Submitted by: Chairman of the Assembly at the request of the School Board
Prepared by: Anchorage School District
For Reading: March 2, 2010

ANCHORAGE, ALASKA
AO NO. 2010-19

AN ORDINANCE DETERMINING AND APPROVING THE TOTAL AMOUNT OF THE ANNUAL OPERATING BUDGET OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS FISCAL YEAR 2010-2011 AND DETERMINING AND APPROPRIATING THE PORTION OF THE ASSEMBLY APPROVED BUDGET AMOUNT TO BE MADE AVAILABLE FROM LOCAL SOURCES

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. That the FY 2010-2011 Proposed Anchorage School District Financial Plan in the amount of $789,443,892 has been approved by the Anchorage Assembly and that, of said amount, the amount of $234,759,972 is the amount of money to be contributed from local property taxes or other local sources and is hereby appropriated for school purposes to fund the School District for its 2010-2011 fiscal year.

Section 2. That this ordinance is effective upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly, this _____ day of _____ 2010.

_____
Chair of the Assembly

ATTEST

_____
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM 73-2010

Meeting Date: March 2, 2010

FROM: ANCHORAGE SCHOOL DISTRICT

SUBJECT: AO 2010-19 ANCHORAGE SCHOOL DISTRICT
FY 2010-2011 FINANCIAL PLAN

PROPOSED FINANCIAL PLAN

The Anchorage School Board has approved the Proposed Financial Plan for FY 2010-2011 in the amount of $789,443,892. This includes individual fund budgets currently projected as follows:

	Proposed FY 2010-2011 Financial Plan
General Fund	$ 617,010,000
Food Service Fund	17,809,900
Debt Service Fund	87,423,992
Local/State/Federal Grants Fund	67,200,000
Total – All Funds	$ 789,443,892

It is requested that the Anchorage Assembly approve local property taxes in the amount of $234,759,972 and the upper limit spending authorization of $789,443,892 for FY 2010-2011.

THE BUDGETING PHILOSOPHY

The budget provides a financial 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 2010-2011 budget projections reflect the district's on-going efforts to achieve this balance, maximize performance and contain costs. The budget development process is mindful of the district's Six-Year Instructional Plan with the responsibility of designating financial and human resources within projected revenues.

Over the last couple of months the administration presented the FY 2010-2011 Preliminary Financial Plan to the School Board and the public at First and Second Readings of the district's FY 2010-2011 Financial Plan. At the end of the Second Reading on February 4, 2010, the School Board approved the Proposed FY 2010-2011 Financial Plan of $789,443,892 by unanimous vote. Attached Exhibit 1 is a copy of ASD Memorandum #192 (2009-2010) that outlines the budgeting process for all funds taken by the School Board and administration for FY 2010-2011 as of February 4, 2010.

GENERAL FUND

Last June the school district sought early discussions with the Anchorage Assembly to provide an indication of what the district could expect from the Municipal Assembly property tax contribution to the ASD General Fund. On Tuesday October 27, 2009, AR NO. 2009-250(S), *a resolution of the Anchorage Assembly regarding the annual operating budget of the Anchorage School District for its fiscal year 2010-2011* was submitted. After a discussion which included clarifying amendments, AR NO. 2009-250(S) as amended was approved; the Anchorage Assembly anticipated approving up to $191,994,683 in property tax revenue and up to $4,799,867 in additional property tax revenue for additional General Fund spending for functions currently operated or funded by the Municipality. After discussions with the municipal staff, $1,214,575 (half the cost) for the School Resource Officers and $6,600 for the eliminated discounted fare bus passes for students for a total of $1,221,175 was included in the ASD FY 2010-2011 Financial Plan.

With direction from the School Board, the administration developed the General Fund budget using the Joint Legislative Education Funding Task Force recommendation to the Alaska Public School Funding formula. The School Board also approved using a portion of the undesignated fund balance as a funding source while still maintaining an undesignated funds balance of approximately 3.5 percent of the FY 2010-2011 projected budget. In addition, the district will designate the amount to uphold the agreement with the municipality to maintain a fund balance in the General Fund at year end in an amount equal to or greater than 8.25 percent of the total revenues from local tax appropriation to enhance the bond rating for Municipality of Anchorage.

Exhibit 1 details all revenue and expenditure categories and the assumptions taken in preparing the FY 2010-2011 Financial Plan as of February 4, 2010. Exhibit 1 and the attachments primarily focus on the General Fund as this is the main fund supporting the educational needs of our students.

Attachments to Exhibit 1 include:

- Revenue and Expenditure schedules at the time of School Board approval (Attachment A)

- School Board Approved Revisions on January 28, 2010 (Attachment B)

- Summary of Major Budgeted Revenue Increases and Decreases
  Summary of Major Budgeted Expenditure Increases and Decreases
  (Attachment C)

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 and is self-supporting. These projections do not include any increases in meal prices and it is projected that no local tax support will be required for the Food Service Fund in FY 2010-2011.

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. Some of the District's bonds receive State debt reimbursement which varies depending on the year the bond proposition was approved.

Local/State/Federal Grants Fund—Expenditures in the Local/State/Federal Grants Fund are offset by matching revenues. Revenues available through grants for these projects include competitively awarded grant funds, most of which are subject to annual federal and State appropriations. Ongoing monitoring between March and June 2010 of these grants including any future funding from the American Recovery and Reinvestment Act (ARRA), will help determine if adjustments should be made.

FISCAL YEAR BUDGET COMPARISON

The following schedule compares by fund the FY 2010-2011 projected revenue/expenditure budgets with those currently approved for FY 2009-2010. At this time, unknowns still remain such as, mandated services, and the effects of ARRA that will require further action by the School Board and Anchorage Assembly.

REVENUE/EXPENDITURE BUDGETS

Fund	Revised Budget FY 2009-2010	Proposed Budget FY 2010-2011	% Over /(Under) Prior Year
General	$598,467,232	$617,010,000	3.10%
Food Service	16,828,000	17,809,900	5.83%
Debt Service	85,907,658	87,423,992	1.77%
Local/State/Federal Grants	62,200,000	67,200,000	8.04%
Stimulus Funds	67,437,190	-0-	(100.0)%
All Funds	$830,840,080	$789,443,892	(4.98)%

TAXES

	Revised FY 2009-2010	Proposed Budget FY 2010-2011	Increase
General Fund	$191,913,748	$191,994,683	$ 80,935(a)
Allowable for shared services		1,221,175	1,221,175
Debt Service	41,033,834	41,544,114	510,280
All Funds	$232,947,582	$234,759,972	$1 ,812,390

(a) Includes an additional $80,935 of taxes per AR NO.2009-250(S) as amended.

STUDENT ENROLLMENT PROJECTIONS

	FY 2009-2010 Actuals Sept. 30, 2009	FY 2010-2011 Projected Sept. 30, 2010	Change Over Prior Year's Actual
Enrollment	49,243	49,596	353
Full Time Equivalent (FTE)	49,049	49,338	289

SUMMARY

The FY 2010-2011 Proposed Financial Plan is consistent with the Anchorage School Board's continuing commitment to providing the best possible educational program for all students using available resources. **The Anchorage School District requests the full support of the Anchorage Assembly for this budget.** Our community's students deserve an excellent education which can only be achieved by consistently meeting their needs and setting high standards. The district's programs require continued improvement and our workforce

needs the stability of attracting and retaining the best quality employees we can recruit. The district understands student success is the community's highest priority, and has incorporated citizen and agency concerns in this budget by directing funds to those programs that directly and effectively enhance student achievement. We are grateful for the community and staff support that contributed to the development of this budget and look forward to approval by the Anchorage Assembly.

Respectfully submitted,

Carol Comeau

Carol Comeau
Superintendent

Attachments
CC/JS/MSL