

# Anchorage School District

## ESSER III (ARP)



# ESSER III Overview

- Funds must be obligated by September 30, 2024
- Districts must set aside 20% of funds to address learning loss (≈ \$22.5 million)
- ASD's developing plan includes input from community, staff, & school board
- Numerous reporting requirements on outcomes, plus a by-school Maintenance of Equity test that must include all fund sources
- Procurements must conform with Education Department General Administrative Regulations (EDGAR) 2 CFR part 200

# ESSER III Community Input

- ❖ DEED Conducted a statewide survey in May/June 2021
- ❖ ASD Community & Focus Group Survey in May/June 2021
  - ❖ Operational Spending Priorities:
    - ❖ Health and safety planning and supplies
    - ❖ Facility repairs and air quality improvements
    - ❖ Incentives for recruiting and training staff in hard to fill positions
  - ❖ Instructional Spending Priorities:
    - ❖ Summer school and after school programs
    - ❖ Address learning loss by increasing existing programs
    - ❖ Provide new services to students to accelerate learning
    - ❖ Focus on underserved students
  - ❖ Highly valued spending priorities:
    - ❖ Address learning loss by increasing existing programs
    - ❖ Facility repairs and air quality improvements
    - ❖ Focus on underserved Students



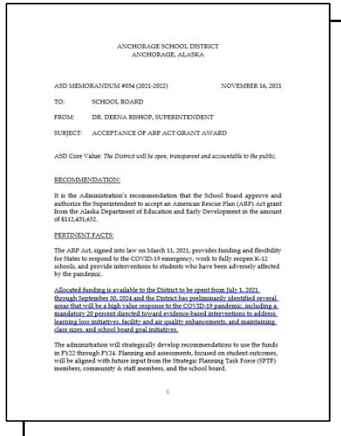
**DEED and Anchorage  
Community Surveys**



**School Board/  
Administration**

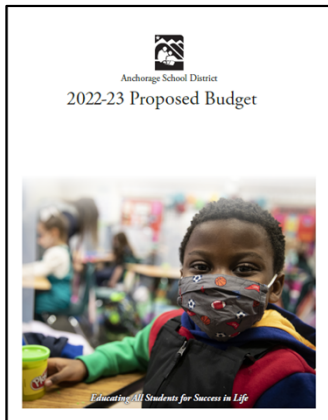
- ❖ May 26<sup>th</sup>, 2021 - Town Hall meeting
- ❖ June 1<sup>st</sup>, 2021 - June 1<sup>st</sup> School Board meeting with dedicated time for comments

# ESSER III Spending Plan



Nov 21

Learning Loss Initiatives	\$4.3M
Air Quality Improvements	\$4.6 M
Recruitment/retention	\$500K
Implement Reading Initiatives	\$1.5M
Charter Schools	\$4.3M
Indirect	\$5.9M
<b>Unallocated as of Dec 2021</b>	<b>\$91M</b>



Feb 22

Administration plan for FY23 ESSER III will be presented to the School Board with the FY23 preliminary budget (Jan/Feb 2022)

# ESSER III Buckets

**\$20-25 Million**

**Facility Improvements**

**\$40 Million**

**Learning Loss Initiatives  
(Min. \$22.5M)**

**\$40-60 Million**

**Reduce Class Size**

**\$10-20 Million**

**Board Goal Initiatives**

**\*Note: The sum of the projects/programs in the buckets exceeds ASD's ESSER III allotment**

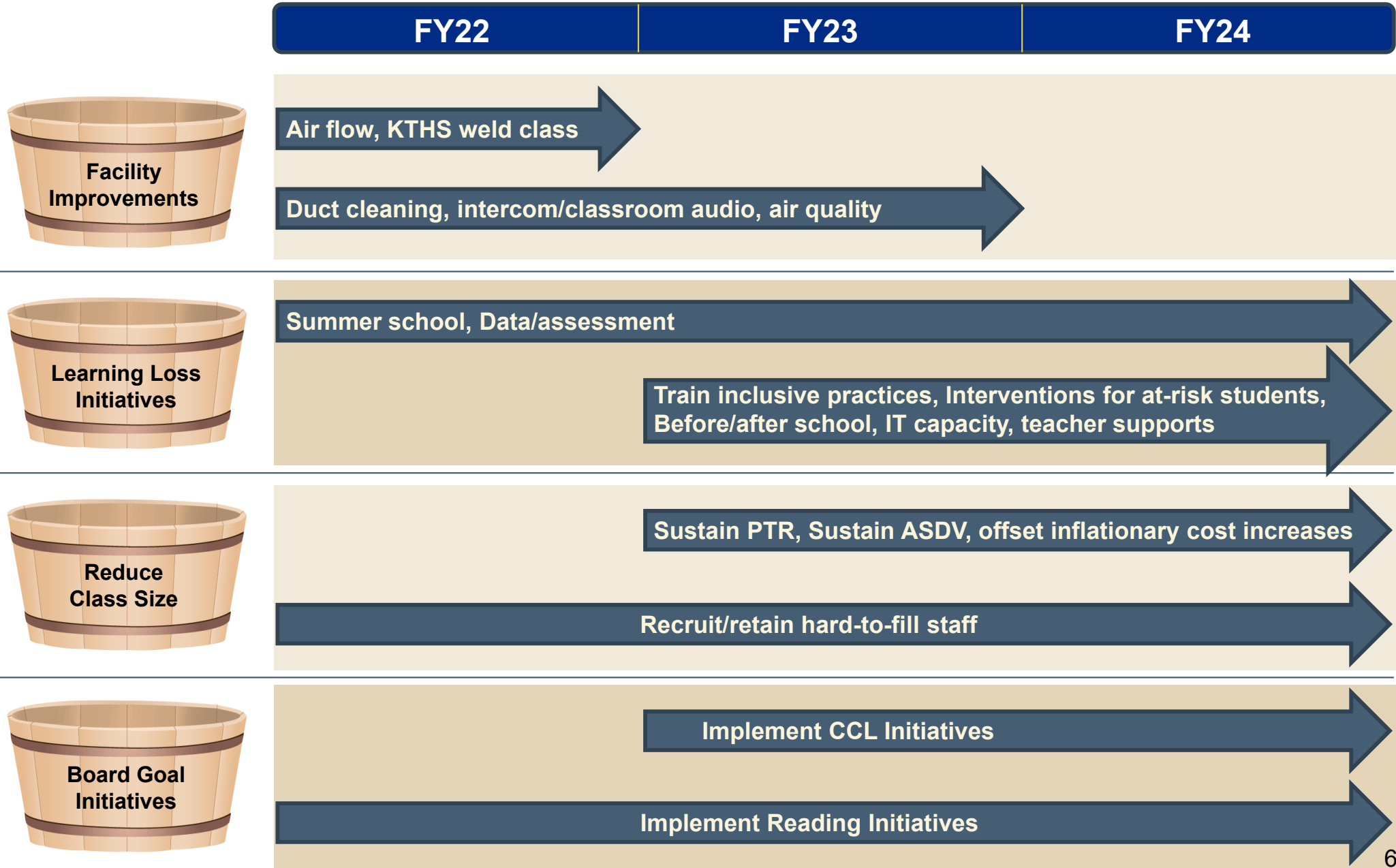
- Air quality improvements
  - Duct cleaning
  - Optimize air flow
  - KTHS welding shop air ventilation
- School safety/modernize intercom & classroom audio

- Summer school
- Graduation interventions for at-risk students
- Before/after school programs
- Data/assessment
- Increase/sustain IT capacity; 1:1, K-3 alternative
- Teacher supports
- Inclusive practices training
- Substitute & other staff training

- Offset operational deficits to retain PTR
- Sustain ASDV
- Recruit/retain hard-to-fill staff positions
- Offset inflationary cost increases
  - BSA has been flat since FY 17
  - Transportation funding has been flat since FY16
- Open labor contracts

- Reading implementation
  - Phonemic awareness curriculum & training
  - After school reading programs
- CCL initiatives
  - AP institute
  - Work-based learning
  - CTE-focused math
  - Staff training/development

# ESSER III – Initial Spend Timeline



# FY22 – FY25 Revenue Drivers



## State/Local Revenue

- ❖ Revenue for the General Fund and Transportation Fund revenue are based on enrollment
- ❖ Base Student Allocation (BSA) has remained flat (\$5,930) since FY17
- ❖ Transportation funding (\$481/student) has remained flat since FY16
- ❖ Flat revenue, with inflationary expenses, creates an annual deficit of approximately \$10-12 million per year



## Hold Harmless Provision

The state's Hold Harmless provision, triggered in FY21 due to Covid-19, decreases each year:

- ❖ FY21 = 75%
- ❖ FY22 = 50%
- ❖ FY23 = 25%
- ❖ FY24 = end of Hold Harmless savings

# Projected Revenue Shortfalls

	Adopted FY 2021-22	Current ADM Revenue Projections FY 2021-22	Pro Forma ADM Revenue Projections FY 2022-23
BSA	5,930	5,930	5,930
ADM	42,862.69	40,931.56	40,911.56
<i>ADM change</i>		(1,931.13)	(1,951.13)
Correspondence ADM	2,403.45	1,954.98	1,954.98
<i>Correspondence ADM change</i>	(410.55)	(448.47)	(448.47)
Total	45,266.14	42,886.54	42,866.54
Hold Harmless Provision	695.91	1,665.32	842.56
SPED Intensive	1,025	1,019	1,019
<i>IN change</i>	80	(6)	(6)
State and Local Funding	541,831,266	529,673,391	521,991,573
Total Reduction from Current Budget		\$ (12,157,875)	\$ (19,839,693)
State Revenue Decrease		(9,884,451)	(16,451,038)
Local Revenue Decrease		(2,273,424)	(3,388,655)



# FY23 Projected Revenue

General Fund Revenue Budget	Adopted FY 2021-22		Pro Forma FY 2022-23		FY22 Adopted vs. FY23	
					Pro Forma	
					\$	%
<b>Local Revenue</b>						
Property taxes	\$ 214,943,663	\$ 211,555,008	\$ (3,388,655)	-1.58%		
Fund balance	-	-	-	0.00%		
E-rate	600,000	675,000	75,000	12.50%		
Interest earnings	2,000,000	2,000,000	-	0.00%		
Facility rentals	750,000	750,000	-	0.00%		
User fees	2,075,000	2,075,000	-	0.00%		
Other local	335,000	335,000	-	0.00%		
<b>Total local revenue</b>	<b>\$ 220,703,663</b>	<b>\$ 217,390,008</b>	<b>\$ (3,313,655)</b>	<b>-1.50%</b>		
<b>State Revenue</b>						
Foundation funding	325,686,551	309,278,916	(16,407,635)	-5.04%		
Operating grants outside BSA	-	-	-	0.00%		
Quality School Grant	1,201,052	1,157,649	(43,403)	-3.61%		
State education raffle	150,000	150,000	-	0.00%		
State tuition reimbursement	408,484	408,484	-	0.00%		
<b>Total state revenue</b>	<b>\$ 327,446,087</b>	<b>\$ 310,995,049</b>	<b>\$ (16,451,038)</b>	<b>-5.02%</b>		
<b>Federal Revenue</b>						
Federal Impact Aid	15,820,508	15,171,546	(648,962)	-4.10%		
JROTC instructor reimbursement	710,000	710,000	-	0.00%		
Medicaid reimbursement	750,000	750,000	-	0.00%		
<b>Total federal revenue</b>	<b>\$ 17,280,508</b>	<b>\$ 16,631,546</b>	<b>\$ (648,962)</b>	<b>-3.76%</b>		
<b>Total Budgeted Revenue</b>	<b>\$ 565,430,258</b>	<b>\$ 545,016,603</b>	<b>\$ (20,413,655)</b>	<b>-3.61%</b>		

## FY23 revenue

- Hold Harmless provision reduced to 25%
- Reduced Federal Impact Aid
- Total revenue is projected to reduce by \$20.4M

# FY23 Projected Expenses

General Fund Salaries, Wages and Benefits		FY 2021-22 Adopted	FY 2022-23 Pro Forma [1]	Change	
				\$	%
Line #	Salaries and Wages				
1	100 - Instruction	\$ 149,459,619	\$ 154,759,673	\$ 5,300,054	3.55%
2	200 - Special Education Instruction	56,778,394	58,895,598	2,117,204	3.73%
3	220 - Special Education Support Services	15,831,981	16,459,536	627,555	3.96%
4	300 - Support Services - Students	18,658,106	19,368,662	710,556	3.81%
5	350 - Support Services - Instruction	11,947,249	12,603,906	656,657	5.50%
6	400 - School Administration	16,573,454	16,987,781	414,327	2.50%
7	450 - School Admin. Support Services	9,867,910	10,286,210	418,300	4.24%
8	510 - District Administration	2,261,151	2,400,841	139,690	6.18%
9	550 - District Admin. Support Services	14,201,855	14,939,653	737,798	5.20%
10	600 - Ops and Maintenance of Plant	23,139,828	23,729,874	590,046	2.55%
11	780 - Community Services	232,531	250,976	18,445	7.93%
12	Add: Staff from CRRSA Grant	-	23,637,301	23,637,301	100.00%
13	Less: Metrics Based Staff	-	(7,973,337)	(7,973,337)	100.00%
14	<b>Total Salaries and Wages</b>	<b>318,952,078</b>	<b>346,346,674</b>	<b>27,394,596</b>	<b>8.59%</b>
	<b>Other Payroll Outlay</b>				
15	Substitutes	7,425,851	7,425,851	-	0.00%
16	Added Duty/Extra Help	12,283,716	13,555,840	1,272,124	10.36%
17	Personal Leave	4,941,926	5,117,028	175,102	3.54%
18	One-time Payments	549,656	549,656	-	0.00%
19	Add: Other CRRSA Payroll	-	6,269,028	6,269,028	100.00%
20	Salary Attrition/Vacancy	(5,569,722)	(7,000,000)	(1,430,278)	25.68%
21	Total Other Payroll	19,631,427	25,917,403	6,285,976	32.02%
22	<b>Total Salaries, Wages and Other Payroll</b>	<b>338,583,505</b>	<b>372,264,077</b>	<b>33,680,572</b>	<b>9.95%</b>
	<b>Benefits</b>				
23	Medical Insurance	96,630,960	97,335,323	704,363	0.73%
24	Teachers' Retirement System (TRS)	30,611,337	31,728,511	1,117,174	3.65%
25	Public Employees' Retirement System (PERS)	18,116,264	18,810,351	694,087	3.83%
26	Workers Comp	5,089,229	5,276,404	187,175	3.68%
27	Other (SS, MC, Unemp., Life ins, etc.)	12,025,890	12,301,994	276,104	2.30%
28	Benefits for Staffing Changes	-	7,421,980	7,421,980	100.00%
29	Benefit Attrition	(14,368,060)	(17,000,000)	(2,631,940)	18.32%
30	Total Benefits	148,105,620	155,874,564	7,768,944	5.25%
31	<b>Total Salaries, Wages and Benefits</b>	<b>\$ 486,689,125</b>	<b>\$ 528,138,641</b>	<b>\$ 41,449,516</b>	<b>8.52%</b>

## FY23 expenses

- Personnel Costs:
  - \$36M in CRSSA funding for staff FTE in FY22
  - Salary & benefits increase by 8.52% with addition of CRRSA funded staff
  - Added duty/extra help increase exceeding 10%
- Insurance expected to increase ≈ 10.4%
- Utilities decrease ≈ 5.2%
- Most other expenses expected to increase ≈ 1.5% - 2%

\*Personnel = 86% of GF expenses

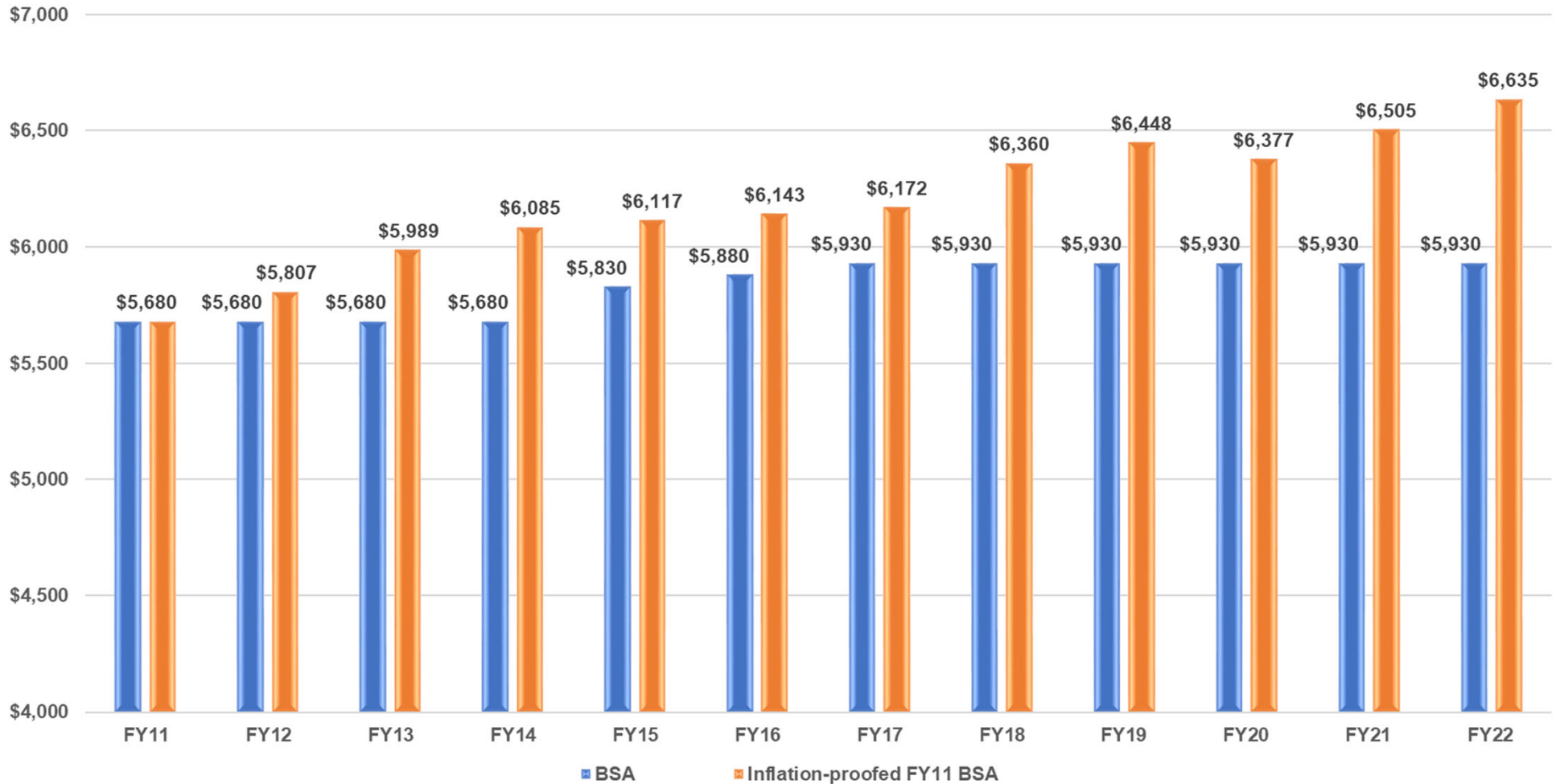
\*Medical > 17% of GF expenses

# FY23 Projected Deficit

Line #	Adopted Budget		FY22 Adopted Budget vs. FY23 Pro Forma		
	FY 2021-22	Pro Forma FY 2022-23	\$	%	
<b>General Fund Revenue</b>					
Local Revenue	1	\$ 220,703,663	\$ 217,390,008	\$ (3,313,655)	-1.50%
State Revenue	2	327,446,087	310,995,049	(16,451,038)	-5.02%
Federal Revenue	3	17,280,508	16,631,546	(648,962)	-3.76%
	4	<u>565,430,258</u>	<u>545,016,603</u>	<u>(20,413,655)</u>	<u>-3.61%</u>
<b>General Fund Expenditures</b>					
Salaries (net of attrition) [1]	5	338,583,505	372,264,077	33,680,572	9.95%
Benefits (net of attrition) [1]	6	148,105,620	155,874,564	7,768,944	5.25%
Contracted Services	7	53,933,560	53,285,169	(648,391)	-1.20%
Supplies	8	17,150,271	17,354,971	204,700	1.19%
Capital Outlay	9	1,509,890	1,590,558	80,668	5.34%
Insurance	10	4,311,627	4,736,978	425,351	9.87%
Transfer to Other Funds	11	1,835,785	-	(1,835,785)	-100.00%
<i>Add: Other Ongoing CRRSA Act Costs</i>	12	-	7,000,000	7,000,000	100.00%
Total General Fund Expenditures	13	<u>565,430,258</u>	<u>612,106,316</u>	<u>46,676,058</u>	<u>8.25%</u>
<b>General Fund Budget Gap</b>	14	<u>\$ -</u>	<u>\$ (67,089,713)</u>	<u>\$ (67,089,713)</u>	

**NOTE: The GF budget deficit as presented does not include the usage of \$91.3 million in remaining ARP Act (ESSER III) stimulus funds.**

# AK Educational Funding since 2011



- If the FY11 Base Student Allocation (BSA) had been adjusted for inflation each year, the BSA today would be \$705 more than what the state uses in the foundation formula
- The difference between the FY11 and FY22 revenue, if the BSA had been inflation-proofed, is approximately \$63 million

# Comments