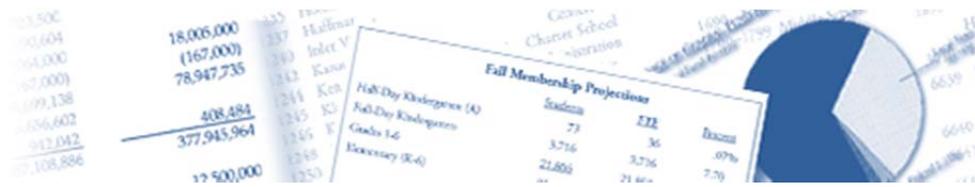


# Anchorage School District Budget



## District Comparison: Anchorage, Seattle and San Francisco

In late September, a local taxpayer advocacy group put together a report that attempts to show that Anchorage School District costs per student are higher than the cost per student in Seattle and San Francisco. While they put a great deal of effort in to this study, it was based on flawed information. School districts report spending in different ways. This makes it difficult to compare the districts accurately. In addition, actual spending does not always match adopted budgets; some districts spend less than budgeted, some spend more.

### **School districts report spending in different ways. This makes it difficult to compare the districts accurately.**

When ASD received this report, we set out to verify the data, using the two districts specifically mentioned by the taxpayer group. To ensure our calculations were accurate, we requested information directly from Seattle and San Francisco and asked them to review the figures we had assembled. With the financial crisis happening in California, it proved difficult to obtain information from San Francisco. It was not until March 5 that they were able to answer our questions.

The chart below is a summary of our findings. It shows that ASD does spend more per student than these other districts — though the difference is less than the group reported — but it also shows why.

Anchorage currently pays a mandated percentage of all salaries to a state managed retirement system for public employees and teachers. ASD pays 35.22 percent to the Public Employees' Retirement System (PERS) and 44.17 percent to the Teacher Retirement System (TRS). Seattle pays 8.31 percent and 8.46 percent for retirement costs, while San Francisco pays 10.08 percent. In both Alaska and California, a portion of this money is going towards an existing unfunded liability in the retirement systems. That means that it is not for current payroll costs, but goes to cover prior years, when not enough money was collected due to a calculation error at the retirement system level.

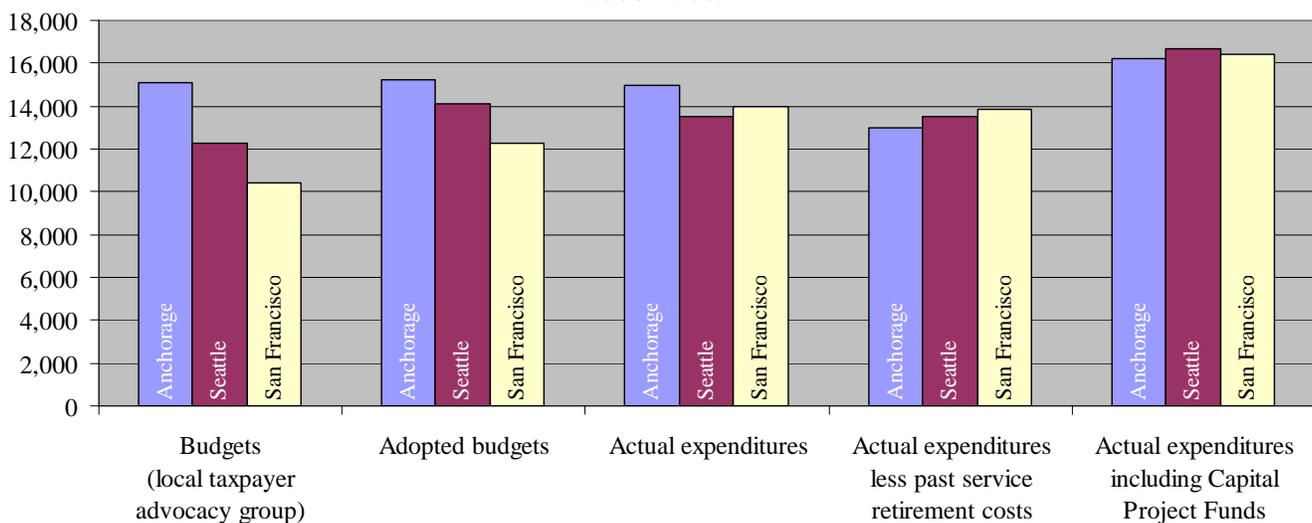
When this portion of the rate is removed from both districts' spending, the resulting figure shows a spending rate that is not skewed by past underfunding of retirement contributions. This shows that Anchorage actually spends less per student on actual education costs (rather than past retirement fund debt) than either of these other districts.



## Comparison of Cost per Student for Three Urban School Districts 2008 – 2009

	Anchorage	Seattle	San Francisco
<b>Local taxpayer advocacy group comparison</b>			
Budget	\$15,072	\$12,274	\$10,418
<ul style="list-style-type: none"> <li>• Does not factor in all budgeted funds; e.g. debt service</li> <li>• Does not factor in actual expenditures</li> <li>• Does not factor in past service retirement adjustments<sup>(1)</sup></li> <li>• Does not factor in allocated vs. budgeted funds for San Francisco</li> </ul>			
<b>Anchorage School District comparisons</b>			
Adopted budgets	\$15,225	\$14,119	\$12,257
Actual expenditures	\$14,969	\$13,496	\$13,950
Actual expenditures less past service retirement costs <sup>(1)</sup>	\$12,997	\$13,496	\$13,816
Actual expenditures including Capital Project Funds	\$16,244	\$16,694	\$16,395

**Cost Per Student Summary  
2008 - 2009**



<sup>(1)</sup>Both ASD and San Francisco pay toward state retirement systems to resolve unfunded liabilities from past service deficits. These costs are not related to current payroll, and for comparison purposes only should be excluded. Normal costs for current employees are still included in the comparison.