

**MUNICIPALITY OF ANCHORAGE
SCHOOL BUDGET ADVISORY COMMISSION**

**REPORT TO THE ANCHORAGE ASSEMBLY ON THE
ANCHORAGE SCHOOL DISTRICT**

PROPOSED BUDGET FOR FISCAL YEAR 2011-2012

MARCH 2011

COMMISSIONERS

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**ANNUAL REPORT
OF THE
SCHOOL BUDGET ADVISORY COMMISSION**

FY 20101-12 Proposed Budget

The Anchorage School Board approved the budget for FY 2011-2012 in the amount of \$811,910,568. Individual fund budgets included are: the General Fund; the Food Service Fund; the Debt Service Fund and the Local/State/Federal Grants Fund. The total of local tax contribution to be requested is \$237,587,445, an increase of \$2,827,473 from the previous fiscal year.

The School Budget Advisory Commission recommends that the Municipality of Anchorage Assembly approve the Anchorage School District Fiscal Year 2011-2012 budget in the amount of \$811,910,568. The Commission has recommendations for reductions in the 2012-13 fiscal year. The proposed financial plan meets the cuts and added costs proposed by the Assembly for the 2011-12 budget year, but there are major budget shortfalls in the 2012-2013 budget with the loss of federal funds from the Education Jobs Bill that pay for 82 current teacher positions. The Commission has the following recommendations:

CAREER & TECHNOLOGY EDUCATION

The Commission recognizes the increased funding of Career & Technology Education (C & TE) that transferred previously ARRA funded Middle School Career Guides into the General Operating Budget as well as the continued funding of the High School Graduation Coaches from the General Operating Budget. The C&TE bond proposition is also a move in the right direction to obtain funding for C&TE outside of Carl Perkins and other grant monies. These valuable educational programs and positions are a solid part of the Anchorage School District (ASD) program.

SUMMER SCHOOL

Summer school is a popular and growing program that allows students to receive additional help in reading and math skill development, access remedial and enrichment courses and recoup credits needed for graduation. It serves a valuable role in keeping students in school and has a direct impact on graduation rates. It is, however, a privilege and not a right. With a growth in the enrollment over the past several years, the costs have also grown for this add-on program that is not mandated by the State. The General Operating budget was never intended to support year-round schools. Additionally, the fees charged for classes do not cover the total operating costs for summer school. Therefore, it is recommended that the ASD:

- Offer more "third session" or 7th/8th period classes during the regular school year, e.g. 2-5:30 pm session for high school; 3-5:30 pm for middle school and after-school reading programs from 3:30-5:30 pm for elementary school. This shifting of resources would net more for the investment due to savings on summer janitorial hire and other facility costs.

- Raise the fees by all levels of summer school substantially to an amount closer to the actual cost in order to end subsidizing the program with the regular school year funds. Continue reduced or free fees for those with documented financial need.
- Raise fees of on-line courses for non-ASD students if the actual cost of administering a student's participation is higher than the proposed \$400 per course.

In lieu of summer school and in recognition of the impact that 12 weeks absence from the classroom makes on student achievement, an alternative to summer school would be to:

- Investigate the costs and contractual issues for converting to year-round school, e.g. 188 contract days spread over 12 months with breaks in the fall (2 weeks); holidays (4 weeks); winter (1 week); spring (2 weeks); and summer (6 weeks).

USER FEES

The Commission applauds the increase in fees assessed for student activities, parking and facility use; however, it would like to see further increases, as these fees do not reflect all direct or indirect costs to the ASD.

- Raise middle school activity fees to 50% of the actual per student cost based on the sport. Continue reduced or free fees for those with documented financial need.
- Raise the high school fees to 50% of the actual per student cost based on the sport. Continue reduced or free fees for those with documented financial need.
- Raise the facility rental fees 11-12% for all groups.

MUNICIPALITY OF ANCHORAGE (MOA) and ASD CHARGES

The Commission supports the shifting of incurred costs from the MOA to the ASD budget to reflect true budgetary impacts, but also would like to see ASD shift costs to the MOA budget for the same reason. It is recommended that the ASD:

- Charge the MOA Parks and Recreation and any other MOA department utilizing ASD buildings or grounds any time of the year the same rate as charged other non-profit organizations, in lieu of waiving the fees.
- Ask the APD to perform an analysis of the true costs of the School Resource Officers in the schools and determine an equitable distribution of costs.

TEXTBOOKS

The cost of traditionally printed textbooks continues to mount. In a digital world with ever faster changing information and resources, it is recommended that the ASD:

- Investigate use of on-line textbooks for any curricular areas scheduled for textbook adoption in the next 5 years. Include in the RFP, the annual textbook updates or corrections for the normal "life" of a textbook.
- Investigate cost of electronic devices purchased in lieu of textbooks to issue to students.

HIGH SCHOOL COUNSELORS

High School Counselors spend an inordinate amount of their time dealing with student course registration and this often prevents them from performing their trained roles to deal with students' social, emotional and career needs. It is recommended that the ASD:

- Convert to on-line computer registration for high school classes with continuation of counselor visits to middle school to conduct 8th grade student high school orientation.
- Add an annual parent orientation of the on-line system with a joint parent/student /Middle School Career Guide conferencing to discuss the Individual Learning Career Plan (ILCP)/graduation requirements.
- Shift the workload of high school counselors to include student counseling, career guidance and ILCP review. This will allow for the elimination of Graduation Coach positions without elimination of the service, but rather an expansion of the service for more students.

CHARTER SCHOOLS

Eight charter schools operate in Anchorage, each having gone through a rigorous application and approval process by the Anchorage School Board. Several of the current charter schools are seeking new facilities because current facilities are either inadequate for their needs (lack of recreation area, parking space, etc.) or desired program growth (wait lists from the lottery process). Finding a suitable charter school building is the biggest hurdle to new charter schools opening. It is recommended that the ASD:

- Consolidate under-enrolled school sites and rent the vacated school facilities to charter school groups.

TEACHER SUBSTITUTES

- Investigate the cost of a pool of full-time NCLB rated Highly Qualified substitute teachers to handle a percentage of the daily need for classroom coverage. Train these teachers to offer Social Emotional Learning lessons at all levels or to offer employability skills at the high school level, e.g. on-line resume preparation, interview skills, etc. utilizing resources provided by the Department of Labor and Work Force Development as well as business partners.

ADMINISTRATION

Public criticism is levied at the ASD for inefficient business practices and too many personnel (a significant increase in the last decade). It is recommended that the ASD:

- Direct external management reviews in ALL departments/schools to put forth recommendations on operating efficiencies in both personnel and other resources.

LONG TERM FISCAL SUGGESTIONS

The Commission again recommends that the following be accomplished:

- The ASD continue to explore opportunities for cost-savings through outsourcing and joint service agreements with Municipality of Anchorage (MOA). It applauds the ASD pilot on the snow-removal outsourcing. The Commission cautions that cost-savings are not the only criteria, but ensuring quality service delivery are also paramount.

CLASS SIZES

The academic needs of a student should not be compromised to fund non-academic or non-school year, e.g. summer school programs.

AR No. 2010-280(S)

It is obviously advantageous to give the district preliminary figures for planning purposes. AR No. 2010-280(S) advised the school district to develop its 2011-12 budget based on a 1.6% increase in property taxes. The non-binding resolution was passed by the Assembly prior to the adoption of the 2011 Municipal budget. To compare, the Municipal budget raises property taxes .77%. This budget also included \$5.7 Million estimated revenue from the recently adopted tobacco tax increase. Without this revenue, the Municipality would have been forced to either cut services OR raise taxes 3.4%. This allows the Municipality significantly more funds to serve the public than what is being allocated to the School District.

Recently, the Anchorage School Board opted to use savings to reinstate some of the programs proposed to be cut. While this is a benefit to tax payers, the long-term sustainability of this proposal is concerning. Additional cuts will likely be needed in the 2012-13 budget, especially in light of the reduction of federal funds.

The School Budget Advisory Commission recommends this budget be approved as proposed and encourages the Anchorage School District to execute its recommendations in the 2012-13 budget.