

# FY 2013-2014 Financial Plan Overview

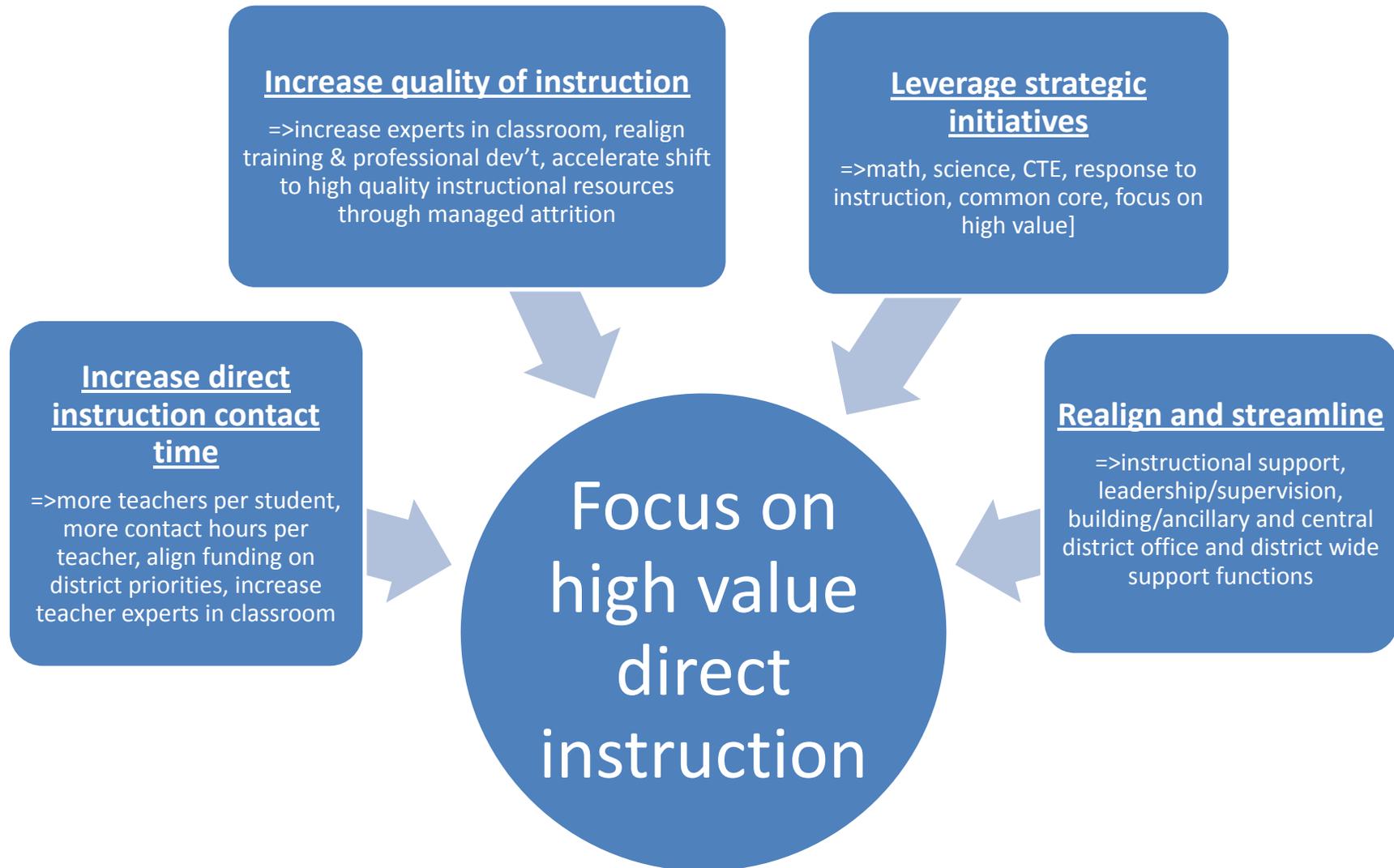
Anchorage School District  
Prepared for: School Board Early  
Meeting  
January 24, 2013

## Table of Contents

- Overview of key strategies & initiatives
- Financial Plan Development Process
- Staffing Level Plan to Balance the Budget and Realign District
  - *Managed Attrition*, initial two year plan
  - July 1, 2012 – June 30, 2014
- Other than personnel services (OTPS)
- FY14 Balanced Budget Summary

# **OVERVIEW OF KEY MANAGEMENT STRATEGIES & INITIATIVES**

# Focus on Direct Classroom Instruction



## Financial Plan Development Process

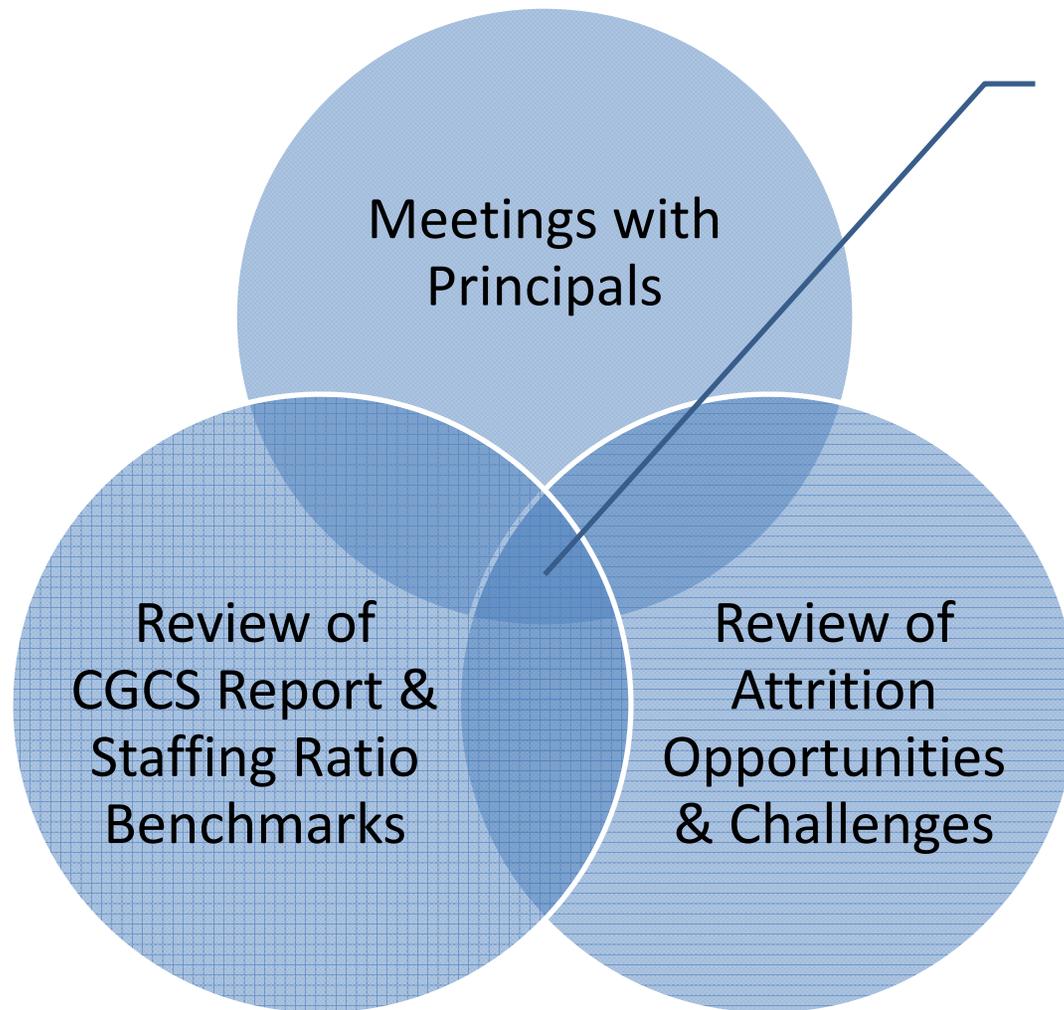
- Financial Outlook: \$25 million budget gap
- Review of Staffing Level Report & Benchmarks
- Consultations
  - Principals
  - Management Team
- Management review and realignment of financial plan on strategic initiatives

# Financial Outlook – FY1314

## \$25 Million Budget Gap

	Month	FY14 Outlook
School District Pro Forma	Nov	<ul style="list-style-type: none"> <li>• <u>Long Range Financial Outlook</u></li> <li>• <b>Flat nominal funding + trend line growth in salaries &amp; benefits opens up a budget gap of ~\$140 million over six years</b></li> <li>• <u>FY1314</u></li> <li>• Base Student Allocation + \$6 million increment</li> <li>• <b>\$25 million budget gap</b>; expenditures projected 4.4% higher than revenues</li> </ul>
Governor's Budget	Dec	<ul style="list-style-type: none"> <li>• Base Student Allocation + \$7.6 million energy cost relief*</li> <li>• <i>Anticipated growth in areas such as Medicaid, employee health care costs and retirement systems costs also drive up the budget over time. The Administration engages in discussions with legislators on how best to control these costs, <u>recognizing that downward adjustments to statutory formulas will be necessary as oil revenues decline.</u> (OMB 10 Year Plan, p.5, emphasis added)</i></li> </ul>

# How to close the \$25 million budget gap and continue realignment



- Staff adjustments were made after consultation with principals, reviewing staffing ratio benchmarks and attrition opportunities & challenges
- Many of the adjustments reflect a convergence of all three considerations

# Staffing Ratios:

## Council of Great City Schools Structure & Staffing Level Review

**EXHIBIT 26. Staffing Categories as a Percentage of Total Staff in Anchorage, selected LEAs, Great City Schools, and School Districts with 15,000 or more Students**

Description	Anchorage	Great City Schools	Pct Difference
Library & media support	0.58%	0.09%	644%
Instructional coordinators & supervisors	0.97%	0.46%	211%
Librarians & media specialists	1.24%	0.83%	149%
Instructional Aides	15.31%	10.76%	142%
Guidance Counselors	2.02%	1.67%	121%
School Administrative Support	4.78%	3.97%	120%
Student support and all support services	23.01%	23.40%	98%
Total Teachers	47.95%	50.24%	95%
School Administrators	2.25%	2.69%	84%

*Source: Council of Great City Schools, Final Draft, Anchorage School District Review, June 25, 2012*

**Exhibit 26 FTE Gap Analysis [Anchorage vs. GCS Median]**

Description	Anchorage FTE (Feb 2012)	Anchorage FTE at CGCS Median Pct	Difference
Library & media support	39	6	(33)
Instructional coordinators & supervisors	65	31	(34)
Librarians & media specialists	122	82	(40)
Instructional Aides	1023	719	(304)
Guidance Counselors	135	112	(23)
School Administrative Support	319	265	(54)
Student support and all support services			
Total Teachers			
School Administrators			

*Source: Exhibit 26 Gap Analysis Applied to ASD HR Data Extract (All Funds) Provided to Council of Great City Schools, February 17, 2012*

- The Staffing Level Review indicates ASD is overweight in support functions.
- The last decade of flat enrollment and increased staff in support functions has not yielded measurable increases in performance.
- A data driven and results focused approach indicates a shift to more direct classroom instruction and targeted investment in high quality teaching is in order.

- Prelim gap analysis suggests a realignment on the order of 500 FTE from support functions to classroom instruction.
- To avoid excessive disruption, the migration back toward direct classroom instruction will occur through a **managed attrition** process to the extent practical given flat to declining revenues and continued growth in wages and benefits.

# Managed Attrition

## Opportunities & Challenges

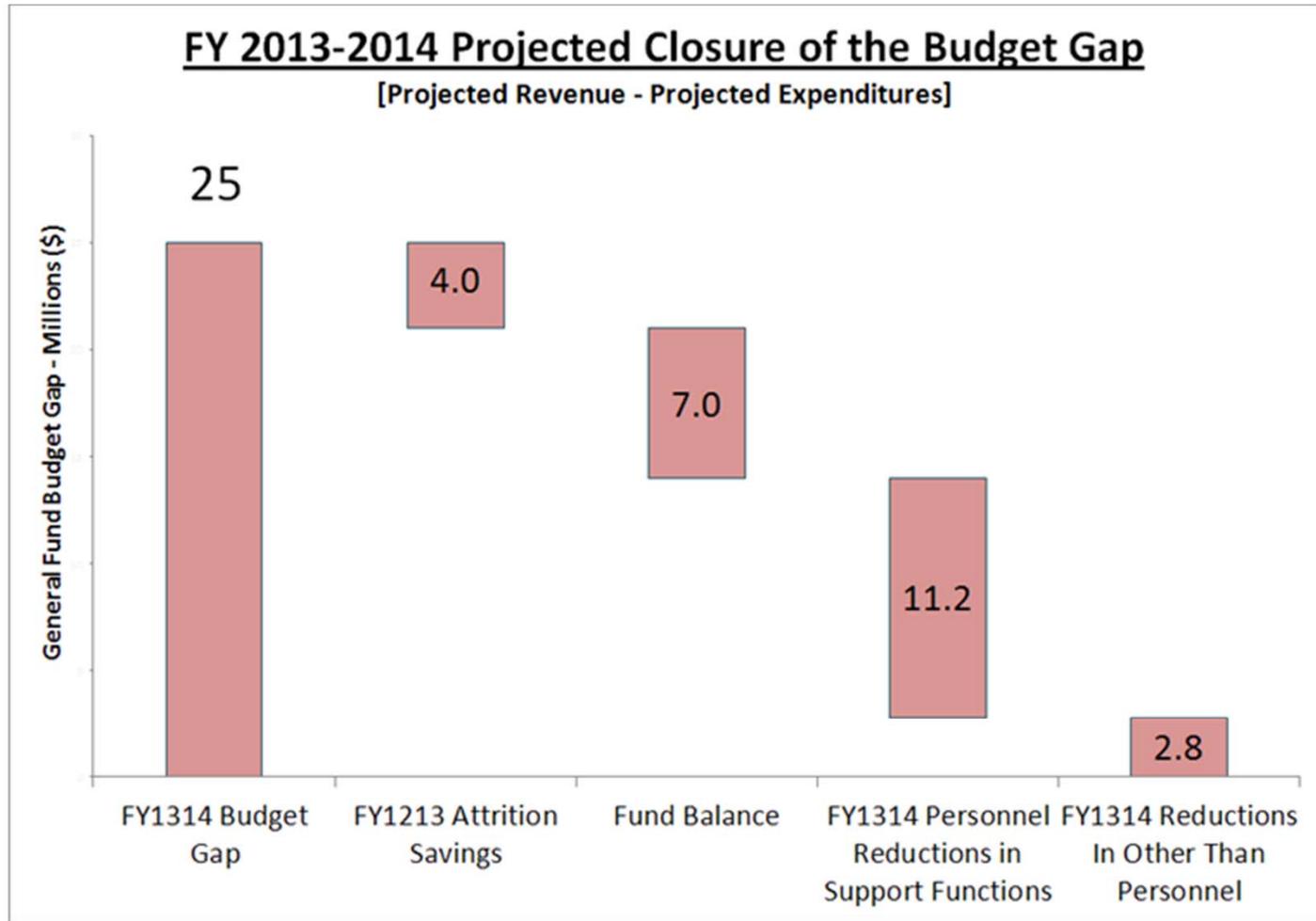
July 1, 2012 – June 30, 2014 [FY 1213 & FY 1314]

- What is “managed attrition”?
  - **Review all vacant positions for consistency with realignment from support functions to high quality direct classroom instruction**
  - **Eliminate and/or realign positions as required to meet financial targets and balance realignment goals**
  - Illustrative example of opportunities & challenges:
    - Migrate from Teaching Assistants and Tutors (~142% overweight CGCS) toward high quality direct instruction by increasing high value training and professional development and sustaining teacher levels to the extent possible in a flat funding environment.
    - The attrition rate in TA’s and Tutors may be 8%, or 80 per year. Reduce TA/Tutor positions as they come open in order to conserve scarce financial resources. Use reductions to meet budget targets and to create headroom to redirect efforts toward direct classroom instruction by highly qualified teachers.
    - Conduct similar managed attrition process across all support functions.
    - Avoid layoffs to the extent practical given financial and program constraints. If attrition is insufficient to meet financial constraints and realignment goals, explore opportunities for increased efficiency and effectiveness through consolidation based on benchmarking and process analysis. Layoffs may be required.

# Meetings with Principals

- Elementary
- Secondary
- Many constructive suggestions incorporated into this year's budget recommendation

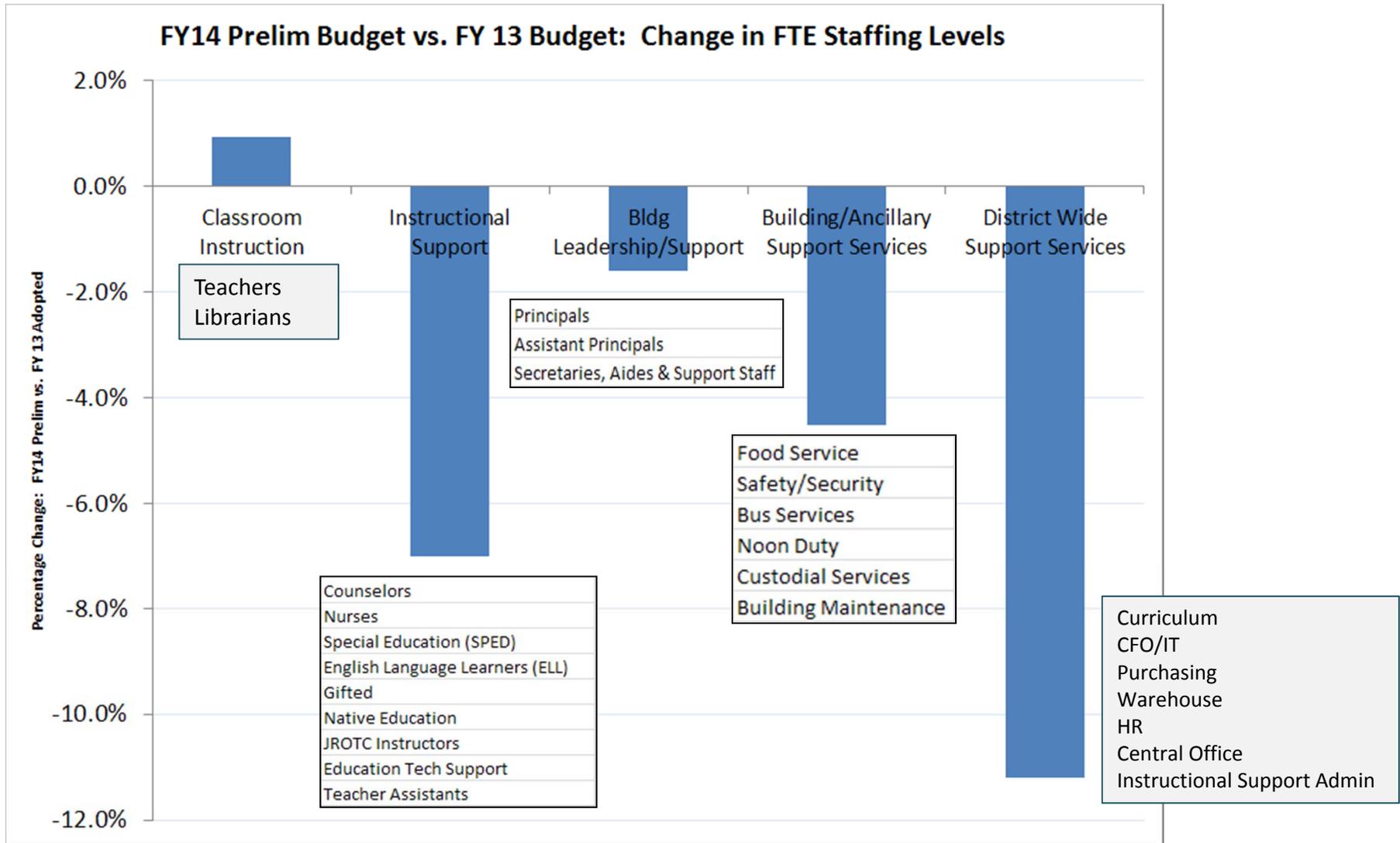
# The Resulting Plan to Close the Budget Gap



<u>Expense Reduction (-)</u>	-4	-7	-11.2	-2.8
<b>Cumulative Reduction (-)</b>	<b>-4</b>	<b>-11</b>	<b>-22.2</b>	<b>-25.0</b>

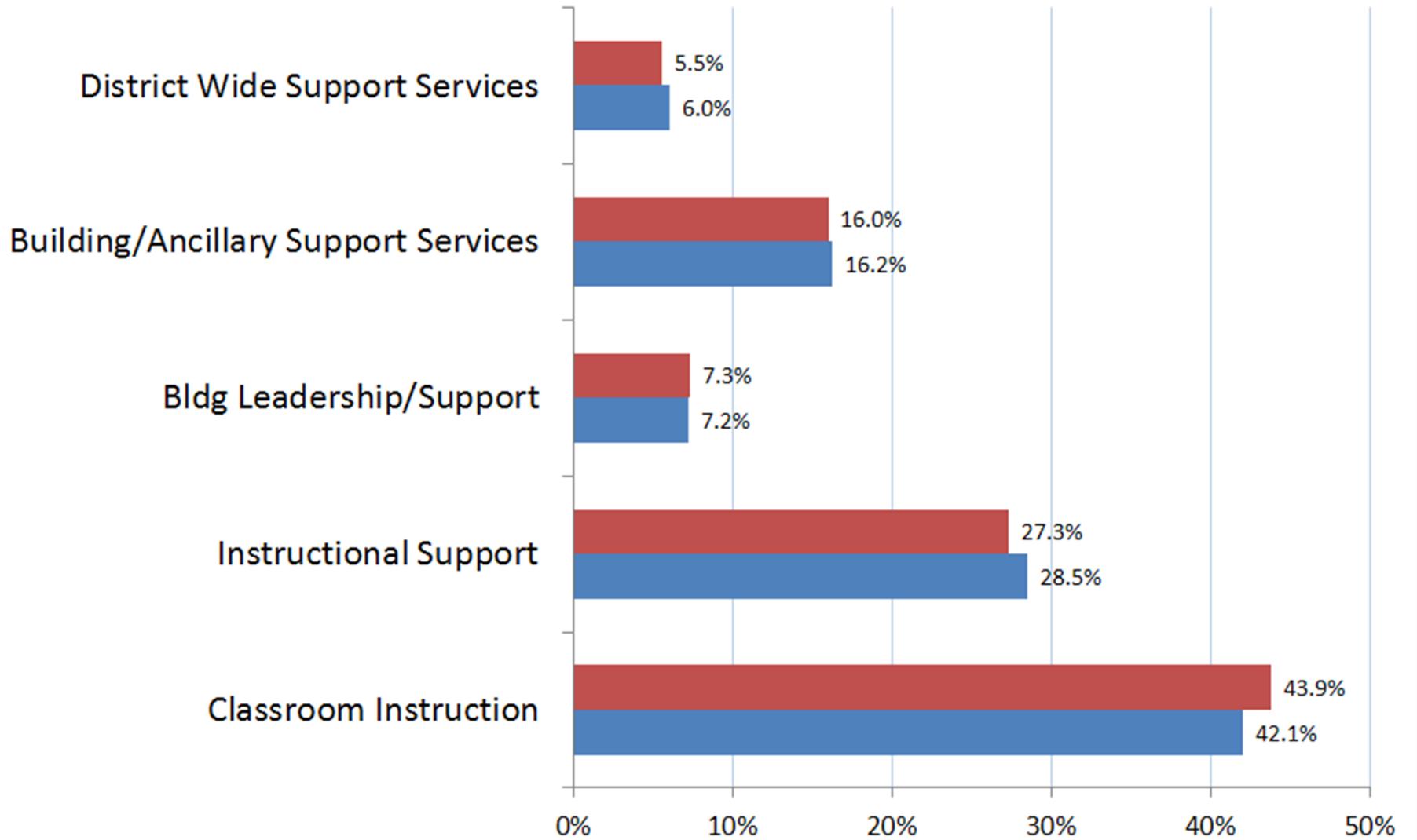
# FY 1314 Plan

## Preserve direct classroom instruction; reduce support functions



### District FTE Distribution (FY13 Budget => FY14 Prelim)

FY14 Prelim    FY13 Budget

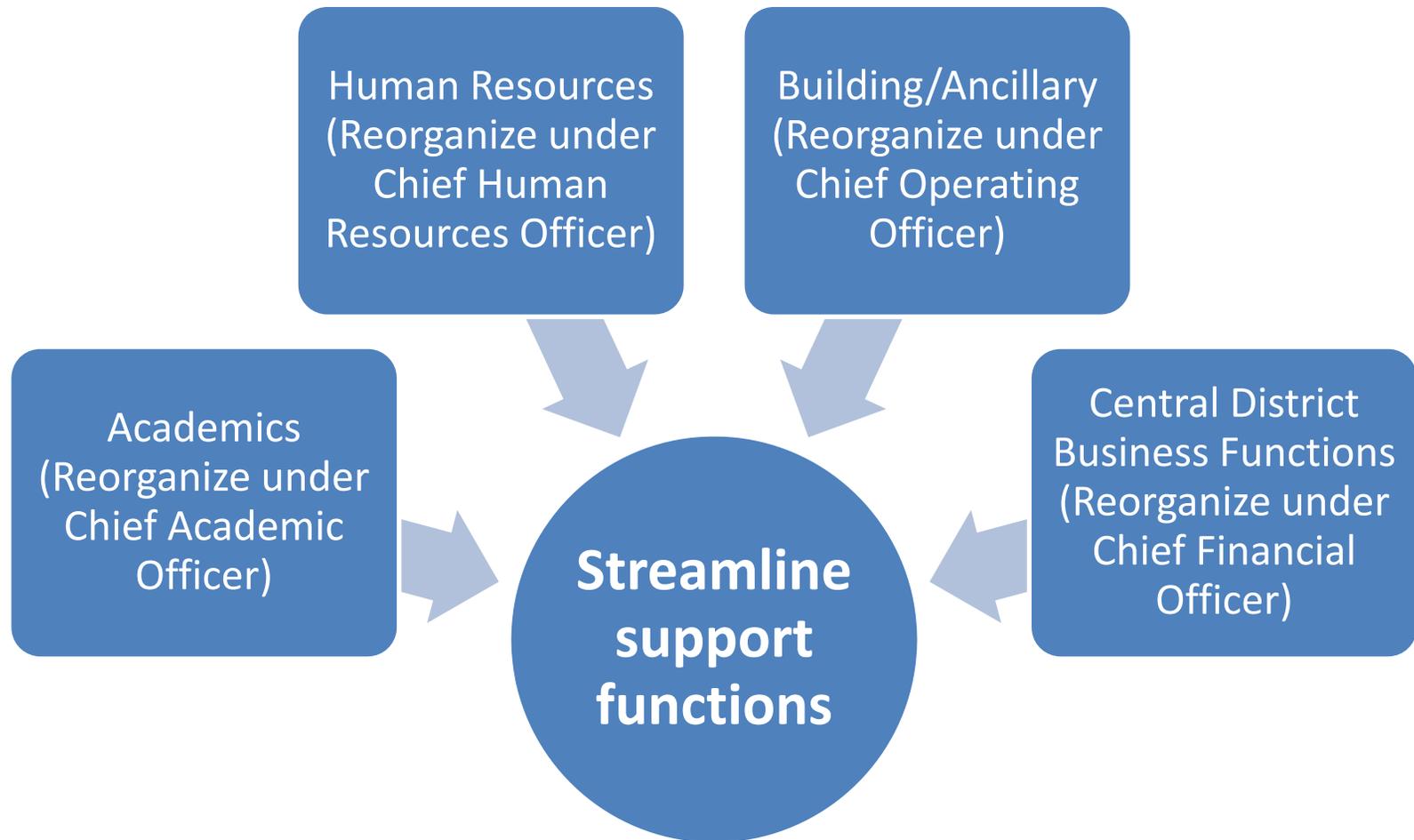


District Wide Support Services

# **CENTRAL OFFICE REORGANIZATION**

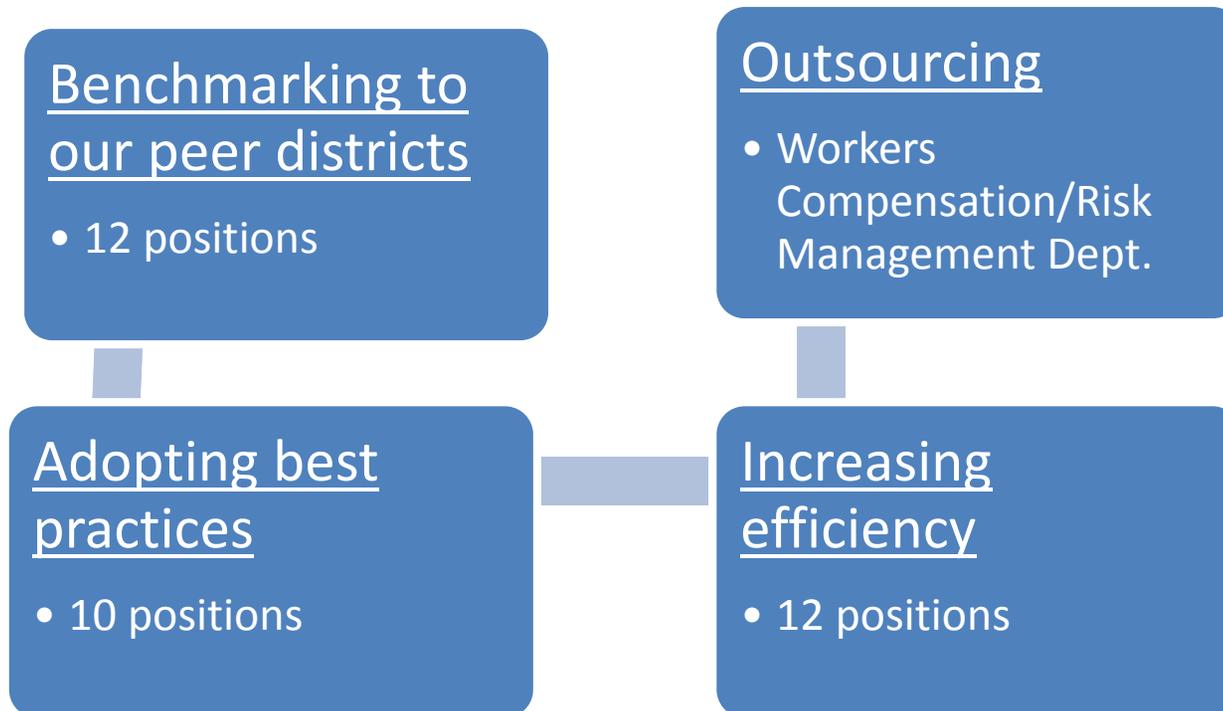
# Realign on Direct Classroom Instruction

Streamline support functions through managed attrition



# Streamlining District wide services

40 positions reduced from Education Center  
Approximately an 8 percent overall staffing reduction



**BUILDING & ANCILLARY SUPPORT  
SERVICES**

# Building/Ancillary Support Services

- **Reduce custodians and auxiliary building plant operator positions**
  - Redistribution of custodial staff across district
    - 18.5 FTE Custodians
    - 18 FTE Aux BPO
  - Cleaning differently
  - Schools to remain clean and sanitary
  
- **Reduce maintenance positions**
  - 8 FTE specialists and technician positions
  - All currently vacant
  - Prioritizing work

**BUILDING LEADERSHIP / ADMIN /  
SUPPORT**

# Building Leadership / Admin / Support

- **Reduce “clerical” through managed attrition**
  - Includes administrative assistants, secretaries, financial data control clerks, registrars, etc.
  - Target 3% reduction in positions through attrition.
  - Approximately 11 positions across the District of which 7 would be expected to come from “the principal’s office” [building leadership/admin/support] over the course of a normal attrition year
- **Reduce registration addenda** [payment for extra time block] from \$0.7M to \$0.55M to provide incentive to shift from high cost personnel toward moderate cost personnel and migrate toward on-line registration to the extent practical

# **INSTRUCTIONAL SUPPORT**

# Instructional Support

- Teaching Assistants
  - Special Education
  - English Language Learners
  - Library Assistants, Nurse Assistants
- Counseling Services
- Teacher Experts = reduce central office positions, encourage shift to classroom instruction
- Ignite Program = reduce student busing, increase student contact time per teacher, migrate toward staffing ratio equity within gifted program

# Realign and streamline instructional support

## Teaching Assistants – Object Code 1231

Instructional Support Area	FY13 Budget	FY14 Staffing Level Target	FY14 v. FY 13 Reduction
Reduce Special Education TA's by 10 pct attrition	488 FTE	439 FTE	- 49 FTE (-10%)
Reduce English Language Learner TA's by 8 pct attrition	109 FTE	100.375 FTE	- 8.625 FTE (-8%)
Reduce Middle & High Library Media Assistants to 3.5 hrs (TALMAS)	22.3125 FTE (24 @ 0.875 FTE) (3 @ 0.4375 FTE)	11.8125 FTE (27 @ 0.4375 FTE)	-10.5 FTE
Eliminate Nurse Assistants (TANAS)	8 FTE	0 FTE	-8 FTE
TOTAL TA's Under Review	627.3 FTE	551.2 FTE	- 76.1 FTE (12%)

# Realign and streamline instructional support

## Counseling, Advisors & Support Coordinators

Function / Position	FY13 Budget	FY14 Staffing Level	FY14 v. FY 13 Reduction
Counselors (including School, SPED, ELL) Object Code 1400 <b>Reaffirm principle that all counselors should provide service to all students (on parity with expectations for teachers in classrooms) and reduce overall level of counselors toward benchmark</b>			
Eliminate 9 FTE (ZS07J, ZS07E) from SPED	9 FTE	Eliminate	-9 FTE
Reduce 1.5 FTE (ZC07B) from ELL	9.1 FTE	7.6 FTE	-1.5 FTE
Reduce 1.5 FTE from Elementary*	25 FTE	23.5 FTE	-1.5 FTE
Eliminate Career Resource Advisors (TACRA)	8.0 FTE	Eliminate	-8.0 FTE
Eliminate Graduation Support Coordinators (7-CRLGRSUP, 1-LDGRDSUP);	8.0 FTE	Eliminate	-8.0 FTE
<b>Total Counseling Suite Positions Under Review</b>	<b>132 FTE</b>	<b>104 FTE</b>	<b>-28 FTE (21%)</b>

*\*Reduce 1.5 FTE from Elementary in shift to formula funding based on Free & Reduced Lunch*

# Realign and streamline instructional support

## **Teacher Experts / Consultants**

Instructional Support Area	FY13 Budget	FY14 Staffing Level	FY14 v. FY 13 Reduction
Reduce Teacher Experts / Consultants Not Directly Paid for By Schools (or grants) by ~1/4 <sup>th</sup> to 3/4 <sup>rs</sup> to encourage high quality teachers to find direct classroom instruction opportunities	44.0	29.0	<b>15 FTE Total</b> <b>12 FTE Net of CAO Central Office</b>
1032, 1035, 1036 (C&I)	23.0	20.0	3 FTE* Previously counted in CAO Central Office
1612 (Gifted)	3.0	1.0	2 FTE
1638, 1653, 1655, 1660, 1665 (SPED)	14.0	7.0	7 FTE
1680 (ELL)	4.0	1.0	3 FTE
Total Teacher Expert / Consultants Under Review	44	29	15 (34%)

# Realign and streamline instructional support

## **Ignite Program**

Instructional Support Area	FY13 Budget	FY14 Realignment on Classroom	FY14 v. FY 13 Reduction
Elementary Ignite Program frequently requires elementary student pull-outs and bus transportation to another location resulting in lost time for students			
Shift delivery model to focus on delivering service to students rather than students to teachers.			
Adjust transportation; streamline testing and evaluation process, shift testing & evaluation from teachers to others		+ transport	
Elementary Ignite Program teacher productivity (student instructional contact hours per teacher) is less than half that of the balance of the Gifted Program (Rogers Park, Romig, West) where the Gifted Program teacher to student contact hour ratio is roughly 33% higher than the general student (comparable to other gifted programs in other districts). <i>Reduce Ignite Program teacher to student ratio toward parity with balance of Gifted Program in the District.</i>	30 FTE	24 FTE	6 FTE (20%)

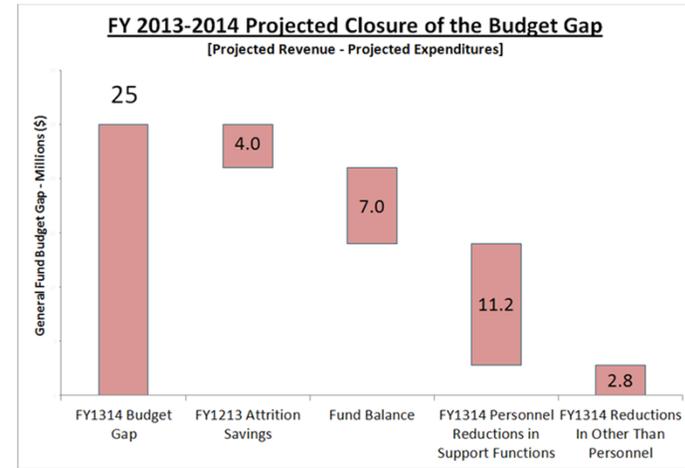
# Reduction in supplies & materials of 20%

with allowance for direct classroom instruction mission critical adjustments

		Millions \$				
		FY1112	FY1213	FY1314	YOY Chg	YOY Pct Chg
4020	Textbooks (review reclassifications)	\$ 1.46	2.42	1.15	(1.27)	-52.5%
4030	Library A/V Supplies	0.43	0.45	0.34	(0.11)	-25.2%
4040	Teaching Supplies	5.21	3.46	2.72	(0.74)	-21.3%
4080	Student Activity Supplies	0.15	0.29	0.26	(0.04)	-12.6%
	Subtotal <sup>1</sup>	7.26	6.62	4.46	(2.15)	-32.6%
4010	Office Supplies	1.48	1.75	1.34	(0.41)	-23.5%
4050	Health Supplies	0.15	0.13	0.11	(0.01)	-11.0%
4060	Meals & Food	0.07	0.07	0.05	(0.02)	-25.4%
	Subtotal <sup>2</sup>	1.70	1.95	1.50	(0.44)	-22.7%
4100	Fuel	1.55	1.46	1.51	0.05	3.3%
4110	Oil, Grease & Lube	0.09	0.09	0.09	(0.00)	-1.2%
4120	Tires	0.07	0.07	0.07	-	0.0%
4130	Repair Parts	0.94	0.87	0.90	0.03	3.3%
4140	Garage Supplies	0.02	0.02	0.02	-	0.0%
	Subtotal	2.68	2.51	2.58	0.08	3.0%
4200	Custodial Supplies	0.71	0.74	0.61	(0.14)	-18.5%
4250	Bldgs/Grounds Supplies	1.40	1.53	1.20	(0.33)	-21.5%
4260	Warehouse Supplies	0.01	0.01	0.01	-	0.0%
4880	Self-Insured Supplies	0.00	0.00	0.02	0.02	nm
	Subtotal <sup>3</sup>	2.13	2.28	1.84	(0.44)	-19.4%
	TOTAL SUPPLIES & MATERIALS	\$ 13.76	13.35	10.39	(2.96)	-22.2%
	Direct classroom instruction "mission critical" adjustments				0.16	
	Net Projected Change in Supplies & Materials				(2.80)	

# Summary

Reduce support functions, focus on direct classroom instruction and leverage strategic initiatives to improve quality of instruction



Expense Reduction (-)	-4	-7	-11.2	-2.8
Cumulative Reduction (-)	-4	-11	-22.2	-25.0

