# FY 24 Budget Solutions
# (Phase I - Research)

## Joint School Board – Assembly Meeting

## September 23, 2022



Anchorage School District

*Educating All Students for Success in Life*

# Alaska Foundation Formula

**Step 1**
School Size Adjustment



The school size factor table is used to calculate the adjusted ADM for each school.

**41,325 → 47,446**

**Step 2**
District Cost Factor



The district's school size adjusted ADM is multiplied by the district cost factor

**47,446 = 47,446**

**Step 3**
Special Needs Factor

***Bilingual Education***
***Special Education***
***Gifted & Talented***
***Vocational Education***

The previously adjusted ADM is multiplied by 1.20, providing an additional 20%.

**47,446 → 59,935**

**Step 4**
CTE Factor

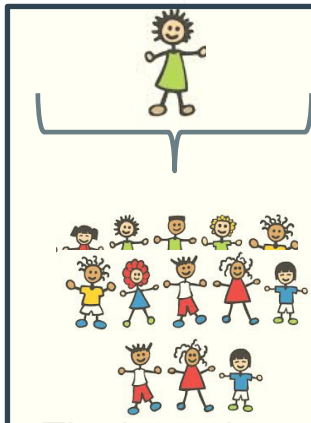
***Career Technical Education***



The previously adjusted ADM is multiplied by 1.015, providing an additional 1.5%.

**59,935 → 57,789**

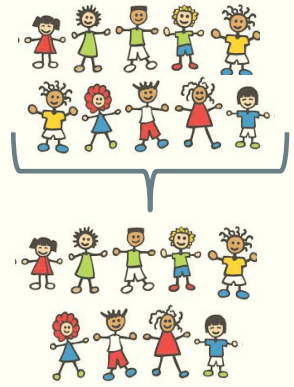
**Step 5**
Intensive Needs Factor



The intensive needs count is multiplied by 13 to determine the final Adjusted ADM.

**57,789 → 71,036**

**Step 6**
Correspondence Factor



The district's correspondence count is added in and multiplied by .90

**71,036 → 72,967**

**Average Daily Membership (ADM)**

**Adjusted Average Daily Membership (AADM)**

## Next Steps:

**Basic Need (AADM x BSA) BSA = $5,930** → **Required Local Contribution (2.65 mills)** → **Federal Impact Aid (contested/ In appeal)** → **Operating Grants** → **Education Raffle** → **Additional Local Contribution**

# Foundation Formula (Cont.)

FY 2022-23 Projected State/Local Revenue for ASD

| | |
|---|---|
| District adjusted ADM | 72,967 |
| Base Student Allocation | $5,930 |
| Basic need (BSA x ADM) | $432,694,725 |
| Required local effort (property taxes) | $(112,606,410) |
| State Reduction for Federal Impact Aid Received | (7,168,320) |
| State Foundation Revenue | 312,919,995 |
| State Quality Schools Grant | 1,167,473 |
| Total State Revenue | $314,087,468 |

| | |
|---|---|
| $42,492,985,048 | MOA Property Values |
| x 2.65 | Mills |
| $112,606,410 | Total Required Local Taxes |

| | |
|---|---|
| Basic Need | $432,694,725 |
| Additional Allowable Taxes (23% of Basic Need + Quality Schools) | 99,788,306 |
| Total Allowable Taxes | $212,394,716 |

# FY 20 Alaska School District Comparisons

Lowest

| Lowest 5 Districts | State Revenue/Pupil |
|---|---|
| Skagway | $7,357 |
| Valdez | $7,383 |
| **Anchorage** | **$7,472** |
| Juneau | $8,272 |
| North Slope Borough | $8,676 |

| Highest 5 Districts | State Revenue/Pupil |
|---|---|
| Lake & Peninsula | $26,283 |
| Southeast Island | $29,932 |
| Pelican City | $31,813 |
| Tanana City | $33,212 |
| Aleutian Region | $47,069 |

Highest

*State Revenue excludes Capital, Bond Debt, and Transportation. State Average/Pupil = $11,322*

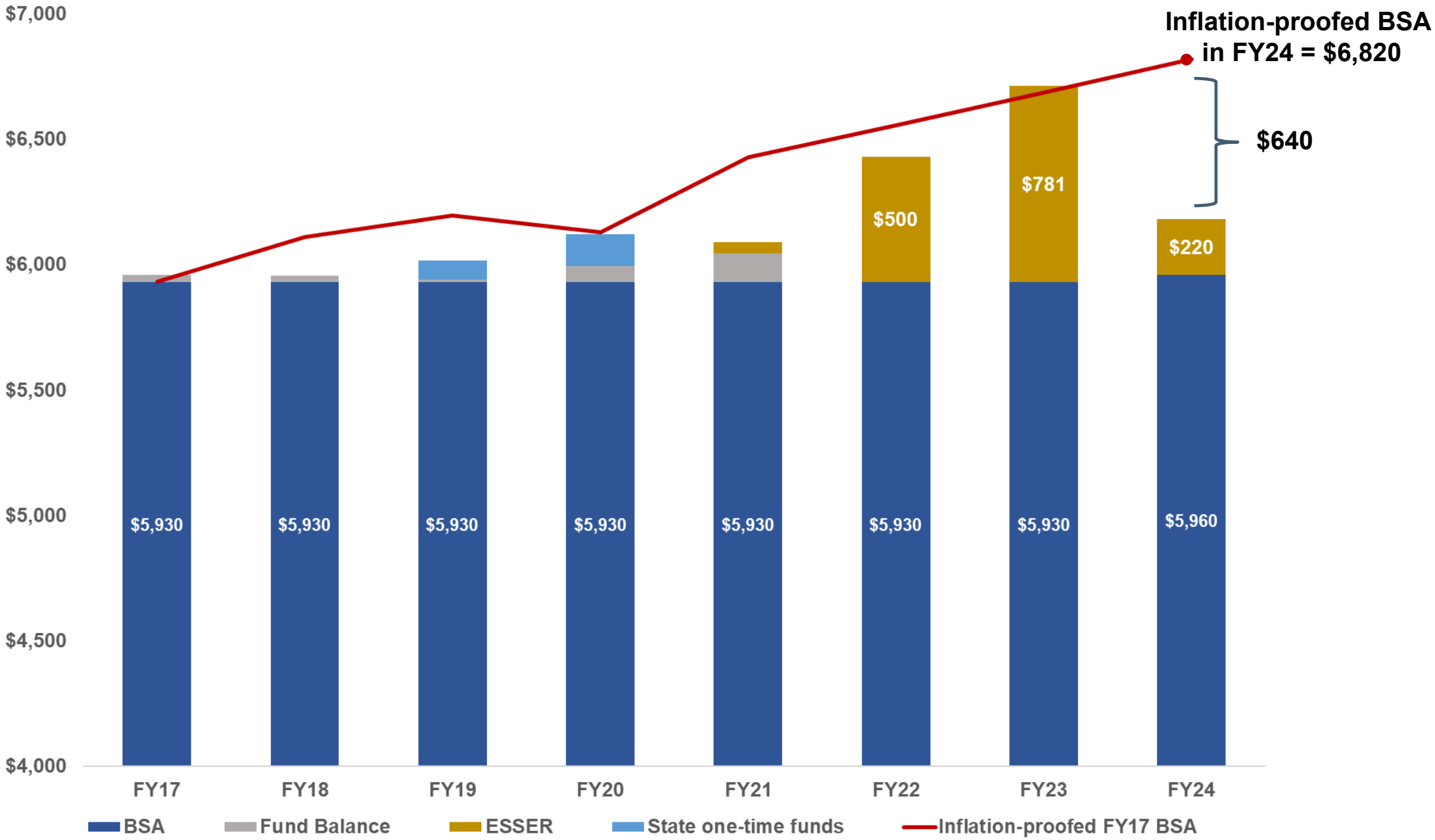
Lowest

| Smallest 5 Districts | Student Enrollment |
|---|---|
| Pelican City | 16 |
| Aleutian Region | 29 |
| Tanana City | 33 |
| Pribilof Island | 65 |
| Yakutat | 103 |

| Largest 5 Districts | Student Enrollment |
|---|---|
| Juneau | 4,749 |
| Kenai Peninsula | 8,881 |
| Fairbanks | 13,351 |
| Matanuska-Susitna | 19,609 |
| **Anchorage** | **46,184** |

Highest

# ASD School Funding since 2017




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

# FY24 Projected Deficit Scenarios

| FY23 Operating Expenditures | If ASD saves new FY23 state funds | If ASD spends new FY23 state funds |
|---|---|---|
| General Fund | $ 549,507,214 | $ 565,609,714 |
| ARP - Class Size | 56,219,316 | 56,219,316 |
| ARP - Virtual Instruction | 2,343,161 | 2,343,161 |
| ARP - IT 1:1 | 7,072,483 | 7,072,483 |
| ARP - Reading Teacher Experts | 1,288,739 | 1,288,739 |
| ARP - Reading Support | 1,725,000 | 1,725,000 |
| ARP - Summer School | 2,866,666 | 2,866,666 |
| ARP - Training Inclusive Practices/Substitutes | 172,500 | 172,500 |
| ARP - Graduation Support | 180,000 | 180,000 |
| ARP - CCL | 596,500 | 596,500 |
| ARP - Mental Health | 97,068 | 97,068 |
| CRRSA - Mental Health | 5,000,000 | 5,000,000 |
| **Total FY23 Operating Expenditures** | **627,068,647** | **643,171,147** |
| Contract Inflation @ 2% | 12,541,373 | 12,863,423 |
| FY24 ROM Operating Expenditures | 639,610,020 | 656,034,570 |
| **FY24 Projected Revenue** | | |
| General Fund | 545,739,508 | 545,739,508 |
| Remaining ARP Funds | 9,816,629 | 9,816,629 |
| FY23 State one-time funds | 16,102,500 | - |
| **Total Projected FY24 Revenue** | **571,658,637** | **555,556,137** |
| **Estimated FY24 Budget Gap** | **$ (67,951,383)** | **$ (100,478,433)** |

* Projections do not include potential use of the district's FY 23 fund balance toward the deficit, cost avoidance from FY23 budgeted expenses, or other additional funds that may become available to the General Fund from other sources.

# FY 24 Budget - Areas Identified 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.)

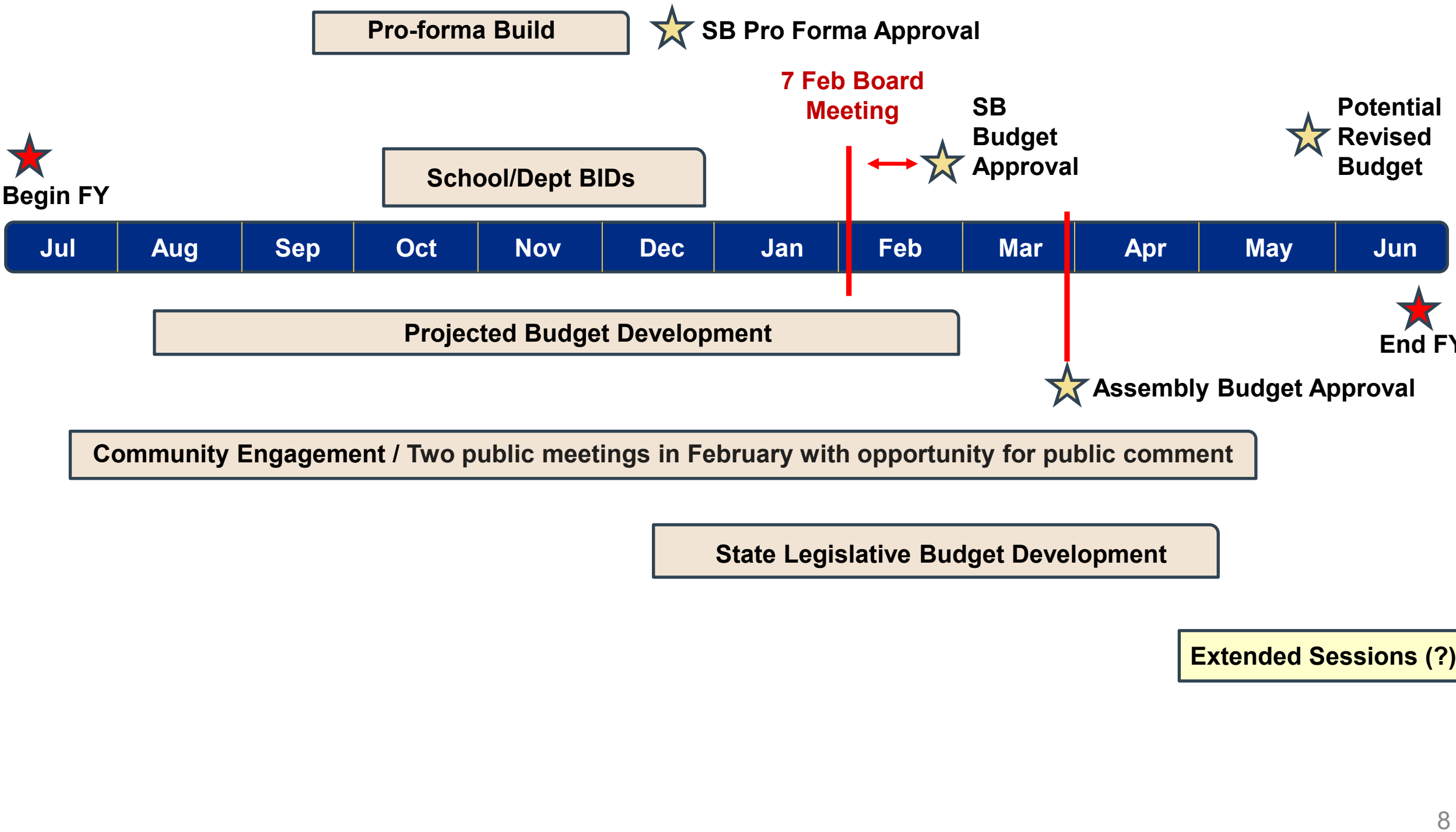



Review sports and activities to determine potential cost savings and possible reduce/outsource programs. Review activity fee rates and gate fees for games



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

# Budget Development Timeline



# Impacts to Budget Development

**State Statute determines dates for Reduction in Force (RIF) notices to teachers; all others are determined by their CBAs**

**Timing of additional state funding impacts ability to receive both state and local revenue**

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**<u>FY23 Municipality of Anchorage Budget</u>**

**SROs, swimming pool, and/or other cost shifts to ASD**

**Potential for MOA to offset ASD's Student Transportation deficit**

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**Decisions on one-time state funding**

# Comments