

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #219 (2010-2011)

January 26, 2011

TO: SCHOOL BOARD
FROM: OFFICE OF THE SUPERINTENDENT
SUBJECT: FY 2011-2012 PROPOSED FINANCIAL PLAN
(FIRST READING)

ASD Goal: *ASD will manage effectively and efficiently all financial and human resources.*

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to prepare the Anchorage School District's FY 2011-2012 Proposed Financial Plan as set forth in the projected revenue and expenditure schedules in the memorandum (Attachment A and B). The accompanying budget document contains the Anchorage School District's FY 2011-2012 Preliminary Financial Plan. The total budget recommended is \$811,910,568. This includes individual fund budgets currently projected as follows:

	<u>FY 2011-2012 Financial Plan</u>
General Fund	\$ 635,145,816
Food Service Fund	19,100,000
Debt Service Fund	87,664,752
Local/State/Federal Grants Fund	<u>70,000,000</u>
Total - All Funds	<u>\$ 811,910,568</u>

The total of local tax contribution to be requested is \$237,587,445.

It is further recommended that the School Board authorize the Superintendent to adjust the budget expenditure ceiling and the local tax contribution above in accordance with any adjustment to the implementation of AR NO. 2010-280(S), additional State approved funding, enrollment or any changes in charter schools or other economic changes that may impact the FY 2011-2012 Financial Plan.

PERTINENT FACTS:

With on-going discussions with the Municipality and Assembly regarding additional shared expenditures such as shared IT space, and other unknown factors such as ongoing education funding discussions by interested parties, or any mandated expenditures brought to our attention, it is recommended that the School Board not make any expenditure adjustments at this time. As updated information becomes available, it will be addressed in the FY 2011-2012 Financial Plan after the Legislative session ends this spring.

THE BUDGETING PROCESS

The budget provides a blueprint for the Anchorage School District's educational goals. When developing the budget, the Anchorage School District has an obligation to its many stakeholders—the students, parents, employees, and community members—to consider each group's priorities and balance them with the district's stated mission of educating all students for success in life. The FY 2011-2012 budget projections reflect the district's on-going efforts to achieve this balance, maximize performance, and contain costs.

These projections for FY 2011-2012 are prepared using the most current information available. Existing funds and cost savings are directed to district programs to ensure that progress is made in achieving the current school board goals. The budget development process is mindful of the district's school board goals with the responsibility of designating financial and human resources within projected revenues.

BUDGET DEVELOPMENT

The budget continues to realign the district's priorities, as budgeting is a progressive process. The balanced budget concept, Alaska Public School Funding, and the local property tax limitation necessitate early predictions of both revenues and expenditures. Schools and departments review their programs and responsibilities; assess what is being done during the current fiscal year and what progress is being made; begin making plans for next year and future years; and then prepare budget requests based on their program requirements and how they support the Goals and Mission of "educating all students for success in life."

Input from community members, parents, students, and staff may result in change or elimination of existing programs or implementation of new ones. In spite of all the uncertainties the focus still remains on evaluating the need for staff, supplies, and other operating expenses while looking for efficiencies that can be achieved through

better resource management or teaming with other agencies such as ASD's current support of the Municipality with the School Resource Officer (SRO) program.

On November 15, 2010, based on the guidelines given at the November 8, 2010 work session including discussion relative to the Anchorage Assembly's resolution on property taxes, the school board approved for planning purposes an upper limit spending authorization for the General, Food Service, Debt Service and Local/State/Federal Grants Funds of \$821,832,771, ASD Memorandum #158 (2010-2011). The school board further approved that the budget ceiling could be adjusted based on further review and for additional functions currently operated by the Municipality that would qualify under the resolution approved by the Assembly.

On October 26, 2010 AR NO. 2010-280(S), a resolution of the Anchorage Municipal Assembly regarding the annual operating budget of the Anchorage School District for its fiscal year 2011-2012 was submitted. After a discussion which included clarifying amendments, the Anchorage Assembly approved AR NO. 2010-280(S) which allowed for \$196,307,312 in property tax revenue that includes \$3,091,454 in additional property tax revenue. Along with the increase in local taxes, the Municipality is also requesting the district to pay for functions currently operated or funded by the Municipality. This includes the remaining half payment for the School Resource Officers, the district's share of the cost for sending out tax billing/collection, a share of the uncollectible portion of delinquent property taxes and football stadium, trail and shelter rental fees in the amount of \$1,994,453. These costs offset the additional allowable property tax revenue leaving a net increase of \$1,097,001 in additional revenue.

During the past two months the administration proceeded in preparing the FY 2011-2012 Preliminary Financial Plan. The closing of the district's budget gap and difficult decisions pertaining to the programs which were funded in the ARRA grant were assisted by the use of data gained from the new value based budget process which began this year. The new budget process has enabled the administration to reassess its existing programs and workload while undertaking reorganization within departments to gain efficiencies. By implementing these changes, the district has been able to achieve a balanced budget while minimizing the effect on its most effective programs and student outcomes as compared to the results of flat percentage reductions across all programs.

The administration presented the FY 2011-2012 Preliminary Financial Plan to the School Board on January 19 and 20, 2011. The Superintendent gave a general overview and then each administrator presented his/her budget identifying any major changes, including program realignments. In addition, each administrator reviewed their current ARRA funded programs that are now being recommended to continue in the General Fund as well as any program enhancements that are crucial to supporting students or ultimately would provide efficiencies.

Student enrollment, revenues, and expenditures are projected on a preliminary basis. The following sections on Student Enrollment Projections, General Fund Revenues and Expenditures, and Other Funds summarize the principal financial planning factors involved in preparing these FY 2011-2012 projections. Major revenue and expenditure considerations and budget development criteria are also included.

STUDENT ENROLLMENT PROJECTIONS

Student Enrollment—The most significant factor in the budget development process is the number of students served. Enrollment projections are based on enrollment history, housing and both demographic and economic considerations. The General Fund budget is developed using the FTE (full-time equivalent) student count, weighing half-day kindergarten at one-half and preschool students at one-half, one-quarter or three-quarters FTE, which is consistent with their programs.

In order to project student enrollment, district staff works closely with the State Demographer, MOA Department of Public Works, State Department of Labor and the State Bureau of Vital Statistics. The following schedule summarizes the actual and projected student enrollment information for FY 2008-2009 through FY 2011-2012 on both a full count and FTE basis.

	Actuals 2008-2009 <u>9/30/08</u>	Actuals 2009-2010 <u>9/30/09</u>	Actuals 2010-2011 <u>9/30/10</u>	Projected 2011-2012 <u>9/30/11</u>
Total Number	48,440	49,243	49,091	49,196
Change over previous year		803	(152)	105
FTE (Full-Time Equivalent)	48,169	49,049	48,972	48,923

Variable General Fund expenditures will be revised periodically for changes in enrollment projections. We will continue to review projected enrollment to determine if adjustments are required.

GENERAL FUND

The General Fund, consisting of each school's and department's budgets, accounts for the majority of the district's operations and activities. Therefore, this memorandum and most of the subsequent discussion and decisions on balancing the budget for next year will focus primarily on estimated revenues and expenditures of the General Fund Revenues.

Alaska Public School Funding Program—The largest single revenue source to the district comes from the Alaska Public School Funding Program. The school board and the administration are very hopeful that the Governor and Legislature will continue

recognition of the need for increased K-12 education funding. Hopefully, during this upcoming legislative session, the Legislature **will advocate** for the students in our communities with early approval of an educational funding package and additional increases in revenues supporting public education so as to ensure the continuation of high performing education programs which are very important in increasing student achievement and performance. This is especially important in light of the October 26, 2010 Assembly action approving AR NO. 2010-280(S) as amended and approved, regarding the Municipality of Anchorage property tax contribution to the ASD General Fund.

The Alaska Public School Funding Program is based on the average daily membership (ADM)—determined by the district's enrollment and special education intensive count—processed through a school size factor and special needs formula to establish the district's "basic need." The required local contribution and a percentage of the Federal Impact Aid funding that the district receives for Federally-connected students is then subtracted from the "basic need" to determine revenue. The Alaska Public School Funding formula defines the required local share as being the lesser of 45 percent of "basic need" or 4 mills times one-half of the annual increase in assessed valuation compared to the 1999 base year of total state assessed full and true valuation of local real estate, inventory and other taxed personal property for the second preceding year, added to the prior year's calculated assessed valuation. **An increase to the assessed valuation reduces the potential amount of Public School Funding revenue.** The Alaska Department of Community and Economic Development notified the district that the assessed valuation for Anchorage has increased from \$35.13 billion to \$35.30 billion.

This program is expected to provide approximately 55.8 percent of the district's General Fund revenues not including the TRS and PERS projected \$79.1 million annual payment by the state on behalf of the district for the unfunded past service liability in excess of levels specified in statute.

Based on current enrollment projections of 49,196, which reflects a decrease of 400 students from the current year projections of 49,596, the estimated amount of funding from the Alaska Public School Funding Program for FY 2011-2012 is \$310.134 million, which is \$2.294 million less than current FY 2010-2011 budget. The following factors contribute to the \$2.294 million decrease:

- Increased identification of Intensive Needs students from 725 to 741 \$ 1.181 million
- Enrollment decrease including Quality Schools (2.318) million
- Increase from \$35.129 billion to \$35.300 billion in state assessed valuation (.341) million
- Federal Impact Aid -.816) million

Alaska Public School Funding Decrease

\$(2.294) million

Local Property Taxes—The local property tax contribution is the district's second largest General Fund revenue source. **Projected local property tax revenue for FY 2011-2012 is based on the October 26, 2010 approval by the Anchorage Assembly of AR NO. 2010-280(S) as amended, a resolution of the Anchorage Municipal Assembly regarding the annual operating budget for the Anchorage School District for its fiscal year 2011-2012.** The Anchorage Assembly approved flat funding \$193,215,858 in property tax revenue (amount eligible under the tax cap limitation for FY 2010-2011 rather than for FY 2011-2012) and an additional amount of \$3,091,454 in additional property tax revenue for additional General Fund spending for functions currently operated or funded by the Municipality. Included in these projections is \$1,994,453 for the second half of the payment for the School Resource Officers; the district's share of the cost for sending out tax billing/collection; the district's share of uncollectible portion of delinquent property taxes; and football stadium, trail and shelter rentals. The net effect of this increase in taxes and expenditures is a .57% increase in local taxes, or \$1,097,001.

Federal Impact Aid—The initial revenue projection for Federal Impact Aid has been projected at 100 percent of projected entitlement, an anticipated \$17.0 million.

The amount of Federal Impact Aid revenue each year is uncertain because it is subject to pro-ration based on the annual funding appropriated by Congress. In addition, the percentage of the total number of federally-connected students to the total number of students for whom the state has direct responsibility—including military students and children educated at Mt. Edgecumbe—and potential formula changes, could result in fluctuations in Federal Impact Aid funding to the district. This coupled with the fluctuation from year-to-year in the number of students living on military land, which can partially result from on base/post housing renovations, adds to the uncertainty of Federal Impact Aid revenue during the budget process. We also do not know if the district will receive prior year adjustment payments during FY 2011-2012.

Fund Balance—The district's undesignated fund balance for the General Fund is a potential one-time source of revenue. Determining the appropriate level of fund balance required for a contingency reserve requires an exercise of judgment. Industry standards recommend a portion of the unreserved undesignated fund balance or contingency reserves remain between 3 to 5 percent of the budget. The undesignated fund balance needs to be maintained to protect against shortfalls in revenue collection, to allow for adequate cash flow management, and to provide the financial ability to meet emergencies.

Accumulated resources such as fund balance are available for use to help balance an otherwise unbalanced budget and to provide funding for critical program enhancements. Wise financial management does include options that make use of

fund balance occasionally in order to maximize results and minimize effects from outside influences, such as flat funding.

Resources such as fund balance are built up over time in order to be used during tighter budget cycles in order to maintain a more consistent delivery of instruction. Given two years of relatively flat local funding, anticipated flat state funding, and sufficient fund balance levels, the FY 2011-2012 budget cycle may be an opportunity to take advantage of fund balance in order to reduce otherwise necessary budget and program cuts.

At this time, based on guidance from the school board at the November 15th school board meeting and approval of ASD Memorandum #158 (2010-2011), the administration has included \$3 million of the undesignated fund balance. The use of the \$3 million of fund balance will be used in the General Fund as a revenue source to reduce the projected fiscal gap. Historically, the school board has recommended a sustained level of undesignated fund balance between 3.25 and 3.5 percent after allocation of fund balance to be used in subsequent budget cycles.

Given the use of \$3 million, the anticipated percent of undesignated fund balance as of June 30, 2011 is estimated to be between 3.8 and 4.6 percent, which is above the historically recommended level. Additionally, anticipating fund balance use for the following fiscal year, if the district uses \$3 million to help balance the FY 2011-2012 budget, and as much as \$7 million to help balance the following years budget, FY 2012-2013, the undesignated fund balance would be projected to be between 3.3 and 3.5 percent as of June 30, 2012.

If the state legislature does provide additional funding during the legislative session, the administration would anticipate a recommendation to the school board to remove the use of fund balance from the FY 2011-2012 budget. In absence of additional funds, the administration would recommend consideration of up to \$5 million in fund balance to be used to balance the FY 2011-2012 budget. The use of \$5 million would result in an undesignated fund balance percent approximately between 3.5 and 4.3 percent as of June 30, 2011.

Pupil Transportation Reimbursement—The preliminary FY 2011-2012 revenue projection for Pupil Transportation is based on the provision under HB 273 that allows an annual CPI adjustment to pupil transportation funding. The use of 2.5 percent for the CPI means an estimated increase from \$407 in the current year to \$417 for FY 2011-2012. This amount will then be used to multiply the school district's ADM, less the ADM for the district's correspondence programs to calculate pupil transportation revenues.

User Charges and Fees— Fees will continue to be assessed for musical instrument usage, ASD documents, high school and middle level student activity fees (see chart

below for the reduced rate at the middle school level based on intramural activities only), high school parking fees, summer school, credit recovery course training fees, and rental fees. The administration is recommending a slight increase in student activities fees at this time with an increase in the family cap as shown in the chart below. In addition, rental fees relating to the size of gyms and meeting rooms have been increased for non-profit, commercial users and the Municipality of Anchorage for the FY 2011-2012. A new fee for FY 2011-2012 is an online fee for credit courses taken by non-district students.

The following rates are those in place for FY 2010-2011 and those that are recommended for FY 2011-2012:

	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>
Summer School – Elem	\$85 per course	Program Eliminated
Summer School - Middle	\$85 per course	\$85 per course
Summer School – High School	\$90 per course	\$100 per course
On Line Fee Non ASD Students		\$400 per course
Music Instrument Usage Fee	\$40 per instrument	\$40 per instrument
Middle Level Activity Fees	\$85 per activity	\$45 per activity
High School Activity Fees	\$165 per activity	See below
Tennis, Cross Country Running, Cheerleading, Track and Field, Drama Debate/Forensics		\$175 per Activity
Flag Football, Volleyball, Cross Country Skiing, Football, Wrestling, Basketball, Rifle, Soccer		\$185 per Activity
Gymnastics, Swimming and Diving, Hockey		\$195 per Activity
High School Parking Fees	\$50 per semester	\$55 per semester
Facility Rental Fees	\$650,000	\$690,000 ¹
Family Cap for Activity Fees	\$335	\$390

E-Rate—The district has not yet received the funding commitment letter from the Universal Service Administrative Company (USAC) for FY 2010-2011; however, the district has been working with the Program Integrity Assurance group of USAC and anticipates a funding commitment letter later this year. There are no significant program changes that would materially alter FY 2011-2012 revenue projections from those of FY 2010-2011. The district receives all eligible revenues based on all eligible expenditures.

¹ Rental fees relating to the size of gyms and meeting rooms have been increased for non-profit, commercial users and the Municipality of Anchorage for the FY 2011-2012.

Expenditures

Student and program needs and a commitment to use the funds economically drive expenditure projections. The recommendations received from interested community members on the district's website and from the three community budget dialogues, the student budget dialogue, staff, students and the administration were considered and incorporated into the budget where appropriate. **Both revenue enhancements and expenditure reductions will be incorporated to bring the budget into balance.**

Salaries and Benefits—Employee salaries and benefits are projected to be over 89 percent of the operating cost of the district. The projections include consideration for contract negotiations for APA (Anchorage Principals' Association) and Local 959 (Teamsters Warehouse & Maintenance Employees). Compensation provisions for completed contracts, benefits and payroll tax adjustments known at this time are also included in the expenditure projections. The on-behalf payments by the state and the district's contribution for mandatory certificated retirement and classified retirement have been included. The state on-behalf of the district funds the portion of the unfunded past service and current normal cost rates in excess of levels specified in statute of 12.56 percent for TRS and 22.00 percent for PERS. The projections being presented include rate increases to TRS and PERS as adopted by the Alaska Retirement Management Board (ARMB) for FY 2012. The TRS rate will increase from the current FY 2010-2011 rate of 38.56 percent to 42.61 percent; and the PERS rate will increase from the current rate of 27.96 percent to 30.76 percent.

Staffing—Staffing requirements have been adjusted based on the official projections set forth for September 30, 2011. Official projections are based on actual enrollment as of September 30, 2010.

Certificated Teaching Positions—Budgeted teaching staff is based on the FY 2011-2012 PTR (pupil to classroom teacher staff ratios). Adjustments have been included for staffing based on enrollment changes, program realignment, and for staff requirements based on rural-urban transitioning. Over 90 languages, other than English, are spoken in the Anchorage schools; further adjustments have been made to meet the challenges arising from this language diversity. **It must be noted that even though eighty-two (82 FTE) teacher positions were transferred to the Education Jobs Bill, there will not be an increase to class size, only a change in the funding source.**

Kindergarten (FTE)	20.50 to 1
Grade 1	21.00 to 1
Grades 2-3	24.25 to 1
Grades 4-6	27.75 to 1
Grades 7-8	26.25 to 1
Grades 9-12	27.91 to 1

Special Education

Staffing is based upon demonstrated need and program (consistent/current year)

Indirect Cost—In addition to charging eligible grants and the grant programs generated through stimulus funds, the administration plans to continue the practice of charging the Food Service Fund using the state-approved indirect cost rate. This practice more accurately reflects the cost of services provided to the Food Service Fund and grants by various departments budgeted in the General Fund. It is anticipated that by early spring 2011 the district will be appraised of the approved indirect cost rate for FY 2011-2012. Without the charge of indirect costs, the General Fund would bear the administrative costs of the Food Service Fund and all the District grants.

Contracted Services— Where appropriate, inflationary or vendor rate adjustments to contracts have been incorporated. Very close reviews of actual contracted services determine if inflationary or vendor increases are warranted. If other known rate increases were warranted, they have been included in the budget. What is more challenging for the future is the unpredictability of energy costs which can somewhat be attributable to the fluctuation of oil prices. Utilities have been budgeted based on an analysis of usage and cost saving measures being taken. They were then adjusted according to projected rate increases and/or decreases as recommended by the utility agencies. Review of last year's actual usage and expenditures with continued review of current year expenditures and rate adjustments (occurring mid-year FY 2010-2011) in addition to adding an energy conservation manager to oversee energy management to find efficiencies to lower utility expenditures throughout the district, the utility budgets are projected to be lower than the current year.

Pupil Transportation— Discussions for renewal/new contract of the contracted transportation are still ongoing and are not final at this time. Also included is funding to provide transportation for the homeless students identified by the district. At this time there are no anticipated regular or special education ASD route increases.

Maintenance and Major Maintenance Projects —The administration recommends a funding level for maintenance leadership and maintenance projects of at least \$23.8 million for some of the district's more than 100 schools and facilities. As our facilities continue to age, periodic maintenance must take place on a regular basis to keep the buildings in good repair for optimum safety and efficiency. The community has voiced strong support for prioritizing this use of funds.

The administration is proposing a pilot outsourcing of snow removal in a small geographic area. Three (3.0 FTE) maintenance positions have been eliminated, and the anticipated lower cost of outsourcing will increase efficiency within the department. As a result of the RFP process, if the district does not realize sufficient

efficiencies and level of service from the proposed outsourcing, the original three (3.0 FTE) maintenance positions will be restored.

Supplies—Some departments may show an adjustment in supplies based on departmental need to service the total district program requirements (e.g., fuel required to run district buses and vehicles and postage charges). The current projections do not include any inflationary increase to the per pupil allocation for school supplies and equipment over the current year.

Equipment— In order to bring expenditures in balance with projected revenues, the administration eliminated the technology refresh. The refresh funds are supporting the staff (transferred from ARRA funds) needed to keep the programs in place. This will slow down the ability to refresh technology across the district with an adequate number of computers in a consistent timeframe.

Replacement equipment purchases between \$5,000 and \$50,000 will be purchased from the Equipment Replacement Fund.

Major Expenditure Reductions— The major program reductions and positions that were required to be eliminated in the FY 2011-2012 budget in order to bring expenditures in balance with projected revenues are as follows. These difficult decisions were made in part with the information and insight gained from the new value based budget process and the relative effectiveness of individual programs and their contribution to the enhancement of student outcomes. Information gathered through the community budget dialogues and e-mails from community, staff and students was also taken into consideration. **It must be noted that even though 82 FTE teacher positions were transferred to the Education Jobs Bill, there will not be an increase to class size.**

Major Program Reductions and Positions:

- Eliminate alternative high school principal (1.0 FTE)
- Eliminate middle level assistant principal (1.0 FTE)
- Eliminate family resource coordinator at the elementary level (.6 FTE)
- Reduce library media aides at the elementary level (2.625 FTE; 6-3.5 hour positions)
- Reduce library media aides at middle school level (3.5 FTE; 4-7 hour positions)
- Reduce library media aides at high school level (6.125 FTE; 7-7 hour positions)
- Reduce districtwide music teacher (.8 FTE)
- Eliminate educational technology supervisor (1.0 FTE)
- Eliminate educational technology teacher (1.0 FTE)
- Eliminate addenda for SBA assessment at the elementary level
- Eliminate learning opportunity intervention funds at the elementary level
- Eliminate counselor at the middle level (1.0 FTE)

- Eliminate summer school at the elementary level
- Reduce summer school remediation program at the middle level from two sites to one site and/or limit the number of students served
- Reduce summer school (remedial/recovery only) at the high school level
- Reduce secretaries at the high school level (8 FTE)
- Reduce learning opportunity remediation funds at the high school level
- Eliminate graduation support coordinators at the high school level (7.0 FTE)
- Eliminate NEP supervisor at South High (1.0 FTE)
- Eliminate Elitnaurvik Within East High supervisor (1.0 FTE)
- Eliminate social worker at middle level (1.0 FTE)
- Reduce in school suspension (ISS) teachers (2.0 FTE)
- Eliminate the student information systems manager (1.0 FTE)
- Eliminate IT project manager (1.0 FTE)
- Eliminate Safe and Drug Free Schools Program (1.875 FTE)
- Eliminate an accountant (1.0 FTE)
- Eliminate an administrative assistant (1.0 FTE) Accounting
- Eliminate purchasing agent (1.0 FTE)
- Eliminate custodial supervisor (1.0 FTE)
- Eliminate high school administration executive secretary (1.0 FTE)
- Eliminate secretary (1.0 FTE) Community Resources
- Eliminate administrative assistant (.75 FTE) Human Resources
- Eliminate customer service receptionist/switchboard (1.0 FTE) Communications
- Eliminate maintenance positions (3.0 FTE)
- Eliminate microcomputer specialist (1.0 FTE) Maintenance
- Eliminate server administrator (1.0 FTE) partially funded by Facilities
- Reduce extra help, addenda, contracted services
- Reduce utilities projections resulting from rate reductions as well as conservation of energy
- Eliminate supply/equipment reserve for emergency requirements
- Eliminate technology computer refresh district wide
- Eliminate battle of the books at elementary level
- Eliminate interscholastic extracurricular at middle level

Position Increases – The following positions have been added:

Classroom Support:

- Language acquisition support teachers at middle level (2.0 FTE)
- Special service teacher for the ACE program (1.0 FTE)

Outside Direct Classroom Support:

- Language/cultural liaison (4.4 FTE; .6 FTE currently in the General Fund)
- Compliance director added to oversee district grant compliance (1.0 FTE)
- Career and college readiness supervisor at middle level (1.0 FTE)

- Energy conservation manager to oversee energy management to find efficiencies to lower utility expenditures throughout the district (1.0 FTE)
- Administrative assistant (1.0 FTE) for Purchasing

Positions Transferred from ARRA— The following positions have been transferred from the ARRA funds.

- Career guides at the middle level (10.0 FTE)
- IT technical support (19.5 FTE) to be housed in the schools for direct technology support
- Teacher, technology coordinators (3.0 FTE) to support the integration of technology into the curriculum
- Network analyst (1.0 FTE) to support and maintain ARRA funded network refurbishment
- Systems analyst (1.0 FTE) and programmer (1.0 FTE) to support the newly acquired ARRA funded IEP system implemented districtwide

Previously Funded and New Fees Charged by the Municipality

- School Resource Officers (SRO) will be fully funded by ASD for FY 2011-2012
The total cost is split equally at 50 percent each for FY 2010-2011.
- Football stadium new users fees
- Trail and shelter new users fees
- Share of the cost for sending out tax billing/collection
- Share of the uncollectible portion of delinquent property taxes
- Increase costs of APD overtime rate for ASD extracurricular activities

OTHER FUNDS

Food Service Fund—This fund is used to budget and account for operations of the Student Nutrition Program. The budget for this fund covers both the direct and indirect cost of providing meals to students. These costs include all payroll costs, including staff, food costs, the cost of support services, equipment repair and replacement costs, and overhead charges. Compensation provisions for completed contracts and upward movement in food costs have been included in the projections. The FY 2011-2012 budget has been increased from \$17,809,900 to \$19,100,000 or 7.24 percent as compared to FY 2010-2011.

The revenue sources for the Food Service Fund budget include revenue from meal sales and federal reimbursement for meals served. These projections also continue with the State's annual PERS payment on behalf of the district.

Use of \$600,000 of undesignated fund balance is expected to be used to support a several year delay in equipment purchases and begin a remodel and upgrade program for school cafeterias and lunchrooms in the FY 2011-2012 Food Service budget as presented in this memorandum. The undesignated fund balance of June 30, 2010 was \$1.679 million. Using \$600,000 of fund balance will provide an undesignated fund balance of 5.65 percent of the FY 2011-2012 projected budget. No increase in elementary, middle, and high school breakfast and lunch full price meals is anticipated. It is projected that no local tax support will be required for the Food Service Fund in FY 2011-2012.

Debt Service Fund—This fund is used to budget and account for principal and interest payments on existing school bonds as well as the revenues necessary to fund these expenditures. For FY 2011-2012, \$1.0 million of debt service fund balance is used to provide tax relief to the taxpayer. Most of the district's bonds receive state debt reimbursement, which varies depending on the year in which the bond proposition was approved. Reduced construction activity at district sites resulted in staff reductions during fall 2010.

The projections included within this memorandum include debt service on a \$3.845 million sale of authorized unsold bonds; the projections do not include debt service on any possible future bond propositions in FY 2011-2012. AR NO. 2010-280(S) was passed by the Assembly and resolves to fully fund the ASD property tax contribution for debt service.

Local / State / Federal Grants Fund—Expenditures in the Local/State/Federal Grants Fund are offset by matching revenues. The district continues to be successful in increasing grant funding from various state and federal agencies and other sources. Revenues available through grants for these projects include competitively awarded grant funds—most of which are subject to annual federal and state appropriations. The federal Education Jobs Bill is included and is assumed to provide \$7.6 million in additional grant revenue. This grant will provide one year's funding that will be used to supplant 82 FTE classroom based teaching positions from General Fund. In addition, the projections include the State TRS/PERS reimbursement on behalf of the district. No funds from the \$67.4 (\$60 million ARRA, \$7.4 million state PERS/TRS on behalf funding) million two year stimulus funding program that ends in the fall of 2011, are included in these projections.

FISCAL YEAR BUDGET COMPARISON

The following schedule compares by fund the FY 2011-2012 projected revenues/expenditures with those currently approved for FY 2010-2011. At this time, unknowns still remain such as contract negotiations and mandated services that may require funding.

REVENUE/EXPENDITURE BUDGETS

	Revised Budget <u>FY 2010-2011</u>	Preliminary Budget <u>FY 2011-2012</u>	% Over /Under <u>Prior Year</u>
General Fund	\$ 617,010,000	\$ 635,145,816	2.94%
Food Service	17,809,900	19,100,000	7.24%
Debt Service	87,423,992	87,664,752	.28%
L/S/F Projects	67,200,000	62,360,438	(7.20)%
Jobs Bill	<u>-0-</u>	<u>7,639,562</u>	100%
All Funds	\$ <u>789,443,892</u>	\$ <u>811,910,568</u>	2.85%

No funds from the \$67.4 million (\$60 million ARRA, \$7.4 million state PERS/TRS on behalf funding) two year stimulus funding program (ARRA) that ends in the fall of 2011, are included in these projections.

TAXES

	Revised <u>FY 2010-2011</u>	Taxes <u>FY 2011-2012</u>	Increase/ (Decrease) <u></u>
General Fund	\$ 191,994,683	\$ 193,215,858	\$ 1,221,175
Required for shared services	1,221,175	1,994,453	773,278
Additional for education	-0-	1,097,001	1,097,001
Debt Service	<u>41,544,114</u>	<u>41,280,133</u>	<u>(263,981)</u>
All Funds	\$ <u>234,759,972</u>	\$ <u>237,587,445</u>	\$ <u>2,827,473</u>

STUDENT ENROLLMENT PROJECTIONS

	FY 2010-2011 Actuals <u>Sept.30, 2010</u>	FY 2011-2012 Projected <u>Sept.30, 2011</u>	Change Over Prior <u>Year's Actual</u>
Enrollment	49,091	49,196	105
Full Time Equivalent(FTE)	48,972	48,923	(49)

In preparing the FY 2011-2012 Preliminary Financial Plan, many budget development uncertainties face the district.

- Legislative action
- Binding MOA Assembly action to increase ASD tax base
- School Board areas of interest
- Projected enrollment
- Contract negotiations for APA (Anchorage Principals' Association), Local 959 (Teamsters Warehouse & Maintenance)
- Rate increase notifications from outside agencies
- Further evaluation of current/new fees
- School Board Goals/Six-Year Instructional Plan
- Renewal/renegotiation of contracted transportation contract
- The assessed valuation used in setting the mill levy will not be finalized until March/April 2011
- Federal Impact Aid subject to annual appropriation
- Fluctuation of oil prices

SUMMARY

Our assumptions in preparing these initial FY 2011-2012 projections are based on, but not limited to, the following criteria:

- Alaska Public School Funding Program – No change in the base student allocation of \$5,680 or the 20 percent special needs funding factor
- Quality Schools Grant – no increase to per pupil amount of \$16
- Pupil transportation funding to include CPI adjustment - \$412 to \$417
- State reimbursement funding for the ARMB approved rates to the Certificated and Classified Retirement Systems
- Balanced budget for presentation to the Anchorage Assembly – expenditures equal revenues
- Local Property Taxes – Assembly approval on October 26, 2010 of AR NO. 2010-280(S) as amended limiting tax amount

- Use of Fund Balance as a revenue source – using \$3.0 million of undesignated fund balance to reduce the fiscal gap
- Potential adoption or expansion of programs must be funded within existing resources

CC/CS/MSL

Attachments

Prepared by: Marie S. Laule, Budget Director
Approved by: Chad Stiteler, Chief Financial Officer

Anchorage School District
Fiscal Year 2011-2012

PROJECTED REVENUES AND EXPENDITURES SUMMARY

Fund	Revenues and Fund Balance				2011-2012 Revenue/Source Projections	2011-2012 Expenditure Projections
	Local		State	Federal		
	Taxes	Other				
General	\$ 196,307,312	\$ 9,997,750	\$ 410,040,754	\$ 18,800,000	\$ 635,145,816	\$ 635,145,816
Food Service		5,162,927	514,650	13,422,423	19,100,000	19,100,000
Debt Service	<u>41,280,133</u>	<u>1,000,000</u>	<u>45,107,207</u>	<u>277,412</u>	<u>87,664,752</u>	<u>87,664,752</u>
	237,587,445	16,160,677	455,662,611	32,499,835	741,910,568	741,910,568
Local, State and Federal Grants		<u>2,192,773</u>	<u>9,567,437</u>	<u>58,239,790</u>	<u>70,000,000</u>	<u>70,000,000</u>
TOTAL	\$ <u>237,587,445</u>	\$ <u>18,353,450</u>	\$ <u>465,230,048</u>	\$ <u>90,739,625</u>	\$ <u>811,910,568</u>	\$ <u>811,910,568</u>
Percentage of Revenue Sources to Total Revenue Projections	29.26%	2.25%	57.31%	11.18%	100.00%	

Computation of Total Taxes
for Calendar Year 2011

		General Fund	Debt Service Fund
Amount required to fund second half of Adopted FY 2010-2011 Budget: January 1, 2011/June 30, 2011	\$ 234,759,972	\$ 96,607,929	\$ 20,772,057
Amount required to fund first half of Adopted FY 2011-2012 Budget: July 1, 2011/December 31, 2011	\$ 237,587,445	<u>98,153,656</u>	<u>20,640,067</u>
TOTAL Taxes for Calendar Year 2011		<u>\$ 194,761,585</u>	<u>\$ 41,412,124</u>
Total Taxes for Calendar Year 2011			
1) <u>Total Taxes 2011</u>	\$ <u>236,173,709</u>	\$ <u>194,761,585</u>	\$ <u>41,412,124</u>
Assessed Valuation	\$ 31,650,945,521	\$ 31,650,945,521	\$ 31,650,945,521
	=7.46 mills	<u>6.15 mills</u>	<u>1.31 mills</u>

1) The preliminary 2011 mill rate is based on a assessed valuation provided by the Municipality of Anchorage Office of Management and Budget. (September 2010) The final assessed valuation will not be available until April 2011.

Anchorage School District
Fiscal Year 2011-2012

**PROJECTED REVENUES SUMMARY BY FUND
FISCAL YEARS 2009-2010 TO 2011-2012**

Fund	FY 2009-2010 Revised	FY 2010-2011 Revised	FY 2011-2012 Projections	FY 2011-2012 Change over FY 2010-2011 Revised	
				Amount	Percent
General	\$ 598,467,232	\$ 617,010,000	\$ 635,145,816	\$ 18,135,816	2.94%
Food Service	16,828,000	17,809,900	19,100,000	1,290,100	7.24%
Debt Service	85,907,658	87,423,992	87,664,752	240,760	0.28%
Local/State/ Federal Grants	62,200,000	67,200,000	62,360,438	(4,839,562)	(7.20%)
Education Jobs Bill			7,639,562	7,639,562	100.00%
American Recovery and Reinvestment Act of 2009 (ARRA) (A)	67,437,190				
TOTAL	\$ 830,840,080	\$ 789,443,892	\$ 811,910,568 (B)	\$ 22,466,676	2.85%
Taxes					
General	\$ 191,913,748	\$ 193,215,858	\$ 196,307,312	\$ 3,091,454	1.60%
Debt Service	41,033,834	41,544,114	41,280,133	(263,981)	(0.64%)
TOTAL	\$ 232,947,582	\$ 234,759,972	\$ 237,587,445	\$ 2,827,473	1.20%

(A) Economic Stimulus Package

(B) State funding for FY 2011-2012 provides for a base student allocation of \$5,680, a special education intensive factor of thirteen times and the continuation of a CPI adjustment for pupil transportation funding. Includes an estimated State retirement system employer relief funding for certificated (30.05%) and classified (8.76%) retirement.

Anchorage School District
REVENUE and FUND BALANCE SUMMARY BY FUND AND SOURCE

	FY 2009-2010 Audited Actual	FY 2009-2010 Revised	2010-2011 Revised	2011-2012 Projections	Inc/(Dec) over FY 2010-2011 Revised Budget
General Fund					
Local Revenue/Fund Balance					
Local Taxes	\$ 191,913,748	\$ 191,913,748	\$ 193,215,858	\$ 196,307,312	\$ 3,091,454
Interest	4,702,877	2,215,000	2,600,000	2,800,000	200,000
Other Local	4,027,143	3,591,000	3,574,000	4,197,750	623,750
Fund Balance	<u>3,900,000</u>	<u>3,900,000</u>	<u>1,975,000</u>	<u>3,000,000</u>	<u>1,025,000</u>
	200,643,768	201,619,748	201,364,858	206,305,062	4,940,204
State Revenue					
Alaska Public School Funding Program	295,483,681	297,031,000	312,428,682	310,134,270	(2,294,412)
Pupil Transportation	19,530,379	19,081,000	20,059,326	20,390,000	330,674
TRS/PERS Employer Relief	58,606,858	66,547,000	65,968,650	79,108,000	13,139,350
Supplemental State Funding	<u>408,484</u>	<u>408,484</u>	<u>408,484</u>	<u>408,484</u>	<u>-</u>
	374,029,402	383,067,484	398,865,142	410,040,754	11,175,612
Federal Revenue					
Federal Impact Aid	17,492,274	13,000,000	15,000,000	17,000,000	2,000,000
Medicaid Reimbursement	234,978		1,000,000	1,000,000	-
R.O.T.C.	<u>678,151</u>	<u>780,000</u>	<u>780,000</u>	<u>800,000</u>	<u>20,000</u>
	<u>18,405,403</u>	<u>13,780,000</u>	<u>16,780,000</u>	<u>18,800,000</u>	<u>2,020,000</u>
Total General Fund	593,078,573	598,467,232	617,010,000	635,145,816	18,135,816
Food Service Fund					
Sales	4,586,647	5,284,673	5,284,675	4,562,927	(721,748)
Fund Balance			600,000	600,000	-
PERS Employer Relief	288,364	300,000	338,949	514,650	175,701
Federal Reimbursement	<u>12,495,037</u>	<u>11,393,327</u>	<u>11,586,276</u>	<u>13,422,423</u>	<u>1,836,147</u>
Total Food Service	17,370,048	16,978,000	17,809,900	19,100,000	1,290,100
Debt Service Fund					
Local Revenue/Fund Balance					
Local Taxes	41,033,834	41,033,834	41,544,114	41,280,133	(263,981)
Fund Balance				1,000,000	1,000,000
Interest	<u>174</u>	<u>174</u>	<u>174</u>	<u>174</u>	<u>174</u>
	41,034,008	41,033,834	41,544,114	42,280,133	736,019
State Sources					
Debt Service	<u>44,873,815</u>	<u>44,873,824</u>	<u>45,879,878</u>	<u>45,107,207</u>	<u>(772,671)</u>
	44,873,815	44,873,824	45,879,878	45,107,207	(772,671)
Federal Sources					
Build America Bonds				<u>277,412</u>	<u>277,412</u>
				277,412	277,412
Total Debt Service	85,907,823	85,907,658	87,423,992	87,664,752	240,760
Local/State/Federal Grants					
Local Grants	1,575,223	999,685	2,666,989	2,192,773	(474,216)
State Grants	1,300,648	1,598,719	1,991,362	1,505,760	(485,602)
Federal Grants	44,332,044	53,801,596	56,941,649	50,600,228	(6,341,421)
American Recovery & Reinvestment Act Education Jobs Bill	28,099,613	67,437,190		7,639,562	7,639,562
TRS/PERS Employer Relief	<u>5,264,261</u>	<u>5,800,000</u>	<u>5,600,000</u>	<u>8,061,677</u>	<u>2,461,677</u>
Total Local/State/Federal Grants	80,571,789	129,637,190	67,200,000	70,000,000	2,800,000
Total Revenues	\$ 776,928,233	\$ 830,990,080	\$ 789,443,892	\$ 811,910,568	\$ 22,466,676
Total Expenditures	\$ 767,708,420	\$ 830,990,080	\$ 789,443,892	\$ 811,910,568	\$ 22,466,676
Total Taxes – Fiscal Year	\$ 232,947,582	\$ 232,947,582	\$ 234,759,972	\$ 237,587,445	\$ 2,827,473

State funding for FY 2011-2012 provides for a base student allocation of \$5,680, a special education intensive factor of thirteen times and the continuation of a CPI adjustment for pupil transportation funding. Includes an estimated State retirement system employer relief funding for certificated (30.05%) and classified (8.76%) retirement.

Anchorage School District
Fiscal Year 2011-2012

SUMMARY OF GENERAL FUND REVENUES

	<u>FY 2009-2010</u> <u>Audited</u> <u>Actual</u>	<u>Percent</u>	<u>FY 2009-2010</u> <u>Revised</u>	<u>Percent</u>	<u>FY 2010-2011</u> <u>Revised</u>	<u>Percent</u>	<u>FY 2011-2012</u> <u>Projections</u>	<u>Percent</u>
Local Sources								
Local Property Taxes	\$ 191,913,748	32.36 %	\$ 191,913,748	32.07 %	\$ 193,215,858	31.31 %	\$ 196,307,312	30.91 %
Other Local	8,730,020	1.47	5,806,000	0.97	6,174,000	1.00	6,997,750	1.10
Fund Balance			3,900,000	0.65	1,975,000	0.32	3,000,000	0.47
State Sources (A)	374,029,402	63.07	383,067,484	64.01	398,865,142	64.65	410,040,754	64.56
Federal Sources	<u>18,405,403</u>	<u>3.10</u>	<u>13,780,000</u>	<u>2.30</u>	<u>16,780,000</u>	<u>2.72</u>	<u>18,800,000</u>	<u>2.96</u>
TOTAL	<u>\$ 593,078,573</u>	<u>100.00 %</u>	<u>\$ 598,467,232</u>	<u>100.00 %</u>	<u>\$ 617,010,000</u>	<u>100.00 %</u>	<u>\$ 635,145,816</u>	<u>100.00 %</u>

(A) FY 2009-2010 includes actual State retirement system employer relief funding. FY 2010-2011 and FY 2011-2012 include projected State retirement system employer relief funding.

Anchorage School District
Fiscal Year 2011-2012

SCHEDULE OF GENERAL FUND REVENUES FROM LOCAL SOURCES/FUND BALANCE

Local Sources	FY 2009-2010	FY 2009-2010	FY 2010-2011	FY 2011-2012
	Audited Actual	Revised	Revised	Projections
Municipality of Anchorage Appropriation of Taxes	\$ 191,913,748	\$ 191,913,748	\$ 191,994,683	\$ 195,210,311
Additional tax appropriation allowable for shared services between the Municipality of Anchorage and the ASD (A)			1,221,175	1,097,001
Other Local				
Career Center Instructional Projects	67,006	71,000	71,000	74,000
Facilities Rentals	658,036	635,000	650,000	690,000
Nonresident Tuition	32,904	15,000	15,000	50,000
Credit Recovery Fees (B)	36,283	50,000	60,000	45,000
On-line Fee for Non-ASD Student (C)				40,000
Summer School - Elementary (D)	26,347	25,000	25,000	
Summer School - Middle Level (E)	13,855	39,500	25,000	10,000
Summer School - Secondary (F)	214,475	250,000	256,000	260,000
Musical Instrument Usage Fee (G)	27,188	25,000	26,000	28,000
Middle School Activity Fees (H)	227,262	235,000	250,500	130,000
High School Activity Fees (I)	709,668	715,000	742,500	850,000
High School Parking Fees (J)	192,125	199,000	192,500	211,750
Other Fees (Training Fees, Documents) (K)	80,316	85,000	85,000	84,000
Property Sales, Insurance Proceeds, and Miscellaneous	106,949	246,500	175,500	125,000
Interest Earnings	4,702,877	2,215,000	2,600,000	2,800,000
E-rate (L)	1,634,729	1,000,000	1,000,000	1,600,000
Fund Balance		3,900,000	1,975,000	3,000,000
	<u>8,730,020</u>	<u>9,706,000</u>	<u>8,149,000</u>	<u>9,997,750</u>
TOTAL	\$ 200,643,768	\$ 201,619,748	\$ 201,364,858	\$ 206,305,062

- (A) Municipality of Anchorage (AR NO. 2009-250(S)) School Resource Officers and discontinued discounted fare bus passes. (FY 2010-2011)
Municipality of Anchorage (AR NO. 2010-280(S)) School Resource Officers and ASD charge for cost of sending out tax bills and collections, share of uncollectible portion of delinquent property taxes, football stadium, trail and facility fees. (FY 2011-2012)
- (B) Credit Recovery Course Fee - \$90/course
- (C) On-line Fees for Non-ASD Student - \$400/course
- (D) Summer School - Eliminated in FY 2011-2012; \$85 FY 2010-2011
- (E) Summer School - \$85 FY 2011-2012 (reduced to one site); \$85 FY 2010-2011
- (F) Summer School - \$100 in FY 2011-2012; \$90 in FY 2010-2011
- (G) Musical Instrument Usage Fee - \$40 with continuation in FY 2011-2012
- (H) Middle Level Activity Fees - Intramurals only (fees reduced to \$45) in FY 2011-2012, \$85 in FY 2010-2011, Family Cap \$390 (Middle and High combined)
- (I) High School Activity Fees - Tiers ranging from \$175 to \$195 in FY 2011-2012, \$165 in FY 2010-2011, Family Cap \$390 (Middle and High combined)
- (J) High School Parking Fees - \$55/semester FY 2011-2012, \$50 in FY 2010-2011
- (K) Training Fees - \$25 per course with continuation in FY 2011-2012
- (L) E-rate established by Congress to provide funding to K-12 schools for telecommunications, internet access and internal connections (Network Infrastructure).

Anchorage School District
Fiscal Year 2011-2012

COMPUTATION OF MUNICIPAL PROPERTY TAX LIMITATION
Taxes Allowable under the Charter Limit vs. Limited Funding and Transferred Services

		<u>Charter Limit</u>	<u>Limited Funding & Transferred Services</u>
Taxes Projected – Anchorage School District FY 2010-11		\$ 234,759,972	\$ 234,759,972
Less: Prior Year Taxes Required for Debt Service		<u>41,544,114</u>	<u>41,544,114</u>
Net Taxes Approved for General Fund		193,215,858	193,215,858
<u>Allowable Growth Factors</u>			
Population – 5 year Average	0.9 as of 10/26/2010		
CPI – 5 average year Anchorage Urban	<u>2.9 as of 10/26/2010</u>		
	3.8%		
Additional funds above transferred services allocation	0.57% (1)	<u>7,342,203</u>	<u>1,097,001 (1)</u>
Basic Tax Limitation		200,558,061	194,312,859
<u>Plus Exclusions:</u>			
Judgments/Legal Settlements			
Taxes for Operations and Maintenance on New Voter Approved Facilities			No O & M
Taxes Requested on New Construction/Property Improvements (2)		1,505,720	No Adjustment Factor
<u>Plus Expenditures Transferred from the Municipality (AR NO. 2010-280(S): (1)</u>			
School Resource Officers (second 50% to offset 100% expenditures)			1,434,853
Football stadium rental @\$50/hour			46,000
Trails \$1/participant			15,000
Park shelter rentals			3,600
ASD portion of cost of sending out tax bills and collections			250,000
ASD share of uncollectible portion of delinquent property taxes			<u>245,000</u>
Tax Limitation – General Fund		<u>202,063,781</u>	<u>196,307,312</u>
Taxes Requested for Debt Service		<u>41,280,133</u>	<u>41,280,133</u>
TAX LIMITATION FY 2011-2012		243,343,914	237,587,445
General Fund	\$ 196,307,312		
Debt Service Fund (3)	<u>41,280,133</u>		
TAXES PROJECTED IN FINANCIAL PLAN – FY 2011-2012		<u>243,343,914</u>	<u>237,587,445</u>
AMOUNT OVER (UNDER) as allowed by the Property Tax Cap Limitation under the MOA Charter		<u>\$</u>	<u>\$ (5,756,469)</u>

- Notes: (1) A resolution of the Anchorage Municipal Assembly (AR NO 2010-280(S)) regarding the annual operating budget of the Anchorage School District for its fiscal year 2011-2012 (specifically property tax revenue); balance remaining after funding set aside for transferred services \$3,091,454 - \$1,994,453 = \$1,097,001.
- (2) Taxes on new construction or property improvements, excluded from the limitation the first year, are computed as follows: 7.44 mills x \$202,381,783 (2010 preliminary new construction/property improvement value was verified by the Municipality of Anchorage's Office of Management and Budget, September, 2010) = \$1,505,720.
- (3) The taxes approved for debt service are for sold bonds approved by the qualified voters. These projections include an anticipated \$3.845 M bond sale of authorized unissued bonds.

Anchorage School District
Fiscal Year 2011-2012

SCHEDULE OF GENERAL FUND REVENUES FROM STATE SOURCES

<u>State Sources</u>		<u>FY 2009-2010 Audited Actual</u>	<u>FY 2009-2010 Revised</u>	<u>FY 2010-2011 Projections</u>	<u>FY 2011-2012 Projections</u>
Alaska Public School Funding Program (A)	\$	295,483,681	\$ 297,031,000	\$ 312,428,682	\$ 310,134,270
Pupil Transportation (B)		19,530,379	19,081,000	20,059,326	20,390,000
<u>Supplemental State Funding:</u>					
On-Base Schools (C)		408,484	408,484	408,484	408,484
Retirement System Employer Relief - TRS (D)		54,249,109	62,183,000	61,092,650	71,914,000
Retirement System Employer Relief - PERS (D)		4,357,749	4,364,000	4,876,000	<u>7,194,000</u>
TOTAL	\$	<u>374,029,402</u>	<u>383,067,484</u>	<u>398,865,142</u>	<u>410,040,754</u>

Notes:

(A) Alaska Public School Funding Program - FY 2011-2012

Basic Need Equals 73,671.38 Adjusted ADM x \$5,680 Student Allocation and 13 times for intensive students	\$ 418,453,438
Minus 4 Mills x Foundation Defined Anchorage Assessed Valuation of \$25.480 billion	(101,921,045)
Minus Deductible Portion of Federal Impact Aid	(7,576,865)
Add \$16/ adjusted ADM for Quality Schools	<u>1,178,742</u>
Total Alaska Public School Funding Program Aid	<u>\$ 310,134,270</u>

(B) Pupil Transportation - District operated and contracted transportation reimbursement annual CPI (used 2.5 percent/\$417).

This amount is then multiplied by the school district's ADM, less the ADM for the district's correspondence program.

(C) State of Alaska supplemental grant to partially fund this program.

(D) Supplemental State funding for the Teachers and Public Employees Retirement Systems rates.

Anchorage School District
 Fiscal Year 2011-2012

SCHEDULE OF GENERAL FUND REVENUES FROM FEDERAL SOURCES

<u>Federal Sources</u>	FY 2009-2010 Audited <u>Actual</u>	FY 2009-2010 <u>Revised</u>	FY 2010-2011 <u>Revised</u>	FY 2011-2012 <u>Projections</u>
Federal Impact Aid (A)	\$ 17,492,274	\$ 13,000,000	\$ 15,000,000	\$ 17,000,000
Medicaid (B)	234,978		1,000,000	1,000,000
R.O.T.C. (C)	<u>678,151</u>	<u>780,000</u>	<u>780,000</u>	<u>800,000</u>
TOTAL	\$ <u>18,405,403</u>	\$ <u>13,780,000</u>	\$ <u>16,780,000</u>	\$ <u>18,800,000</u>

(A) Federal Impact Aid revenue is received for students living on military land and for other federally-connected students and reflect trend data of revenue receipts.

(B) The Department of Health and Human Services (Centers for Medicare and Medicaid Services) reinstated the Medicaid reimbursement for school-based administrative costs.

(C) Revenues for FY 2011-2012 reflect trend data of revenue receipts.

ANCHORAGE SCHOOL DISTRICT
GENERAL FUND
SUMMARY OF MAJOR BUDGETED REVENUE INCREASES AND DECREASES
FY 2010-2011 COMPARED TO FY 2011-2012
FIRST READING

FY 2010-2011 Revised Revenue Budget **\$ 617,010,000**

Major Budgeted Revenue Decreases:

Alaska Public School Funding Program		(2,294,412)
Middle school activity fees		(120,500)
Property Sales, insurance proceeds, and miscellaneous		(48,500)
Summer school elementary		(25,000)
Summer school middle level		(15,000)
Credit recovery fees		(15,000)
Total Major Budgeted Revenue Decreases:		(2,518,412)

Adjusted Revenues After Decreases: 614,491,588

Major Budgeted Revenue Increases:

TRS/PERS incremental		13,139,350
Fund balance		1,025,000
Taxes		3,091,454
School resource officers (SRO's)	\$	1,434,853
Balance of tax appropriation for educational purposes		1,097,001
ASD portion of cost of sending out tax bills and collections		250,000
ASD share of uncollectible portion of delinquent property taxes		245,000
Football stadium rental @ \$50/hour		46,000
Trails \$1/participant		15,000
Park shelter rentals		3,600
	\$	3,091,454

Federal impact aid		2,000,000
E-rate		600,000
Pupil transportation		330,674
Interest earnings		200,000
High school activity fees		107,500
On-line fees for non-ASD students		40,000
Facilities rentals		40,000
Nonresident tuition		35,000
R.O.T.C.		20,000
High school parking fees		19,250
Summary school (secondary)		4,000
Music instrument usage fees		2,000

Total Major Budgeted Revenue Increases: 20,654,228

Net Change: 18,135,816

FY 2011-2012 PROPOSED REVENUE BUDGET **\$ 635,145,816**

ANCHORAGE SCHOOL DISTRICT
GENERAL FUND
SUMMARY OF MAJOR BUDGETED EXPENDITURE INCREASES AND DECREASES
FY 2010-2011 COMPARED TO FY 2011-2012
FIRST READING

FY 2010-2011 Revised Budget	\$	617,010,000
Major Expenditure Increases & Decreases:		
<u>Districtwide</u>		
Previously settled contracts and pending negotiations for various districtwide contracts up for renewal		17,215,911
Incremental TRS and PERS		13,139,659
Ending of ARRA resulting in a change in indirect cost		1,745,000
Payment to Municipality of Anchorage - School Resource Officers (SRO)		1,434,852
Payment to Municipality of Anchorage - Tax bills and collections		250,000
Payment to Municipality of Anchorage - Uncollectable portion of delinquent property taxes		245,000
Property and liability insurance, including brokerage administration fees		144,523
Payment to Municipality of Anchorage - Parks and Recreation fees		64,600
Mileage		13,391
	Total Districtwide Increases:	34,252,936
Utilities (heat, water, electricity, telephone, refuse) adjusted for rate changes and usage		(1,180,178)
Unallocated Adjustments		(660,678)
Attrition		(600,000)
Workers' Compensation rate reduction from 5.686% to 5.453% for Maintenance/Bus/Custodians		(65,844)
Copier lease		(43,989)
	Total Districtwide Decreases:	(2,550,689)
	Total Districtwide Changes:	31,702,247
<u>Elementary</u>		
Additional Added Duty both certificated and classified		55,456
	Total Elementary Increases:	55,456
Elementary Teaching positions transferred to the Education Jobs Bill (-42.0 FTE)		(3,899,196)
Elementary Teachers for reduced enrollment (-12.0 FTE)		(1,114,056)
Summer School - Elementary		(357,365)
Funding for additional opportunities for reading, writing and math academic achievement		(200,000)
Eliminated Six Library Media Assistants except for Sand Lake (-2.625 FTE)		(82,073)
Eliminated Family Resource Coordinator (-.6 FTE)		(52,070)
Testing coordination		(30,850)
Battle of the Books		(15,705)
Supply & equipment allocation for decreased enrollment		(9,671)
	Total Elementary Decreases:	(5,760,986)
	Total Elementary Changes:	(5,705,530)
<u>Charter Schools</u>		
Charter School enrollment adjustment		106,809
	Total Charter School Changes:	106,809

Special Education

Six Special Education High School Teachers (6.0 FTE) converted from five Special Ed. Program Specialists (-5.0 FTE) and one Behavior Strategist (-1.0 FTE)	121,607
Three six-hour Teacher Assistants (2.25 FTE) for Special Education High School program needs	114,372
Increased Psychologist (1.0 FTE) and Teacher Assistants 3 hours (.375 FTE) from Extra Help Classified	103,930
One Special Service Teacher (1.0 FTE) added for the Alternative Career Education program	92,686
Middle School Special Service Teachers added (3.0 FTE), two Elementary Teacher Asst. reduced (-2.0 FTE), two Special Education Program Specialists reduced (-2.0 FTE)	44,638
Special Service Teacher Elementary Teachers (2.0 FTE) converted from Elementary Program Specialists (-2.0 FTE)	43,192
Two Special Service Teachers (2.0 FTE) converted from two Special Education Program Specialists (-2.0 FTE)	37,648
Special Service Teacher Preschool (2.0 FTE) converted from Preschool Program Specialist (-1.0 FTE) and Preschool Behavior Strategist (-1.0 FTE)	30,719
Mt. Iliamna Special Education Program Specialist (-1.0 FTE) converted to one Intervention Coach (1.0 FTE)	30,674
Five Special Ed. Program Specialists (-5.0 FTE) converted to Special Service Teacher (1.0 FTE), two Intervention Coaches (2.0 FTE), one Counselor (1.0 FTE) and one 7-hour Teacher Assistant (.875 FTE) at Whaley School	16,870
Mt. Iliamna Counselor (-1.0 FTE) converted to Special Education Clinical Intervention Coordinator (1.0 FTE)	14,147
Deaf program TA (1.125 FTE) converted to Special Service Teacher (.6 FTE)	6,274
Total Special Education Increases:	656,757
Extra Help Classified converted to one Psychologist (1.0 FTE) and 3 additional Teacher Assistant hours (.375 FTE)	(119,374)
Total Special Education Decreases:	(119,374)
Total Special Education Changes:	537,383

Gifted Education

Textbooks, teaching supplies and equipment	45,530
Total Gifted Program Changes:	45,530

English Language Learner

Four and four-tenths Language and Cultural Liaison (4.4 FTE) transferred from grants	287,482
Total English Language Learner Program Changes:	287,482

Middle Schools

Career Guide Teachers from ARRA (10.0 FTE)	929,680
Language Acquisition Support Teachers (2.0 FTE)	185,936
Career and College Readiness Supervisor (1.0 FTE)	90,574
Supply & equipment allocation for increased enrollment	14,943
Total Middle School Increases:	1,221,133
Middle Level Teaching positions transferred to the Education Jobs Bill (-16.0 FTE)	(1,487,488)
Interscholastics	(256,800)
Summer school reduction	(200,097)
Eliminated Four 7-hour Library Media Assistants at Central, Gruening, Mirror Lake and Wendler (-3.5 FTE)	(191,250)
In-School-Suspension (ISS) Teachers (-2.0 FTE)	(185,936)
One Assistant Principal (-1.0 FTE)	(124,855)
Eliminated one Counselor position (-1.0 FTE)	(92,968)
Eliminated Social Work Coordinator (-1.0 FTE)	(84,518)
Building initiatives, math training and writing program, curriculum development support	(40,000)
Department Chairperson	(16,523)
Database, software, web-based resources & support, internet safety & responsibility implementation	(10,000)
Total Middle School Decreases:	(2,690,435)
Total Middle School Changes:	(1,469,302)

High Schools

Remediation, HSGQ intensive initiative and on line teachers	258,581
Ice rental for boys' hockey, ski trail maintenance	58,000
Activity trips and pool rental	57,530
Total High School Increases:	<u>374,111</u>

High School Teaching positions transferred to the Education Jobs Bill (-24.0 FTE)	(2,237,184)
High School Teachers for reduced enrollment (-14.5 FTE)	(1,351,632)
Eliminated Graduation Support Coordinators (-7.0 FTE)	(624,565)
Eliminated one Secretary position at each comprehensive high school (-8.0 FTE)	(473,330)
Eliminated one 7-hour Library Media Assistant position at each comprehensive high school (-6.125 FTE)	(328,299)
Summer school enrichment courses	(500,000)
One Principal at the High School level (-1.0 FTE)	(142,087)
Eliminated Elitnaurvik Within East (EWE) Supervisor at East High (-1.0 FTE)	(93,904)
Eliminated High School Executive Secretary (-1.0 FTE)	(87,384)
Eliminated NEP Supervisor at South High (-1.0 FTE)	(86,279)
Remediation Course Software Licenses	(50,000)
Supply & equipment allocation for decreased enrollment	(43,470)
Total High School Decreases:	<u>(6,018,134)</u>
Total High School Changes:	<u>(5,644,023)</u>

Instructional Support

Eliminated Educational Technology Supervisor (-1.0 FTE)	(123,630)
Eliminated Safe & Drug Free Schools Supervisor (-.875 FTE)	(104,502)
Eliminated Education Technology Teacher (-1.0 FTE)	(90,774)
Eliminated Districtwide Music Teacher (-.8 FTE)	(75,937)
Eliminated Safe & Drug Free Schools Grant Technician (-1.0 FTE)	(68,438)
Reduction - Added Duty Certificated - Curriculum Department	(46,201)
Contracted Services - Assessment & Evaluation	(38,000)
Reduce addenda for staff development - Training & Professional Development	(30,558)
Eliminated Administrative Assistant shared with grant fund - Training & Professional Development (-.25 FTE)	(14,984)
Total Instructional Support Decreases:	<u>(593,024)</u>
Total Instructional Support Changes:	<u>(593,024)</u>

Informational Technology

Tech Support I from ARRA - (16.0 FTE)	1,150,353
Software licenses, maintenance, other contracted services, subscriptions, supplies and equipment	585,634
Elementary K-12 Education Technology Teachers from ARRA - (3.0 FTE)	302,549
Tech Support II from ARRA - (2.5 FTE)	217,809
Supervisor Technology Support from ARRA - (1.0 FTE)	139,391
Network Analyst from ARRA - (1.0 FTE)	122,272
Systems Analyst from ARRA - (1.0 FTE)	114,960
Programmer from ARRA - (1.0 FTE)	93,450
Records Technician converted from one-half A/V Technician in Audio-Visual Services (.5 FTE)	30,568
Systems Administrator I converted from Computer Systems Operations Specialist	23,091
Total Informational Technology Increases:	<u>2,780,077</u>
Computer refresh	(2,865,004)
Student Information System (Zangle) implementation - Added duty, added days, extra help	(528,667)
Eliminated Student Information Systems Manager (-1.0 FTE)	(140,198)
Eliminated Project Manager (-1.0 FTE)	(103,580)
Total Informational Technology Decreases:	<u>(3,637,449)</u>
Total Informational Technology Changes:	<u>(857,372)</u>

Administration/Support Services/Rentals, Community Resources

Special Ed Due Process Reimbursement	361,200
Pilot program for outsourcing of snow removal	225,000
One-half Administrative Assistant (.5 FTE), one-half Regulatory Manager (.5 FTE), one-half Regulatory Compliance Specialist (.5 FTE) transferred to Maintenance Department from Capital Projects Fund	150,607
Director Federal Compliance (1.0 FTE - from ARRA)	120,205
Energy Conservation Manager (1.0 FTE)	95,896
Sustainable Schools initiative & energy conservation consulting services	35,000
GPS activation for ASD maintenance vehicles	35,000
Internship workers for energy conservation, supplies	21,900
Homeless Project transportation	26,600
Recruitment incentive for hard to fill World Language Immersion Teachers	19,508
Increase Human Resources Administrative Assistant from 6 hours to 8 hours (.25 FTE)	18,099
Total Administration/Support Services/Rentals, Community Resources Increases:	1,109,015
Legal fees	(280,000)
Eliminated Three M-6 Maintenance positions (3.0 FTE), maintenance extra help increased - Maintenance Dept.	(243,860)
Reserve for emergency needs, self insured supplies, equipment	(175,500)
Eliminated One Microcomputer Specialist (1.0 FTE) and one-half time Server Administrator (.5 FTE) - Maintenance Dept.	(135,413)
Transfer - Field Trips/Activity Trips	(100,000)
Eliminated Custodial Supervisor (-1.0 FTE)	(83,266)
Eliminated Customer Service Receptionist/Switchboard (-1.0 FTE)	(70,028)
Eliminated Human Resources Administrative Assistant (1.0 FTE)	(63,122)
Fuel	(48,132)
Eliminated Community Resources Secretary (-1.0 FTE)	(47,488)
Eliminated Accountant position (-1.0 FTE) and transferred Accountant from Capital Projects Fund (.5 FTE)	(42,111)
Eliminated Admin. Asst. position (-1.0 FTE) and transferred Admin. Asst. from Capital Projects Fund (.5 FTE)	(37,760)
Contracted ASD services provided for Charter Schools	(31,653)
Eliminated Purchasing Agent (-1.0 FTE) and transferred Admin. Asst. from Capital Projects Fund (1.0 FTE)	(23,465)
Transport of electronic surplus to a certified electronic recycler	(17,400)
Extra help - CFO, Assistant Superintendent - Instruction, Publication Services	(15,093)
Convert H/R Information Specialist to IFAS Support Specialist	(14,977)
Total Administration/Support Services/Rentals, Community Resources Decreases:	(1,429,268)
Total Administration/Support Services/Rentals, Community Resources Changes:	(320,253)
Total Major Budgeted Expenditure Increases:	40,889,306
Total Major Budgeted Expenditure Decreases:	(22,799,359)
Net Change:	18,089,947
Minor Adjustments and Rounding:	45,869
<u>FY 2011-2012 PROPOSED EXPENDITURE BUDGET</u>	\$ 635,145,816