

## Budget Blog 3

### BSA Basics

Once that all powerful Average Daily Membership (ADM) is finalized in the fall, the focus then turns to what does this mean in real numbers to our budget. The Base Student Allocation (BSA) is set by the state legislature as an amount that each district will receive per ADM to provide a quality public education program to enrolled students. For example, our ADM for the 2014-15 school year is 1,314.525 and the BSA set by the state legislature is \$5,830. You might think that you could just multiply our ADM by our BSA to come up with \$7,663,681; however, it is not that simple and we could not provide a quality education to our students with that amount of money.

The reason that the state legislature has added complexity to the budget allocation process is because there are actual cost factors that differ between each and every Alaskan community. In 2005 the Alaska State Budget and Audit Committee commissioned UAA's Institute of Social and Economic Research (ISER) to conduct a study that would establish the various cost factors with Anchorage as the base. Sitka's District Cost Factor (DCF) is 1.195, which means that it costs 19.5% more to educate a child in Sitka than it does in Anchorage. Additionally, the district receives factor increases depending on the size of the school, for meeting the needs of students who are in our general special education program, and the extra costs associated with offering a vocational education program. For students enrolled in our REACH homeschool program we receive a factor decrease for each student because we do not have to pay utilities or provide other resources such as desks and chairs to students who are homeschooled. It should be noted that we still do provide a teacher dedicated to supporting our REACH homeschool students.

One additional factor in figuring out a district's final ADM that will be multiplied with the BSA is the count of students who qualify for intensive special education services. Students who meet this high-leveled requirement, by nature of meeting this requirement, require constant staff interaction and other supplemental resources such as occupational therapy, physical therapy, speech language services, nursing services, etc. Consequently, districts count each student who qualifies for intensive special education as equivalent to 13 students. Now that you have all of the factors in mind, our adjusted ADM for the 2014-15 school year is 2,878.07, which is more than double our actual ADM.

The calculation, however, is still not ready to finalize, as there is a state requirement that local municipalities contribute to the cost of educating students in the community's public school system. Based on our Adjusted ADM for the 2014-15 school year, a Basic Need has been set at \$16,779,157 meaning that it is expected to cost the district at least \$16,779,157 to provide a quality education to our students. The City of Sitka has a required local contribution of \$3,081,916 but could provide funding to the district up to a cap of \$6,839,617. The City of Sitka has demonstrated a commitment to our students and does provide funding above the required local contribution; however, the City does not fund to the maximum available. Additionally, the school district gets some federal dollars and can apply for other grants to meet specific learning needs in our schools. Sitka's total budget for the 2014-15 school year is \$18,641,453.

Hopefully you enjoyed today's math lesson about how a school district's budget is actually calculated. It all starts with the number of students enrolled in our district (ADM), is greatly impacted by the amount of money identified by the state legislature to educate our students (BSA), and is made livable by our own City's contribution to our district budget.