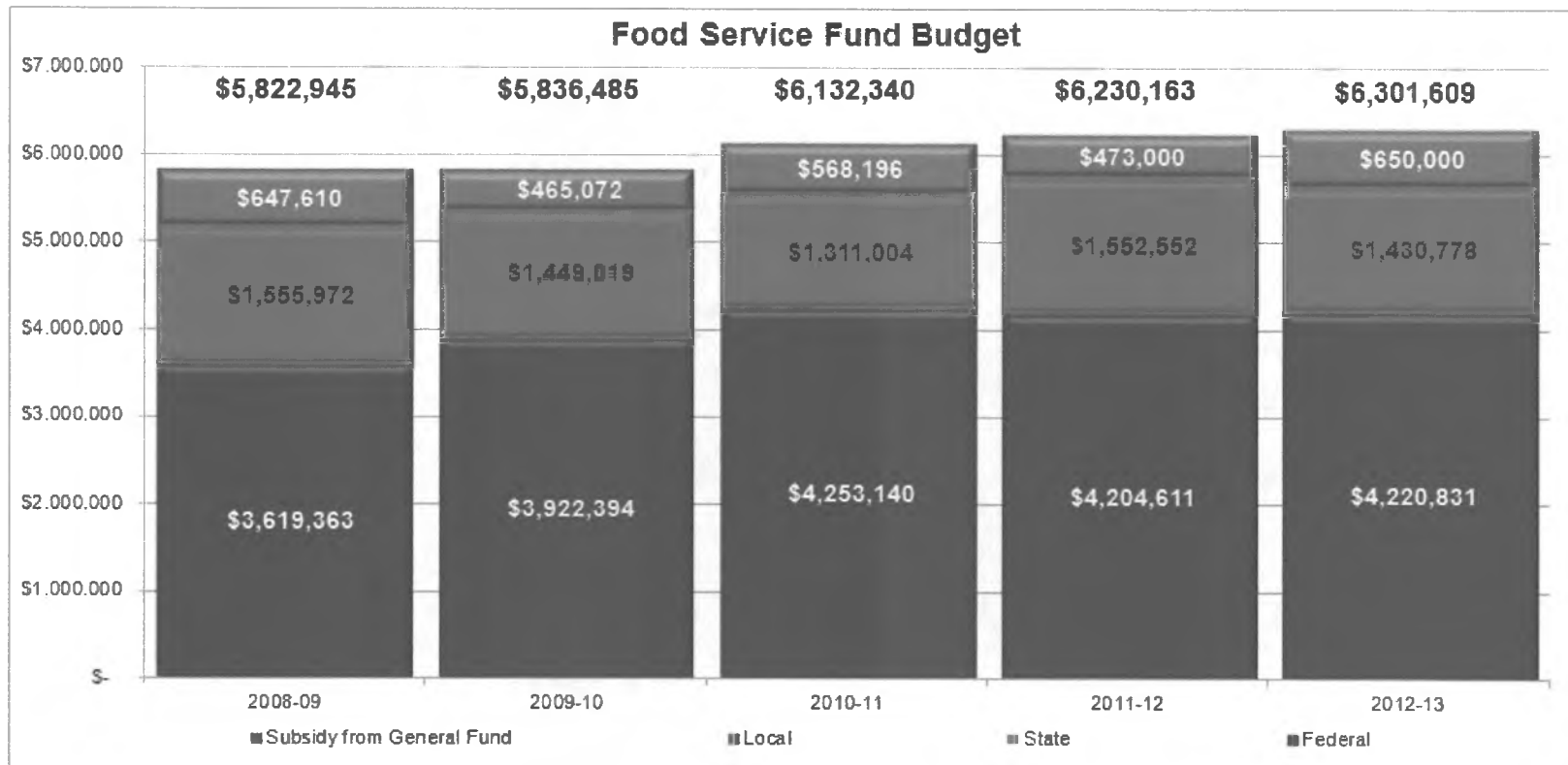


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**Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix). (Cont.)**





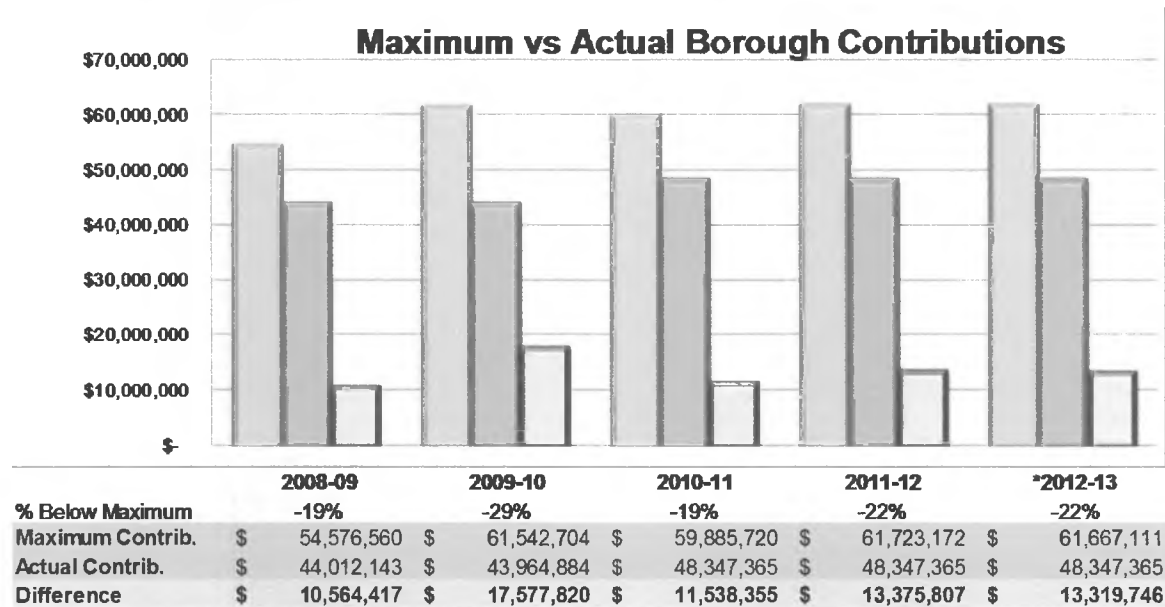
# Innovation Choice Customer Service

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## Did you fund to the total allowable local contribution in FY12? In FY13? If not, how much below were you? Why?

As you can see from the chart below, the District does not receive the total allowable local contribution. The Matanuska-Susitna Borough determines local contribution amounts. The District request has been, and continues to be, for increased local funding. FY13 amounts have yet to be determined.



\* Not yet determined





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***How much has the state contributed to the PERS/TRS unfunded liability on behalf of your school district in FY12?***

Estimated On-Behalf Funding contributed to the PERS/TRS unfunded liability for FY12 is **\$26,000,000**

***How much is the state scheduled to contribute for PERS/TRS unfunded liability costs on behalf of your district in FY13?***

On-Behalf Funding for **FY13** is anticipated to remain at approximately **\$26,000,000**

*Less Employment S*





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### ***When was your most recently ratified teacher contract put into place?***

The most recently negotiated teacher contract was ratified by the School Board on November 17, 2010, prior to learning that multiple year funding increases, then the norm, would not be continued.

### ***What were the terms? (salary and benefits increases/decreases per year, in percentages {or dollars, if appropriate})***

#### Terms:

- i. Three year contract, retroactive to July 1, 2010 through June 30, 2013
- ii. Salary increases of 1.75% in FY11, 2.00% in FY12 and 2.00% in FY13
- iii. Health Insurance – Committee was established to look at containing the rising cost of health insurance. Any increase will be shared 50/50 by employees and the District in FY13
- iv. Per diem rate for duties and professional development for teachers working outside of the school day **reduced by an average of 33%**





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***What is your average teacher salary?  
What is your starting teacher salary?***

### FY13 Teacher Salaries

<b>Average</b>	<b>\$ 69,084.00</b>
<b>Starting</b>	<b>\$ 44,195.00</b>



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### ***Did you negotiate significant salary increases in your labor contracts for FY2013? If yes, why did you do that given the current funding situation/debate?***

**No**; all four bargaining agreements were ratified November 17, 2010 and were multi-year agreements. Salary increases for all groups are based on two components:

1. Salary schedule increases, which were 2.00% for the FY13 year and are the negotiated increases agreed to in 2010
2. Regular step and column movements, which have been a component of the contract for years far preceding the current contract, effectively making them “status quo” under federal bargaining rules, requiring a substantial effort to remove them from the contract.

Our increases were moderate compared to many other agreements in place at the time, and the funding scenario for the State and District was different at the time of ratification. In addition, we were successful the year that ratification occurred in implementing a Supplemental Employee Retirement System, which increased natural attrition by over 400%, helping us reduce annual operating expenses in excess of \$7 million annually.





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### *What are the cost drivers in your budget?*

Cost drivers in the District's budget consist primarily of:

1. Increasing health insurance costs
2. Increasing compensation costs, due to multi-year contract and status quo provisions
3. Increasing student transportation costs (see next slide)
4. Inflationary cost pressure for required purchased services (data network, software licenses, etc.)
5. Increasing utilities costs





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### *What are the cost drivers in your budget? (Cont.)*

#### **New Transportation Contracts**

- Alaska Statute 23.10.065 (b) states in the pertinent part that “an employer shall pay to each person employed as a public school bus driver wages at a rate of not less than two times the minimum wage...”
  - This was the single largest requirement increasing our costs in the new transportation contract, which was competitively bid. By taking the low bid the District saved over \$11 million over the five year life of the contract.
- Our contractors fleet is old. To eliminate service disruptions our new contract requires that the average age of the fleet not exceed 10 years and no bus may be more than 12 years old; this requires an investment in new buses by the contractor.
- To ensure student safety we now require two digital cameras on all buses. This significantly improves student behavior making the bus environment much safer for both students and drivers.
- **Only Home-to-School transportation expenses are submitted to the State for reimbursement.**





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***How much were your energy costs in FY11?  
How much do you project them to be in FY13?***

Energy (only) Costs			
Actual	FY11	\$ 3,984,290	
Projected	FY13	\$ 4,274,900	7.3% Increase

Total Utilities			
Actual	FY11	\$ 4,956,546	
Projected	FY13	\$ 5,731,550	15.6% Increase



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### ***Do you have a system in place to make budget adjustments when enrollment drops – how do you approach this?***

**Yes;** the District does have a plan in place and is currently using it to equally allocate the reduction in funding that the District is now experiencing.

Ratios and metrics are used to fairly distribute reduced funds, providing full transparency to our budget. The ratios and metrics along with all budget scenarios are promptly posted to the District website to allow for public review.





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### ***What are your biggest instructional challenges?***

The biggest instructional challenge for the Matanuska-Susitna Borough School District is trying to counter the demands placed on us by NCLB while we seek rigor and high standards for all.

Specifically, to be responsive and provide the increased number of intervention courses required, our class sizes are organized for smaller groups. This essentially puts our district in a position of having to reduce offerings to our mid and upper level achieving students.

Our dilemma is to continue to offer enrichment through AP (Advanced Placement), STEM (Science, Technology, Engineering, Math), National Math and Science Initiatives and grow these programs so that we move the mean to the upper end. We are concerned that our reduced level of teacher staffing makes it difficult to place the required resources at the intervention level to address NCLB requirements; thus, we may be contributing to having all students regress to the mean.





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### ***What grade would you give your school district (A-F)?***

**The Matanuska-Susitna Borough School District is good moving to great!**

Our assessment is based on our recent 5 Year Post Graduate study and is fact based and data driven.

We currently rank ourselves a solid 'B' and have implemented programs to move our district to an 'A' with the help of required resources from our state and local borough.





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### *What are you proposing to do differently to improve student performance?*

**The Matanuska-Susitna Borough School District is a district that emphasizes choice, innovation and customer service.**

We believe education is not “one size fits all.” We provide our community many school models from large to small, neighborhood to special mission, as well as 6 charter school options. Our school programs include but are not limited to: a blended home-school model, foreign language immersion, Knowledge is Power charter, Career Technical focused high school, and STEM (Science, Technology, Engineering, Math). We operate on an RTI (Response to Intervention) model that is often referred to by the state and other districts as a stellar example of how intervention and support should be provided to improve student performance for all. Our District has implemented instructional models that utilize research based programs, taught to fidelity. We have demonstrated the most dramatic literacy improvement in the state (moved early childhood literacy scores upward from 50% proficiency to 79% proficiency). **Post Graduate 5 year study proves that MSBSD students are successful at the college level as well as in the world of work.**





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### ***Is the state providing the kind of planning and curriculum support that is helpful to your school district?***

The Matanuska-Susitna Borough School District works closely with the state.

The Matanuska-Susitna Borough School District has been provided opportunities to give input through committee and survey work. The state is accessible when there are questions pertaining to curriculum and responses provide clear direction on how the district should proceed.





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Matanuska-Susitna Borough School District prepares students for success



### ***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?***

The Matanuska-Susitna Borough School District would like to continue to partner with DEED on professional development needs. We would like to continue to utilize existing resources that have been put in place to support academic achievement.

The Matanuska-Susitna Borough School District would like to work with DEED to provide for alternate language in its statewide Home-School provisions allowing our district leverage and flexibility for Matanuska-Susitna Borough School District students to access neighborhood and home school programs without the current penalty of FTE/courses.

We would like to see DEED and the State Board of Education continue to further their work in the area of standardizing a teacher evaluation so that evaluations provide objective criteria for teacher performance.





## Innovation Choice Customer Service

Matanuska-Susitna Borough School District prepares students for success



### *How much ARRA funding did you receive over the past few years?*

ARRA		
Year	Amount	Purpose
2010	\$ 4,070,437.54	Teacher Staffing
2011	\$ 13,142,674.36	Teacher Staffing and Supplemental Employee Retirement Incentive
2012	\$ 689,000.00	Teachers Staffing and Supplemental Employee Retirement Incentive

### *How did you invest any ARRA funds you received?*

ARRA Funding was invested in Supplemental Employee Retirement System (SERP), reducing on-going operational expenses by over \$7 million annually, and teachers (in order to save jobs that would otherwise have been lost without ARRA Funding)



## Preamble

The Anchorage School Board is a municipal-wide elected body with governance responsibility for the Anchorage School District. As a governance board, it is our responsibility to do the following: (1) set a clear direction for the district; (2) empower and hold accountable the superintendent for implementing our direction and managing district operations; (3) develop and adopt policies and budgets that support and implement the board's direction; and (4) model the professionalism and degree of effort they expect from students, families and staff.

The board expects a high-performing district that achieves exceptional results. We believe a process of continuous improvement and reform for results can be consistent over time, transcending board membership and superintendents.

## Board Commitments

Based on our core beliefs and values, the board is committed to the following:

- A collaborative and respectful governance relationship with the superintendent;
- A rigorous core curriculum of language arts, mathematics, science and social studies;
- A well-rounded educational program that integrates career and technical education, arts and athletics;
- Instruction and early interventions that meet the needs of each student and moves them forward at least one year's academic growth annually;
- Effective public school choice options;
- Parents and the community as informed partners; and
- Cost-effective and efficient operations.

## 2011-12 Board Projects

As a course of action, the superintendent and board have operational and policy matters to address each year. These projects are in addition to strategic initiatives. The following are known board projects for 2011-12.

The superintendent and the board will discuss each year those programs being implemented, and any programs where the board would desire an update.

### Special board projects

- Conduct a superintendent search
- Implement measures for the board's work to be more electronic

### Annual projects

- Finalize a balanced 2012-13 budget
- Determine 2012 bond requests

### Audit schedule

- Management Audit (discussion in strategic initiatives)
- Procurement policy review/audit
- Food Service/Nutrition Audit

### 2011-12 new or review of policies

- Review and update high school graduation requirements
- Create a public process for construction projects which will impact neighborhoods
- Review and update the wellness policy
- Review and update the Multicultural Education Concerns Advisory Committee purpose and structure for improved outreach and communication to our minority communities
- Finalize the education specifications for schools



## Creating a High Performing District

*The Anchorage School Board's Vision*

### Mission

*To educate all students for success in life*

### Vision

*All students will graduate prepared for post-secondary educational and employment opportunities*



**Anchorage School District**  
*Educating All Students for Success in Life*

[www.asdk12.org/school\\_board](http://www.asdk12.org/school_board)  
742-1101



## Core Values & Beliefs

**POTENTIAL: Every student deserves the opportunity to achieve his or her potential**

To best serve all students, the board believes schools, families and the community should provide every student the opportunity to reach his or her potential. We believe students learn differently, and as such, each classroom and/or school must teach the curriculum in a way that meets the needs of each child. Our district must provide opportunities including a highly effective educator in each classroom, differentiated instruction and high-performing neighborhood and alternative schools. We believe we must close the achievement gap while moving all students forward.

**HIGH EXPECTATIONS: The district will foster a culture of high expectations**

To achieve high performance, the board believes the district must foster a culture of high expectations for everyone: students, parents, educators, staff and the board. High expectations require adopting an attitude that does not make excuses for a child's academic performance. High expectations also require high performance standards for each employee, including an expectation of collaboration.

**ACCOUNTABILITY: The district will be open, transparent and accountable to the public**

The board believes the district should be open, transparent, and accountable to the public, ensuring a high-quality education while remaining fiscally responsible. Our budget, policies, guidelines, curriculum and district performance data will be easily accessible (unless protected by law) and understandable. Parents will always have access to what their child is learning and how they are progressing. The district will promote strong community partnerships and public involvement.

**SAFETY: All schools and departments will be safe and supportive**

The board believes all schools and departments will have safe and supportive environments by providing safe facilities, being intolerant of bullying and discrimination, and ensuring respect for all. This belief also includes promoting skills necessary to create positive relationships, and to handle confrontational and challenging situations constructively and ethically.

**RESPONSIVENESS: Public education should be responsive to an ever-changing world**

The board believes the district must be responsive to the changing educational requirements of students for meeting the challenges of an ever-changing world.

Every graduate should be ready for his or her next step in life and be a productive member of a democratic republic.

## Operating Principles for Instruction

To implement our vision, the board sets forth the following operating principles, or the active actions, the district will take to move us towards high performance.

**Managed instruction** – The district will use a **Managed Instruction System** approach, which includes consistent content, grade-level expectations, and performance standards and curriculum across grade levels and schools. The main driver for this principle is the mobility of our district: almost one-third of students do not end the year in the school in which they start.

**School innovation** – The district will encourage creativity, innovation and reform including allowing schools to request flexibility (e.g., waiver, pilot programs) so the school can best meet the needs of its students.

**Principal priorities** – Principals will implement board policies and vision, focusing on three priorities: (1) a safe and secure environment, (2) serving as the instructional leader and ensuring quality education, and (3) serving as the liaison with the neighborhood and school community.

**Instructional differentiation** – As a best practice, the district will ensure instruction and early interventions to meet the needs of each student, moving every child forward at least one year's academic growth annually.

**Educator accountability** – Teachers, principals and all educators will be held accountable for complying with district policy and direction to meet the district's mission, vision, core beliefs, commitments and performance measures.

**Effective communication** – The district will establish effective communications (including feedback loops) with parents, students, educators and the community.

**Research-based curriculum and best-practice instruction** – The district's curricula will be research-based with the expectation of and accountability for best practice with instruction.

**Technology integration** – The district will integrate technology into all classrooms and curricula to provide each child the opportunity to fully engage in a twenty-first century learning environment.

### Implementation


To implement our vision, the board will work with management each year to determine strategic initiatives, annual board projects, and performance measures.

## Strategic Initiatives

Each spring, after board elections and reorganization and before the start of the fiscal year, the board and superintendent will work together to confirm and set strategic objectives, major tactics, and board liaison based on resources and priorities. These objectives will be rolling, recognizing that strategic objectives often take more than one year to complete. As such, each year some objectives will be initiated, in process, discontinued or completed. Additionally, once a project is to implementation, it will move from board governance to superintendent management. The board may request at this time implementation updates.

1. Develop a district long-range fiscal plan
2. Develop a value-based budgeting system
3. Review of math curriculum
4. Career/Technical and Vocational Comprehensive Plan
5. Develop a comprehensive model for staff evaluation based on classroom effectiveness
6. Develop improvements in bond and capital improvement plans
7. Response to Instruction system
8. Management Review
9. Review and prioritize Native education services
10. Enhanced effectiveness of board communications
11. Partnership and merging of services with MOA

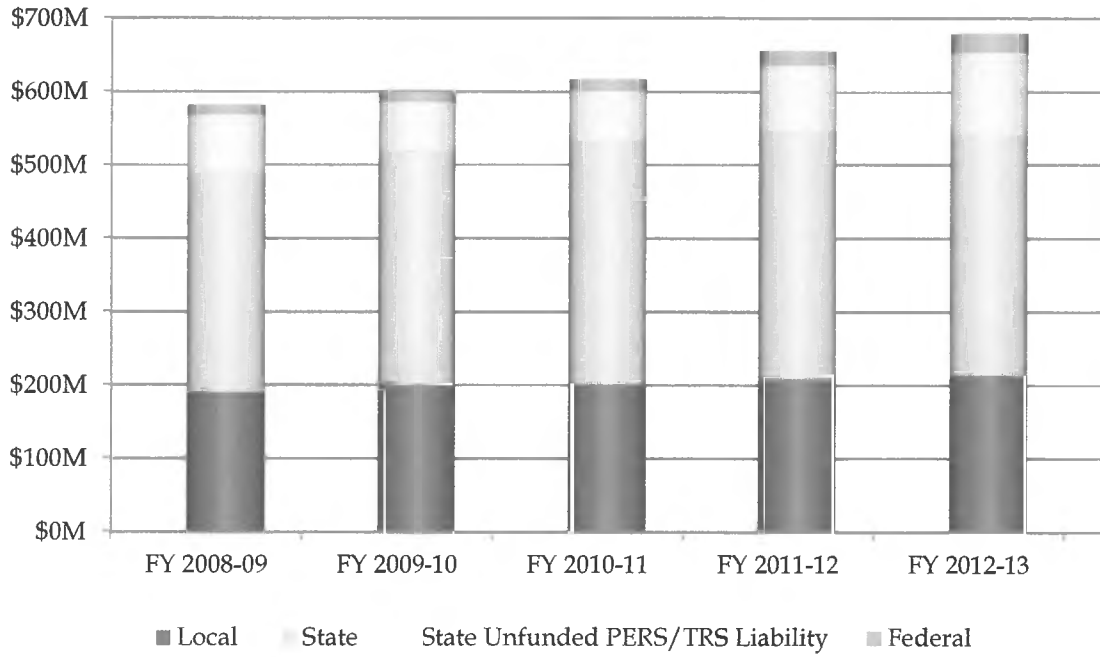
Questions:

<ul style="list-style-type: none"> <li>• What is your FY13 total school district budget?</li> </ul>	General Operating Fund - \$569 million
<ul style="list-style-type: none"> <li>○ What percentage goes to personnel?</li> </ul>	87 percent
<ul style="list-style-type: none"> <li>• Provide a graph that shows your total school district budget from FY09-FY13 (5 years), broken down by funding source (state/local/fed/mix)</li> </ul>	<p>See attached file “ASD 5-year revenue by funding source graph”</p>  <p>ASD 5-year Revenue by Funding Source Gr</p>
<ul style="list-style-type: none"> <li>• Did you fund to the <u>total allowable</u> local contribution in FY 12? In FY13?</li> </ul>	<p>FY12 - 99 percent FY13 – 100 percent</p>
<ul style="list-style-type: none"> <li>○ If not, how much below were you? Why?</li> </ul>	
<ul style="list-style-type: none"> <li>• How much has the state contributed to the Pers/TRS unfunded liability on behalf of your school district in FY12?</li> </ul>	General Operating Fund - \$88 million
<ul style="list-style-type: none"> <li>○ How much is the state scheduled to contribute for Pers/TRS unfunded liability costs on behalf of your district in FY13?</li> </ul>	General Operating Fund - \$110 million
<ul style="list-style-type: none"> <li>• When was your most recently ratified teacher contract put into place?</li> </ul>	July 1, 2010
<ul style="list-style-type: none"> <li>○ What were the terms? (salary and benefits increases/decreases per year, in percentages {or dollars, if appropriate})</li> </ul>	<ul style="list-style-type: none"> <li>• Salary increases of \$1,800 per full-time teacher in 2010-2011, 2% in 2011-2012, and 3% in 2012-2013. Eligible teachers also received step movement (~\$1,200) and educational attainment.</li> <li>• Health insurance contributions are \$1,180 per eligible member per month for 2010-2011, \$1,180 per eligible member per month for 2011-2012 and \$1,385 per eligible member per month for 2012-2013.</li> </ul>
<ul style="list-style-type: none"> <li>○ What is your average teacher salary?</li> </ul>	FY13 - \$66,600
<ul style="list-style-type: none"> <li>○ What is your starting teacher salary?</li> </ul>	FY13 - \$46,979
<ul style="list-style-type: none"> <li>○ Did you negotiate significant salary increases in you labor contracts for FY2013? If yes, why did you do that given the current funding</li> </ul>	<ul style="list-style-type: none"> <li>• Bus - (not yet negotiated current contract expires 6/30/2012)</li> <li>• Student Nutrition - (not yet negotiated current contract expires 6/30/2012)</li> <li>• Maintenance 2.5% (Contract was effective July 1, 2011) – Ratified by SB on 1/24/12</li> <li>• ACE 1.0% (Contract becomes effective July 1, 2012) – Ratified by SB on 12/12/11</li> </ul>

Anchorage School District – Gretchen Guess, School Board President

<p>situation/debate?</p>	<ul style="list-style-type: none"> <li>• TOTEM 2.0% (Contract becomes effective July 1, 2012) – Ratified by SB on 11/14/11</li> <li>• APA 2.5% (Contract was put into place July 1, 2011) – Ratified by SB on 5/14/11</li> <li>• AEA 3% (Contract was put into place July 1, 2010) – Ratified by SB on 5/24/10</li> <li>• Custodians 2.5% (Contract was put in place July 1, 2011) – Ratified by SB on 11/18/10</li> </ul>
<ul style="list-style-type: none"> <li>• What are the cost drivers in your budget?</li> </ul>	<p>Inflation, wages/salary, health insurance, employee benefits, transportation, professional development, technology/infrastructure maintenance, special programs and student supports that support student transiency, wide range of educational readiness of students, costly hands-on learning opportunities.</p>
<ul style="list-style-type: none"> <li>• How much were your energy costs in FY11?</li> </ul>	<p>\$14.6 million</p>
<ul style="list-style-type: none"> <li>• How much do you project them to be in FY13?</li> </ul>	<p>\$15.4 million</p>
<ul style="list-style-type: none"> <li>• Do you have a system in place to make budget adjustments when enrollment drops—how do you approach this?</li> </ul>	<p>Yes – ASD holds back budgeted teaching positions and supply allocations until enrollment has stabilized and confirmed. If enrollment is less than budgeted, positions are not filled and supply allocations are cut. If enrollment is greater, positions and supplies are increased as necessary per staff and supply allocations. Both adjustments are linked to funding adjustment through foundation formula for student counts.</p>
<ul style="list-style-type: none"> <li>• What are your biggest instructional challenges?</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring differentiation in each classroom</li> <li>• English Language Learners at 12 percent</li> <li>• High transiency rate within district, intra, and interstate</li> <li>• Curriculum alignment districtwide</li> <li>• Low attendance, behavioral issues</li> <li>• Teacher preparation – each university differs</li> <li>• Increasing curricular pressures with no additional time in calendar</li> </ul>
<ul style="list-style-type: none"> <li>• How much ARRA funding did you receive over the past few years?</li> </ul>	<p>\$59 million</p>
<ul style="list-style-type: none"> <li>○ How did you invest any ARRA funds you received?</li> </ul>	<p>Large scale network refurbishment – over \$17 million                  Invested in software and training for key district initiatives –                  Response to Instruction                  Online learning                  IEP system                  Curriculum refresh – general ed, title I, Sped.                  Library system                  Leadership cadre                  Preschool trial at Title I schools                  Enhanced summer school program</p> <p>Full details available at <a href="http://www.asdk12.org/recovery/index.asp">http://www.asdk12.org/recovery/index.asp</a></p>

## Anchorage School District General Fund Revenue by Funding Source



SCHOOL DISTRICT *estimated* State of Alaska additional payments for unfunded liability in FY13

<b>PERS estimated unfunded liability paid by state outside foundation formula in FY13</b>		<b>TRS estimated unfunded liability paid by state outside the foundation formula in FY13</b>		<b>Total State Assistance Pers/TRS unfunded liability FY13</b>
ALASKA GATEWAY SD	\$229,901	AK GATEWAY SD	\$989,153	\$1,219,054
ALEUTIAN REGION SD	\$20,319	ALEUTIAN REGION SD	\$159,134	\$179,454
ALEUTIANS EAST BOR SD	\$169,265	ALEUTIANS EAST BOR SD	\$696,611	\$865,876
ANCHORAGE SD	\$16,405,582	ANCHORAGE SD	\$107,560,147	\$123,965,728
ANNETTE ISLAND SD	\$98,597	ANNETTE ISLAND SD	\$681,224	\$779,821
BERING STRAIT SD	\$1,467,173	BERING STRAIT SD	\$5,623,809	\$7,090,983
BRISTOL BAY BOROUGH SD	\$73,492	BRISTOL BAY BOR SD	\$301,119	\$374,611
CHATHAM SD	\$103,545	CHATHAM SD	\$453,545	\$557,091
CHUGACH SD	\$83,084	CHUGACH SD	\$691,754	\$774,838
COPPER RIVER SD	\$212,369	COPPER RIVER SD	\$1,033,137	\$1,245,506
CORDOVA CITY SD	\$117,054	CORDOVA CITY SD	\$1,026,613	\$1,143,667
CRAIG CITY SD	\$172,219	CRAIG CITY SD	\$762,604	\$934,823
DELTA/GREELY SD	\$292,995	DELTA/GREELY SD	\$1,489,556	\$1,782,552
DENALI BOROUGH SD	\$163,633	DENALI BOROUGH SD	\$654,726	\$818,359
DILLINGHAM CITY SD	\$247,071	DILLINGHAM CITY SD	\$1,151,724	\$1,398,795
FAIRBANKS NORTH STAR BOR	\$5,410,069	FAIRBANKS NORTH STAR BOR	\$29,637,277	\$35,047,347
GALENA CITY SD	\$520,939	GALENA CITY SD	\$1,961,761	\$2,482,700
HAINES BOROUGH SD	\$159,309	HAINES BOR SD	\$695,262	\$854,571
HOONAH CITY SD	\$96,420	HOONAH CITY SD	\$198,324	\$294,744
HYDABURG CITY SD	\$19,134	HYDABURG CITY SD	\$165,243	\$184,378
IDITAROD AREA SD	\$196,282	IDITAROD AREA SD	\$461,049	\$657,331
JUNEAU BOROUGH SD	\$1,953,720	JUNEAU BOR SD	\$11,618,602	\$13,572,323
KAKE CITY SD	\$65,109	KAKE CITY SD	\$334,946	\$400,055
KASHUNAMIUT SD	\$252,392	KASHUNAMIUT SD	\$713,480	\$965,871
KENAI PENINSULA BOR SD	\$2,832,521	KENAI PENINSULA BOR SD	\$19,258,762	\$22,091,284
KETCHIKAN GATEWAY BOR SD	\$735,417	KETCHIKAN GATEWAY BOR SD	\$5,427,001	\$6,162,418
KLAWOCK CITY SD	\$99,668	KLAWOCK CITY SD	\$410,978	\$510,646
KODIAK ISLAND BOROUGH SD	\$959,303	KODIAK ISLAND BOR SD	\$6,399,968	\$7,359,271
KUSPUK SD	\$303,466	KUSPUK SD	\$1,041,799	\$1,345,265
LAKE AND PENINSULA BOR SD	\$381,515	LAKE & PENINSULA BOR SD	\$1,185,632	\$1,567,146
LOWER KUSKOKWIM SD	\$3,136,748	LOWER KUSKOKWIM SD	\$10,597,530	\$13,734,278
LOWER YUKON SD	\$1,036,372	LOWER YUKON SD	\$4,623,751	\$5,660,123
MATANUSKA-SUSITNA BOR SD	\$4,390,562	MATANUSKA-SUSITNA BOR SD	\$34,210,836	\$38,601,398
NENANA CITY SD	\$166,514	NENANA CITY SD	\$777,056	\$943,570
NOME CITY SD	\$247,787	NOME CITY SD	\$1,344,343	\$1,592,130
NORTH SLOPE BOROUGH SD	\$1,792,457	NORTH SLOPE BOR SD	\$5,736,101	\$7,528,558
NORTHWEST ARCTIC BOR SD	\$1,242,204	NORTHWEST ARCTIC BOR SD	\$4,793,305	\$6,035,509
PÉLICAN CITY SD	\$12,627	PÉLICAN CITY SD	\$54,124	\$66,751
PETERSBURG CITY SD	\$148,257	PETERSBURG CITY SD	\$1,342,854	\$1,491,111
PRIBILOF SD	\$81,400	PRIBILOF SD	\$350,000	\$431,399
SAINT MARY'S SD	\$59,456	SAINT MARY'S SD	\$429,900	\$489,356
SITKA BOROUGH SD	\$401,476	SITKA BOR SD	\$3,416,775	\$3,818,250
SKAGWAY CITY SD	\$50,709	SKAGWAY CITY SD	\$295,398	\$346,107
SOUTHEAST ISLAND SD	\$115,572	SOUTHEAST ISLAND SD	\$618,870	\$734,442
SOUTHWEST REGION SD	\$450,746	SOUTHWEST REGION SD	\$1,786,229	\$2,236,974
TANANA SD	\$6,423	TANANA SD	\$146,173	\$152,596
UNALASKA CITY SD	\$157,709	UNALASKA CITY SD	\$991,006	\$1,148,715
VALDEZ CITY SD	\$352,391	VALDEZ CITY SD	\$1,826,452	\$2,178,844
WRANGELL PUBLIC SD	\$121,177	WRANGELL PUBLIC SD	\$713,579	\$834,756
YAKUTAT SD	\$56,098	YAKUTAT SD	\$347,606	\$403,703
YUKON / KOYUKUK SD	\$370,093	YUKON / KOYUKUK SD	\$1,767,800	\$2,137,893
YUKON FLATS SD	\$236,149	YUKON FLATS SD	\$898,600	\$1,134,750
YUPIIT SD	\$299,252	YUPIIT SD	\$941,575	\$1,240,827
<b>SCHOOL DISTRICT SUBTOTAL</b>	<b>\$48,773,745</b>		<b>\$280,794,803</b>	<b>\$329,568,548</b>

Information from OAA