

ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA

ASD MEMORANDUM #087 (2023-2024)

December 19, 2023

TO: SCHOOL BOARD

FROM: DR. JHARRETT BRYANTT, SUPERINTENDENT

SUBJECT: BOARD GUIDANCE FOR BUILDING THE FY 2024-2025 BUDGET

ASD Core Value: *The District will be open, transparent and accountable to the public.*

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve/amend the FY 2024-2025 budget recommendations as final guidance for the development of the budget in January 2024. The FY 2024-2025 budget will be presented for Board approval in February 2024 to meet the timelines provided in the Municipal Charter.

PERTINENT FACTS:

The Municipality of Anchorage's Charter requires the School Board to approve the following school year's budget and deliver it to the Anchorage Assembly no later than the first Monday in March. The State Statute requires the District to pass a balanced budget.

The Administration provided the FY25 Proforma at the December 5<sup>th</sup>, 2023 School Board Meeting. The Administration briefed the revenue and expenditure projections and provided a revised FY25 structural budget deficit of approximately \$98 million, with a projected \$53 million to \$71 million in fund balance available to offset part of that deficit.

During the December 9<sup>th</sup>, 2023 work session the School Board members provided feedback to the Administration on possible solutions, but a formal vote was not planned due to the nature of the meeting. Additionally, many of the proposed reductions did not have a clear consensus about whether they on or off the table. The items that seemed to have the most consensus for being off the table for budget reduction considerations are:

- K-3 PTR Increase
- Middle School Model (Collaboration Time)
- Sports and Activities
- School Counselors
- School Security
- Credit Recovery

The Administration is providing a summary of remaining potential budget reductions in order to receive the board's final guidance for the development of the FY25 budget.

- **District Fund Balance to 5% - (\$71 million)**  
Reducing fund balance to 5% would limit the flexibility of the district to manage emergencies or unexpected reductions in enrollment. This would leave about \$6 million of unassigned fund balance.
- **Pupil to Teacher Ratio (PTR) for Grades 4-12**  
Increasing the PTR would reduce the number of classroom teachers in schools. The increase to PTR could be dependent on other items that may or may not be included for reduction.
- **IGNITE**  
The district will still maintain highly gifted education, however, pull-out services for gifted students may be adjusted.
- **Reduce District Administration**  
Reducing administrative services could limit the services provided to staff, schools, and the public. Additionally, depending on the services reduced, those duties may need to be picked up by other schools/departments.
- **The Dome Rental**  
The Dome is used for four weeks during the Spring to support soccer and track and field. Eliminating The Dome rental would save \$235,000.
- **Delay 1:1 Device Purchases**  
This would remove \$1 million from the budget dedicated to replacing aging and broken Chromebooks for the 1:1 initiative.
- **Increase Estimates for Unfilled Positions (attrition)**  
Increasing the attrition rate would adjust the budget to account for increasing vacancies throughout the district. The risk would be that, either through reduced positions or increased fill rates, the district exceeds the projected fill rates and operates in a deficit.
- **Implement Hiring Delay**  
The district could delay hiring positions by two weeks or a month and generate additional savings. While this doesn't effect current individuals' employment, it does delay services that are provided for students and staff.
- **Reduce Supply Allocations**

A reduction in supplies would be across most schools and departments and potentially reduce activities or enrichment provided for students and reduce the amount of non-capital equipment that can be refreshed.

- **Reduce General Fund Travel**

This would eliminate most or all of General Fund travel.

- **Reduce Summer School Options**

This would reduce the summer school offerings for enrichment and course advancement. Summer programs needed to meet the requirements of the Reads Act, Special Education, and credit recovery would remain.

- **Reduce the Number of Holdback Positions**

Holdback positions are intended to provide flexibility to address class size bubbles in elementary schools and scheduling issues at secondary schools. Reducing some of the positions will decrease flexibility to address these issues and could result in additional displacements in the Fall.

- **Reduce Support for Immersion Class Size Reduction**

Currently the district provides an additional 12 FTE at schools with immersion programs to maintain lower class sizes. This could result in combination classes in immersion programs.

- **Share Nurses/Librarians at Smaller Schools**

The district would look at the ability to combine nursing and library services at smaller schools. This intent would be to look at 5 to 10 positions to combine to help alleviate the need for class size increases.

- **Increase Activity Fees**

Increasing the activity fees could generate additional funds to help support the sports and activities. Economically disadvantaged students would continue to request waivers.

- **Increase Rental Fees**

Rental fees have not been increased since FY 2021-22 and should be adjusted to account for inflation.

- **Delay Curriculum Purchases**

Similar to the 1:1 devices, this would delay the adoption and purchase of new curriculum.

If any of the remaining items above are off the table, the Administration would request this memo be amended by the School Board to reflect the prioritization of those specific programs or services.

JB/SG/AR/JA/MF/ML

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