

## District considers deficit atop deficit

Activities and personnel may vanish if governor, Legislature follow through with education reduction

Posted: January 28, 2015 - 12:15am

By [STEPHANIE SHOR](#)

JUNEAU EMPIRE

The Juneau School District is expected to take another blow, as reports from the Alaska Legislature and Gov. Bill Walker's draft budget suggest it will receive much less money than previously expected.

With the school district already facing a \$2.2 million deficit, JSD superintendent Mark Miller presented four preliminary 2016 budget plans to the school board Tuesday night. The four plans include deep cuts to make up for the deficit atop the deficit.

The four budget options, which must be narrowed to one by March 31, are ranked from best-case to worst-case.

Option four is the worst-case scenario. It assumes no additional city funding and the full state cut of \$1.1 million.

Option one assumes the governor will not cut \$1.1 million in contributions and the CBJ will fund to the cap and provide activities funds as it did two years ago. This ideal scenario would involve no cuts to staff or activities.

"So, why is this so hard?" Miller asked of the continuing turmoil in attempts to balance the school budget.

He said approximately \$10.96 million has been cut from district budgets over the past four years, a figure he described as "staggering."

"My guess is anything easy probably got cut in here," he said, pointing to a chart displaying deficits of past years. "I have heard 2013 was very difficult."

Miller was hired by the school district in June.

Miller explained that the governor's decision to not renew one-time funding for 2016 presents the district with a "double-whammy" by cutting \$1.1 million from the JSD budget and consequently lowering the maximum allowable amount that the City and Borough of Juneau can contribute to its schools. That figure is based upon a formula that uses state contributions as one of its key factors.

The Legislature's proposed reduction would reduce the city's maximum allowable contribution by \$256,000.

The CBJ is facing its own budget deficit and this year had to fund the school district at \$500,000 less than the maximum. Previously, the city had funded schools to the maximum extent allowed by law. In addition to the lessened contribution, CBJ gave \$392,500 less than the previous year for school activities, something considered outside the normal funding formula.

"I don't think there's any doubt at this point that we are going to have to institute an activities fee," Miller said. "That is probably the only way we are going to be able to keep that going."

Revenue from a new activities fee for students could bring in \$200,000, Miller said.

School board member Andi Story expressed concern that economic equity would be a casualty of a high school activities fee. Low-income families might not be able to afford it. "I would say that I don't want to have an activities fee," she said.

If the governor's budget cuts are approved, Miller said, some activities funding for all grade levels may be cut. The last two of the four budget proposals suggested potential cuts of about \$78,000 to middle and elementary schools, grades 3-5.

These cuts would completely eliminate financial support for activities in the middle schools. Budget options three and four also include cuts to high school activities funding by \$200,000.

Three of Miller's preliminary budget plans consider teacher cuts. If implemented, the high schools could lose 2.6 full-time staff members, middle schools could lose 2.5 staff members, and elementary schools could lose one. Miller said these options are not ideal.

Increased pupil to teacher ratios for K-2 grades would be the last option for savings in scenario four.

Miller announced that four instructional coaches will be cut district-wide, no matter which option is chosen. This cut would save the district \$410,424.

Two instructional coaches will be shared by all elementary schools and the third will serve Title One schools and be funded with Title One grant money, which goes to schools with at least 15 percent of students at or below the poverty level.

Some savings on heating costs and use of supplies will help cut costs without the need for layoffs. District-wide efforts to reduce paper waste and use of other supplies could save \$120,000 and fuel costs are currently saving over \$111,000.

“I figure if they are going to hit us with one million because of falling oil prices, we should at least get \$100,000 back in heating oil expenses,” Miller said.

Check the Thursday issue of the Juneau Empire for a full summary of the four 2016 budget scenario options.

- Contact reporter Stephanie Shor at 523-2279 or at [stephanie.shor@juneauempire.com](mailto:stephanie.shor@juneauempire.com).



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## Joseph Caissie

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**From:** Kevin Prestegard  
**Sent:** Friday, February 20, 2015 3:27 PM  
**To:** Joseph Caissie  
**Subject:** FW: Fairbanks Schools Budget Status - Supplemental Funds Impact  
**Attachments:** Budget Shortfall Summary.pdf

**From:** Lisa L. Pearce [mailto:lisa.pearce@k12northstar.org]  
**Sent:** Friday, February 20, 2015 3:24 PM  
**To:** Kevin Prestegard  
**Cc:** Johanna Carson  
**Subject:** Fairbanks Schools Budget Status - Supplemental Funds Impact

Kevin - Thank you for reaching out to our district on behalf of Representative Kawaski in inquiry of the impact that the proposed elimination of the supplemental aid funding would have on our programs here in the Fairbanks North Star Borough School District.

A summary of the points we discussed are as follows:

- FNSBSD was projecting a budget shortfall of \$7.586M without the elimination of the \$3.4M in supplemental funding.
- The initial budget shortfall has resulted in a proposed budget reflecting a decrease of 65.8 FTE
- Included in the initial round of cuts was 39.7 teachers (10 due to decreased enrollment and 29.7 due to increased class sizes).
- Class size targets increasing in all grade bands, K-12
- Reduction of RTI program, tiered intervention program
- Elimination of 2 principals, 1 Executive Director over Student Support Services, 2 school safety liaisons, and 9 Intervention Room Aides
- Elimination of 3.5 activities coordinators
- Elimination of OPTIONS program (support for students with infants)
- *please refer to attached list for complete list of cuts*

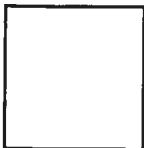
This list is not all-inclusive and only reflects cuts up to our initial shortfall of \$7.586 million. An additional \$3.4 million reduction through elimination of the supplemental funding would be significant. We would be looking at additional staffing as well as complete programs.

I have attached a summary showing the initial cuts in the proposed budget.

Again, thank you for Representative Kawaski's and your efforts to gain a true understanding of the effects of the proposed elimination of supplemental funding in the FNSBSD. We welcome any questions you may have and will be happy to provide you with additional information you may want. My cell number is listed below should have need of additional information outside of the business day.

*Lisa Pearce, SFO*

Chief Financial Officer



520 5th Avenue  
Fairbanks, Alaska 99701  
907-452-2000 ext 11301  
907-942-0624 cell



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT Fiscal Year 2015-16 **Budget Challenges**

## Revenue Decreases

	With Supplemental Funding	Without Supplemental Funding
<i>Projected Enrollment Decrease</i>	-\$2,639,123	-\$2,639,123
<i>Less FY15 Fund Balance Approved</i>	-\$960,580	-\$960,580
<i>Plus FY16 Fund Balance Approved</i>	+\$1,911,426	+\$1,911,426
<i>Supplemental Funding</i>		-\$3,443,627
	<b>-\$1,688,277</b>	<b>-\$5,131,904</b>

## Expense Increases

<i>Staffing Costs Status Quo</i>	+\$3,931,584	+\$3,931,584
<i>Instructional Non-Personnel</i> <i>(i.e. language arts curriculum, computer</i> <i>refresh lease, bandwidth, online assessment)</i>	+\$1,965,000	+\$1,965,000

## PROJECTED SHORTFALL

**-\$7,584,861    -\$11,028,488**

With **87.6%** of the district's operating budget allocated toward **personnel costs**, a majority of the shortfall will have to be addressed through personnel cuts.

Current school year **reductions impact non-classroom budgets** as well as the classroom with **increases to class size targets**.

**Kindergarten class size** targets are increased by .5 to **23.0**.

**Grades 1-3 class size** targets are increased by 1.0, to an expected **PTR of 25.0**.

**Grades 4-6 class size** targets are increased by 1.0, to an expected **PTR of 27.0**.

**Middle School class size** targets are increased by 1.5. With supplemental staffing added, the expected effective average class size would be **28.0**.

**High School class size** targets are increased by 2.0. With supplemental staffing added, the expected effective average class size would be **30.5**. At High School, the effective class size can range from 23.5 to 32.5.





**Proposed personnel changes in the operating fund for the 2015-16 Proposed Budget:**

<b>Program</b>	<b>Position</b>	<b>FTE</b>
Superintendent	Communications Coordinator	(1.00)
Research & Accountability	Executive Director	(1.00)
Administrative Services	Sr. Accountant	1.00
	Exempt Secretary	(0.50)
Human Relations	Training Specialist	1.00
	Sr. HR Technician	1.00
	Exempt Secretary	1.00
	Investigation Specialist	1.00
Instruction & Supervision	ELL Tutor	(1.00)
	Library Media Secretary	(1.00)
	School Safety Liaison	(2.00)
Curriculum	Student Support Services B.E.S.T. Leadership	1.00
Special Education	Instructional Technology Teacher	(1.00)
	Teacher (1.7 secondary, .6 elementary)	2.30
	Speech/Language Pathologist Assistant	1.40
	Sign Language Interpreter	0.40
	Classroom Aide	1.50
Technology	Network Technician	(1.00)
Elementary	Principal	(2.00)
	Teacher - Regular Ed (Due to Lower Enrollment)	(14.00)
	Teacher - Regular Ed (Due to Increase Class Size )	(10.00)
	Teacher - District Wide Art	(1.00)
	Teacher - General Music	(1.00)
	Teacher - Guidance Counselor	(1.00)
	Teacher - Head Teacher	1.00
	RTI Aide	(7.50)
	Nurse	(2.50)
Middle	School Teacher - Regular Ed (Due to Increase Class Size )	(4.00)
	Teacher - Guidance Counselor	1.00
	Intervention Room Aide	(4.00)
Jr/Sr High School	Teacher -Regular Ed (Due to Increase Class Size )	(2.40)
	Teacher - Activities Coordinator	(0.50)
	Teacher - Guidance Counselor	(0.50)
Intervention Room Aide		(1.00)
Senior High	Teacher - Regular Ed (Due to Increase Enrollment)	2.00
	Teacher - Regular Ed (Due to Increase Class Size )	(6.50)
	Teacher - Activities Coordinator	(1.00)
	Teacher - Guidance Counselor	(2.50)
	Professional - Activities Coordinator	(2.00)
	Administrative Secretary (OPTIONS)	(1.00)
	Classroom Aide (OPTIONS)	(4.00)
	Intervention Room Aide	(4.00)
	Nurse	(0.50)

**(65.80)**

**Based on a \$7.5 million deficit**

FEBRUARY 17, 2015

## **Joseph Caissie**

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**From:** Joseph Caissie  
**Sent:** Thursday, February 19, 2015 11:41 AM  
**To:** 'LUKE FULP'  
**Subject:** RE: MSBSD FY16 Budget

Thanks!

**From:** LUKE FULP [mailto:LUKE.FULP@MATSUK12.US]  
**Sent:** Thursday, February 19, 2015 10:47 AM  
**To:** Joseph Caissie  
**Subject:** MSBSD FY16 Budget

Mr. Caissie,

Per our phone conversation yesterday, the Mat-Su Borough School District's FY16 Preliminary Budget forecasts a deficit of \$6.4 million. This deficit represents projected revenue without the State of Alaska one-time monies established in HB 278. Additionally, this deficit includes increased staffing to account for student growth and the opening of a new school (Joe Redington Sr. Jr/Sr High School).

To accommodate student growth, staffing ratios that dictate the number of teachers per pupil were not adjusted over the current year; however, in order to maintain staffing ratios in light of growing enrollment, the District had to add positions its budget. The Mat-Su Borough School District is projecting enrollment to grow by 341 students over the current year. Consequently, the District plans to hire and additional 45 FTE in its operating fund next fiscal year. (Note: 45 FTE increase is also attributable to increased staffing at charter schools and administration and support personnel for the new school.)

Please let me know if you need additional information.

**Luke Fulp**

**Assistant Superintendent of Business & Operations**

**Matanuska-Susitna Borough School District**

**501 N. Gulkana Street | Palmer, AK 99645**

**Office: 907.746.9277 | Cell: 907.942.2496**



Matanuska-Susitna  
Borough School District

# Budget Update

May 7, 2014



# Structural Deficit



# Schedule of Revenue & Expense

	FY 2012-2013 Actuals (B)	FY 2013-2014 Actuals (C)	FY 2014-2015 Budget (E)	FY 2015-2016 Projection (F)	FY 2016-2017 Projection (G)	FY 2017-18 Projection (H)	FY 2018-19 Projection (H)
<b>Enrollment</b>	<b>17,247</b>	<b>17,479</b>	<b>17,757</b>	<b>18,098</b>	<b>18,303</b>	<b>18,458</b>	<b>18,379</b>
<b>REVENUE</b>							
Federal Revenue	\$ 1,824,847	\$ 1,143,256	\$ 2,132,330	\$ 1,742,384	\$ 1,742,384	\$ 1,742,384	\$ 1,742,384
State Foundation	\$ 141,742,098	\$ 144,272,582	\$ 154,681,044	\$ 159,800,822	\$ 163,120,811	\$ 164,157,843	\$ 163,481,361
State Energy Relief Funds	\$ 2,929,851	\$ 2,996,786	\$ 5,283,881	\$ -	\$ -	\$ -	\$ -
Student Safety & Security	\$ -	\$ 2,517,299	\$ -	\$ -	\$ -	\$ -	\$ -
Borough Support	\$ 48,845,260	\$ 51,226,720	\$ 51,291,720	\$ 52,830,472	\$ 54,415,386	\$ 56,047,848	\$ 57,729,283
Other Local Receipts - student & user fees	\$ 2,027,334	\$ 1,925,093	\$ 633,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000
<b>Sub-Total Revenue</b>	<b>\$ 197,369,390</b>	<b>\$ 204,081,736</b>	<b>\$ 214,021,975</b>	<b>\$ 214,848,678</b>	<b>\$ 219,753,581</b>	<b>\$ 222,423,075</b>	<b>\$ 223,428,028</b>
State On-behalf for Emp. Retirement Systems	\$ 38,318,248	\$ 41,046,226	\$ 57,474,326	\$ 16,383,590	\$ 17,882,931	\$ 17,834,905	\$ 17,834,905
<b>Total Revenue</b>	<b>\$ 235,687,638</b>	<b>\$ 245,127,962</b>	<b>\$ 271,496,301</b>	<b>\$ 231,232,268</b>	<b>\$ 237,636,512</b>	<b>\$ 240,257,980</b>	<b>\$ 241,262,933</b>
<b>Use of Unassigned Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Projected Revenue &amp; Fund Balance</b>	<b>\$ 235,687,638</b>	<b>\$ 245,127,962</b>	<b>\$ 271,496,301</b>	<b>\$ 231,232,268</b>	<b>\$ 237,636,512</b>	<b>\$ 240,257,980</b>	<b>\$ 241,262,933</b>
<b>EXPENSES</b>							
<b>Personnel Costs</b>							
Salaries	\$ 114,296,504	\$ 116,259,636	\$ 121,721,548	\$ 127,868,886	\$ 131,292,729	\$ 131,499,051	\$ 133,436,577
Benefits	\$ 48,655,993	\$ 50,567,685	\$ 54,532,660	\$ 56,118,997	\$ 59,742,520	\$ 60,874,069	\$ 61,884,214
State On-behalf for Emp. Retirement Systems	\$ 38,318,248	\$ 41,046,226	\$ 57,474,326	\$ 16,383,590	\$ 17,882,931	\$ 17,834,905	\$ 17,834,905
<b>Non-Personnel Costs</b>							
Utilities	\$ 5,701,923	\$ 5,896,586	\$ 6,988,012	\$ 7,363,058	\$ 7,731,211	\$ 8,117,772	\$ 8,523,661
Non-Personnel Costs	\$ 23,306,731	\$ 23,914,018	\$ 28,799,270	\$ 28,314,520	\$ 28,318,638	\$ 28,459,421	\$ 28,601,402
<b>Total Expenditures</b>	<b>\$ 230,279,399</b>	<b>\$ 237,684,151</b>	<b>\$ 269,515,816</b>	<b>\$ 236,049,051</b>	<b>\$ 244,966,029</b>	<b>\$ 246,785,218</b>	<b>\$ 250,280,759</b>
Transfers to Other Funds, including Food Service,	\$ 1,306,620	\$ 3,057,608	\$ 1,980,485	\$ 1,589,211	\$ 1,589,211	\$ 1,589,211	\$ 1,589,211
<b>Total Expenditures</b>	<b>\$ 231,586,019</b>	<b>\$ 240,741,759</b>	<b>\$ 271,496,301</b>	<b>\$ 237,638,262</b>	<b>\$ 246,555,240</b>	<b>\$ 248,374,429</b>	<b>\$ 251,869,970</b>
<b>Excess (Deficit)</b>	<b>\$ 4,101,619</b>	<b>\$ 4,386,203</b>	<b>\$ -</b>	<b>\$ (6,405,994)</b>	<b>\$ (8,920,728)</b>	<b>\$ (8,116,449)</b>	<b>\$ (10,607,037)</b>



2/10/15  
Under Governors proposal