



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Assistant Superintendent

Dave Jones

148 North Binkley Street Soldotna, Alaska 99669-7520
Phone (907) 714-8888 Fax (907) 262-5867

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The Honorable Lyman Hoffman
The Honorable Anna MacKinnon
Senate Finance Co-Chairs
State Senate
Alaska State Capitol
Juneau, Alaska 9980-1182

Co-Chairs Hoffman and MacKinnon, and members of the Committee,

My name is Dave Jones, I am the Assistant Superintendent for the Kenai Peninsula Borough School District (KPBSD). I would like to start by thanking you for previously funding K-12 education as a priority in the State of Alaska. Although K-12 Educational funding is not at this time specifically included in SB 22, I would like to share with you what has happened with the KPBSD FY18 Budget to date.

With status quo funding, we were facing a \$3.4 million dollar deficit. We have identified \$2.6 million dollars in expenditure reductions which include:

- 12.5 FTE teaching positions;
- 9.26 FTE tutors in our English Language Learners or ELL program;
- 1.0 FTE Pupil Services Coordinator from our Special Ed Department;
- 1.0 FTE Accounting specialist in our Finance Department;
- 7.0 FTE Custodial positions

30.76 Total Full Time Equivalent positions

The School Board will be using \$872,358 of Fund Balance to address the remaining deficit.

This is not the first year KPBSD had made expenditure reductions. In the three previous fiscal years, another \$6,065,829 worth of reductions have been made. Any perceived fat in the budget has been cut, and any further reductions will have to be personnel related.

Our two main cost drivers that have been increasing our budget are health care costs, and costs associated with serving our intensive needs students. In FY12 we had 126 intensive needs students, this year in FY17 we have 190. The rise in medical fees and costs has clearly been our biggest cost increase. The yearly increase in:

FY14	\$1,582,751
FY15	\$2,307,006
FY16	\$2,890,563

That is a three year total of \$6,780,320 in health care cost increases!

We have estimated that a 5% reduction to the BSA will result in a loss of \$5,293,712. That is the equivalent of a further reduction of 52 teachers. Such a reduction would be highly detrimental to the students and the economy on the Kenai Peninsula!

It also needs to be noted that a 5% BSA reduction at the state level would reduce the Borough's ability to fund our District by \$1,217,554.

Recent Alaska Legislatures have a strong history of properly funding K-12 education. The numbers from this year's Alaska Senate Majority Survey show that the majority of Alaskans would like to see that continue. At our budget and town hall meetings on the peninsula, we have had community members testify they want a long-term fiscal plan and are willing to support that plan by using permanent fund earnings and supporting an additional broad based tax. I am asking that you continue funding as you have in the past.

Thank you for the opportunity to testify today.