

Finance Committee

September 25, 2025



Anchorage School District
Educating All Students for Success in Life

Agenda

- FY26 Budget Update
 - Changes for Adopted Budget
 - Local Contributions
 - Fostering Diverse Schools Grant
 - Enrollment
- FY27 Outlook
 - Base Student Allocation (BSA)
 - FY27 Deficit Estimate
 - State Budget History



Legislature Passed HB 57

- \$700 BSA increase for FY26 (0.3% increase from FY25)
- \$48/Student Pupil Transportation increase (0.4% decrease from FY25)
- Target average class size
 - 23 @ K-6
 - 30 @ 7-12
- Class size reporting through grade 12
- Charter school application timeline



FY26 Budget Changes in Adopted Budget

- The additional \$700 BSA increase for FY26 was allocated to instructional and instructional support needs
 - Memo #096s (2024-2025) approved budget additions contingent upon the legislature/governor's approval of a \$1,000 BSA increase
 - Memo #153 (2024-2025) approved budget additions based on a prospective \$560 BSA increase
 - Memos #038 and #047 (2025-2026) approved budget additions to allocate the remaining \$140 BSA increase for a total \$700 BSA increase
- Allocate \$48/Student Pupil Transportation increase

*attachment – FY26 Budget Add Backs Timeline



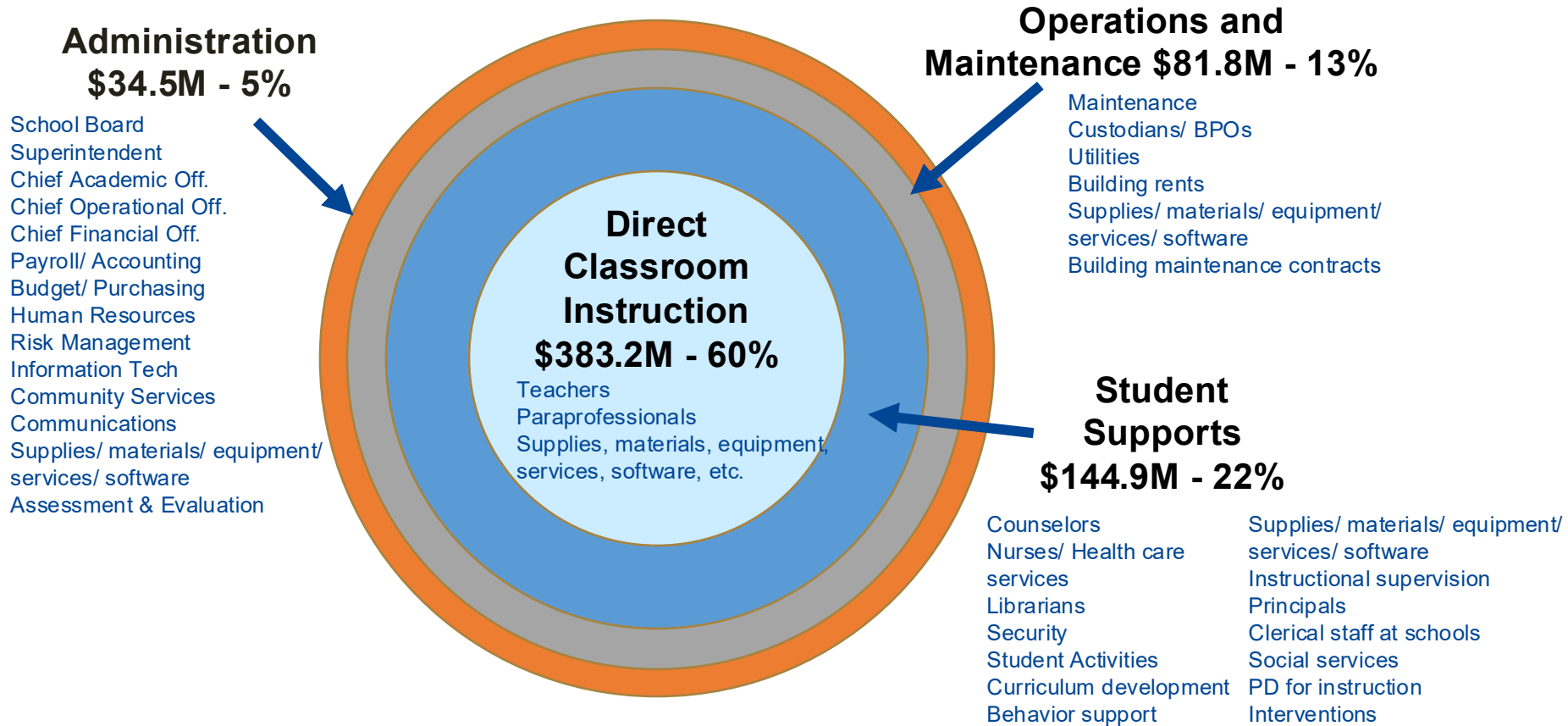
FY26 Budget Reductions

Even with the additional BSA and spending available fund balance, the district still cut 136 permanent and contracted positions and millions more in needed services, supplies, and equipment.

- Cut 87 School Based FTE, including classroom teachers due to PTR increases and enrollment declines, and principals, librarians, nurses, custodians, and clerical staff as schools were closed.
- Cut 18 FTE for Special Programs
- Cut 31 FTE from Administration functions in HR, Finance, IT, Purchasing, Teaching and Learning, custodians, maintenance, security, and Mental Health
- Cut millions in funding for Chromebooks, major maintenance, capital equipment replacement, supplies, curriculum, and contingencies for unanticipated costs



Adopted Budget – FY26 Allocations



	FY25	FY26	FY25 % of Total	FY26 % of Total	Percent Change
Direct Instruction	\$ 377,608,631	\$ 383,247,630	59.2%	59.5%	1.5%
Student Support	141,259,637	144,899,721	22.1%	22.5%	2.6%
Ops and Maintenance	82,605,045	81,820,969	13.0%	12.7%	-0.9%
Districtwide Administration	36,346,507	34,462,726	5.7%	5.3%	-5.2%
Total	\$ 637,819,820	\$ 644,431,046	100.0%	100.0%	1.0%

FY26 Ongoing Challenges

- Local contribution changes
- Fostering Diverse Schools grant
- H-1B Visa program
- Contractual obligations
- Enrollment

*attachment – Proposed Local Contribution Regulation Changes



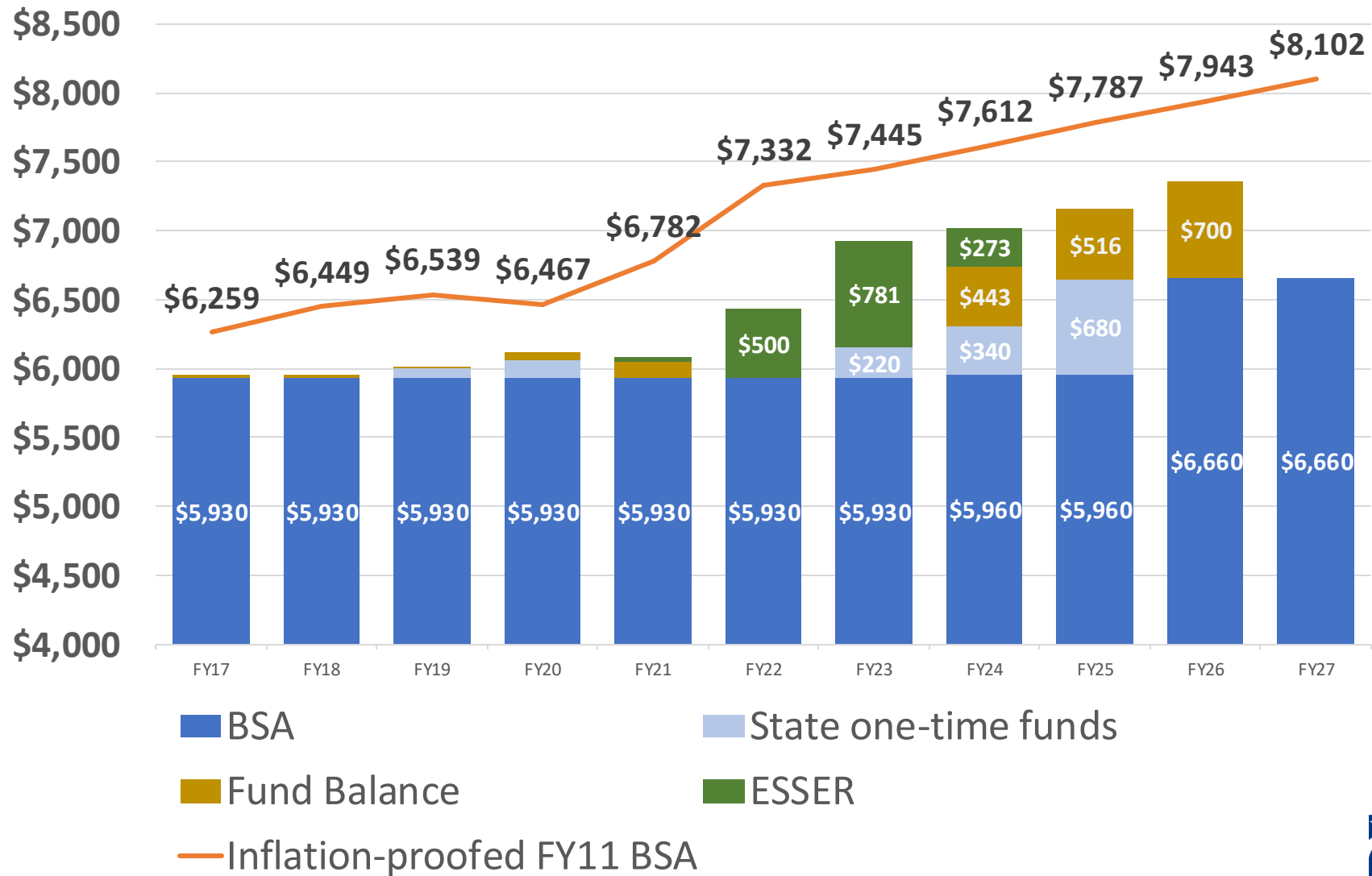
FY26 Enrollment Update

- 41,788 total enrolled through Sept. 22nd
 - 39,631 brick and mortar
 - 2,157 correspondence
 - 1,132 intensive needs
- 849 enrollment decline from this time last year, about 650 less than projected
 - (-1,055 brick and mortar)
 - (206 correspondence)
 - (19 intensive needs)



BSA and Inflation History

Funding Since 2011 - BSA Equivalents



FY27 Deficit Outlook

FY 2026 (Adopted Budget)

- Revenues: **\$644.4M** (includes **\$49.8M taken from reserves**)
- Spending: **\$644.4M**
- **Balanced budget**, but only because reserves were used

FY 2027 (Outlook)

- Revenues: **\$594.6M** (no reserves assumed)
- Spending: **\$670.2M**
- **Deficit: \$75.6M**

	FY26 (\$M)		FY27 (\$M)	
Revenue (ongoing)	\$	594.60	\$	594.60
Fund Balance Used		49.80		-
Total Revenue		644.40		594.60
Expenses		644.40		670.20
Surplus/(Deficit)	\$	-	\$	(75.60)



FY27 Challenges and Considerations

- Unfunded Costs
 - Capital equipment replenishment +\$800K
 - Major maintenance funds +\$1.7M
 - Chromebook replacement +\$1.5M
 - Curriculum needs +\$2.5M
 - **State standards for class size +\$26M**
 - Changes to H-1B visa program
- Revenue Changes
 - Local contribution limit changes -\$15M or more
 - Changes to Federal Title grants
 - Fund Balance
 - Enrollment



FY27 Budget Development Dates

- State Board Local Contribution Changes - Oct. 8-9
- Balancing Act – Late October/Early November
- Pro Forma – Information Only – Dec. 2nd
- Board Guidance Memo – December 16th
- School Board Budget Introduction – Feb. 3rd
- School Board Budget Approval – Feb. 17th
- Assembly Introduction – March 3rd
- Assembly Approval – March 17th



State Budget Growth Since FY17

SOA Department Summary Comparison FY17 to FY26

Based on the Enacted Budget for FY26, dated 6/12/25, with \$50.6M added to DEED from Veto Override

Department	FY17	FY26	\$ Change	% Change
Administration	\$ 329,699.30	\$ 340,426.80	\$ 10,727.50	3.3%
Commerce	231,360.30	241,104.40	9,744.10	4.2%
Corrections	315,917.40	489,949.80	174,032.40	55.1%
DEED Total	1,614,209.10	1,808,332.60	194,123.50	12.0%
DEED K-12 Support for Districts	1,281,045.30	1,390,255.30	109,210.00	8.5%
<i>Other DEED Operations</i>	<i>333,163.80</i>	<i>418,077.30</i>	<i>84,913.50</i>	<i>25.5%</i>
Environmental Conservation	83,819.20	118,355.10	34,535.90	41.2%
Family and Community Services	-	510,279.70	510,279.70	100.0%
Fish and Game	203,720.20	272,946.20	69,226.00	34.0%
Governor	25,880.40	33,780.60	7,900.20	30.5%
Health	2,729,831.90	3,812,829.20	1,082,997.30	39.7%
Labor and Workforce	163,802.40	188,225.00	24,422.60	14.9%
Law	84,458.50	132,807.90	48,349.40	57.2%
Military and Veterans Affairs	57,288.90	67,705.90	10,417.00	18.2%
Natural Resources	155,984.60	195,177.50	39,192.90	25.1%
Public Safety	189,033.40	347,723.90	158,690.50	83.9%
Revenue	397,505.20	504,717.50	107,212.30	27.0%
Transportation	585,287.80	826,971.50	241,683.70	41.3%
University of Alaska	899,796.50	1,104,994.00	205,197.50	22.8%
Judiciary	110,439.20	158,872.90	48,433.70	43.9%
Legislature	65,549.20	90,789.30	25,240.10	38.5%
Total Statewide Items	\$ 8,243,583.50	\$ 11,245,989.80	\$ 3,002,406.30	36.4%



Questions/Comments

Additional Resources

- FY26 Adopted Budget
- FY27 Budget Development Page Coming Soon
- [State School Board Proposed Regulation Changes](#)

