



Anchorage School District

2022-23 Preliminary Budget



Educating All Students for Success in Life



A message from the School Board

The economic impacts of COVID-19 continue to challenge our community. Inflation, the Base Student Allocation (BSA), and the forecasted budget deficit are three key fiscal concerns facing the Anchorage School District (ASD) for the

2022–23 budget. The Anchorage School Board and the District remain committed to working with our state and local partners to responsibly fund education and maintain smaller class sizes.

As inflation hits home in our personal finances, it also hits home for ASD. While costs continue to rise, the lack of inflationary adjustments has caused the BSA to remain stagnant for the last five years. Much has been discussed about the decline in student enrollment and the BSA. We know that declining enrollment is not unique to ASD and is reflective of the declining

population in Anchorage. The Anchorage Economic Development Corporation (AEDC) forecasted that the population in Anchorage has declined by 14,000 people. This presents real challenges for ASD enrollment, workforce supply, and services. The BSA must be adjusted for inflation. If not, the forecasted \$67 million plus budget deficit could have real time impacts as early as 2024. Relying on federal funding is not an option and not fiscally responsible.

Our commitment continues to the Board's Goals and Guardrails as well as the District's legislative priorities to best reflect the community's vision and values. We are grateful for the steadfast support ASD receives as we navigate these uncertain times.

The success of our students helps build a better, stronger community.

In service,

Margo Bellamy
President



A message from the Superintendent

The Anchorage School District's (ASD) focus for the 2022–23 budget is to maintain class size, focus on safety, and meet Board goals—which all support students in achieving academic growth. First and foremost, school exists to help students master complex academic material. ASD has clarity to its purpose in our Goals and Guardrails which are designed to increase the outcomes for all our students. To do this, ASD must be responsible with its financial planning in the long term. It must be prudent. It must have a realistic understanding of current and future costs and revenues.

Those futures are forecasting a General Fund deficit of more than \$67 million as the Base Student Allocation (BSA), which drives state funding of public education, has not been inflation proofed. Since 2017, ASD has received flat revenue from the State of Alaska (SOA) through the BSA formula. Again, the funding mechanism does not account for inflation, which is a real expense. For more than five years, inflation has reduced purchasing power at a level of approximately \$40 million less than what the District could afford in 2017 in real dollars. This, coupled with a declining student enrollment in our city, continues to negatively impact ASD's ability to maintain smaller class sizes to better address student learning.

ASD has been using federal, one-time funds to fill the gap and offset the deficit. Now those emergency funds are running out. The relief grants can only be spent

once, in a limited time frame, and then they are gone. One-time funding is not the responsible, long-term financial planning and investment education warrants in our state. The District used approximately \$36 million in CRRSA, federal relief funds, this year to maintain class size to best meet educational needs of students.

Absent major and immediate adjustments to how the SOA provides revenue for public education by adjusting for inflation, ASD's deficit could have a significant impact on public education in the Municipality of Anchorage as early as 2024. Please know, ASD has streamlined functions and reorganized for efficiencies which resulted in a utilization of shared facilities and the closure of two schools.

ASD takes great care of its people, and our history demonstrates this. We are proud to be a vital and important part of the community. The success of our young people now will drive the success of our city into the future.

The Anchorage School District (ASD) is committed to our students' education; that is our fundamental purpose.

Respectfully

Deena Bishop, Ed.D.
Superintendent



educates nearly
43,500
students

more than
130
programs and schools

100+
languages are spoken
by ASD families

encompasses nearly
2,000
square miles

Building the Ideal Student Experience

Student learning, achievement, and lifelong success are the focus of the Anchorage School District. Within the District, families have many academic choices to meet a variety of student needs while keeping standards high. Equitable access and opportunity are keys to building a successful learning path for each student. ASD celebrates differences and is committed to inclusion of all languages, cultures, and perspectives.

Local Investment - FY21:

17,000

Vendors

Payments to Alaskan Vendors

\$135.3M

21,000

meals served per day

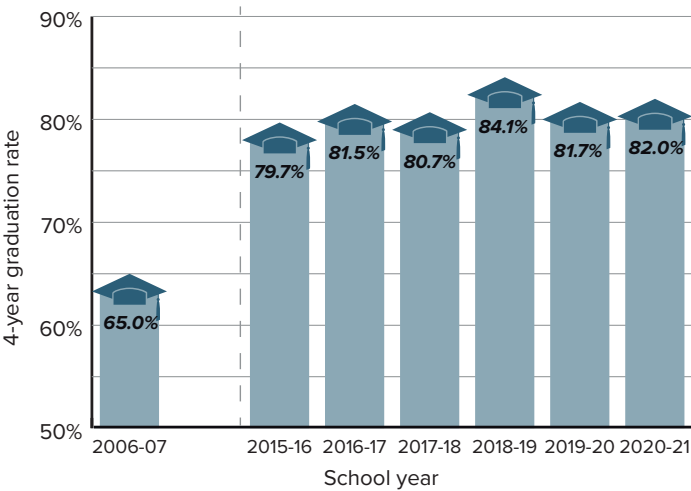
Buses

24,000

students transported twice daily

Sustaining the Graduation Rate

ASD’s upward trend in the graduation rate the last five years is a testament to the students’ hard work and dedication, educators’ unrelenting pledge to their students, and the community’s staunch commitment to educating all children for success in life.



Anchorage School District

2021–26 Board Goals and Guardrails

Goals



Reading Proficiency

Beginning September 2020, the percentage of third-grade students proficient in reading on the state summative test (currently PEAKS) **will increase from 40% to 80% by May 2026.**



Math Proficiency

Beginning September 2020, the percentage of students in grades 3–9 proficient in mathematics on the state summative assessment (currently PEAKS) **will increase from 40% to 55% by May 2026.**



Life, College, Career Ready

Beginning with the Freshman Class in September 2020, the percentage of high school students graduating Life Ready as well as College and/or Career Ready **will increase from a baseline of TBA% in Spring 2022 to 90% in Spring 2026.**



Guardrails

Guardrails are based on the community’s values and represent actions which the Superintendent may not allow in pursuit of the District’s student outcome goals.



Superintendent will not leave student groups underrepresented in lottery/ application-based programs.



Superintendent will not allow unsatisfactory employee performance to go unidentified or unaddressed.

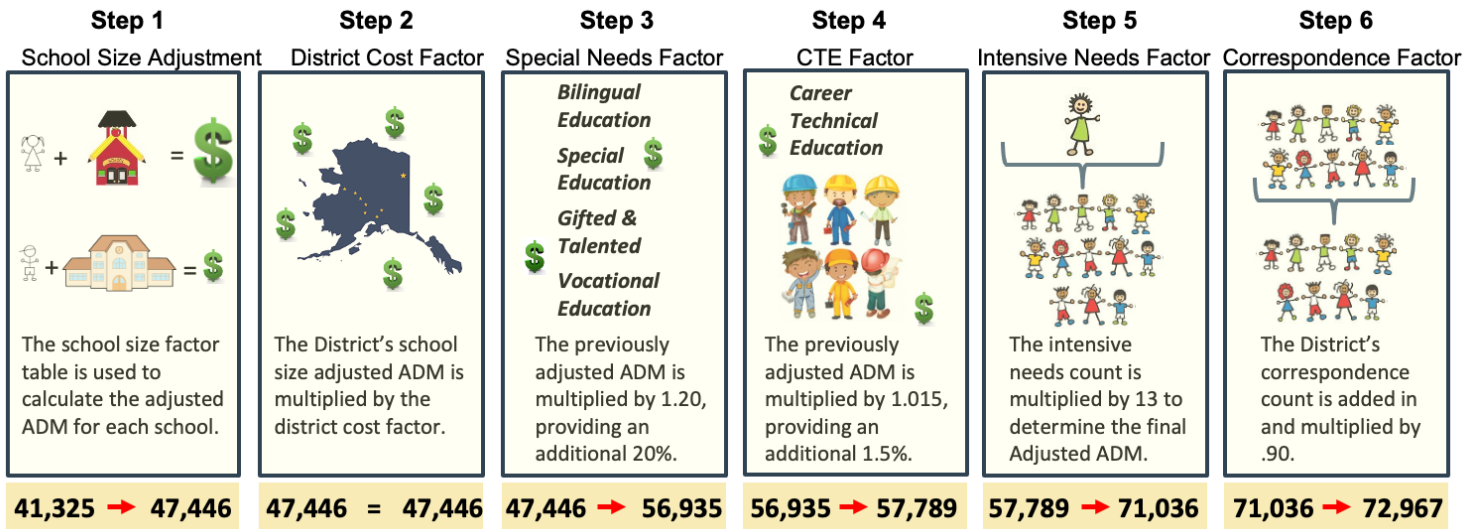


Superintendent will not operate without a plan to develop a diverse or culturally responsive workforce.



Superintendent will not operate elementary schools without mental health services.

State Foundation Formula and Local Taxes

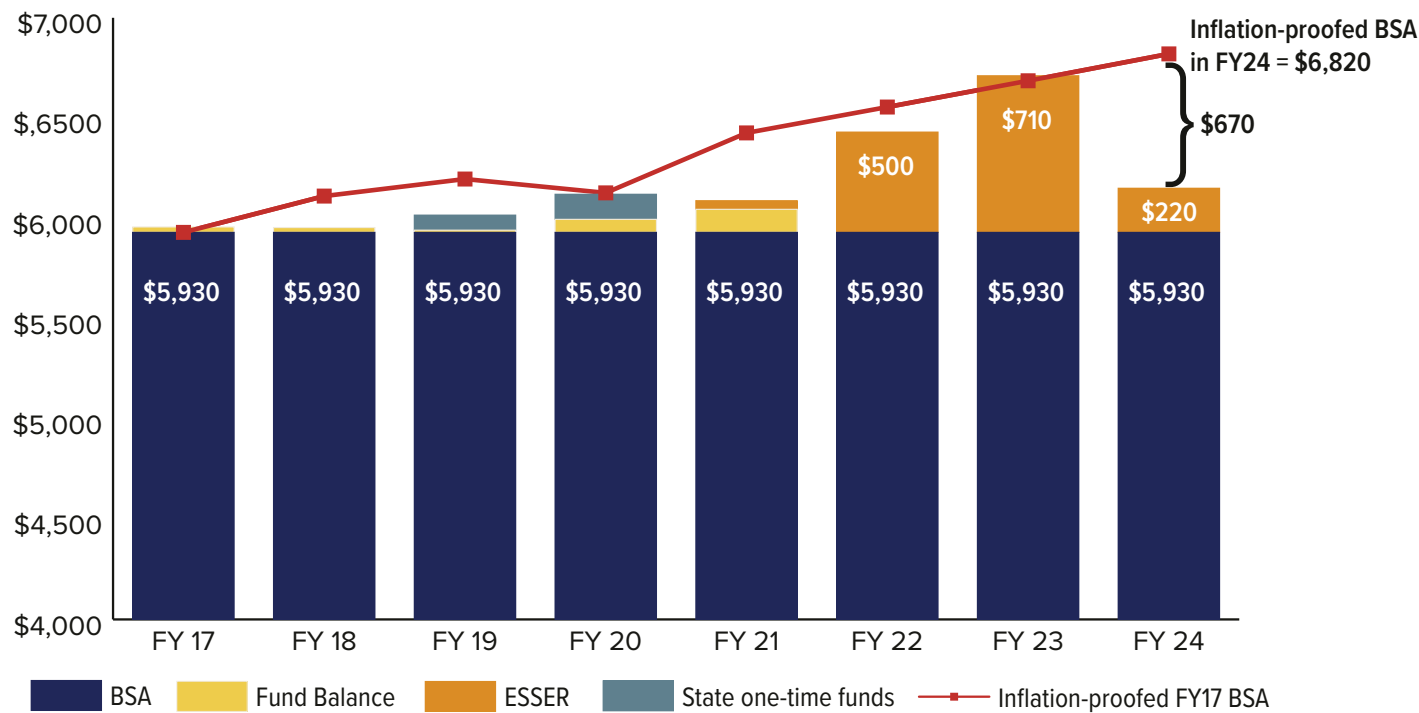


FY 2022-23 Projected State/Local Revenue for ASD

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)	<div> <div>\$42,492,985,048 MOA Property Values</div> <div>x 2.65 Mills</div> <div>\$112,606,410 Total Required Local Taxes</div> </div>
State Reduction for Federal Impact Aid Received	312,919,995	
State Foundation Revenue	1,167,473	
State Quality Schools Grant	\$314,087,468	
Total State Revenue		
Basic Need	\$432,694,725	
Additional Allowable Taxes (23% of Basic Need + Quality Schools)	99,788,306	
Total Allowable Taxes	\$212,394,716	



ASD School Funding Since 2017



This chart reflects ASD’s funding since 2017. The Red line at the top of the chart depicts the Base Student Allocation’s (BSA) inflationary increase, based on Anchorage’s CPI-U from 2017 through December 2021. The rates from January 2022 through the end of 2024 are estimated on a 2% steady inflation rate, and reflect adjusted staffing levels based on projected student enrollment in those years.

The light blue, yellow, and orange bars below the red line represent BSA-equivalent funds that helped offset structural deficits. The State of Alaska (SOA) provide one-time funds in FY19 and FY20 in lieu of a permanent increase to the BSA. The federal government provided three infusions of relief dollars. The Anchorage School District applied fund balance, the state’s one-time payments, and federal relief money to maximize educational opportunities during the past five years.

The dark blue bars represent the BSA. This chart represents no change in the state’s formula for fiscal years 23 and 24,

although there are several bills in the 32nd legislative session that may increase the BSA if passed.

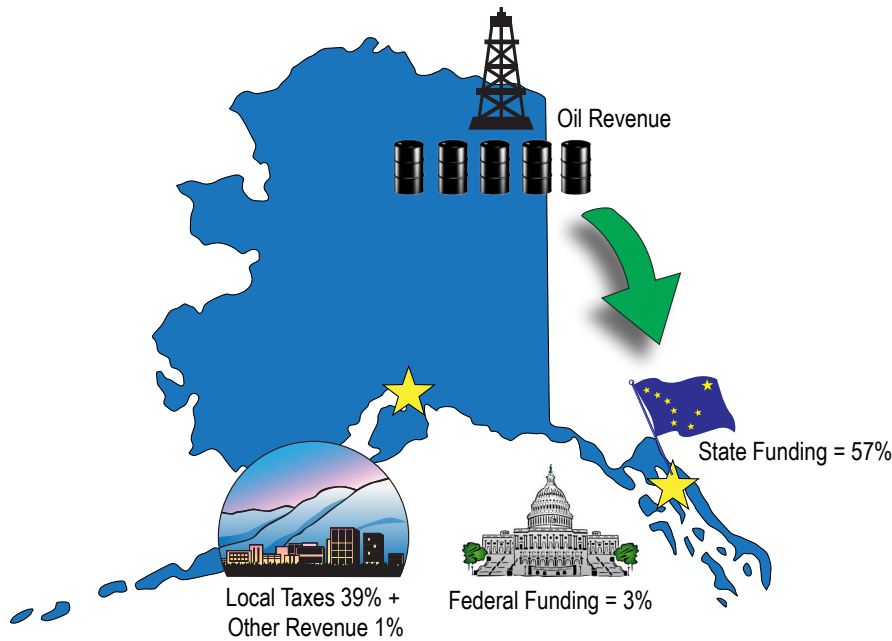
Fiscal years 22 and 23 rely heavily on federal ESSER II and ESSER III funds, however, there are not enough remaining funds to shore up the structural deficit in FY24. The far right of the chart shows that ESSER funds will be exhausted in FY24, with a shortfall equivalent to an additional \$670 in BSA funding.

During the past five years, ASD has closed two schools (Mt. Iliamna and Mt. Spurr), combined several programs (Crossroads, AVAIL, PAIDEA), merged two schools into one facility (King Tech High School and Alaska Middle College School), and reduced staff to achieve balanced budgets. The District increased revenue and educational opportunities with the Alaska Middle College School (AMCS) and a new CTE-focused partnership with the Lower Yukon School District.

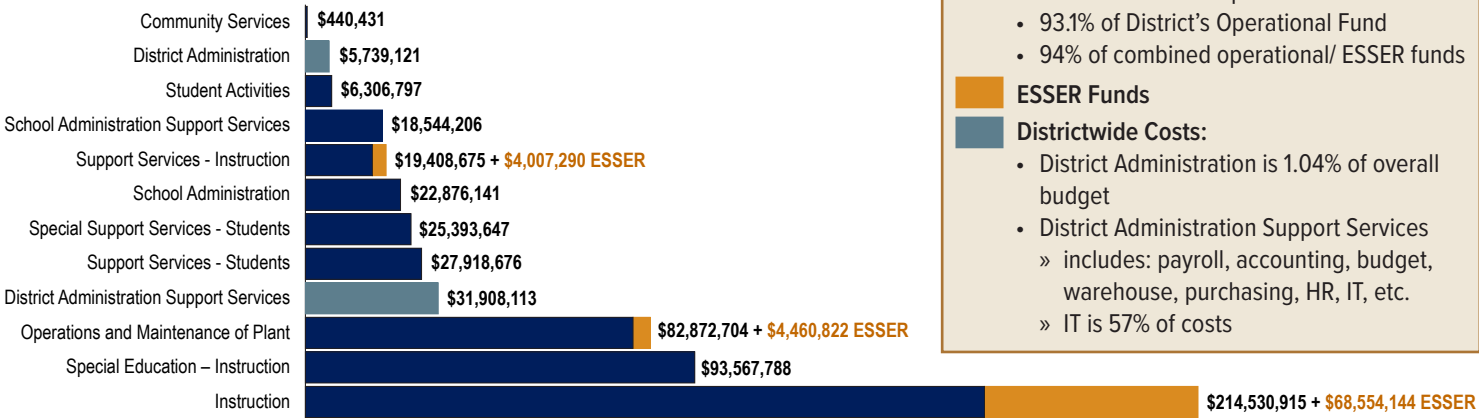
2022-23 General Fund Budget

\$549.5 Million

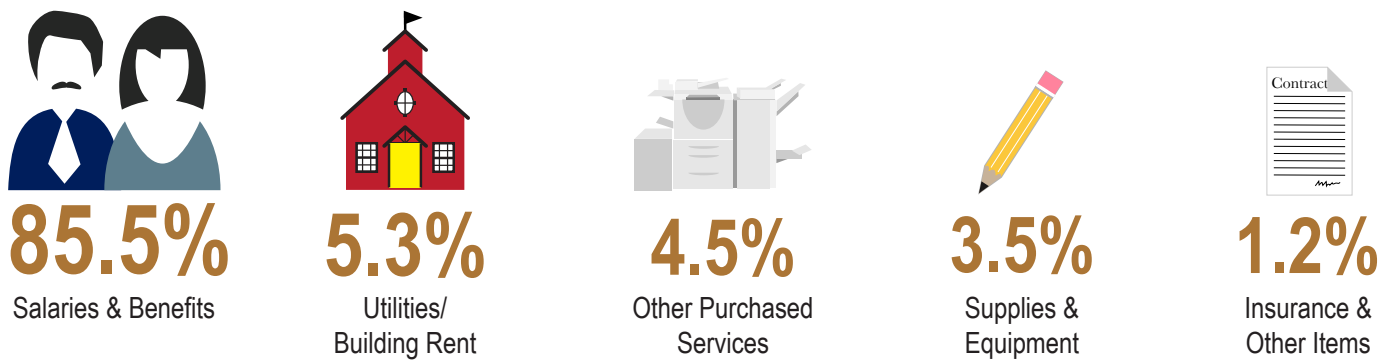
General Fund Revenue



General Fund Budget by State Function



FY 2022 – 23 General Fund Expenditures by Type

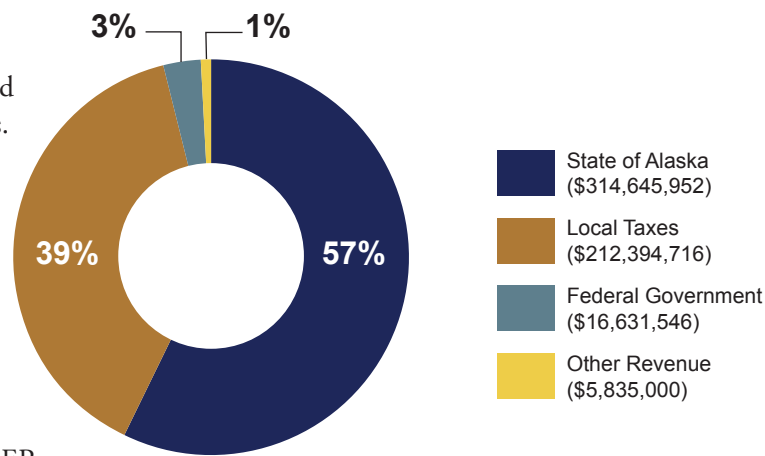


FY 2022–23 Preliminary Budget Highlights

General Fund Revenue

Anchorage schools are primarily funded through the State of Alaska Foundation Funding Formula, which includes required and additional allowable local property taxes. Additional Federal revenues come from Federal Impact Aid and reimbursements for Medicaid and JROTC instructors. Other local revenues include interest earnings from the municipal investment fund, user fees, facility rental, and E-rate, which is a program that reimburses some telecommunication costs. The state is not expected to significantly increase K-12 education funding for next year, though several bills will be presented during this year’s legislative session to increase funds in some areas. The District plans to use approximately \$78 million in Elementary and Secondary School Emergency Relief (ESSER III) funds for FY23 to assist in efforts to keep schools open, maintain class sizes, and recover from impacts of the Covid-19 pandemic. Enrollment in FY22 increased by 1,567 over FY21, however, it was still lower than projected, as fewer students returned to Anchorage schools amid the ongoing pandemic. FY23 enrollment is projected to be slightly higher than FY22 although still lower when compared to the FY22 budget projection. This lower enrollment, compared to the FY22 projection, is expected to result in decreased state and local revenue.

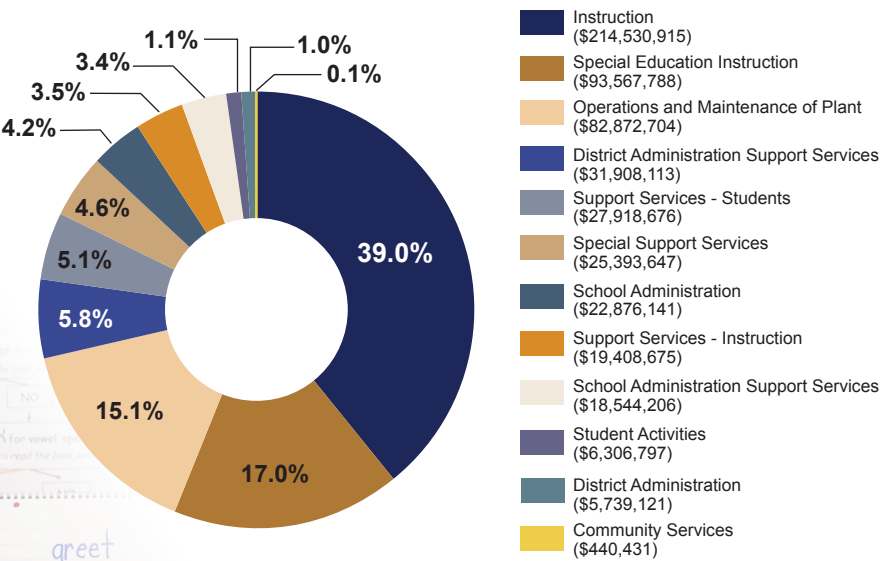
FY 2022–23 General Fund Revenue



Expenditures

District expenditures are apportioned for personnel costs (85.5%), utilities/rent (5.3%), purchased services (4.5%), supplies & equipment (3.5%), and Insurance/other items (1.2%).

FY 2022–23 General Fund Expenditures

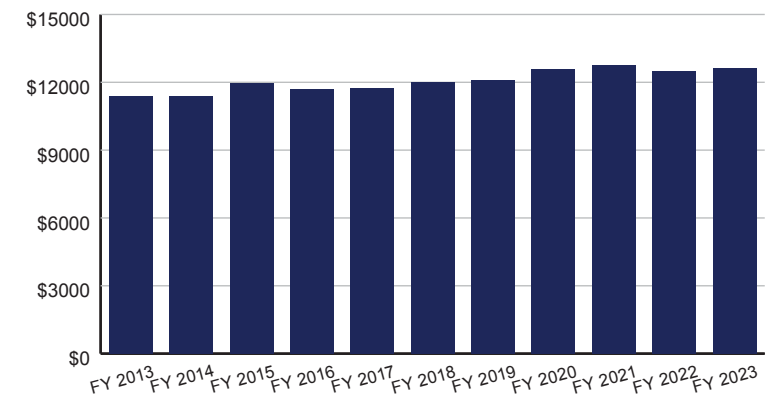


Budget Development

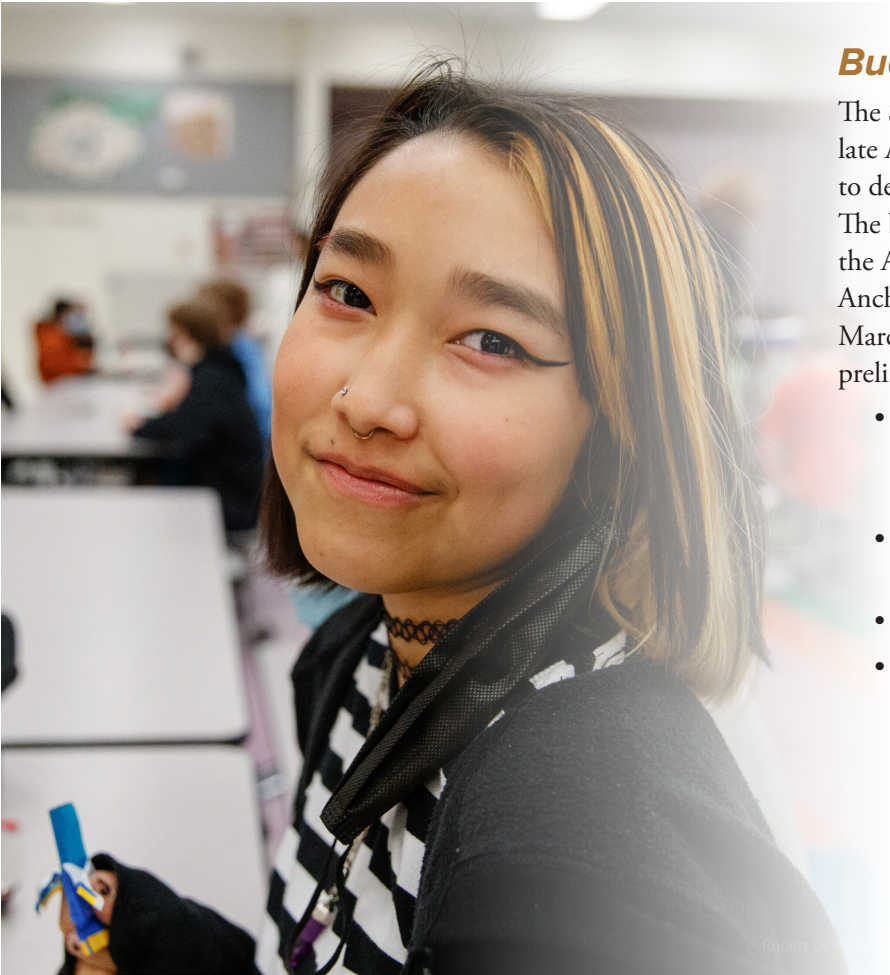
Student enrollment, or membership, drive the state’s funding formula. Projected enrollment numbers and current law are used to develop the budget. Enrollment data during the first 20 school days in October are used to develop the Average Daily Membership (ADM); this confirms the state/local

revenue for the school year. The state hasn’t changed the Base Student Allocation (BSA) since 2017, and it is expected to remain unchanged for FY23. The following chart depicts ASD’s per-student revenue during the past several years.

General Fund Revenue per Student (ADM)



	ADM	Revenue per Student
FY13	48,493	\$11,371
FY14	47,770	\$11,410
FY15	47,562	\$11,966
FY16	47,756	\$11,709
FY17	47,685	\$11,754
FY18	46,964	\$12,000
FY19	46,748	\$12,086
FY20	45,466	\$12,592
FY21	45,180	\$12,748
FY22	45,266	\$12,491
FY23	43,471	\$12,641



Budget Assumptions

The State’s legislative session is scheduled to end in late April, requiring some assumptions to be made to develop the budget within required timelines. The budget must be balanced prior to submission to the Anchorage School Board in February and to the Anchorage Assembly no later than the first Monday in March. The following assumptions were used for the preliminary budget:

- No increase to the state’s Base Student Allocation (BSA) at \$5,930. The BSA has remained unchanged since FY17
- No changes to the state’s Foundation Funding Formula
- No increases to the state’s transportation funding
- No decrease in the state’s portion of ASD’s debt reimbursement

Personnel Reductions

Well over 80% of the District's budget is used to pay salaries and benefits for employees. As a result, the District's revenue determines whether the workforce increases or contracts. The District balanced the budget with no change to the pupil-teacher ratio (PTR) due to the availability of federal relief funds. The charts below indicate that the ESSER III funds

were used to maintain staffing levels for FY23. The PTR formula divides the total number of students in the school, by grade level, by a ratio (e.g. 1 teacher to 22 students in first grade); this creates a baseline to establish the total number of teachers allocated per school.

School Type	FY 2023 <i>GENERAL FUND + ESSER</i> 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	

- Pupil to Teacher Ratio (PTR) is a budget staffing formula, not a class size or a class cap
- ESSER funds used to maintain current PTR. Without these federal funds, significant Districtwide structural changes would have been required
- \$56.2M in ESSER funds are applied toward retaining 477.2 teacher FTE in FY23
- Enrollment based changes: Increase 3.4 FTE high school teachers, reduce 18 teacher FTE at middle schools, and reduce 46.5 teacher FTE at elementary schools

FY23 General Fund School Based Changes

Adjustment	FTE	Cost
Reduce metric-based teacher FTE due to enrollment	(60.9)	(\$7,127,533)
Move metric-based teachers to ESSER III Grant (previously funded by CRRSA/ESSER II)	(241.9)	(\$28,520,000)
Increase Benny Benson nurse from .5 to 1 FTE	.5	\$54,000
Shift 20.13 TA FTE from ESSER to the General Fund	20.13	\$745,000
Reduce 1 Security FTE at Goldenview MS	(1)	(\$65,000)
Reduce one vacant elementary library assistant	(.43)	(\$30,000)
Add Counselor at AMCS (used vacant FTE to fund)	1.00	\$118,000
Facilitate Charter School changes	(13.52)	(\$1,510,000)
Total Changes for FY23	(282.6)	(\$36,335,533)

School Reductions

The following series of charts depict proposed staff allocations, at all grade levels, needed to standardize the number of staff positions at each school. Some schools with unique

requirements may be allocated additional staff and other resources.

Elementary Schools

The elementary school teacher allocation is being reduced by 46.5 FTE teachers overall. Initiatives will be implemented or accelerated to meet Board goals in reading and math

outcomes, along with efforts to increase access to choice programs and schools. ASD will continue to focus and redirect resources toward creating better student outcomes.

	Librarians	Nurses	Kindergarten TA	Office Administration	BPO
	FTE				
Per School	1	1	.44/Class	2	1

Metrics for staff allocations are a guide. Site factors may change final authorizations at each school.

Changes

- Elementary PTR has continued to remain the same since 2017



Middle Schools

The middle school teacher allocation is being reduced by a total of 18 FTE due to enrollment.

Metric	Principals		Counselors		Nurses		Office Admin		BPO		Security	
	400:1		300:1		1 per school		3		1 per school		450:1	

School	Total Housed	Proposed Allocations								Difference
		Principals	Counselors	Librarians	Library Asst.	Nurses	Office Admin	BPO	Security	Security
Central	324	2.00	2.00	1.00	0.00	1.00	3.00	1.00	1.00	-
Clark	805	3.00	3.00	1.00	0.00	1.00	4.00	1.00	2.00	-
Gruening	535	2.00	2.00	1.00	0.00	1.00	3.00	1.00	1.00	-
Hanshew	657	2.00	2.00	1.00	0.00	1.00	3.00	1.00	2.00	-
Mears	746	2.00	2.00	1.00	0.00	1.00	3.00	1.00	2.00	-
Mirror Lake	563	2.00	2.00	1.00	0.00	1.00	3.00	1.00	1.00	-
Romig	739	2.00	2.00	0.50	0.44	1.00	3.00	1.00	2.00	-
Wendler	401	2.00	2.00	1.00	0.00	1.00	3.00	1.00	1.00	-
Goldenview	653	2.00	2.00	1.00	0.00	1.00	3.00	1.00	1.00	(1.00)
Begich	930	3.00	3.00	1.00	0.00	1.00	4.00	1.00	2.00	-
Totals =	6,353	22.00	22.00	9.50	0.44	10.00	32.00	10.00	16.00	(1.00)

Metrics for staff allocations are a guide. Site factors may change final authorizations at each school.

Changes in Staffing

- Retained potential metric-based reductions due to need
- Retained minimum numbers of key personnel in support of goals and guardrails



High Schools

	Principals	Counselors	Nurses	Office Admin	BPO	Security
Metric	400:1	300:1	1 per school	Principals + 3	1 per school	450:1

School	Total Housed	Proposed Allocations							
		Principals	Counselors	Librarians	Library Asst.	Nurses	Office Admin	BPO	Security
Bartlett	1,377	4.00	5.00	1.00	0.88	1.00	7.00	1.00	3.00
Chugiak	881	3.00	3.00	1.00	0.88	1.00	6.00	1.00	3.00
Dimond	1,504	4.00	5.00	1.00	0.88	1.00	7.00	1.00	4.00
East	1,804	5.00	6.00	1.00	0.88	1.00	7.00	1.00	4.00
Service	1,523	4.00	5.00	1.00	0.88	1.00	7.00	1.00	4.00
West	1,769	5.00	6.00	0.50	0.88	1.00	7.00	1.00	4.00
South	1,298	4.00	4.00	1.00	0.88	1.00	7.00	1.00	3.00
Eagle River	799	3.00	3.00	1.00	0.88	1.00	6.00	1.00	2.00
Totals =	10,955	32.00	37.00	7.50	7.00	8.00	54.00	8.00	27.00

Metrics for staff allocations are a guide. Site factors may change final authorizations at each school.



Alternative Schools

Reductions or increases at alternative schools are not equally dispersed across each school as each operates differently.

		Principals	Counselors	Nurses	Office Admin	BPO	Security
Metric		400:1	300:1	1 per school	As needed	1 per school	450:1

School	Total Housed	Proposed Allocations										Difference	
		Principals	Couns.	Lib.	Library Asst.	Nurses	Office Admin	BPO	Security	Teaching Asst.	Other	Counselors	Nurse
King Tech High School	122	1.00	2.00	0.00	0.00	1.00	2.00	1.00	1.00	2.63		-	-
ASD Virtual K-12	N/A*	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	7.00	-	-
Polaris K-12	487	1.00	1.00	0.60	0.44	1.00	2.00	1.00	1.00	0.88	0.75	-	-
Special Schools	115	1.00	1.00	0.00	0.00	0.00	2.00	0.00	0.00	7.13		-	-
Save I	176	1.00	1.00	0.00	0.00	1.00	2.00	1.00	1.00	0.50		-	-
Steller	260	1.00	1.00	0.40	0.44	1.00	2.00	1.00	0.00	0.00		-	-
AMCS	251	1.00	1.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	1.00	1.00	-
PAIDEIA	246	1.00	1.00	0.00	0.00	0.00	2.00	0.00	0.00	1.00	1.00	-	-
McLaughlin	57	1.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00		-	-
Benson Secondary	268	2.00	4.00	0.00	0.00	1.00	2.00	1.00	1.00	0.88	1.00	-	0.50
New Path	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		-	-
Totals =	1,982	10.00	13.00	1.00	0.88	5.00	18.00	5.00	4.00	13.01	10.75	1.00	0.50

Metrics for staff allocations are a guide. Site factors may change final authorizations at each school.

*Currently, 2,498 students are taking one or more ASDV courses.

Changes in Staffing

- New Path closed. Staff will support students under age 18 at McLaughlin.



District-level Reductions and Changes

The District will continue to focus on the School Board Goals and Guardrails. Improvements in building ventilation and intercom systems will be completed in Fiscal Years 23 and 24.

Additional supports will be resourced in numerous areas, to include Reading, Math, Career Technology Education (CTE), and behavioral and mental health.

Special Service Changes Next Year–FY23

Adjustment	FTE	Cost
Add 2 Deaf Educational Interpreters and a Deaf Education Intervention Coach	3	\$215,000
Reduce 1.5 FTE Whaley TA (Paraprofessional Educator), add a Behavior Strategist	.5	(\$39,000)
Add 2 Psychology Behavioral Analysts, 3 Middle School Behavior Strategists, 2 High School Behavior Strategists	7	\$598,000
Add 2.5 FTE Preschool Teachers and 4.06 FTE Preschool TAs	6.56	\$552,000
Add 2 Elementary School Intervention Coaches	2	\$155,000
Add ACT Program Assistant Principal	1	\$143,000
Facilitate Special Education summer school (addenda)	-	\$177,000
Total Changes for FY23	19.06	\$1,801,000

Districtwide Changes Next Year–FY23

Adjustment	FTE	Cost
Reorganize Human Resources (Talent Management & Benefits) and eliminate Glint	5.31	\$501,000
Add .5 FTE AA in Equity & Compliance, increase services/supply/equipment	.5	\$105,000
Reorganize within Teaching & Learning, add addenda and supplies/equipment	.5	\$161,000
Shift 2 IT specialists from Student Nutrition to IT, reduce IT AA, fund switches, time clocks, Google storage, and other software increases	1	\$1,019,000
Add 2 CTE Career Technology specialists to support CTE equipment; reduce addenda to fund the positions	2	\$10,000
Facilitate numerous minor reorganizations and position classification changes in the following departments: Fine Arts, CTE, Grants, Communications, Safety, Community Services, Health Services	(1.6)	\$12,000
Increase custodial FTE, position classification changes, maintenance supplies/ services/equipment (playgrounds, cafeterias, boilers, etc.)	1.26	\$1,116,000
Facilitate AEA Tier III sick leave conversion to supplemental retirement	-	\$1,000,000
Facilitate reductions in districtwide attrition and indirect cost, increase in insurance, reduction in districtwide services/supplies/equipment	-	(\$4,924,000)
Transfer to Pupil Transportation Fund	-	(\$1,836,000)
Transfer to MOA – School Resource Officers (SROs)	-	\$2,300,000
Total Changes for FY23	8.97	(\$456,000)



Anchorage School District
Educating All Students for Success in Life

Anchorage School Board: Margo Bellamy, President

Dave Donley

Pat Higgins

Andy Holleman

Carl Jacobs

Kelly Lessens

Dora Wilson

Superintendent: Dr. Deena Bishop



AnchorageSchoolDistrict



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