

Governor Dunleavy's Budget

March 6, 2019

Impact to Sitka Schools from State Funds

Department of Education & Early Development
 Prepared 2/15/2019
 FY2020 Governor's Amended K-12 Funding Reduction

Prepared by School Finance

School District	FY2020 Projected Total State Entitlement	Prorated FY2020 Projected Total State Entitlement	Difference	Repealed Projected One-Time \$30 Million	Total FY2020 Governor Amended Reduction
Sitka Borough	12,323,983	9,540,738	(2,783,245)	(309,942)	(3,093,187)

In addition to loss of:

- Head Start
- Early Learning Grant
- School Bond Debt Reimbursement
- Ferry Service
- Fish Tax

[\$3,093,187]

Foundation Formula Short-Funded

- Base Student Allocation [BSA] stays the same at \$5,930
- Foundation Formula is not fully funded to support \$5,930 BSA
- Functional BSA becomes \$4,896
- Loss of full funding for Foundation Formula also reduces the City contribution – in addition to \$3,093,187:

	Range of City Funding	Governor's FY20 Budget
City CAP Maximum	\$7,209,815	\$6,398,839
Required City Minimum	\$3,404,173	\$3,404,173

Total Impact

Preliminary FY20 Expenditures: \$20,852,130

Sources of Revenue	Preliminary FY20 Budget	Mid-Range Budget [10%]	Governor's FY20 Budget [25%]
Local – Instructional	\$6,644,941		
Local – Other [e.g., E-Rate]	\$113,160		
State	\$12,633,926		
Federal	\$80,000		
Total Revenue	\$19,472,027		
Preliminary FY20 Expenditures	\$20,852,130		
Difference	[\$1,380,103]		
Local – Non-Instructional	\$433,759		

Total Impact

Preliminary FY20 Expenditures: \$20,852,130

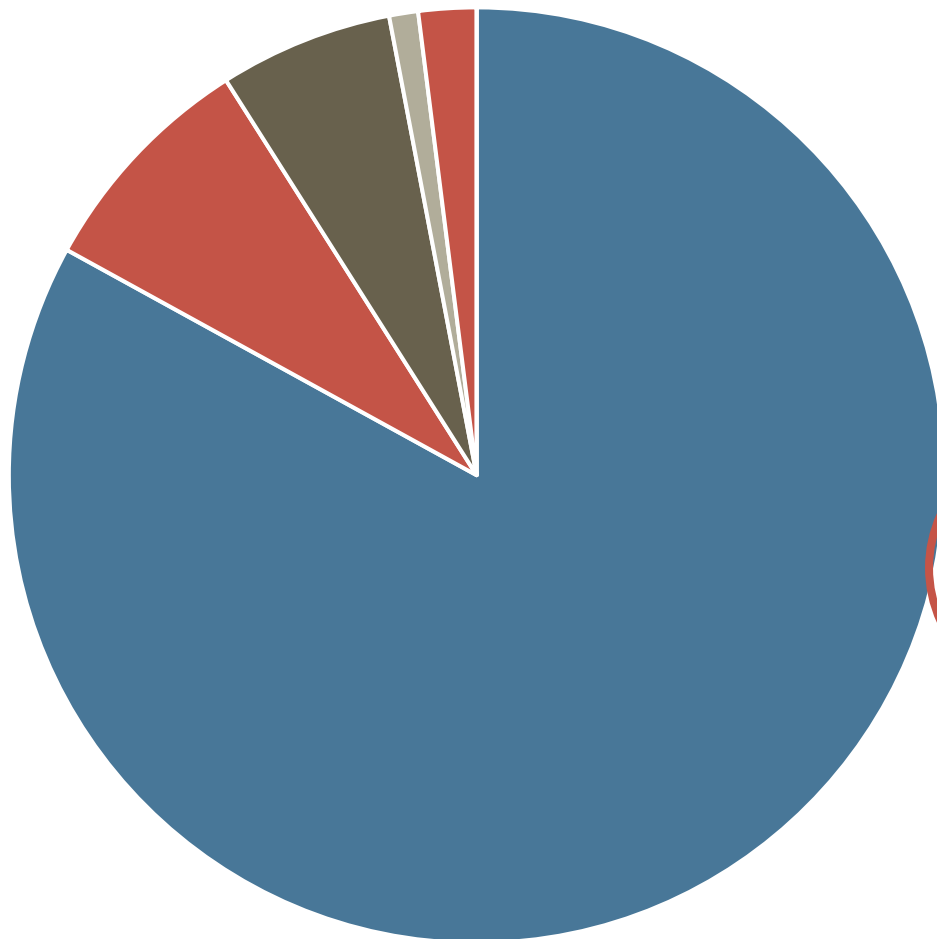
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Local – Other [e.g., E-Rate]	\$113,160		\$113,160
State	\$12,633,926		\$9,583,149
Federal	\$80,000		\$80,000
Total Revenue	\$19,472,027		\$16,175,148
Preliminary FY20 Expenditures	\$20,852,130		\$20,852,130
Difference	[\$1,380,103]		[\$4,676,981]
Local – Non-Instructional	\$433,759		\$433,759

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Federal	\$80,000	\$80,000	\$80,000
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Preliminary FY20 Expenditures	\$20,852,130	\$20,852,130	\$20,852,130
Difference	[\$1,380,103]	[\$3,146,119]	[\$4,676,981]
Local – Non-Instructional	\$433,759	\$433,759	\$433,759

Expenditures



Personnel

- Salaries and Benefits [83%]
- Maintenance/Utilities [8%]
- Schools and Programs [6%]
- District Administration [1%]
- Technology [2%]
- School Board [0%]

Non-Personnel

Considerations

- Based on best guess using available data at this point in time
- We cannot predict the economic impact of Governor Dunleavy's Budget to the community of Sitka



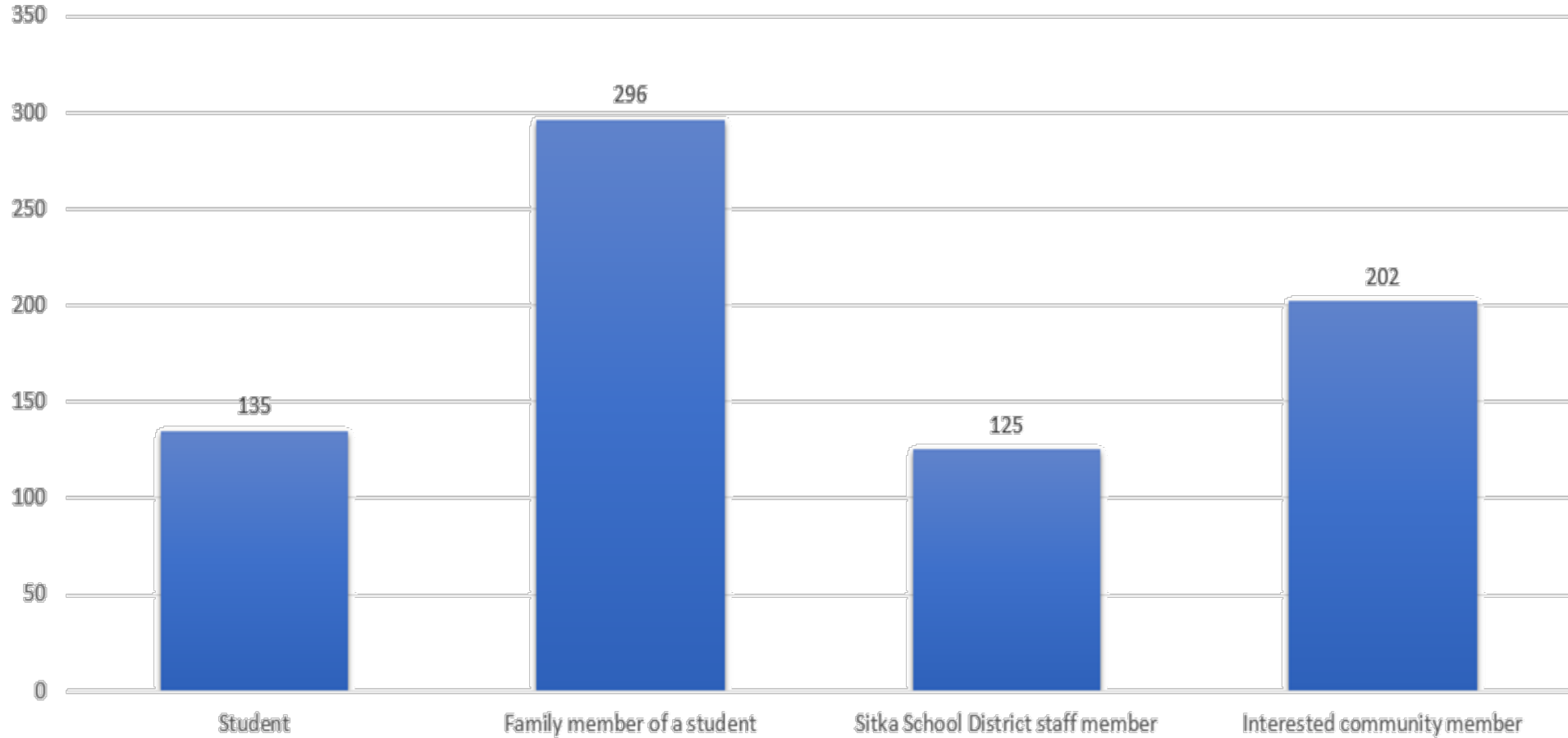
Budget Survey

520 Responses

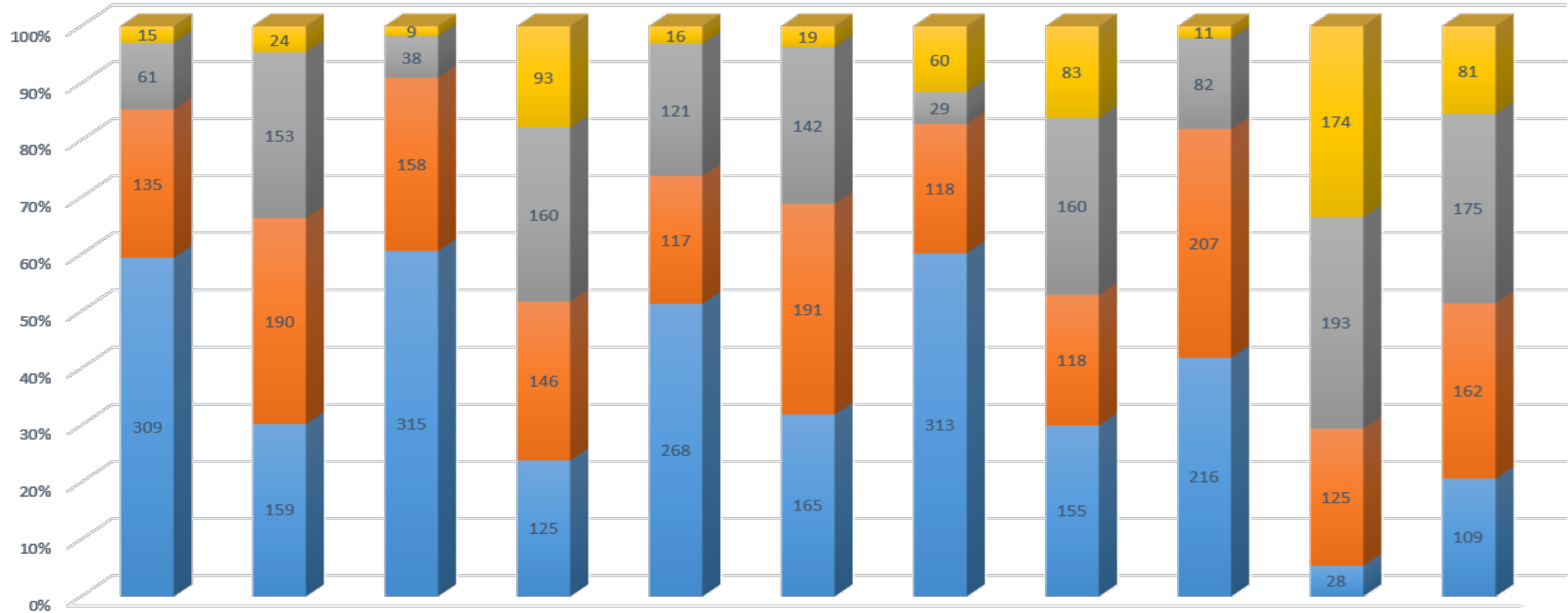
Survey closed at midnight last night, so this only includes data

Comments will be shared at 3/11/19 Budget Worksession

Budget Survey Participants



FY20 Budget Survey



After-school Activities for Students - Sports, Drama etc.

Blatchley Pool

Career and Technical Education (aka Vocational Training)

Community Schools

Counselors (Full-time)

Librarians

Music & Art Education

Performing Arts Center

Small Class Sizes

Standardized Test Scores

Ventures (after-school childcare)

■ Critically Important

■ Somewhat Important

■ Less Important

■ Not at All Important



Preliminary Analysis of Closing School Facilities

Considerations

- Does not account for personnel at buildings – just looks at sheer impact of having a building open or closed, as personnel comes last
- Keet Gooshi Heen was not considered for closure due to the lack of adequate playground space at Blatchley, which would be the only option to move students
- Sitka High was not considered for closure because 9th–12th grade students cannot be housed with students in grades 6 or younger unless it is a K-12 school, and our overall enrollment is too high to have a K-12 school
- Even if Blatchley students were to move, there are programmatic needs for the Pool, and also Community Schools to consider

Foundation Formula Consideration

School Size Table

Reference:	School Size:	Formula:
1.	10-19.99	39.60
2.	20-29.99	$39.60 + (1.62 * (ADM - 20))$
3.	30-74.99	$55.80 + (1.49 * (ADM - 30))$
4.	75-149.99	$122.85 + (1.27 * (ADM - 75))$
5.	150-249.99	$218.10 + (1.08 * (ADM - 150))$
6.	250-399.99	$326.10 + (.97 * (ADM - 250))$
7.	400-749.99	$471.60 + (.92 * (ADM - 400))$
8.	Over 750	$793.60 + (.84 * (ADM - 750))$

Correspondence student counts are not adjusted for size (see step 5).

* Alternative school with an ADM of 175 or greater *and* administered as a separate facility the ADM will be adjusted separately, unless:

- C. It has an ADM of less than 175 shall be counted as a part of the school in the district with the *highest* ADM.

Close Blatchley Middle School

1,187

Considerations:

- 6th graders move to Keet, as only in a K-12 school can 6th graders be with 9th-12th graders
- 7th and 8th graders would move to Sitka and Pacific High Schools

School	School Size Formula	Adjusted Average Daily Membership
Baranof	$218.1+(1.08*(170.95-150))$	240.726
Keet Gooshi Heen	$471.6+(0.92*(464.05-400))$	530.53
Blatchley		
Sitka High	$471.6+(0.92*(538-400))$	598.56
Pacific High	Enrollment added to largest school	
Total Adjusted Average Daily Membership if Closed		1,369.816
Total Adjusted Average Daily Membership if Open		1,465.406



SITKA
SCHOOL DISTRICT

-95.59 Difference

What Does the -95.59 Difference Mean?

	Adjusted Average Daily Membership	State Aid @ \$5,930 Base Student Allocation
Blatchley Open	1,465.406	\$12,281,572
Blatchley Closed	1,369.816	\$11,456,472
Difference in Closing Blatchley Middle School		[\$825,100]

Revenue Impact of Closing Schools

Preliminary FY20 Expenditures: \$20,852,130

Sources of Revenue	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Local – Instructional	\$6,398,839				
Local – Other [e.g., E-Rate]	\$113,160				
State	\$9,583,149				
Federal	\$80,000				
Total Revenue	\$16,175,148				
Difference	[\$4,676,981]				
School Closure Deficit	\$0				
Local – Non-Instructional	\$433,759				

Revenue Impact of Closing Schools

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Sources of Revenue	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Local – Instructional	\$6,398,839	\$6,261,630			
Local – Other [e.g., E-Rate]	\$113,160	\$113,160			
State	\$9,583,149	\$8,986,587			
Federal	\$80,000	\$80,000			
Total Revenue	\$16,175,148	\$15,441,377			
Difference	[\$4,676,981]	[\$5,410,753]			
School Closure Deficit	\$0	[\$733,772]			
Local – Non-Instructional	\$433,759	\$433,759			

Local contribution decreases when State contribution decreases

Revenue Impact of Closing Schools

Preliminary FY20 Expenditures: \$20,852,130

Sources of Revenue	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Local – Instructional	\$6,398,839	\$6,261,630	\$6,241,644		
Local – Other [e.g., E-Rate]	\$113,160	\$113,160	\$113,160		
State	\$9,583,149	\$8,986,587	\$8,899,694		
Federal	\$80,000	\$80,000	\$80,000		
Total Revenue	\$16,175,148	\$15,441,377	\$15,334,498		
Difference	[\$4,676,981]	[\$5,410,753]	[\$5,517,632]		
School Closure Deficit	\$0	[\$733,772]	[\$840,651]		
Local – Non-Instructional	\$433,759	\$433,759	\$132,220		

Revenue Impact of Closing Schools

Preliminary FY20 Expenditures: \$20,852,130

Sources of Revenue	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Local – Instructional	\$6,398,839	\$6,261,630	\$6,241,644	\$6,375,510	
Local – Other [e.g., E-Rate]	\$113,160	\$113,160	\$113,160	\$102,160	
State	\$9,583,149	\$8,986,587	\$8,899,694	\$9,481,717	
Federal	\$80,000	\$80,000	\$80,000	\$80,000	
Total Revenue	\$16,175,148	\$15,441,377	\$15,334,498	\$16,039,387	
Difference	[\$4,676,981]	[\$5,410,753]	[\$5,517,632]	[\$4,812,743]	
School Closure Deficit	\$0	[\$733,772]	[\$840,651]	[\$135,762]	
Local – Non-Instructional	\$433,759	\$433,759	\$132,220	\$433,759	

Revenue Impact of Closing Schools

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Local – Other [e.g., E-Rate]	\$113,160	\$113,160	\$113,160	\$102,160	\$113,160
State	\$9,583,149	\$8,986,587	\$8,899,694	\$9,481,717	\$8,899,694
Federal	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Total Revenue	\$16,175,148	\$15,441,377	\$15,334,498	\$16,039,387	\$15,334,498
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School Closure Deficit	\$0	[\$733,772]	[\$840,651]	[\$135,762]	[\$840,651]
Local – Non-Instructional	\$433,759	\$433,759	\$132,220	\$433,759	\$433,759

Expenditure Impact of Closing Schools

Sources of Facility Expenditures	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Property Insurance	\$132,432				
Utilities	\$485,200				
Heat	\$355,415				
Janitorial	\$494,294				
SEACC Building EDA Grant					
Total Facility Expenditures	\$1,467,341				
Difference from Dunleavy's Budget	\$0				

Expenditure Impact of Closing Schools

Sources of Facility Expenditures	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Property Insurance	\$132,432	\$111,242			
Utilities	\$485,200	\$415,200			
Heat	\$355,415	\$325,415			
Janitorial	\$494,294	\$432,541			
SEACC Building EDA Grant					
Total Facility Expenditures	\$1,467,341	\$1,284,398			
Difference from Dunleavy's Budget	\$0	\$182,943			

Expenditure Impact of Closing Schools

Sources of Facility Expenditures	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Property Insurance	\$132,432	\$111,242	\$109,671		
Utilities	\$485,200	\$415,200	\$387,100		
Heat	\$355,415	\$325,415	\$265,145		
Janitorial	\$494,294	\$432,541	\$366,180		
SEACC Building EDA Grant					
Total Facility Expenditures	\$1,467,341	\$1,284,398	\$1,128,096		
Difference from Dunleavy's Budget	\$0	\$182,943	\$339,245		

Expenditure Impact of Closing Schools

Sources of Facility Expenditures	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Property Insurance	\$132,432	\$111,242	\$109,671	\$128,922	
Utilities	\$485,200	\$415,200	\$387,100	\$472,720	
Heat	\$355,415	\$325,415	\$265,145	\$355,415	
Janitorial	\$494,294	\$432,541	\$366,180	\$487,654	
SEACC Building EDA Grant				\$3,487,000	
Total Facility Expenditures	\$1,467,341	\$1,284,398	\$1,128,096	\$4,931,711	
Difference from Dunleavy's Budget	\$0	\$182,943	\$339,245	[\$3,464,370]	

Expenditure Impact of Closing Schools

Sources of Facility Expenditures	Dunleavy's Budget	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
Property Insurance	\$132,432	\$111,242	\$109,671	\$128,922	\$132,432
Utilities	\$485,200	\$415,200	\$387,100	\$472,720	\$395,200
Heat	\$355,415	\$325,415	\$265,145	\$355,415	\$355,415
Janitorial	\$494,294	\$432,541	\$366,180	\$487,654	\$448,318
SEACC Building EDA Grant				\$3,487,000	
Total Facility Expenditures	\$1,467,341	\$1,284,398	\$1,128,096	\$4,931,711	\$1,331,365
Difference from Dunleavy's Budget	\$0	\$182,943	\$339,245	[\$3,464,370]	\$135,976

Combined Impact of Closing Schools

	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
School Size Factor Impact Loss	[\$733,772]	[\$840,651]	[\$135,762]	[\$840,651]
Expenditure Savings	\$182,943	\$339,245	\$22,630	\$135,976
Net Difference	[\$550,829]	[\$501,406]	[\$113,132]	[\$704,675]
SEACC Building Covenant			[\$3,464,370]	
Total Net Difference	[\$550,829]	[\$501,406]	[\$3,600,132]	[\$704,675]

Combined Impact of Closing Schools

	Close Baranof	Close Blatchley	Close Pacific High School	0 BMS/Keep Pool & CS
School Size Factor Impact Loss	[\$733,772]	[\$840,651]	[\$135,762]	[\$840,651]
Expenditure Savings	\$182,943	\$339,245	\$22,630	\$135,976
Net Difference	[\$550,829]	[\$501,406]	[\$113,132]	[\$704,675]
SEACC Building Covenant			[\$3,464,370]	
Total Net Difference	[\$550,829]	[\$501,406]	[\$3,600,132]	[\$704,675]
Updated Dunleavy Budget	[\$5,227,810]	[\$5,178,387]	[\$8,277,113]	[\$5,381,656]

SEACC Building

- Economic Development Administration [EDA] grant funded the construction of the Southeast Alaska Career Consortium [SEACC] building - \$3,487,000
- Partnership with UAS-Sitka Campus and Sheldon Jackson College [for adult vocational education training]
- A 20-year covenant [until 2026] and the grant defines acceptable use of SEACC - student vocational education training programs and academic classrooms with a specific focus on Health Care
- Pacific High School's Culinary Arts program is currently the only vocational education program offered at the SEACC building

Summary of Facilities

\$28,750

- Closing any school building will increase our deficit due to the School Size Cost Factor – how our Foundation Formula calculates
- We can and will look to make cuts in the budget before we look at classroom; however, even if we eliminated the following:
 - Building Maintenance [custodial, janitorial supplies, etc.]
 - District Administration [audit, legal, bonds, insurance, etc.]
 - Technology [renewal and replacement, servers, wireless routers, etc.]
 - School Board [public TV recording, public notices, job postings, etc.]
 - All School and District administration along with accompanying staff

we would still have a deficit – and obviously these expenditures support teachers in the classroom and **cannot be flatly eliminated**



Closing the Gap in Governor Dunleavy's Budget

Dunleavy Budget is NOT Recommended

- The following are NOT recommended reductions
- Goal was to keep student learning opportunities at the core

We are NOT recommending
the following reductions

FY20 Performing Arts Center [PAC]

Description	Revenue	Expense
User Fees	\$30,000	
FOPA Donation	\$10,000	
Professional Technical Services		\$112,193
Utility Services		\$15,500
Energy		\$95,000
Insurance		\$18,124
Totals	\$40,000	\$240,817

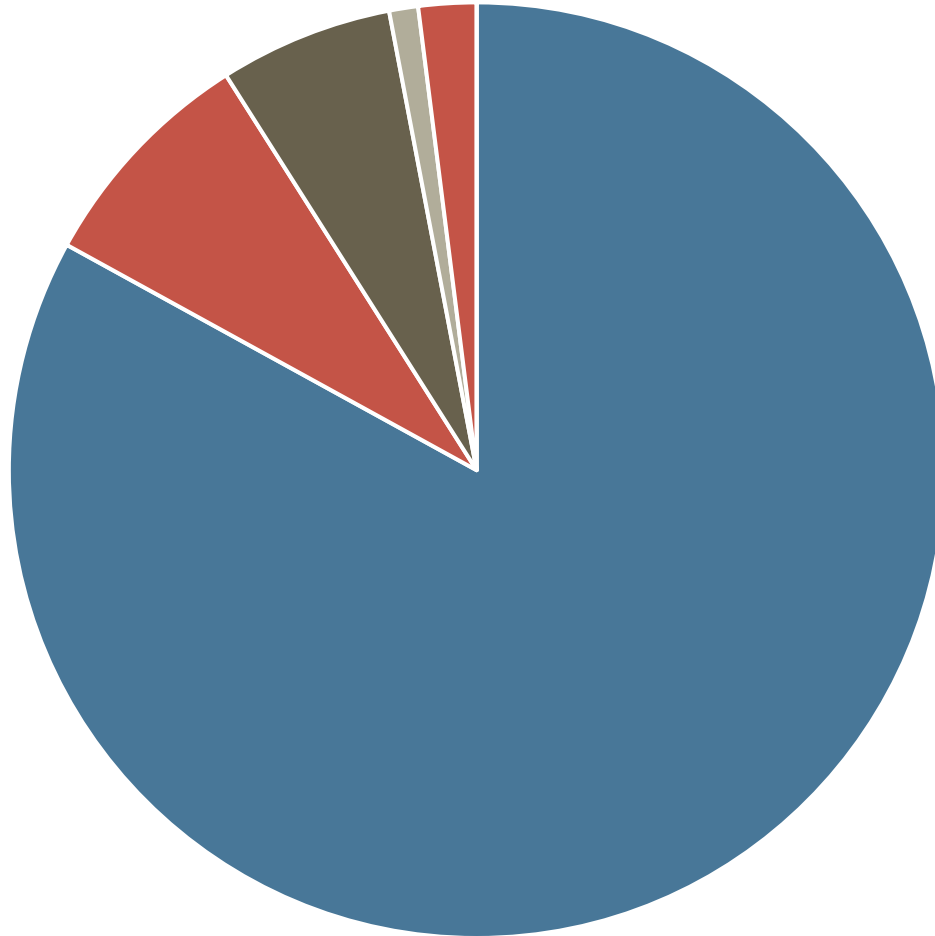
Budget Amount



Governor Dunleavy's Budget Totals

	Running Total
Governor Dunleavy's Budget Deficit	[\$4,676,981]
Unassigned Fund Balance	\$205,334
Non-Personnel Efficiencies	\$28,750
Give the Performing Arts Center [PAC] to the City	\$240,817
	[\$4,202,080]

Expenditures



Personnel

- Salaries and Benefits [83%]
- Maintenance/Utilities [8%]
- Schools and Programs [6%]
- District Administration [1%]
- Technology [2%]
- School Board [0%]

Non-Personnel

Dunleavy Budget Personnel Reductions

- 5 District-Wide Positions \$460,000
- 6.5 School-Based Positions \$660,000

\$1,120,000

Dunleavy Budget Totals

	Running Total
Dunleavy Budget Deficit	[\$4,676,981]
Unassigned Fund Balance	\$205,334
Non-Personnel Efficiencies	\$28,750
Give the Performing Arts Center [PAC] to the City	\$240,817
Dunleavy Budget District-Wide Personnel Reductions	\$460,000
Dunleavy Budget School-Based Personnel Reductions	\$660,000
	[\$3,082,080]

Dunleavy Budget Additional Personnel Reductions

22 Non-tenured Teacher positions receive
Reduction in Force notices

\$2,200,000

Dunleavy Budget is NOT Recommended

We are NOT recommending
these reductions

Dunleavy Budget Totals

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Give the Performing Arts Center [PAC] to the City	\$240,817
Dunleavy Budget District-Wide Personnel Reductions	\$460,000
Dunleavy Budget School-Based Personnel Reductions	\$660,000
Dunleavy Budget Non-Tenured Teacher Positions	\$2,200,000
Dunleavy Budget Fewer Substitute Teachers Needed	\$82,080
	[\$800,000]

Dunleavy Budget Yet More Additional Personnel Reductions

Board develops a Reduction in Force Plan and 8 Tenured Teacher positions are eliminated

\$800,000

**Governor Dunleavy's Budget
is now balanced**

Dunleavy Budget is NOT Recommended

We are NOT recommending
these reductions

Dunleavy Budget Ramifications



SITKA

SCHOOL DISTRICT

DISCOVER | NURTURE | INSPIRE

Impact to Teacher Positions

Average Class Size K-12 28:1

	Enrollment	Non-Tenured	Tenured
Elementary Teachers [48]	3	7	0
Secondary Teachers [48]		10	8
Special Education Teachers [19]		5	0
Totals	3	22	8

Secondary class sizes range from 25-35

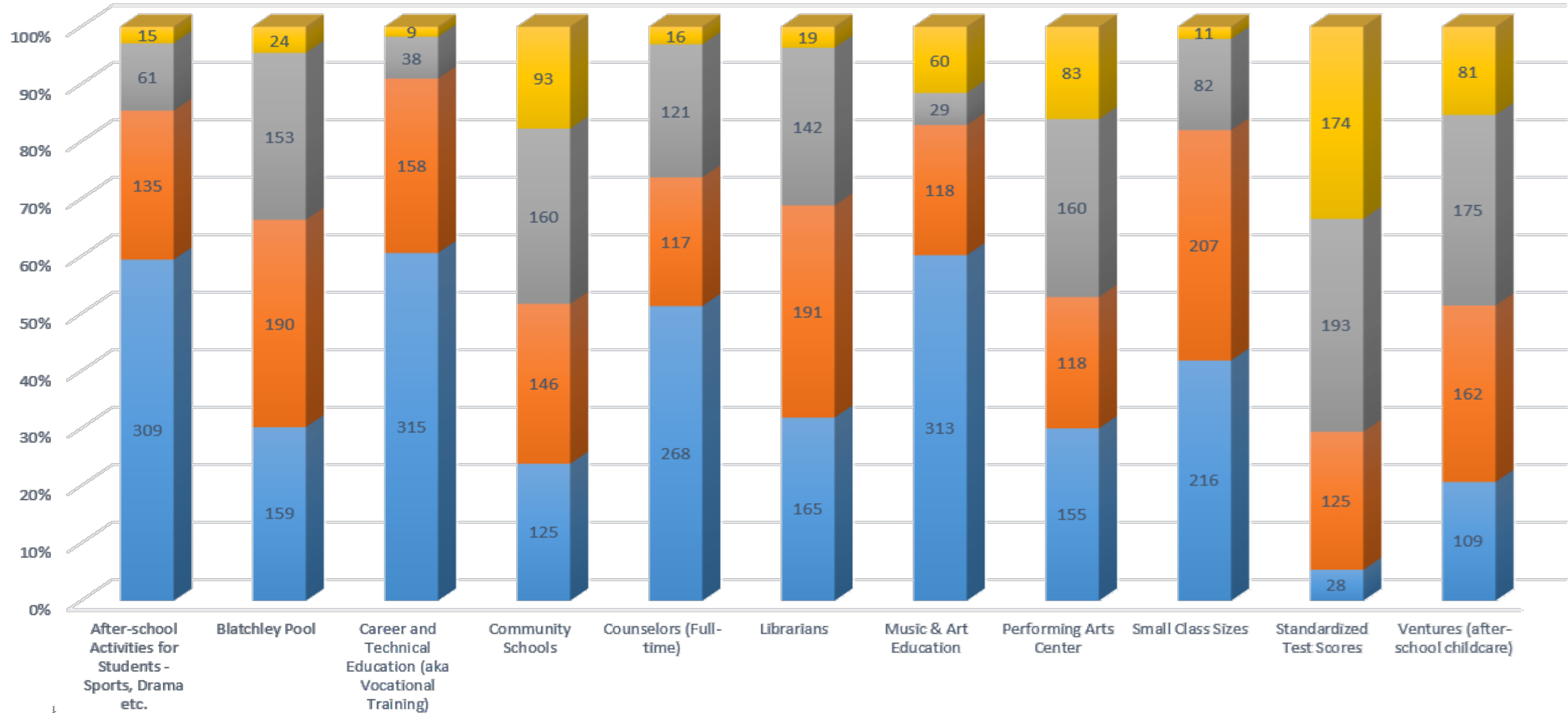
Dunleavy Personnel Impact Summary

- 5 District-Wide Administrators and Staff
- 6.5 School-based Administrators and Staff
- 22 Non-Tenured Teachers
- 8 Tenured Teachers

41.5 Positions Eliminated Overall

Significant economic impact to Sitka

FY20 Budget Survey



■ Critically Important

■ Somewhat Important

■ Less Important

■ Not at All Important

Dunleavy Budget Ramifications Summary

- Loss of talented, quality Teachers, Administrators, and Staff
 - Larger class sizes and lack of supervision impacts student safety
 - 21% of Administrators are given Reduction in Force notices
 - 10% of Staff are given Reduction in Force notices
 - 28% of Teachers are given Reduction in Force notices
 - Loss of electives and loss of programs for students
 - Requirements for Alaska Performance Scholarship are in question
 - Legal requirements and Federal funding are in question [\$346,981+]
- 20%

Dunleavy Budget is NOT Recommended

We are NOT recommending
these reductions

Set the Mid-Range Budget %

At what percentage point would the School Board like to have the mid-range set?

Total Impact

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Local – Non-Instructional	\$433,759	\$433,759	\$433,759

Sitka School District Budget Process

- **3/11/19 @ 6 pm SHS Library: Budget Work Session + @ 7 pm Assembly Work Session**
- **3/18/19 @ 6 pm: Raven Radio Call-in**
- **4/1/19 @ 6 pm SHS Library: Budget Hearing + Work Session**
- **4/4/19 @ 6 pm Assembly: Assembly Special Meeting re: Budget**
- **4/17/19 @ 6 pm SHS Library: Final Budget Hearing + Final Adoption**

Who to Contact in State Legislature

Key Committees	House Chair/ Co-Chairs	Senate Chair
Finance – Operating Budget	Neal Foster and Tamm Wilson	Bert Sturman
Finance - Education Sub-Committee	Dora...	Symon Hoffman
Education	Harriet Lundberg and Audi Story	Gary Stevens

Solutions

Email:

- Representative: First.Last@akleg.gov
- Senator: Senator.First.Last@akleg.gov

Other Avenues to Testify:

- Legislative Information Office [LIO]
- Phone Call
- In Person

Governor Dunleavy's Budget

March 6, 2019