FY 24 Budget Solutions

(Phase I - Research)

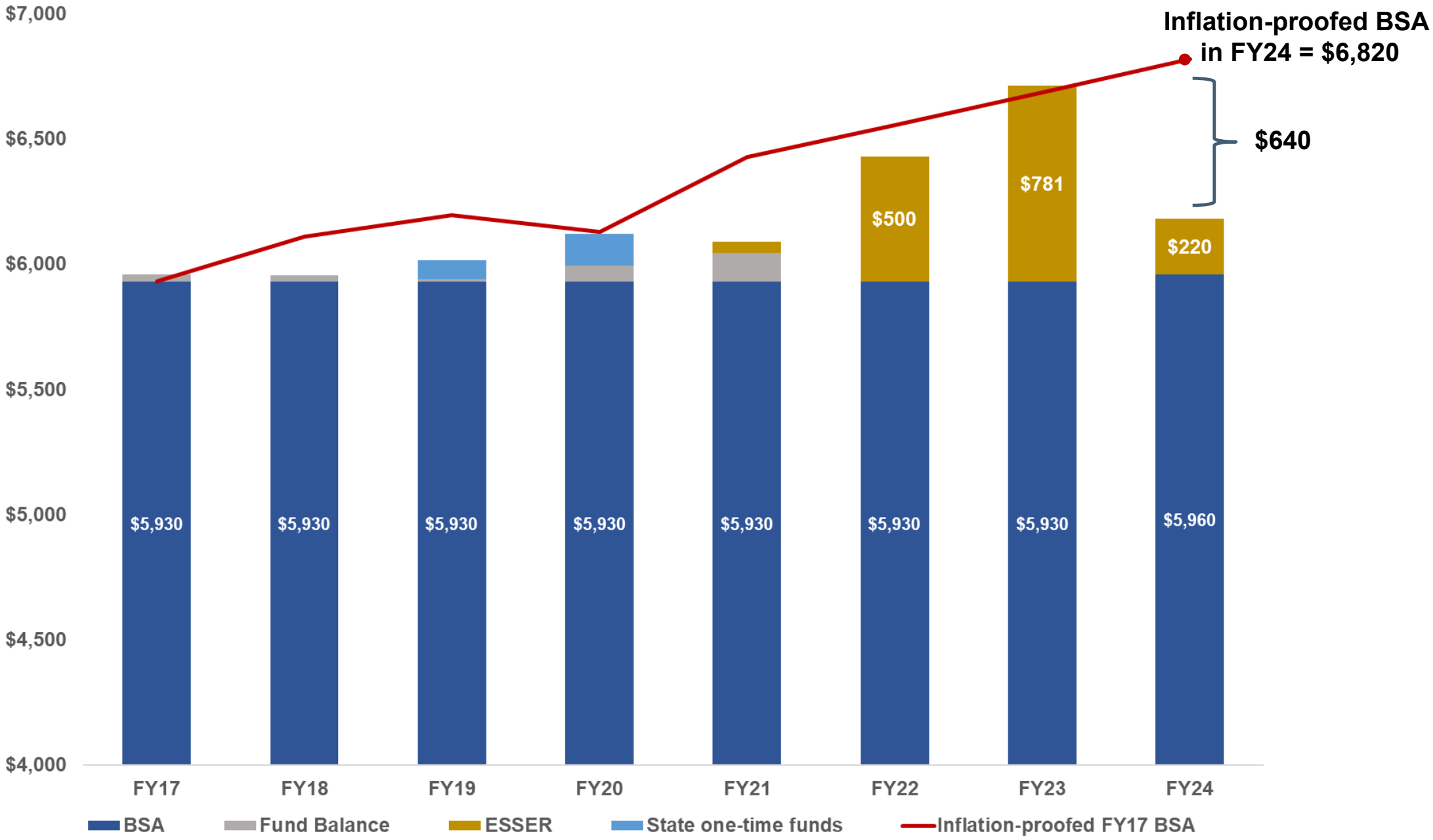
September 20th, 2022



Anchorage School District

Educating All Students for Success in Life

ASD School Funding since 2017



- **ASD revenue is depicted in BSA-equivalent dollars**

FY 24 Budget - Areas ID'd for Detailed Analysis



Review schools for closure/repurpose, **school-based minimum and metric-based staffing levels**, **ASDV**, special programs (e.g. **immersion & IB**), **MS model**, **pull-out programs** (**IGNITE, 6th grade band/orchestra**, etc.) and **other changes within the schools or programs** that improve instructional capacity or reduce costs.

Review ESSER II/III planned expenditures to help soften FY 24 deficit



Review 1:1 costs & short/long-term plan to support elementary and secondary, district software (sunset committee), policy & procedure for lost/broken student equipment



Review District Administrative staff, contracts, **insurance coverage limits**, Student Nutrition debt practices, facility rental fees, Student Transportation, etc.



Potential for increased revenue (i.e., outsource capabilities to other districts/municipalities, expand Medicaid reimbursement, etc.)



Review sports and activities to determine potential cost savings and possible reduce/outsource programs. Review activity fee rates and gate fees for games



ASD's prioritization efforts will be informed through layered community, family and staff input (surveys, town halls, etc.)

Previous Topics

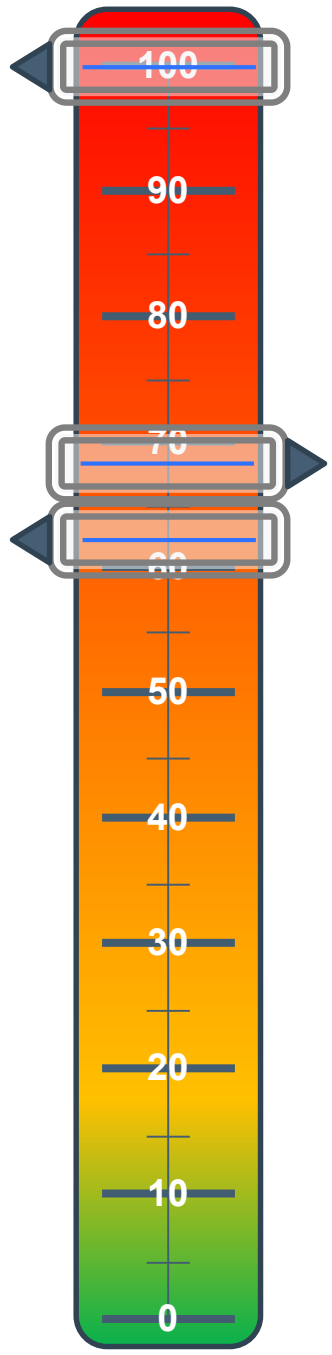
Action Item/program	Status Update
Reserve $16 million in one-time funds for FY24	Pending board approval of board memo # 24 (4 October, 2022).
Close/Repurpose Schools (includes boundary adjustments)	Pending Western Demographics simulation and analysis. Initial results by middle of October.
Move elementary 6th grade to middle schools	Pending Western Demographics simulation & analysis. Initial results by end of November.
Eliminate 6th grade band & orchestra	Pending analysis of 6th grade move to middle schools and analysis of projected class participation.
Transform IGNITE	Detailed analysis will start in October. Initial results by end of November.
Transform immersion programs	First priority is to determine program transformation at HS level, then MS and ES.

FY 24 Budget Deficit Monitor

Prior School Board comments/indicators

- **> 50% inclined to save $16M until FY24**
- **Continue discussion on SBDR & Major Maint**

FY 24 Deficit
(in $Millions)

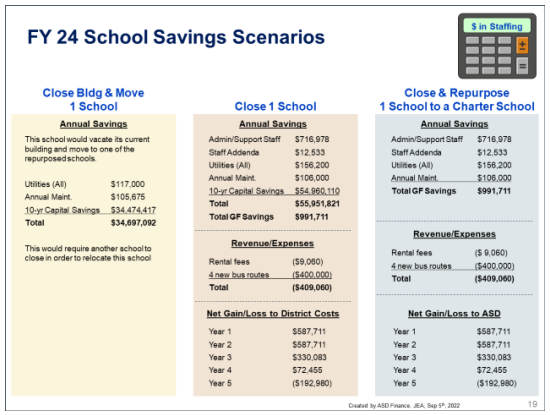


- **Spend all FY23 state one-time funds**
- **Fail to meet FY23 projected enrollment**

- **IGNITE & 6th Grade Band & Orchestra**

- **Preserve ≈ $16M one-time state funds for FY24**
- **Meet or exceed FY23 projected enrollment**

Close/Repurpose Schools



- ASD's enrollment has dropped by ≈ 5,000 Students since FY 13
- ASD currently has 18 schools operating at ≤ 65% capacity and 19 schools operating at ≥ 95% capacity
- ASD budgets ≈ $24.4 million for maintenance
- In the past 10 years ASD has closed Mt. Illiamna and Mt. Spurr

National Perspective of School Efficiency

- Cost savings is a factor when merging schools, however the focus is to increase the educational level of service that can be provided with larger schools
  - Three and four round schools (3 first grade classes, 3 second grade classes) more efficiently deliver a full palette of services than a 1.5 or 2 round school
  - Increases the efficient use of specialized services
  - Increases operational efficiency for school and support staff
- Elementary school services challenged by small student body & faculty size include:

  Art, music, PE, librarians, literacy coaches, counseling, nurses, SpED teachers & related services (OT/PT, speech pathologists, psychologists, etc.), ELL resources, and other special services
- Secondary school services challenged by small size include:

  Course offerings, master schedule viability (class section delivery times that work for busy students), sports, extracurricular activities, and the special services as identified in elementary

School Staffing Metrics

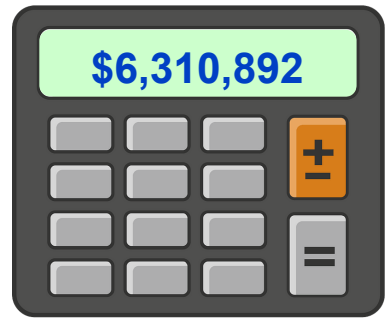
Elementary School Metrics-based Staffing				
Librarians	Nurses	Kindergarten TA	Office Admin	BPO
1	1	.44/class	2	1

Middle School Metrics-based Staffing						
Principals	Counselors	Librarian	Nurse	Office Admin	BPO	Security
400:1	300:1	1	1	3	1	450:1

High School Metrics-based Staffing							
Principals	Counselors	Librarian	Library Asst.	Nurse	Office Admin	BPO	Security
400:1	300:1	1	.88	1	Principals + 3	1	450:1

- Staffing metrics will be assessed at all levels
- Metric-based staffing reductions at secondary, despite lower enrollment were held harmless during the pandemic
- Several secondary schools have staffing levels above the metric, due to declining enrollment

ASDV & Middle School Model



ASD Virtual (ASDV)

Description	FY 22 Expenses	
ESSER ASDV Teachers	$	2,852,635
ESSER ASDV Summer School	$	673,923
ASDV - General Fund	$	1,884,334
Totals	**$**	**5,410,892**

Remarks

- **ASDV enrollment has dropped significantly since the FY 22 school year**
- **Transforming ASDV will still have a cost associated with supporting students**

Middle School Model

- High School teachers are scheduled for 5 instructional planning periods per week
- Middle School teachers are scheduled for 5 instructional planning periods, plus 5 team periods, per week
- Changing Middle School to 5 planning periods per week saves 24.2 FTE for the district, reducing overall cost by $2.9 million

Pupil to Teacher Ratio (PTR) Costs

School Type	FY 2023 General Fund + ESSER PTR - Grade Level Groupings							
	K	1	2	3	4-5	6	7-8	9-12
Secondary Schools								30.25
Middle Schools						30.25	30.25	
Elementary Schools	21	22	24	25	26	27	27	

FY 23 budget maximized ESSER funds to retain PTR at the FY 22 levels

School Type	FY23 PTR + 5							
	K	1	2	3	4-5	6	7-8	9-12
Secondary Schools								35.25
Middle Schools						35.25	35.25	
Elementary Schools	26	27	29	30	31	32	32	

+5 increase to PTR reduces 273.5 teacher FTE for a savings of $32.2 million

This is roughly equivalent to the amount of unallocated SBDR funds in the substitute memo #24 discussed at the 9/14/22 finance committee meeting

The FY 23 budget used ESSER funds to pay for teachers equal to a PTR increase of 10

The projected FY 24 deficit assumed that those teachers were moved to the Operating Fund

Review District-wide Insurance

ANCHORAGE SCHOOL DISTRICT
INSURANCE PROGRAM FY 22/23

+	Policy Description	Limits	Policy Number	Expiration Date	21/22	22/23	Percentage +/-
Safety National General Liability Automobile Liability Educational Liability	First Layer Excess GL/AL (E& O Included)	$5MM Occurrence $5MM Aggregate per policy year, except for auto SIR-$1.5MM	GLE4060647 SED6675416 CA6675726 XPE4060653	6/30/2023	$370,914	$413,528	11.5
General Star Indemnity 2nd Layer Excess	2nd Layer of General & Auto Liability	$5MM Occurrence $5MM Aggregate X 5M	IXG933794B	6/30/2023	$239,250	$289,250	20
Gemini Insurance Co. (Berkley National) 3rd Layer Excess	3rd Layer of General Liability & Auto Liability	$5MM Occurrence $5MM Aggregate x10M	CEX0960269504	6/30/2023	$123,275	$157,625	27
Navigators Specialty Insurance 4th Layer Excess	4th Layer of General Libility & Auto Liability	$10MM Occurrence $10MM Aggregate X15 MM	SF21EXC747268IC	6/30/2023	$154,625	$166,034	7.37
Hallmark 5th Layer Excess	5th Layer of General Libility & Auto Liability	$5MM Occurrence $5MM Aggregate X25MM	77PEF210130	6/30/2023	$57,625	$64,000	11
Lexington Insurance Co. 6th Layer Excess	6th Layer of General Libility & Auto Liability	$5MM Occurrence $5MM Aggregate X30 MM	80877833	6/30/2023	$55,125	$60,125	9
Landmark American 7th Layer Excess	7th Layer of General Libility & Auto Liability	$5MM Occurrence $5MM Aggregate X35MM	LHA251819	6/30/2023	$31,875	$34,525	8
Safety National Insurance Excess WC/& Employers Liability	Workers' Compensation Excess	Statutory Limits Part I $1MM Part II $50MM Cap SIR $1MM	SP4067034	6/30/2023	$241,732	$250,601	3.67
Chubb (formerly ACE) Business Travel Accident	Covers Board Members and Staff traveling on school business	$500,000 Class I & II Principal Sum $5MM Aggregate/Per accident	ADDN04966144	6/30/2023	$10,000	$10,769	7.69
ACE American Ins. Co. Catastrophic Student Athelete	Covers catastrophic sports injuries	$1MM Occurrence $25,000 Deductible	SDAN0420512151 993	6/30/2023	$24,583	$24,628	0.18
Markel/HCC. Crime Insurance	Covers Theft of District Funds	$1MM Bond Limit $25,000 Deductible	5221PRO134421	6/30/2023	$21,020	$20,327	-3.2
ACE American Ins. Co. Foreign Travel	Covers Foreign injury and Property Damage	$1MM/Occurrence $2MM Aggregate Limit	PHFD3844285501 0	6/30/2023	$2,500	$2,500	0
Tokio Marine Cyber	Covers Theft of District Computer Data	$5MM $250,000 Deductible	H21NGP20894200	6/30/2023	$85,761	$228,020	165.88
Hartford Accident & Indemnity Treasurer Kelly Lessens	School Board Treasurer Bond	$50,000	52BSBIQ9239	5/5/2023	$200	$200	0
Nautilus Insurance Company Fuel Storage Tank	Fuel Storage Tank Coverage	$1MM Each Incident $1MM Aggregate	CST200199923	6/30/2023	$12,472	$13,223	6.02
FM Global Property & Content's	Property and Contents	$1MM Limit	1099081	6/30/2023	$1,193,990	$1,113,162	*-6.77
Travelers Property & Casualty	Covers Leased or Rented Equipment/Vehicles	$500,000	QT6603H548555TI L22	6/30/2023	$2,335	$2,498	6.98
National Union Ins. Co Drones	Unmanned Aircraft	$1MM	UM06284511805	6/30/2023	$4,310	$4,530	5.1
Risq Consulting	Brokerage Fee			6/30/2023	$22,000	$22,000	0
Total					$2,653,592	$2,877,545	8.44

*OFFSET OF REINSTATED MEMBERSHIP CREDIT ($179,098)

- **Insurance costs have continued to increase since FY 17:**
  - **Property: 57% increase ($475,921)**
  - **Liability: 122% increase ($915,490)**
- **Staff is looking at layers of coverage to determine level of risk if coverage is reduced**

FY 24 Budget Timeline (Aug – Oct 22)

Public Tasks/Events

- ★ Leadership Summit:
  - Brief FY23 funding & FY24 projected deficit
- School Board meetings:
  - Brief projected FY24 deficit
  - Provide timeline for FY24 budget cycle
  - Provide FY23 enrollment updates weekly after school start

★ Aug 18th: Classes begin

Public Tasks/Events

★ Survey(s) posted in early September
- School Board meetings:
  - Refined timeline focusing on public events/info
  - Initial list of programs and costs that are being assessed and prioritized

Public Tasks/Events

- Community/staff survey after first board meeting
- School Board meetings:
  - ★ list of top X schools being considered for potential closure or repurpose
  - Updated list of programs and costs that are being assessed and prioritized

★ Community Town Halls may start in October

★ 20-day OASIS Count to finalize FY23 AADM

Aug	Sep	Oct

Communications

- Develop FY 24 Budget Solutions Web Page
- Assist in developing/posting/tracking survey(s) for release in early September
- Assist with marketing critically short positions
- Develop communications plans for school opening and ASD's plans to address critical personnel vacancies (Bus, Nutrition, etc.)

Communications

- Update website after new information is briefed to the School Board
- Assist with September surveys and preparing the next survey for release in early October
- Assist with planning/resourcing town halls starting in October
- Continue to market critically short ASD positions

Communications

- Promote the importance of enrolling students prior to and during the OASIS count period
- Assist with Surveys
- Assist with advertising, promoting and conducting community town halls
- Continue to market critically short ASD positions

Key Staff Tasks:

- Brief School Board (Aug 2nd): projected deficit, fund balance, initial timeline for budget development
- Develop initial list of schools for possible closure/ repurpose; conduct staff analysis on impacts
- ID possible options with the district's leases for FYs 24/25
- ID programs that need to be assessed
- Develop framework for analyzing Admin structure
- Develop surveys

Key Staff Tasks:

★ Plan and resource town halls starting in October
- Assist school leadership with staff meetings as required
- Analyze public survey and develop communications plan
- Develop talking points for potential school closures

Key Staff Tasks:

★ Conduct community town halls as needed
★ Brief leadership involved with possible schools that may be impacted by closure/repurpose
- Develop talking points for Admin, School Board, and Principals for potential school closures/ repurposing
- Continue detailed analysis (cost, student outcome analysis, and school consolidation/closures)
- Assist planning efforts for Dec Legislative Lunch

★ The star indicates significant staff or School Board events

FY 24 Budget Solutions Timeline (Nov 22 – Jan 23)

Public Tasks/Events

- Community/staff survey after first board meeting
- ★ Town hall(s) to provide overview of deficit, options being considered, and receive feedback
- School Board meetings:
  - Summary of potential options to reduce deficit
  - Updated info on school closures/repurpose
  - Dedicated time to receive board input
  - Initial Admin staff analysis
- ★ Nov 8th: Election Day (Asynchronous Learning)

Public Tasks/Events

- ★ Last public town hall
- School Board meetings:
  - Brief results from community/staff surveys
  - Final brief on potential options to reduce deficit
  - Proforma
  - ★ Board provides guidance to Administration
- ★ Legislative Luncheon (Dec. 2nd)
- ★ Winter Break (December 23rd – January 6th)

Public Tasks/Events

TBD

Nov	Dec	Jan

Communications

- TBD

Communications

- TBD

Communications

- TBD

Key Staff Tasks:

- Plan and resource final town halls
- Continue assessment of potential cost reductions
- Prepare products & information for December School Board meetings
- Develop products/information required to support the Legislative Luncheon (Dec. 2nd)

Key Staff Tasks:

- ★ Support School Board's Legislative Luncheon (Dec. 2nd)
- ★ Build/brief FY24 Proforma
- Compile board input/feedback/guidance
- Compile staff analysis for budget build in January

Key Staff Tasks:

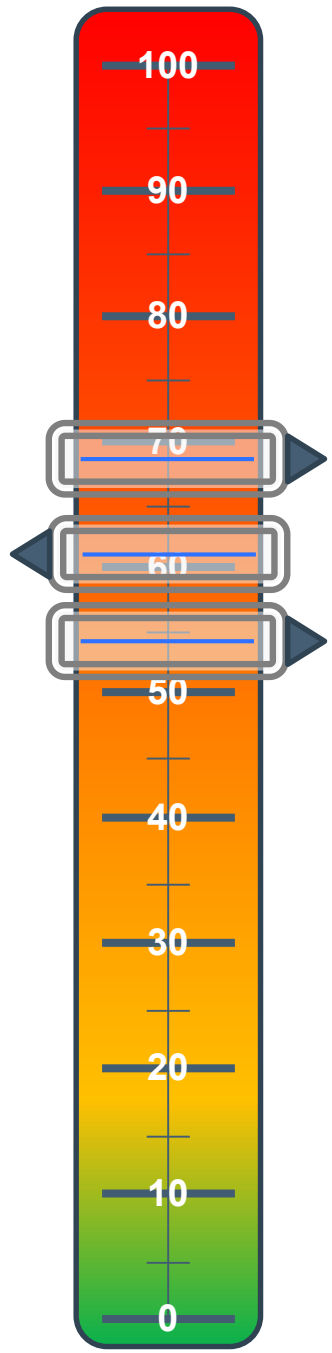
- Develop Preliminary FY24 budget
- Start building contingency plans for potential state funding increases
- Brief School Board members (one-on-one) on the Preliminary Budget prior to the February 7th Board Meeting
- Brief Principals and Senior Leaders prior to the February 7th Board Meeting

★ The star indicates significant staff or School Board events

FY24 Budget Deficit Monitor

- 6th Grade Band/Orchestra, IGNITE & elementary immersion programs

FY 24 Deficit
(in $Millions)



School Board future discussions

- School Closures/Repurpose
- Immersion programs at ES, MS & HS
- IGNITE Program Transformation
- Move 6th Grade to MS, eliminates 6th Grade Band & Orchestra

- Preserve ≈ $16M one-time state funds for FY24
- Meet or exceed FY23 projected enrollment

- Transform ASDV while still retaining ability to provide a form of remote instruction
- Eliminate Middle School Model

Topics for Future Discussion

- Review of planned FY23 ESSER spending
- Overview of the Sunset Committee analysis
- Review alternative schedules (Trimesters, lecture hall classes, school start times, etc.)
- Review education programming (Alternative schools, school staffing initiatives, STEAM, etc.)
- Review sports and activities with a focus on potentially outsourcing sports that have significant community opportunities outside ASD
- Review 1:1 computer plan options and potential savings at ES and MS
- SRO costs in the Municipality of Anchorage's FY 23 budget

School Board Comments/Guidance