

Julie Cozzi

Date: April 14, 2015

From: Dana Hallett, HC 60 Box 3710, Haines, Alaska 99827

To: Haines Borough Mayor Jan Hill, and members of the Haines Borough Assembly

Re: Inclusion of Mosquito Lake School Community Center in the FY16 Budget

Before we introduce our plan to include Mosquito Lake School (MLS) into the FY16 budget, I would like to remind the Assembly Members that the wishes of a large part of the community is to retain the MLS facility in the ownership of the Haines Borough and to eventually reopen MLS as a public school. We have gathered approximately 250 signatures that attest to this.

At previous Assembly meetings and School Board meetings, I have spoken about the social impacts of having and operating a public school in our community. I have shown how operating MLS as a school is good for our Borough Budget, is good for our community and how it is good for our children.

I want to add to this list how operating MLS as a school is good for our economy.

Included in your packet, that I will be distributing and requesting to be placed in the minutes for our records, is a worksheet entitled, "Economic Benefits of Reopening MLS." I will give you the abridged version. You may read the rest.

Operating the MLS will require employees; full-time teacher, full-time aide, part time special ed teacher, custodian, maintenance, part-time music instruction, and bus driver.

The total salary and wages adds up to \$201,478.63. When the income multiplier of 2.7 (this is the multiplier the Borough uses to estimate how much money circulates within our community as a result of income) is applied, the amount of money that circulates in our community is as much as \$543,992.30.

Other economic/job creators would be utilities expenditures, education grants available to rural schools, weatherization and energy enhancement grants. To receive any additional dollars for any of these initiatives means more money coming into our community and jobs!

In other words, closing the MLS this year has cost our business owners up to half-million dollars. The school will be closed next year too . . . now we have taken out of our community over \$1,000,000.

My point is more than this. We need the community center up and running as one way to help enhance the probability that the MLS will reopen. A Community Center gives us a sense of place.

Economic Benefits of Reopening MLS

\$/Yr

Employment Impacts (FY15)

Full time K-6 Teacher		<u>\$92,221.30</u>
Full time Aide		<u>\$54,646.82</u>
SPED		<u>\$4,884.49</u>
Custodian		<u>\$13,711.78</u>
Mnt		<u>\$22,654.24</u>
Music		<u>\$6,080.00</u>
Bus Driver		<u>\$7,280.00</u>
		<u>\$201,478.63</u>

Income multiplier: Staff	2.7	<u>\$543,992.30</u>
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***Elec, Fuel, Supplies, Mnt supplies, Communications, Insurance, Garbage, Septic	<u>\$50,258.51</u>
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**Education Grants for Rural Schools Weatherization Grant Solar Panels Grant Administration Labor	\$??
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Total Income

Income Multiplier: Construction	2.7	\$???
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*** Bottom Line

*For the actual ADM of 10, the State adjusted ADM is about 50. The State contributes over \$200,000 and the local contribution is about \$80,000. Over the past 32 years, the borough has taken in about \$2 million dollars more than what it cost to staff and operate MLS. (Byers, Supt. HBSD, 2014)

** Grants are available. We should be seeking these grants. There is a positive economic impact through the income multiplier and through the savings in energy costs!

*** JOBS!!!

Mosquito Lake

Below is an estimate of major expenditures for Mosquito Lake projected to FY15 and based upon our recurring expenses. There could be other increases to the cost of personnel, energy, supplies and services that would drive the total up. Also not factored in is the cost of special maintenance projects such as replacing flooring, painting, etc. This also does not add in other district support.

Mosquito Lake Expenses

FY15		FY13	
Salary & Benefits		Electricity	\$21,054.75
Mnt	\$22,654.24	Fuel	\$14,408.29
Cust	\$13,711.78	Supplies	\$3,005.28
Aide	\$54,646.82	Music	\$6,080.00
Teacher	\$92,221.30	Mnt Supplies	\$5,306.29
SPED	\$4,884.49	Communications	\$1,100.00
		Insurance	\$2,700.00
Sub Total	\$188,118.63	Garbage	\$1,158.90
		Septic	\$1,525.00
		Sub Total	\$56,338.51
		TOTAL	\$244,457.14

Assuming 10 students, under the current funding formula Mosquito Lake School would have an adjusted Average Daily Membership of 39.60. After the application of other District Cost Factors in the formula a Final Adjusted ADM is determined. For Mosquito Lake with 10 students that ADM is about 50. Multiplying that number times \$5,680 gives what is called the "Basic Need" for the school. In this case it would be about \$284,000. Of that amount the State pays a portion and the local government pays a portion whose lower limit is determined by a 2.65 mill tax levy on the full and true value of the taxable real and personal property in the district. This is a little difficult to assess just for Mosquito Lake. Say that local contribution amount to about \$80,000. That would mean the State provides us with \$200,000 for Mosquito Lake.

What is important to realize is that when the enrollment falls under 10 there is no School Size Adjustment. The number of students is added to the next smallest school with an ADM greater than 10. This would be our high school. Say that that number was 9. This would mean that we would get 9 times \$5,680 or \$51,120 for Mosquito Lake students, a loss of about \$150,000 just from the State.

Byers, Supt. HBSP