

SCHOOL FUNDING PERSPECTIVES ASA ACADEMY FOR INCOMING SUPERINTENDENTS

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Alaska Association of School Business
Officials (ALASBO)
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About ALASBO

- Our mission: to promote the highest standards in school business practices
- 180 members
- 47th year
- ACSA & ASBO affiliation



About Amy Lujan



- First job in AK: Aniak City Clerk, later City Manager
- 23+ years in school biz
- Kuspuks (REAA); North Slope Borough; Nome
- 10 years ALASBO Exec Director in Juneau
- MBA; Federal Reserve Bank; Cisco Systems



Outline

- History of K-12 education in Alaska (funding perspective!)
- Nature of our work
- Life of a school business official
- Upcoming issues
- Working together

History of Education in Alaska

- Territorial legislature: established compulsory education for ages 8-16 during first session 1912
- State education board immediately after statehood
- Constitutional mandate



1st Territorial House of Representatives members, Elks Hall, Juneau, March 1913



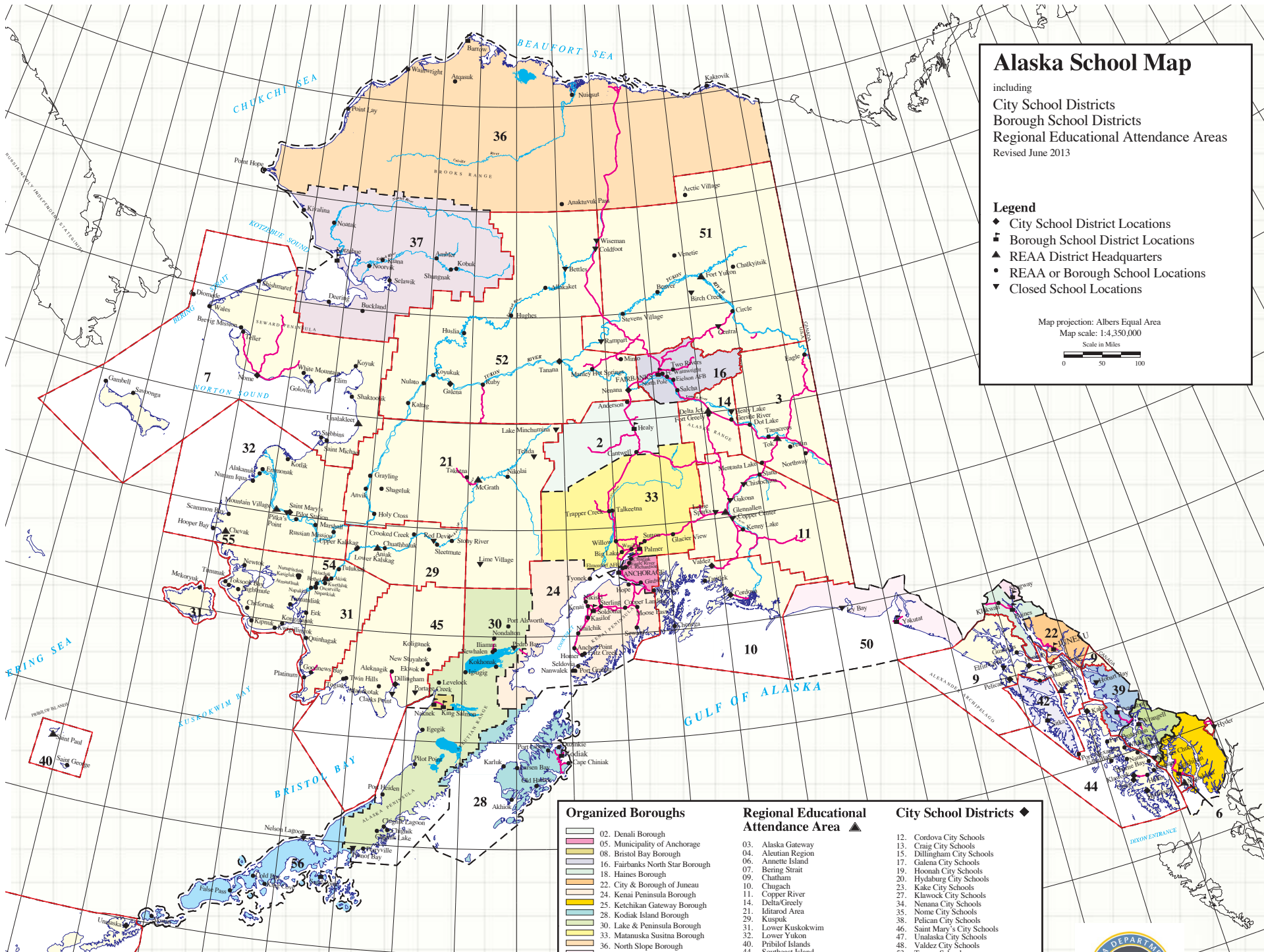
State Constitution

Article VII, Section 1 – Public Education

The legislature **shall** by general law **establish and maintain a system of public schools** open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall **be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution.**

Additional History

- Article X – intent to organize schools under cities and boroughs; no timeline
- 1976 – Molly Hootch settlement: schools constructed in rural areas
- 1997-2011 – Kasuylie case: rural school construction
- 2004-11 – Moore case: corrective action for low-performing schools; state may delegate but is primarily responsible for education
- Equal protection (Article I, Section 1)
- Public/private issues
- AK K-12 State Funding Overview: <http://www.alasbo.org/2015/07/13/other-downloads-3/>



Alaska School Map

including
 City School Districts
 Borough School Districts
 Regional Educational Attendance Areas
 Revised June 2013

Legend

- ◆ City School District Locations
- ▣ Borough School District Locations
- ▲ REAA District Headquarters
- REAA or Borough School Locations
- ▼ Closed School Locations










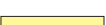









Map projection: Albers Equal Area
 Map scale: 1:4,350,000
 Scale in Miles

0 50 100

Organized Boroughs	Regional Educational Attendance Area ▲	City School Districts ◆
02. Denali Borough	03. Alaska Gateway	12. Cordova City Schools
05. Municipality of Anchorage	04. Aleutian Region	13. Craig City Schools
08. Bristol Bay Borough	06. Annette Island	15. Dillingham City Schools
16. Fairbanks North Star Borough	07. Bering Strait	17. Galena City Schools
18. Haines Borough	09. Chatham	19. Hoonah City Schools
22. City & Borough of Juneau	10. Chugach	20. Hydaburg City Schools
24. Kenai Peninsula Borough	11. Copper River	23. Kake City Schools
25. Ketchikan Gateway Borough	14. Delta/Creely	27. Klawock City Schools
28. Kodiak Island Borough	21. Iditarod Area	34. Nome City Schools
30. Lake & Peninsula Borough	29. Kuskokwim	35. Nome City Schools
33. Matanuska Susitna Borough	40. Pribilof Islands	38. Pelican City Schools
36. North Slope Borough	44. Southwest Island	46. Saint Mary's City Schools
		47. Unalaska City Schools
		48. Valdez City Schools
		49. Wrangell City Schools



Organized Boroughs

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-  28. Kodiak Island Borough
-  30. Lake & Peninsula Borough
-  33. Matanuska Susitna Borough
-  36. North Slope Borough
-  37. Northwest Arctic Borough
-  39. Petersburg Borough
-  42. City & Borough of Sitka
-  43. Municipality of Skagway
-  49. City & Borough of Wrangell
-  50. City & Borough of Yakutat
-  56. Aleutians East Borough

Regional Educational Attendance Area

- 03. Alaska Gateway
- 04. Aleutian Region
- 06. Annette Island
- 07. Bering Strait
- 09. Chatham
- 10. Chugach
- 11. Copper River
- 14. Delta/Greely
- 21. Iditarod Area
- 29. Kuspuk
- 31. Lower Kuskokwim
- 32. Lower Yukon
- 40. Pribilof Islands
- 44. Southeast Island
- 45. Southwest Region
- 51. Yukon Flats
- 52. Yukon-Koyukuk
- 54. Yupiit (Akiachak, Akiak, Tuluksak)
- 55. Kashunamiut (Chevak)

City School Districts

- 12. Cordova City Schools
- 13. Craig City Schools
- 15. Dillingham City Schools
- 17. Galena City Schools
- 19. Hoonah City Schools
- 20. Hydaburg City Schools
- 23. Kake City Schools
- 27. Klawock City Schools
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- 53. Tanana Schools

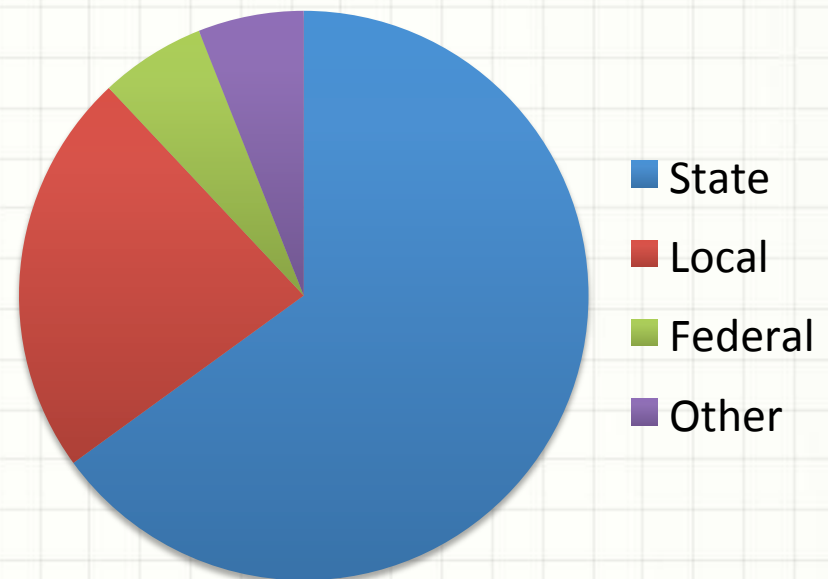


- 129,705 students (2016)
- District sizes: 12 – 47,756
- School sizes: 12 – 2,140
- Diverse student bodies
- Options & choices:
 - Homeschooling
 - Charter schools
 - Alternative programs
 - Correspondence
- Reduced dropout rate
- Generally strong support of K-12

Nature of our Work

- ASBO: similarities & differences across the nation
- Diversity & balance of funding systems
- Work cycle: budgeting, funding programs, fiscal year, payroll
- Grants admin-heavy
- Personnel heavy

District Revenue



Personnel Heavy

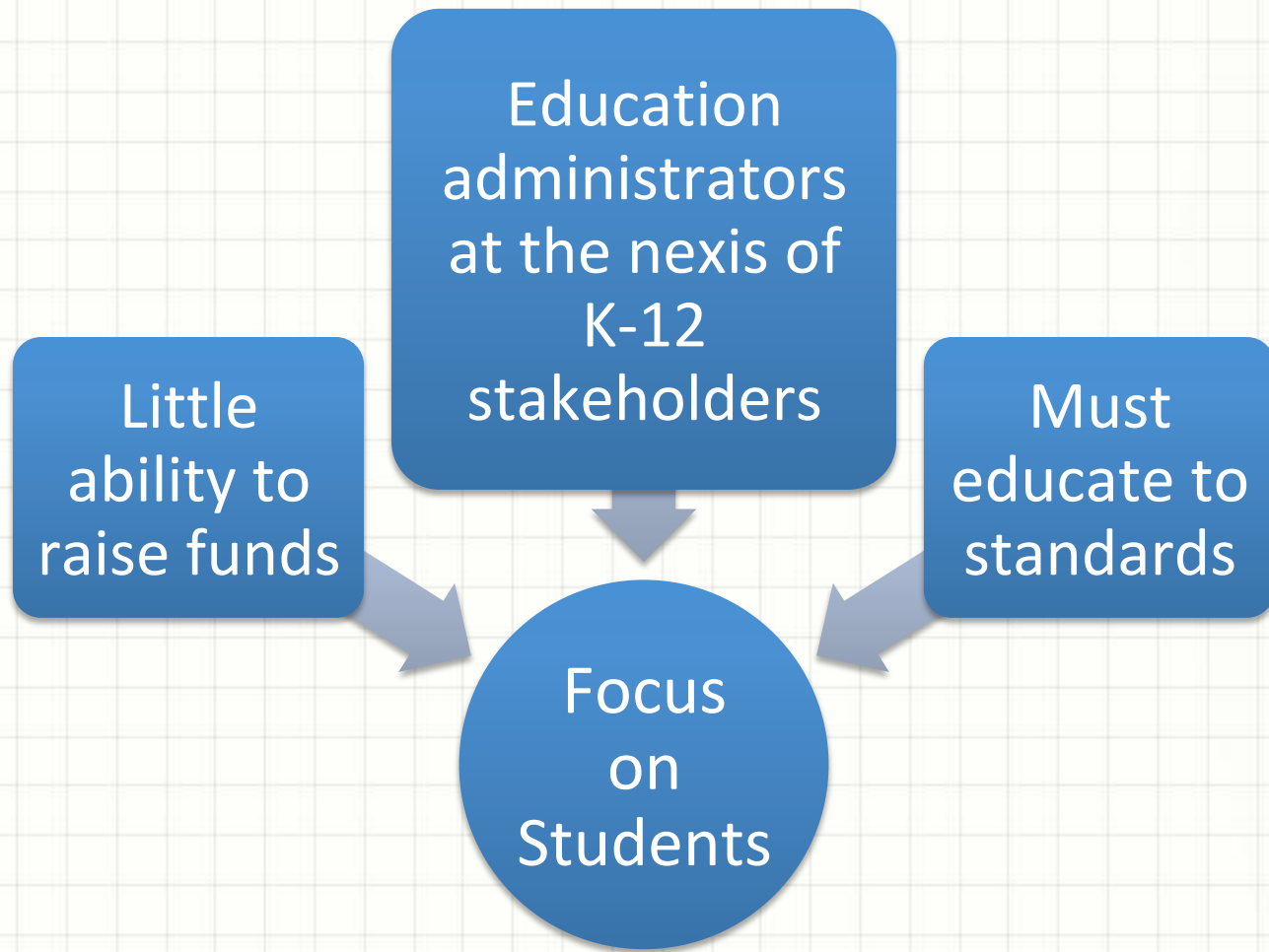
- 75-90% of expenditures are wages and benefits
- Benefits rates continue to rise
- National job market
- Limitations of negotiated agreements



Effect of Cuts



- Funding growth slower than cost growth = cut
- Little frivolous spending; cuts impact students
- Dept of Ed: 23 positions lost (26% reduction) from FY15 to FY17
- FY17 Walker vetoes: \$12.7m K-12; 25% debt reimbursement



Life of a School Business Official

- Very hard-working, public-minded individuals
- Wear many hats, no matter the district size!
- Policy manual
- State reviews
- Constant juggling of deadlines



Wearing Many Hats...



- Anything with \$\$ comes across SBO's desk
- Unrelenting workload
- Many "must-do" deadlines – payroll, funding
- Need to rely on colleagues



ALASBO

- **MISSION:** To promote the highest standards in school business practices.
- **VISION:** Educating stakeholders in the effective use of resources for the benefit of Alaska's children.
- **VALUES:**
 - Ethical standards
 - Sharing knowledge and expertise
 - Advancing the interests of all members
 - Accurate, objective, consistent information
 - Collegiality
 - Efficiency
 - Collaboration

Foundation Formula

20-day
student
count

Ten
calculations

State Aid
Entitlement

Example: Nome Public Schools

Column

I. Basic Need Calculation

Projected ADM



704.00

M

Determining School Size Adjustment

[Use Table from page 4]

ADM

Nome Elementary School = 375

Nome/Beltz Jr. & Senior High = 245

Anvil City Science Academy = 60

Nome Youth Facility = 14

$326.10 + (.97 * (375 - 250)) = 447.35$
$218.10 + (1.08 * (245 - 150)) = 320.70$
$1.18 * 60 = 70.80$
$14 = 39.60$

FY16 School Size adjusted ADM **878.45**

less FY15 School Size adjusted ADM - 900.42

District's decrease in School Size adjustment over prior year less than 5%, did not activate hold harmless.

School Size Adjusted ADM

878.45

O

Apply District Cost Factor

x 1.450

P

1,273.75

Q

Apply Special Needs Factor

x 1.20

1,528.50

R

Apply the Career Technical Education Factor

x 1.015

1,551.43

S

Add Intensive Service Counts

(5 x 13) = 65.00

+ 65.00

U

1,616.43

V

Add Correspondence Counts

(10 * .90) = 9.00

+ 9.00

W

District Adjusted ADM

1,625.43

X

Multiply by \$5,880 base allocation

x \$5,880.00



Basic Need:

\$ 9,557,528

B

Basic Need	\$9,557,528	B
Required Local Contribution	(976,121)	C
Eligible Impact Aid	+ (27,811)	F
State Aid	\$8,553,596	G
III. Quality Schools Grant		
District adjusted ADM x \$16	1,625.43	X
	x \$16.00	
	\$26,007	H
IV. Components of State Aid		
State Aid	\$8,553,596	G
Quality Schools Grant	+ 26,007	H
Total State Aid Entitlement	\$8,579,603	I

- BSA now \$5,930
 - Funding increases by \$81,271.50
 - 704 students x \$50 = \$35,200
- Impact Aid deduction unique
- Formula is a delicate balance
- Timing of foundation funding process



Other Topics

- State debt reimbursement & CIP funding
- Federal timber revenue loss
- Need for district fund balance
- Limitations of funding to the cap



UPCOMING ISSUES

Very much aligned with cities & boroughs!

Category 1

- Debt reimbursement
- Health insurance cost
- Worker's comp reform
- Support of state retirement system(s)
- Local infrastructure
- Basic education funding
- Long-term multi-revenue fiscal plan



UPCOMING ISSUES

Category 2

- Career & Technical Education (CTE)
- Arts education
- English as a 2nd Language (ESL)
- Early childhood education
- Mental health programs



TO BE DISCUSSED?

- Schools in Small Communities
 - Proposed changes to minimum school size
- Foundation re-write
 - A huge job!
 - Always winners and losers
 - Area cost differential a smaller piece
- ESSA & federal funding



Working Together on Big Problems

- School district is a big part of each community, and/or a part of your local government
- Regular joint work sessions between school district and local government
- Cross training & resource sharing
- Growing opportunity for shared services: among districts; within communities



THANK YOU!

QUESTIONS?

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