

LPSD Current Small School Intent to Enroll Practice

In mid-March each spring, LPSD asks Principals to gather perspective from each of our small school communities regarding their intent to enroll for the following school year.

This perspective is solicited by having each family of a school with 15 or fewer currently enrolled students fill out an intent to enroll form.

As of January 22, 2025, the following school sites have 15 or fewer K-12 students enrolled:

- Levelock (9)
- Chignik Lagoon (14)

Based on the projected enrollment at sites in mid-March often guides our immediacy of hiring for the following Fall school year.

For schools who do not have 10 students enrolled, LPSD has made certain to strive towards staffing the school with a veteran educator as a long term employee at least through count period (late August through the end of October).

I want to highlight the effort to staff the school with a veteran and ideally someone who is already familiar with LPSD competency based learning so students do not miss out through a learning curve of a new educator.

As count approaches we can often predict through conversations with local community whether they found students to make it to 10 or if parents are already making other plans with their students for the duration of the school year, which triggers next steps.

Below: Budget Effects of Closing a School

- State funding year to year depends on the October Count Period (BSA Formula)
- Attached is a simple break down that has helped me to understand the financial implications of school closures (as an example)

MEMORANDUM

March 14, 2016



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To: Lake and Peninsula Borough Assembly
Nathan Hill, Borough Manager
Ty Mase, Laura Hylton; Lake and Peninsula School District

From: Bob Loeffler

Subject: Budget Effects of a School Closing

The effect on the School District budget of closing a school is highly dependent on the specifics of the school. This is especially true of the effects for first year's effects, the long-run effects are somewhat more predictable. The effects are illustrated in the example calculation below.

The Budget Effect of Closing a School	
Lost Revenue	
Lost Alaska School Foundation Formula	\$(541,785)
Lost Federal Revenue	\$(151,964)
Subtotal:	\$(693,749)
Approximate Savings	
Approximate Salaries/Benefits for two teachers	\$180,000
Approximate Salaries/Benefits for two non-teachers	\$100,000
Utilities (Average of Egegik & Pilot Point)	\$27,315
Other Variable Costs	\$105,834
Subtotal:	\$413,148
Recovered Revenue	
2 correspondence Students	\$10,584
2 students go to a school with >20 students; <30	\$23,204
Subtotal:	\$33,788
Total	\$(246,812)

Summary. The table shows that a "typical" school closing costs the district approximately a quarter-million dollars from its budget. The lost revenue is roughly a quarter million more than savings.

Of course, no school is exactly like the one in the table above. Some will have different utility costs. Some will send more or fewer students elsewhere in the district. Some schools will have special education students (the table assumes none). In other schools, the district will be unable to achieve the full savings the first year, because staff may have been already hired, or because the community may require that the building be useable for a year.

This result – a significant budget loss -- is because closing a school costs the district state and federal funds which are more-or-less based on a per-student formula. But the district only saves

the operating cost of that school. The fixed cost of the district: administration, school board, tutors, maintenance staff are spread over fewer and fewer students.

To help with the budget shock of a school closing, the state school foundation formula has a “hold harmless” clause. If the school closing results in the district losing over 5% of its students, the state does decrease the school foundation funds over a 3-year period: 25% the first year, 50% the second year, 75% the third year, and all of that school’s funds in the fourth year. That would modify the table above to mean that the district would see an approximately \$160,000 *increase* in the first year, which would change to the full quarter-million decrease in year 4.

Assumptions for the table:

- ***Loss of School Foundation Formula Funds: -\$541,785.*** Closing a school that previously had between 10 and 20 students means that the school district loses \$541,785 from Alaska’s school foundation formula
- ***Loss of Federal Funds: -\$151,964.*** The district gets somewhat less than a dozen federal grants. Each has their own unique method of allocating money. The largest grant, the federal impact assessment, changes depending on whether the student is the dependent of a federal employee. Rather than chase down the specifics of each grant including the employment status of potential lost students’ parents (which would drive myself and Laura crazy), I assumed that the one-third of the grant is dependent on the number of sites (so closing a school would decrease that third of one-twelfth), and another third is dependent on the number of students (so closing a school would decrease the federal money by the number of students lost to the district).
- ***Getting the School Foundation Formula Funds back when the students go elsewhere in the district: Highly variable – but assume \$33,788.*** The school foundation formula calculates a per-pupil amount only for schools with more than 20 students. So, if student who left with a closed school goes to another small school – one with fewer than 20 students – the districts gets no additional funds. After 20 students, the per-pupil amount is dependent on the school size. Also, correspondence students registered in the district get a certain amount. For purposes of this calculation (and after talking with Ty and Laura), I assume that students from the closed school are distributed as follows.
 - 2 students attend another district a school with more than 20 students;
 - 2 students register with the district’s correspondence school;
 - the remaining students either leave the district or go to another district school with less than 20 students.

A different distribution of students would change the resulting calculations somewhat, but not enough to change the overall conclusions.

- ***Savings: teachers and staff salaries and benefits: approximately \$280,000.*** Staff salaries and benefits vary by job and individual. After discussion with Laura, I assumed that a closed school would save two teachers (\$180,000 for both teachers), and two staff (\$100,000, total). However, the district save the teacher salaries in the first year, if it knows that it will not open the school in the spring. If the teachers are already hired – the school only learns in the fall that there are not enough students to keep the school opened, then the teachers have signed a contract and are kept on for that year. The savings comes only in Year 2.

- **Utilities: \$27,315.** Avoided utilities are a savings to the district. \$27,315 is the average of Egegik and Pilot Point's last year's utilities. Some communities cost a lot more. For example, Chignik Lake cost almost \$84,000 (but Chignik Lake seemed like it skewed the average, so I just used Egegik and Pilot Point).
- **Other variable costs: \$105,834.** These costs are an estimate by including site costs divided by 12 (i.e., one of 12 schools), and pupil costs divided by 8/304. (Assuming 8 students lost out of 304 total). Site costs are teacher travel, teacher housing subsidy, staff travel, communications cost, and supplies and material. Pupil costs are mostly student travel. No costs were included for special education or school board expenses.
- **No special education.** I assumed that the closed school did not have any special education students. If they are included, it would have increased the deficit for closing that school.

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