

Submitted by: Chairman of the Assembly  
at the request of the  
School Board  
Prepared by: Anchorage School District  
For Reading: March 13, 2012

ANCHORAGE, ALASKA  
AO NO. 2012-25

AN ORDINANCE DETERMINING AND APPROVING THE TOTAL AMOUNT  
OF THE ANNUAL OPERATING BUDGET OF THE ANCHORAGE SCHOOL  
DISTRICT FOR ITS FISCAL YEAR 2012-2013 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 2012-2013 Proposed Anchorage School District  
Financial Plan in the amount of \$726,842,354 has been approved by the Anchorage  
Assembly and that, of said amount, the amount of \$239,963,319 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  
2012-2013 fiscal year.

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

PASSED AND APPROVED by the Anchorage Assembly, this \_\_\_\_\_ day of  
\_\_\_\_\_ 2012.

\_\_\_\_\_  
Chair of the Assembly

ATTEST

\_\_\_\_\_  
Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM 122-2012

Meeting Date: March 13, 2012

FROM: ANCHORAGE SCHOOL DISTRICT

SUBJECT: AO 2012-25 ANCHORAGE SCHOOL DISTRICT  
FY 2012-2013 FINANCIAL PLAN

PROPOSED FINANCIAL PLAN

The Anchorage School Board has approved the Proposed Financial Plan for FY 2012-2013 in the amount of \$726,842,354. The total recommended budget by individual fund projected is as follows:

Fund	FY 2012-2013 Financial Plan	Percent of Funding			
		Local		State	Federal
		Taxes	Other		
General	\$ 569,140,060	35	2	58	5
Food Service	18,116,350		27		73
Debt Service	86,085,944	47		53	
Grants	<u>53,500,000</u>		4	2	94
Total – All Funds	<u>\$ 726,842,354</u>				
Percent of Revenue Sources to Total		33	3	52	12

It is requested that the Anchorage Assembly approve local property taxes in the amount of \$239,963,319 and the upper limit spending authorization of \$726,842,354 for FY 2012-2013.

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 2012-2013 budget projections reflect the district’s on-going efforts to achieve this balance and maximize performance and contain costs.

1 During the early stages of the FY 2012-2013 budget preparation, the school  
2 district sought discussions with the Anchorage Assembly to provide an  
3 indication of what the district could expect from the Assembly property tax  
4 contribution to the ASD. On Tuesday October 25, 2011, AR NO. 2011-296, a  
5 resolution of the Anchorage Assembly regarding the annual operating budget  
6 of the Anchorage School District for its fiscal year 2012-2013 was submitted.  
7 After a discussion by the Assembly which included clarifying amendments,  
8 AR NO. 2011-296, as amended, was approved; the Assembly anticipated  
9 approving up to \$239,963,319 in property tax revenue, an increase of one  
10 percent or \$2,375,874 for all funds in property tax revenue.

11  
12 With direction and approval from the School Board, the administration  
13 developed the General Fund budget using a portion of the undesignated fund  
14 balance as a funding source while still maintaining an unallocated fund balance  
15 at the level recommended by industry standards. Separate from the unallocated  
16 fund balance, the district continues to restrict fund balance in accordance to the  
17 agreement with the municipality to maintain a strong bond rating and maintain  
18 all other obligations.

19  
20 Over the last couple of months the administration presented the FY 2012-2013  
21 Preliminary Financial Plan to the School Board and the public at First and  
22 Second Readings of the district's FY 2012-2013 Financial Plan. At the end of the  
23 Second Reading on February 9, 2012, the School Board approved the Proposed  
24 FY 2012-2013 Financial Plan of \$726,842,354 by unanimous vote.

25  
26 Attached is Exhibit I, ASD Memorandum #181 (2011-2012) FY 2012-2013  
27 Proposed Financial Plan approved by the School Board as of February 9, 2012.  
28 The memorandum details all revenue and expenditure categories and the  
29 assumptions taken in preparing the FY 2012-2013 Financial Plan. Exhibit I and  
30 the attachments primarily focus on the General Fund as this is the main fund  
31 supporting the educational needs of our students.

32  
33 Attachments to Exhibit I include:

- 34  
35
- 36 • Revenue and Expenditure schedules at the time of School Board approval  
37 (Attachment A)
  - 38 • School Board Approved Revisions on February 9, 2012 (Attachment B)
  - 39 • Summary of Major Budgeted Revenue Increases and Decreases  
40 • Summary of Major Budgeted Expenditure Increases and Decreases  
(Attachment C)

1 **FISCAL POLICIES**

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3 The Anchorage School Board’s first strategic initiative is to develop a district  
4 long-range fiscal plan. This long-range fiscal plan will identify future financial  
5 risks, probability of those risks and mitigation measures to reduce the risk. The  
6 processes of creating a long-range plan, regardless of revenue, are the following:

- 7  
8 *1. Identify the key fiscal policies and best practices*  
9 *2. Determine the salient cost drivers to the budget*  
10 *3. For each cost driver, determine the range and probability of future costs*  
11 *4. In order of probability and impact, determine the methods to mitigate risk*  
12

13 Exhibit II, *Creating A High Performing District Through Execution of Sound Fiscal*  
14 *Policy and Best Practices*, outlines the district’s key fiscal policies and best  
15 practices. These fiscal policies reflect the building blocks of the financial health of  
16 ASD. Together ASD’s fiscal policies and best practices ensure sound financial  
17 management, public transparency and accountability and long-range vision of  
18 stewardship. ASD’s fiscal policies and best practices are also the foundational  
19 elements in which the district builds its budget assumptions and annual budget.  
20 Exhibit II outlines ASD’s key fiscal policies and best practices.  
21

22 **FISCAL YEAR BUDGET COMPARISON**

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24 The following schedule compares by fund the FY 2012-2013 projected  
25 revenue/expenditure budgets with those currently approved for FY 2011-2012.  
26

27 **REVENUE/EXPENDITURE BUDGETS**

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29

<u>Fund</u>	<u>Revised Budget FY 2011-2012</u>	<u>Proposed Budget FY 2012-2013</u>	<u>Over /(Under) Amount</u>	<u>Percent</u>
General	\$567,544,376	\$569,140,060	\$ 1,595,684	0.28%
Food Service	18,585,350	18,116,350	(469,000)	(2.52%)
Debt Service	87,664,752	86,085,944	(1,578,808)	(1.80%)
Local/State/Federal Grants	51,631,993	53,500,000	1,868,007	3.62%
Education Jobs Bill	<u>7,639,562</u>	<u>-0-</u>	<u>(7,639,562)</u>	(100%)
All Funds	<u>\$733,066,033</u>	<u>\$726,842,354</u>	<u>\$(6,223,679)</u>	(0.85%)

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40 **TAXES**

Total	<u>Revised FY 2011-2012</u>	<u>Proposed Budget FY 2012-2013</u>	<u>Increase</u>	<u>Percent</u>
Total	<u>\$237,587,445</u>	<u>\$239,963,319</u>	<u>\$2,375,874</u>	1.00%

1 STUDENT ENROLLMENT PROJECTIONS

2

	FY 2011-2012	FY 2012-2013	Change
	Actuals	Projected	Over Prior
	<u>Sept. 30, 2011</u>	<u>Sept. 30, 2012</u>	<u>Year's Actual</u>
7 Enrollment	48,828	48,698	(130)
8 Full Time Equivalent (FTE)	48,566	48,445	(121)

9

10 SUMMARY

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12 The FY 2012-2013 Proposed Financial Plan is consistent with the Anchorage  
13 School Board's continuing commitment to providing the best possible  
14 educational program for all students using available resources. **The Anchorage**  
15 **School District requests the full support of the Anchorage Assembly for this**  
16 **budget.** Our community's students deserve an excellent education which can  
17 only be achieved by consistently meeting their needs and setting high standards.  
18 The district's programs require continued improvement and our workforce  
19 needs the stability of attracting and retaining the best quality employees we can  
20 recruit. The district understands student success is the community's highest  
21 priority, and has incorporated citizen and agency concerns in this budget by  
22 directing funds to those programs that directly and effectively enhance student  
23 achievement. We are grateful for the community and staff support that  
24 contributed to the development of this budget and look forward to approval by  
25 the Anchorage Assembly.

26

27 Respectfully submitted,

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30  
31 Carol Comeau  
32 Superintendent

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34  
35 Attachments  
36 CC/CS/MSL

ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA

ASD MEMORANDUM #181 (2011-2012)

February 9, 2012

TO: SCHOOL BOARD  
FROM: OFFICE OF THE SUPERINTENDENT  
SUBJECT: FY 2012-2013 PROPOSED FINANCIAL PLAN  
(SECOND READING)

ASD Core Value: *The district will be open, transparent and accountable to the public*

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to prepare the Anchorage School District's FY 2012-2013 Proposed Financial Plan as set forth in the projected revenue and expenditure schedules accompanying this memorandum. The total recommended budget by individual fund projected is as follows:

<u>Fund</u>	FY 2012-2013 <u>Financial Plan</u>	<u>Percent of Funding</u>			
		<u>Local</u>			
		<u>Taxes</u>	<u>Other</u>	<u>State</u>	<u>Federal</u>
General	\$ 569,140,060	35	2	58	5
Food Service	18,116,350		27		73
Debt Service	86,085,944	47		53	
Grants	<u>53,500,000</u>		4	2	94
Total – All Funds	<u>\$ 726,842,354</u>				
Percent of Revenue Sources to Total		33	3	52	12

The total of local tax contribution to be requested is \$239,963,319.

PERTINENT FACTS:

**First Reading of FY 2012-2013 Proposed Financial Plan (2/1/2012)**

The School Board considered the FY 2012-2013 Proposed Financial Plan at a special meeting on February 1, 2012. After a considerable amount of public testimony pertaining to budget reductions and the ongoing discussion pertaining to economic uncertainties still facing the district, the School Board decided to wait until the second reading before making any adjustments. Therefore, the total revenues and expenditures remain unchanged in the General, Food Service, Debt Service and Grant Funds. The Financial Plan for FY 2012-2013 at this time totals \$726,842,354.

Currently legislative bills are being introduced and heard with the Alaska Legislature that if passed and approved by the Governor, would have an impact on the District's proposed financial plan for FY 2012-2013. As updated information becomes available, the administration will re-address the FY 2012-2013 Financial Plan this spring as necessary.

**OVERVIEW**

The total budget for all funds is reduced \$6.2 million from last year. Inclusive in that reduction are program cuts and eliminations in the General Fund in order to balance expenditures to anticipated revenues. The Grants Fund adjusts services regularly based on available funds. All other funds balance without program cuts.

Anticipated inflation and contractual obligations increase the cost of maintaining services currently provided each year. The FY 2012-2013 budget is no exception. With only modest revenues increases expected, service cuts are required in the General Fund to balance expenditures to revenues. Efficiencies are sought regularly through the District and many have been identified this year in order to minimize budget cuts to instructional programs.

Reductions, program eliminations and efficiencies identified in the General Fund amount to \$22.5 million. The fund has also been reduced \$1.8 million anticipating a drop in enrollment for next year. Therefore, total service reductions amount to \$24.3 million. These adjustments are listed in this memo on Attachment B.

This memo only summarizes but does not re-address the pro forma revenue/expenditure assumptions unless there has been a significant change, either in dollar amount or activity. The changes addressed in this memorandum occurred subsequent to the October 24, 2011 Pro Forma memorandum which provides the detailed information and can be found on the District Budget website as well as linked from the October 24 School Board meeting agenda.

## SUMMARY OF PRIOR ASSUMPTIONS

The major assumptions in preparing the FY 2012-2013 budget are based on, but not limited to, the following criteria:

- Balanced budget for presentation to the Anchorage Assembly—expenditures equal revenues
- Local property taxes—AR NO. 2011-296 approved appropriation of 1 percent increase in local property taxes
- Alaska Public School Funding Program—no change in the base student allocation of \$5,680; 20 percent special needs funding factor; 13 times intensive needs, and 1 percent CTE funding
- Quality Schools Grant— \$16 per pupil
- Use of fund balance as a revenue source—use \$7 million of unassigned fund balance to reduce the fiscal gap
- Potential adoption or expansion of programs must be funded within existing resources

There are still uncertainties that face the district pertaining to the FY 2012-2013 Financial Plan.

- School Board goals and projects, and other areas of interest
- Legislative action
- Anchorage Assembly action on ASD financial plan
- General Fund contract negotiations for bus drivers and attendants, and exempt employees
- Rate increase/decrease notifications from outside agencies and oil prices
- Federal Impact Aid subject to annual appropriation

## SIGNIFICANT CHANGES

### **State Retirement System Liability Funds:**

**Effective with this budget, the district will change the policy regarding State Retirement System Liability Funds and no longer include those funds as a budgeted item.** This is different from the upper limit request in November to include a fifth fund; there will be no fifth fund and no retirement system liability funds within the approval of the upper limit. Prior year budgets within the FY 2012-2013 budget documents have also been adjusted to exclude these funds for an accurate comparison.

The purpose for this change in fiscal policy is for the same reasons the Municipality identified a few years ago when it began excluding the funds from Municipal budget documents. The liability funding payments are not cash transactions, have no impact or

cost to local taxpayers and are appropriations of the State, not the District or Municipality. Additionally, these funds vary wildly on a year to year basis which makes effective budgeting difficult.

Since the District and Municipality have historically handled these funds differently, this change should reduce confusion. The District budget will not be inflated with the state's contribution to the retirement system liability, instead it will better reflect the true day to day operating costs of the district.

The Administration recognizes and remains grateful for the State's commitment to fund the retirement system liability. Similarly to the Municipality, this non-budgeted item will be appropriately recorded in all financial statements of the District.

## **UPDATE BY FUND**

**Food Service**—The Food Service Fund remained the same at \$18,116,350 as projected in the pro forma scenario.

**Debt Service**—After further review, the state reimbursement amount was adjusted changing the total from \$86,157,856 to \$86,085,944. This resulted from a lower anticipated bond sale from \$12.0 million to \$11.1 million using authorized unissued bonds; the projections do not include debt service on any possible future bond propositions that may be approved by the voters in future years.

**Grants**— The Grants Fund remained the same at \$53,500,000 as projected in the pro forma scenario.

**General Fund** – The General Fund has significant adjustments since the October 24, 2011 Pro Forma memorandum. They are described below:

### **Revenue:**

**Alaska Public School Funding Program**— This funding program has a net decrease of \$16,643. The net change results from additional property tax revenue, elimination of summer school revenues, fewer students projected for the transfer of the Spring Creek Correctional facility, and an increased enrollment projection for Frontier Charter School.

**Local property taxes**—The local property tax revenue for FY 2012-2013 assumes the Anchorage Assembly's October 25, 2011 approval of AR NO. 2011-296 that increases the District's share of property taxes by 1 percent for a total of \$239,963,319. Of this approved property tax funding, \$199,901,539 is designated for the General Fund and \$40,061,780 is designated for the Debt Service Fund.

**Summer school fees**— Due to the recommendation to eliminate the expenditures for summer school at all levels, \$286,000 of summer school revenue was eliminated.

**E-rate**—Due to further review of eligible e-rate expenditures, the e-rate revenue was increased by \$50,000.

**Fund balance**— Use of \$7 million in fund balance as a revenue source in the budget remains consistent. However an anticipated increase in restricted fund balance for the municipal bond rating will adjust the previous remaining percentages of unallocated fund balance from 3.7 percent to closer to 3 percent. This reallocation would not reduce the overall amount and therefore the administration believes the use of \$7 million of fund balance in this budget remains appropriate.

**Expenditures:**

The following expenditure budgetary adjustments have been made after months of staff discussions on the Value-Based Budget process, research and analysis, and then compiling the data. The change in the General Fund budget includes approximately \$26.1 million of increases and \$24.3 million in reductions, resulting in a net increase of \$1.8 million.

**Budgetary expenditure increases:**

Contractual increases	\$15.1 million
Education Jobs Bill positions	7.6 million
Response to Instruction	1.2 million
Equipment Replacement Fund	1.0 million
Additional services	1.2 million

The following positions have been added:

In the Classroom

- Education Jobs Bill (82 FTE)
- Special service teacher for the ACE program (1 FTE)

Direct Classroom Support

- Stem Coordinator (1 FTE)

**Budgetary expenditure decreases:**

In order to provide a balanced budget, approximately \$24.3 million in service cuts have been proposed in this budget.

\*See Attachment B

Program eliminations include:

Summer school – elementary, middle and high school	(\$2.8 million)
Graduation coaches	(.6 million)*
Career guides	(1 million)
Middle level ISS teachers	(.6 million)*

Student Support Program Supervisors	(.2 million)
Romig master plan facilitator	(.1 million)

Programs reduced through ratio or service level adjustment include:

Elementary counselors	(.6 million)
Elementary librarians and assistants	(.4 million)*
Special Education/Related Services	(2.8 million)*
ELL services	(.3 million)
Gifted Education services	(.3 million)*
Curriculum & Instructional Support	(.8 million)
Maintenance positions and project funds	(.8 million)*
Purchasing/Warehouse positions	(.4 million)
Custodial positions	(.1 million)

Other significant budget adjustments include:

Projected enrollment decrease	(\$1.8 million)
Increase attrition factor based on recent year actual costs	(1.2 million)
One-time cut of bandwidth costs	(.2 million)
One-time cut of utilities based on recent year actual and projected costs	(.4 million)
One-time cut of IT equipment refresh	(2.3 million)
Class-size adjustment – 48.5 FTE (grades 3-12)	(4.6 million)*

\*See Attachment B

A comprehensive list of all the reductions are listed on Attachment B. All together, the budget includes a net reduction of approximately 87 full-time equivalent positions.

**Class size increase detail:**

A discussion regarding the avoidance of increased class size occurred during the October 24<sup>th</sup> pro forma deliberation where the Administration and School Board all concurred that class size is important to maintain. Unfortunately with the significant program cuts above, a reduction was still required. To meet the required dollar reduction, increasing class size was determined necessary. The following chart indicates the adjustment made for FY 2012-2013.

Grade	Current PTR	Change
Kindergarten (FTE)	20.50 to 1	
Grade 1	21.00 to 1	
Grade 2	24.25 to 1	
Grade 3	24.25 to 1	24.75 to 1
Grades 4-6	27.25 to 1	28.25 to 1
Grades 7-8	26.25 to 1	27.25 to 1
Grades 9-12	27.91 to 1	29.41 to 1
Special Education	Staffing is based upon demonstrated need however several positions were reduced for FY 2012-2013	

## WHAT IF ASD RECEIVES ADDITIONAL FUNDING

The above recommended positions and program eliminations were difficult decisions to make; these are important programs and positions. If available funding increases are approved by the State Legislature and Governor, the Administration would recommend adding back the following programs. These are in no particular order.

- Class size grades 3 - 12
- Elementary counselors and librarians
- Middle level ISS teachers
- High school summer school
- Certificated staff that provide direct services to students with disabilities
- Maintenance staff

## FISCAL YEAR BUDGET COMPARISON

The following schedule compares by fund the FY 2012-2013 projected revenues/expenditures with those currently approved for FY 2011-2012.

### REVENUE/EXPENDITURE BUDGETS

	Revised Budget FY 2011-2012	Proposed Budget FY 2012-2013	% Over /Under Prior Year
General Fund	\$ 567,544,376	\$ 569,140,060	.28%
Food Service	18,585,350	18,116,350	(2.52)%
Debt Service	87,664,752	86,085,944	(1.80)%
Grants	51,631,993	53,500,000	3.62%
Education Jobs Bill	7,639,562		(100)%
All Funds	\$ <u>733,066,033</u>	\$ <u>726,842,354</u>	(0.85)%

### TAXES

	Revised FY 2011-2012	Proposed FY 2012-2013	Increase
General	\$196,307,312	\$199,901,539	\$3,594,227
Debt Service	<u>41,280,133</u>	<u>40,061,780</u>	<u>(1,218,353)</u>
All Funds	<u>\$237,587,445</u>	<u>\$239,963,319</u>	<u>\$2,375,874</u>

Attachments  
CC/CS/MSL

Prepared by: Marie S. Laule, Budget Director

Approved by: Chad Stiteler, Chief Financial Officer



Anchorage School District  
Fiscal Year 2012-2013

PROJECTED REVENUES AND EXPENDITURES SUMMARY

Fund	Revenues and Fund Balance				2012-2013 Revenue/Source Projections	2012-2013 Expenditure Projections
	Taxes	Local Other	State	Federal		
General	\$ 199,901,539	\$ 14,019,000	\$ 328,369,521	\$ 26,850,000	\$ 569,140,060	\$ 569,140,060
Food Service		4,873,569		13,242,781	18,116,350	18,116,350
Debt Service	40,061,780		45,746,752	277,412	86,085,944	86,085,944
Local, State and Federal Grants		2,045,157	1,305,445	50,149,398	53,500,000	53,500,000
<b>TOTAL</b>	<b>\$ 239,963,319</b>	<b>\$ 20,937,726</b>	<b>\$ 375,421,718</b>	<b>\$ 90,519,591</b>	<b>\$ 726,842,354</b>	<b>\$ 726,842,354</b>
Percentage of Revenue Sources to Total Revenue Projections	33.01%	2.88%	51.65%	12.46%	100.00%	

Computation of Total Taxes  
for Calendar Year 2012

		General Fund	Debt Service Fund
Amount required to fund second half of Adopted FY 2011-2012 Budget: January 1, 2012/June 30, 2012	\$ 237,587,445	\$ 98,153,656	\$ 20,640,067
Amount required to fund first half of Adopted FY 2012-2013 Budget: July 1, 2012/December 31, 2012	\$ 239,963,319	99,950,770	20,030,890
<b>TOTAL Taxes for Calendar Year 2012</b>		<b>\$ 198,104,426</b>	<b>\$ 40,670,957</b>
Total Taxes for Calendar Year 2012			
A) <u>Total Taxes 2012</u>	\$ 238,775,383 =7.50 mills	\$ 198,104,426	\$ 40,670,957
Assessed Valuation	\$ 31,623,793,667	\$ 31,623,793,667	\$ 31,623,793,667
		<u>6.20 mills</u>	<u>1.30 mills</u>

A) The 2012 preliminary mill rate is based on a assessed valuation provided by the Municipality of Anchorage Office of Management and Budget. (February 2012) The final assessment will not be available until April 2012.

Anchorage School District  
Fiscal Year 2012-2013

**PROJECTED REVENUES SUMMARY BY FUND  
FISCAL YEARS 2010-2011 TO 2012-2013**

<u>Fund</u>	FY 2010-2011 <u>Revised</u>	FY 2011-2012 <u>Projections</u>	FY 2012-2013 <u>Projections</u>	FY 2012-2013 Change over FY 2011-2012 Revised	
				<u>Amount</u>	<u>Percent</u>
General	\$ 551,041,350	\$ 567,544,376	\$ 569,140,060 (B)	\$ 1,595,684	0.28%
Food Service	17,470,951	18,585,350	18,116,350	(469,000)	(2.52%)
Debt Service	87,423,992	87,664,752	86,085,944	(1,578,808)	(1.80%)
Local/State/ Federal Grants	63,442,840	51,631,993	53,500,000	1,868,007	3.62%
Education Jobs Bill (A)		7,639,562		(7,639,562)	100.00%
<b>TOTAL</b>	<b>\$ 719,379,133 (C)</b>	<b>\$ 733,066,033 (C)</b>	<b>\$ 726,842,354 (C)</b>	<b>\$ (6,223,679)</b>	<b>(0.85%)</b>
<u>Taxes</u>					
General	\$ 193,215,858	\$ 196,307,312	\$ 199,901,539	\$ 3,594,227	1.83%
Debt Service	<u>41,544,114</u>	<u>41,280,133</u>	<u>40,061,780</u>	<u>(1,218,353)</u>	(2.95%)
<b>TOTAL</b>	<b>\$ 234,759,972</b>	<b>\$ 237,587,445</b>	<b>\$ 239,963,319</b>	<b>\$ 2,375,874</b>	<b>1.00%</b>

(A) One-time funds

(B) State funding for FY 2012-2013 provides for a base student allocation of \$5,680, a special education intensive factor of thirteen times, and a career technology factor of 1.01; same as current FY 2011-2012 funding.

(C) Supplemental State funding for the Teachers and Public Employee Retirement Systems is a non-budgeted item but will be recorded as an expenditure. For comparability purposes FY 2010-2011 and FY 2011-2012 have been restated to reflect this change.

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

	FY 2010-2011 <u>Audited Actual</u>	2010-2011 <u>Revised</u>	2011-2012 <u>Revised</u>	2012-2013 <u>Projections</u>	Inc/(Dec) over FY 2011-2012 <u>Revised Budget</u>
<b>General Fund</b>					
<b>Local Revenue/Fund Balance</b>					
Local Taxes	\$ 193,215,858	\$ 193,215,858	\$ 196,307,312	\$ 199,901,539	\$ 3,594,227
Interest	1,930,596	2,600,000	2,800,000	2,800,000	
Other Local	4,548,763	3,574,000	4,404,310	4,219,000	(185,310)
Fund Balance	<u>1,975,000</u>	<u>1,975,000</u>	<u>5,200,000</u>	<u>7,000,000</u>	<u>1,800,000</u>
	199,695,217	201,364,858	208,711,622	213,920,539	5,208,917
<b>State Revenue</b>					
Alaska Public School Funding Program	310,300,774	312,428,682	311,134,270	308,364,385	(2,769,885)
Pupil Transportation	19,611,320	20,059,326	20,390,000	19,596,652	(793,348)
Supplemental State Funding	<u>408,484</u>	<u>408,484</u>	<u>6,508,484</u>	<u>408,484</u>	<u>(6,100,000)</u>
	330,320,578	332,896,492	338,032,754	328,369,521	(9,663,233)
<b>Federal Revenue</b>					
Federal Impact Aid	23,985,834	15,000,000	20,000,000	26,000,000	6,000,000
Medicaid Reimbursement	220,490	1,000,000			
R.O.T.C.	<u>764,192</u>	<u>780,000</u>	<u>800,000</u>	<u>850,000</u>	<u>50,000</u>
	<u>24,970,516</u>	<u>16,780,000</u>	<u>20,800,000</u>	<u>26,850,000</u>	<u>6,050,000</u>
<b>Total General Fund</b>	<b>554,986,311</b>	<b>551,041,350</b>	<b>567,544,376</b>	<b>569,140,060</b>	<b>1,595,684</b>
<b>Food Service Fund</b>					
Sales	3,981,986	5,284,675	4,562,927	4,082,569	(480,358)
Fund Balance	240,241	600,000	600,000	400,000	(200,000)
Federal Reimbursement	<u>13,376,693</u>	<u>11,586,276</u>	<u>13,422,423</u>	<u>13,633,781</u>	<u>211,358</u>
<b>Total Food Service</b>	<b>17,598,920</b>	<b>17,470,951</b>	<b>18,585,350</b>	<b>18,116,350</b>	<b>(469,000)</b>
<b>Debt Service Fund</b>					
<b>Local Revenue/Fund Balance</b>					
Local Taxes	41,544,114	41,544,114	41,280,133	40,061,780	(1,218,353)
Fund Balance			1,000,000		(1,000,000)
Interest	<u>122</u>				
	41,544,236	41,544,114	42,280,133	40,061,780	(2,218,353)
<b>State Sources</b>					
Debt Service	<u>45,738,902</u>	<u>45,879,878</u>	<u>45,107,207</u>	<u>45,746,752</u>	<u>639,545</u>
	<u>45,738,902</u>	<u>45,879,878</u>	<u>45,107,207</u>	<u>45,746,752</u>	<u>639,545</u>
<b>Federal Sources</b>					
Build America Bonds	<u>287,430</u>		<u>277,412</u>	<u>277,412</u>	
	287,430		277,412	277,412	
<b>Total Debt Service</b>	<b>87,570,568</b>	<b>87,423,992</b>	<b>87,664,752</b>	<b>86,085,944</b>	<b>(1,578,808)</b>
<b>Local/State/Federal Grants</b>					
Local Grants	1,119,683	10,506,430	2,056,784	2,045,157	(11,627)
State Grants	1,978,876	2,581,908	1,307,043	1,305,445	(1,598)
Federal Grants	39,252,220	50,354,502	48,268,166	50,149,398	1,881,232
American Recovery & Reinvestment Act Education Jobs Bill	24,846,015		<u>7,639,562</u>		<u>(7,639,562)</u>
<b>Total Local/State/Federal Grants</b>	<b>67,196,794</b>	<b>63,442,840</b>	<b>59,271,555</b>	<b>53,500,000</b>	<b>(5,771,555)</b>
<b>Total Revenues</b>	<b>\$ <u>727,352,593</u></b>	<b>\$ <u>719,379,133</u></b>	<b>\$ <u>733,066,033</u></b>	<b>\$ <u>726,842,354</u></b>	<b>\$ <u>(6,223,679)</u></b>
<b>Total Expenditures</b>	<b>\$ <u>715,280,852</u></b>	<b>\$ <u>719,379,133</u></b>	<b>\$ <u>733,066,033</u></b>	<b>\$ <u>726,842,354</u></b>	<b>\$ <u>(6,223,679)</u></b>
<b>Total Taxes – Fiscal Year</b>	<b>\$ <u>234,759,972</u></b>	<b>\$ <u>234,759,972</u></b>	<b>\$ <u>237,587,445</u></b>	<b>\$ <u>239,963,319</u></b>	<b>\$ <u>2,375,874</u></b>

State funding for FY 2012-2013 provides for a base student allocation of \$5,680, a special education intensive factor of thirteen times, and a career technology factor of 1.01; same as FY 2011-2012 funding. Supplemental State funding for the Teachers and Public Employee Retirement Systems is a non-budgeted item but will be recorded as an expenditure. For comparability purposes FY 2010-2011 and FY 2011-2012 have been restated to reflect this change.

Anchorage School District  
Fiscal Year 2012-2013

FINANCIAL BUDGETS AND PROJECTIONS ON A BUDGETARY BASIS

AUDITED ACTUAL FY 2010-2011, REVISED FY 2010-2011 AND FY 2011-2012, PROJECTIONS FOR FY 2012-2013 THROUGH FY 2014-2015

	FY 2010-2011 Audited Actual	FY 2010-2011 Revised	FY 2011-2012 Revised (E)	FY 2012-2013 Projections (E)	FY 2013-2014 Projections (E)	FY 2014-2015 Projections (E)
<b>REVENUES</b>						
Local Taxes	\$ 193,215,858	\$ 193,215,858	\$ 196,307,312	\$ 199,901,539	\$ 199,901,539	\$ 199,901,539
Local	6,479,359	6,174,000	7,204,310	7,019,000	6,912,100	7,058,250
Fund Balance		1,975,000	5,200,000	7,000,000		
State	330,320,578	332,896,492	338,032,754 (A)	328,369,521 (A)	330,254,200	332,243,350
Federal	24,970,516	16,780,000	20,800,000	26,850,000	27,550,000	28,266,250
Total General Fund	554,986,311	551,041,350	567,544,376	569,140,060	564,617,839	567,469,389
Food Service Fund	17,598,920	17,470,951	18,585,350	18,116,350	19,272,000	20,500,000
Debt Service Fund	87,570,568	87,423,992	87,664,752	86,085,944 (B)	84,639,131 (B)	83,718,301 (B)
Local, State and Federal Grants	67,196,794	63,442,840	59,271,555	53,500,000	54,575,000	55,666,000
<b>TOTAL REVENUES (G)</b>	<b>\$ 727,352,593</b>	<b>\$ 719,379,133</b>	<b>\$ 733,066,033</b>	<b>\$ 726,842,354</b>	<b>\$ 723,103,970</b>	<b>\$ 727,353,690</b>
<b>EXPENDITURES</b>						
General Fund	\$ 540,964,680	\$ 551,041,350	\$ 567,544,376	\$ 569,140,060	\$ 585,293,616	\$ 580,953,376
General Fund Cuts Required to Balance						
Food Service Fund	17,474,119	17,470,951	18,585,350	18,116,350	19,272,000	20,500,000
Debt Service Fund	89,645,259	87,423,992	87,664,752	86,085,944 (B)	84,639,131 (B)	83,718,301 (B)
Local, State and Federal Grants	67,196,794	63,442,840	59,271,555	53,500,000	54,575,000	55,666,000
<b>TOTAL EXPENDITURES (G)</b>	<b>\$ 715,280,852</b>	<b>\$ 719,379,133</b>	<b>\$ 733,066,033 (C)</b>	<b>\$ 726,842,354 (C)</b>	<b>\$ 743,779,747 (C)</b>	<b>\$ 740,837,677 (C)</b>
FISCAL GAP - Favorable/(Unfavorable)	\$ 12,071,741	\$ -	\$ -	\$ -	\$ (20,675,777)	\$ (13,483,987)
COST PER STUDENT	\$ 14,571	\$ 14,655	\$ 14,901	\$ 14,926	\$ 15,210	\$ 14,971
<b>TAXES</b>						
General Fund	\$ 193,215,858	\$ 193,215,858	\$ 196,307,312 (D)	\$ 199,901,539 (D)	\$ 199,901,539	\$ 199,901,539
Debt Service Fund	41,544,114	41,544,114	41,280,133	40,061,780	39,546,623	38,277,558
TAX LIMITATION	\$ 234,759,972	\$ 234,759,972	\$ 237,587,445	\$ 239,963,319	\$ 239,448,162	\$ 238,179,097
CALENDAR YEAR TAX CONTRIBUTION	\$ 233,853,777	\$ 233,853,777	\$ 236,173,709	\$ 238,775,383	\$ 239,705,741	\$ 238,813,630
FY TAXES PER STUDENT	\$ 4,782	\$ 4,782	\$ 4,829	\$ 4,928	\$ 4,897	\$ 4,813
COST PER STUDENT						
General Fund	\$ 11,020	\$ 11,225	\$ 11,536	\$ 11,687	\$ 11,969	\$ 11,740
Food Service Fund	356	356	378	372	394	414
Debt Service Fund	1,826	1,781	1,782	1,768	1,731	1,692
Local, State and Federal Grants	1,369	1,292	1,205	1,099	1,116	1,125
<b>TOTAL STUDENT COST</b>	<b>\$ 14,571</b>	<b>\$ 14,654</b>	<b>\$ 14,901</b>	<b>\$ 14,926</b>	<b>\$ 15,210</b>	<b>\$ 14,971</b>
TOTAL NUMBER OF STUDENTS (F)	49,091	49,091	49,196	48,698	48,901	49,484
STUDENTS - (FTE) (F)	48,972	48,972	48,923	48,445	48,647	49,227

(A) State funding for FY 2012-2013 provides for a base student allocation of \$5,680, a special education intensive factor of thirteen times, and a career technology factor of 1.01; same as current FY 2011-2012 funding.

(B) These projections include an anticipated \$11.1 million bond sale using authorized unissued bonds. No further projections are included for propositions that may be approved by the voters in future years.

(C) Includes compensation consideration for all settled and unsettled contracts.

(D) Includes School Resource Officers, ASD portion for cost of sending out tax bills/collections, as well as delinquent property taxes, football stadium, trail/facility fees

(F) Actual enrollment September 30th FY 2010-2011; and projected for FY 2011-2012 through FY 2014-2015.

(G) Supplemental State funding for the Teachers and Public Employee Retirement Systems is a non-budgeted item but will be recorded as an expenditure.

For comparability purposes FY 2010-2011 and FY 2011-2012 have been restated to reflect this change.

Anchorage School District  
Fiscal Year 2012-2013

**SUMMARY OF GENERAL FUND REVENUES**

	FY 2010-2011		FY 2010-2011		FY 2011-2012		FY 2012-2013	
	Audited	Percent	Revised	Percent	Revised	Percent	Projections	Percent
	<u>Actual</u>		<u>Revised</u>		<u>Revised</u>		<u>Projections</u>	
Local Sources								
Local Property Taxes	\$ 193,215,858	34.81 %	\$ 193,215,858	35.06 %	\$ 196,307,312	34.59 %	\$ 199,901,539	35.12 %
Other Local	6,479,359	1.17	6,174,000	1.12	7,204,310	1.27	7,019,000	1.23
Fund Balance			1,975,000	0.36	5,200,000	0.92	7,000,000	1.23
State Sources	330,320,578	59.52	332,896,492	60.41	338,032,754	59.56	328,369,521	57.70
Federal Sources	<u>24,970,516</u>	<u>4.50</u>	<u>16,780,000</u>	<u>3.05</u>	<u>20,800,000</u>	<u>3.66</u>	<u>26,850,000</u>	<u>4.72</u>
TOTAL	<u>\$ 554,986,311</u>	<u>100.00 %</u>	<u>\$ 551,041,350</u>	<u>100.00 %</u>	<u>\$ 567,544,376</u>	<u>100.00 %</u>	<u>\$ 569,140,060</u>	<u>100.00 %</u>

Supplemental State funding for the Teachers and Public Employee Retirement Systems is a non-budgeted item but will be recorded as an expenditure.  
For comparability purposes FY 2010-2011 and FY 2011-2012 have been restated to reflect this change.

Anchorage School District  
Fiscal Year 2012-2013

**SCHEDULE OF GENERAL FUND REVENUES FROM LOCAL SOURCES/FUND BALANCE**

Local Sources	FY 2010-2011 Audited Actual	FY 2010-2011 Revised	FY 2011-2012 Projections	FY 2012-2013 Projections
Municipality of Anchorage Appropriation of Taxes (A)	\$ 193,215,858	\$ 193,215,858	\$ 196,307,312	\$ 199,901,539
<u>Other Local</u>				
Career Center Instructional Projects	63,928	71,000	74,000	75,000
Facilities Rentals	770,435	650,000	690,000	775,000
Nonresident Tuition	56,262	15,000	50,000	50,000
Credit Recovery Fees (B)	16,884	60,000	45,000	15,000
On-line Fee for Non-ASD Student (C)			40,000	40,000
Summer School - Elementary (D)	30,800	25,000	50,000	
Summer School - Middle Level (E)	11,855	25,000	29,160	
Summer School - Secondary (F)	200,725	256,000	260,000	
Musical Instrument Usage Fee (G)	29,308	26,000	28,000	30,000
Middle School Activity Fees (H)	247,583	250,500	267,400	260,000
High School Activity Fees (I)	733,813	742,500	850,000	825,000
Baseline Concussion Impact Fees (J)				37,500
High School Parking Fees (K)	192,155	192,500	211,750	200,000
Other Fees (Training Fees, Documents) (L)	95,362	85,000	84,000	94,500
Property Sales, Insurance Proceeds, and Miscellaneous	467,713	175,500	125,000	117,000
Interest Earnings	1,930,596	2,600,000	2,800,000	2,800,000
E-rate (M)	1,631,940	1,000,000	1,600,000	1,700,000
<u>Fund Balance</u>		<u>1,975,000</u>	<u>5,200,000</u>	<u>7,000,000</u>
	<u>6,479,359</u>	<u>8,149,000</u>	<u>12,404,310</u>	<u>14,019,000</u>
<b>TOTAL</b>	<b>\$ <u>199,695,217</u></b>	<b>\$ <u>201,364,858</u></b>	<b>\$ <u>208,711,622</u></b>	<b>\$ <u>213,920,539</u></b>

(A) Includes School Resource Officers, ASD portion for cost of sending out tax bills/collections, as well as delinquent property taxes, football stadium, trail/facility fees.

(B) Credit Recovery Course Fee - \$90/course

(C) On-line Fees for Non-ASD Student - \$400/course

(D) Summer school has been recommended to be eliminated for FY 2012-2013; \$100 FY 2011-2012; \$85 FY 2010-2011

(E) Summer school has been recommended to be eliminated for FY 2012-2013; \$100 FY 2011-2012; \$85 FY 2010-2011

(F) Summer school has been recommended to be eliminated for FY 2012-2013; \$100 in FY 2011-2012; \$90 in FY 2010-2011

(G) Musical Instrument Usage Fee - \$40 with continuation in FY 2012-2013

(H) Middle Level Activity Fees - \$100 in FY 2012-2013; \$100 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 2012-2013/FY 2011-2012, \$165 in FY 2010-2011, Family Cap \$390 (Middle and High combined)

(J) Baseline Concussion Impact Fees

(K) High School Parking Fees - \$55/semester in FY 2012-2013/FY 2011-2012, \$50 in FY 2010-2011

(L) Training Fees - \$25 per course with continuation in FY 2012-2013

(M) 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 2012-2013

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

		<u>Charter Limit</u>
Taxes Projected—Anchorage School District FY 2011-12		\$ 237,587,445
Less: Prior Year Taxes Required for Debt Service		<u>41,280,133</u>
Net Taxes Approved for General Fund		196,307,312 (A)
<u>Allowable Growth Factors</u>		
Population— 5 year Average	0.9	
CPI—5 average year Anchorage Urban	<u>2.6</u>	
	3.5% As of Feb/2012	<u>6,870,756</u>
Basic Tax Limitation		203,178,068
<u>Plus Exclusions:</u>		
Judgments/Legal Settlements		
Taxes for Operations and Maintenance on New Voter Approved Facilities		
Taxes Requested on New Construction/Property Improvements (B)		<u>2,155,325</u>
Tax Limitation—General Fund		205,333,393
Taxes Requested for Debt Service		<u>40,061,780</u>
TAX LIMITATION FY 2012-2013 (C )		245,395,173
General Fund	199,901,539	
Debt Service Fund ( D )	<u>40,061,780</u>	
AR NO 2011-296 APPROVED PROPERTY TAX PROJECTED IN FINANCIAL PLAN—FY 2012-2013 (A) (C)		<u>239,963,319</u>
AMOUNT OVER (UNDER) as allowed by the Property Tax Cap Limitation under the MOA Charter		<u>\$ (5,431,854)</u>

- (A) Includes Resource Officers, football stadium rental, trails, park shelter rental, and a portion of the cost of sending out collections, municipal tax bills and uncollectible portion of delinquent property taxes.
- (B) Taxes on new construction or property improvements, excluded from the limitation the first year, are computed as follows: 7.52 mills x \$286,612,342 (2011 construction/property was verified by the Municipality of Anchorage's Office of Management and Budget as of October, 2011) = \$2,155,325.
- (C) An overall 1 percent increase to the local property tax was approved by the Anchorage Assembly (AR No 2011-296) on October 25, 2011.
- (D) The taxes approved for debt service are for sold bonds approved by the qualified voters. These projections include an anticipated \$11.1 M bond sale using authorized unissued bonds. No further projections are included for propositions that may be approved by the voters in future years.

Anchorage School District  
Fiscal Year 2012-2013

**SCHEDULE OF GENERAL FUND REVENUES FROM STATE SOURCES**

<u>State Sources</u>		FY 2010-2011 Actual Unaudited	FY 2010-2011 Revised	FY 2011-2012 Projections	FY 2012-2013 Projections
Alaska Public School Funding Program (A)	\$	310,300,774	\$ 312,428,682	\$ 307,534,270	\$ 304,790,927
Career Technology Education (CTE)				3,600,000	3,573,458
Supplemental State Aid Grant (SSAG) (B)				6,100,000	
Pupil Transportation (C)		19,611,320	20,059,326	20,390,000	19,596,652
<u>Supplemental State Funding:</u>					
On-Base Schools (D)		408,484	408,484	408,484	408,484
Retirement systems employer relief (E)					
<b>TOTAL</b>	<b>\$</b>	<b><u>330,320,578</u></b>	<b><u>332,896,492</u></b>	<b><u>338,032,754</u></b>	<b><u>328,369,521</u></b>

(A) Alaska Public School Funding Program - FY 2012-2013

Basic Need Equals 73,302.88 Adjusted ADM x \$5,680 Student Allocation and 13 times for intensive students	\$	416,360,363
Career Technology Education factor of 1.01 equals 629.13 Adjusted ADM x \$5,680 Student Allocation		3,573,458
Minus 4 Mills x Foundation Defined Anchorage Assessed Valuation of \$25.647 billion		(102,589,817)
Minus Deductible Portion of Federal Impact Aid		(10,162,531)
Add \$16/ adjusted ADM for Quality Schools		1,182,912
<b>Total Alaska Public School Funding Program Aid</b>	<b>\$</b>	<b><u>308,364,385</u></b>

(B) HB 108 provided one-time funding as a supplemental state aid grant to help cover inflationary cost increases based on high energy costs.

(C) Pupil Transportation - District operated and contracted transportation reimbursement (\$407).

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

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

(E) Beginning FY 2012-2013 supplemental state funding for the Teachers and Public Employee Retirement Systems is a non-budgeted item but will be recorded as an expenditure. For comparability purposes FY 2010-2011 and FY 2011-2012 have been restated to reflect this change.

Anchorage School District  
Fiscal Year 2012-2013

**SCHEDULE OF GENERAL FUND REVENUES FROM FEDERAL SOURCES**

<u>Federal Sources</u>	FY 2010-2011 Actual Unaudited	FY 2010-2011 Revised	FY 2011-2012 Projections	FY 2012-2013 Projections
Federal Impact Aid (A)	\$ 23,985,834	\$ 15,000,000	\$ 20,000,000	\$ 26,000,000
Medicaid (B)	220,490	1,000,000		
R.O.T.C. (C)	<u>764,192</u>	<u>780,000</u>	<u>800,000</u>	<u>850,000</u>
TOTAL	\$ <u>24,970,516</u>	\$ <u>16,780,000</u>	\$ <u>20,800,000</u>	\$ <u>26,850,000</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) It is estimated that participation in this program costs more in lost opportunity than it nets in reimbursement. Therefore, Medicare revenue was eliminated and the district is no longer participating in the program.

(C) Revenues for FY 2012-2013 reflect trend data of revenue receipts.



Anchorage School District  
 School Board Approved Budget Revisions on February 9, 2012  
 FY 2012-2013

Attachment B

Second Reading  
 2/9/2013

Item	PROGRAM DESCRIPTION	FTE	Expenditures Amount	Revenues Amount
<u>General Fund</u>			\$ 569,140,060	\$ 569,140,060
<i>Expenditure Revisions</i>				
1.	Travel Out of District School Board Other Legislative Lobby		(7,200)	
2.	Eliminate CTE West High Master Plan Facilitator	(1.0)	(85,450)	
3.	Elementary Class Size Decrease Grades 4 & 5	28.0	2,673,000	
4.	Elementary Class Size Decrease Grade 6	7.0	668,000	
5.	Elementary Librarians	4.0	382,000	
6.	Special Education Counselors	9.0	856,000	
7.	Middle School In-School Suspension	1.4	134,000	
8.	Clerical non-school based (estimate)	(8.0)	(600,000)	
9.	Middle Schools Unallocated FTE	(9.4)	(897,000)	
10.	Elementary/Middle/High/Special Ed Supply Allocation (\$5/student)		(260,000)	
11.	Pending Negotiations		(150,000)	
12.	Legal Fees		(150,000)	
13.	Educational Technology	(1.0)	(100,000)	
14.	Assessment and Evaluation	(1.0)	(100,000)	
15.	Equipment Replacement Fund		(1,000,000)	
16.	Attrition - Salaries		(500,000)	
17.	Attrition - Benefits		(1,000,000)	
18.	Maintenance Projects		(535,457)	
19.	Maintenance Positions	6.0	535,457	
20.	High School Unallocated		(923,972)	
21.	Gifted Program	3.0	282,060	
22.	High School Graduation Coaches	7.0	641,912	
23.	Pending Negotiations (TBD)		136,650	
<i>Total Net Revisions</i>			\$ 0	\$ 0
<b>General Fund Total</b>		<b>45.0</b>	<b>\$ 569,140,060</b>	<b>\$ 569,140,060</b>
General Fund			\$ 569,140,060	\$ 569,140,060
Food Service Fund			18,116,350	18,116,350
Debt Service Fund			86,085,944	86,085,944
Grants Fund			53,500,000	53,500,000
<b>Interim total as of February 9, 2012</b>			<b>\$ 726,842,354</b>	<b>\$ 726,842,354</b>



ANCHORAGE SCHOOL DISTRICT  
GENERAL FUND  
SUMMARY OF MAJOR BUDGETED REVENUE INCREASES AND DECREASES  
FY 2011-2012 COMPARED TO FY 2012-2013  
SECOND READING

**FY 2011-2012 Revised Revenue Budget** **\$ 567,544,376**

Major Budgeted Revenue Decreases:

Supplemental State Aid Grant (SSAG)	(6,100,000)
Alaska Public School Funding Program	(2,743,343)
Pupil Transportation	(793,348)
Summer school high school	(260,000)
Summer school elementary	(50,000)
Credit recovery fees	(30,000)
Summer school middle level	(29,160)
Career Technology Education (CTE) due to enrollment	(26,542)
High school activity fees	(25,000)
High school parking fees	(11,750)
Property Sales, insurance proceeds, and miscellaneous	(8,000)
Middle school activity fees	(7,400)
<b>Total Major Budgeted Revenue Decreases:</b>	<b>(10,084,543)</b>

Adjusted Revenues After Decreases: **557,459,833**

Major Budgeted Revenue Increases:

Federal impact aid	6,000,000
Taxes	3,594,227
Fund balance	1,800,000
E-rate	100,000
Facilities rentals	85,000
R.O.T.C.	50,000
Baseline concussion impact fees	37,500
Other fees (training fees, documents, etc.)	10,500
Music instrument usage fees	2,000
Career Center Instructional Projects	1,000
<b>Total Major Budgeted Revenue Increases:</b>	<b>11,680,227</b>

Net Change: **1,595,684**

**FY 2012-2013 PROPOSED REVENUE BUDGET** **\$ 569,140,060**

ANCHORAGE SCHOOL DISTRICT  
GENERAL FUND  
SUMMARY OF MAJOR BUDGETED EXPENDITURE INCREASES AND DECREASES  
FY 2011-2012 COMPARED TO FY 2012-2013  
SECOND READING

FY 2011-2012 Revised Budget	FTE	\$	567,356,088
Major Expenditure Increases & Decreases:			
<u>Districtwide</u>			
Settled Contracts			14,570,881
Response to Instruction (RTI)			1,200,000
Indirect Cost			400,000
Property & Liability Insurance			73,500
Increased Municipality of Anchorage charges for School Resource Officers (SROs)			72,056
Total Districtwide Increases:			16,316,437
Attrition			(2,700,000) *
Utilities			(348,563)
Equipment Replacement Fund			(32,013) *
Total Districtwide Decreases:			(3,080,576)
<u>Elementary</u>			
Elementary Teachers - Jobs Bill	42.00		3,912,930
Elementary Teachers - class size decrease grades 4 & 5	28.00		2,673,000 *
Elementary Teachers - class size decrease grade 6	7.00		668,000 *
Total Elementary Increases:	77.00		7,253,930
Class size increase: K-2 no increase, 3rd grade increase .5, 4th thru 6 increase 1.0	(15.00)		(1,432,113)
Elementary Teachers for lower enrollment	(8.00)		(763,792)
Counselors	(6.00)		(572,846)
Library Assistants	(1.75)		(55,730)
Creating Successful Futures	(1.00)		(95,473)
Summer School - Elementary			(1,120,705)
Supply & Equipment allocation due \$5/student reduction			(130,046) *
Supply & Equipment allocation due to lower enrollment			(27,900)
Breakfast Program			(25,000)
Battle of the Books			(15,705)
<del>Librarians</del>			*
Total Elementary Decreases:	(31.75)		(4,239,310)
Total Elementary Changes:	45.25		3,014,620
<u>Special Education</u>			
Teacher Assistants - Special Education Middle School	1.75		85,034
Teacher Assistants - Special Education High School	1.75		85,034
Health Services Coordinator transferred from grants - Health Services	1.00		113,142
Special Service Teacher for Tapestry - ACE Program	1.00		93,002
Administrative Assistant transferred from grants - Health Services	1.00		74,203
Total Special Education Increases:	6.50		450,415
<u>Counselors and Supplies - Secondary Special Education</u> *			
Resource Teachers - Elementary Special Education	(6.00)		(559,067)
Resource Teacher Assistant - Elementary Special Education	(4.88)		(243,787)
Health Treatment Specialists transferred to grant fund	(2.10)		(173,988)
Teacher Assistants - Speech/Language	(3.40)		(169,950)
Special Service Teacher - Psychology	(1.80)		(167,794)
Special Service Teacher - Special Schools	(1.00)		(93,212)
Teacher Consultant - Elementary Special Education	(1.00)		(93,211)
Special Service Teacher - Elementary Special Education	(1.00)		(93,211)
Preschool Teacher Assistants - Elementary Special Education	(1.63)		(81,301)

Special Education continued...		
Related Services Specialist - Speech/Language	(1.00)	(66,351)
Related Services Technician - OT/PT	(1.00)	(66,229)
Secretary - Special Education Administration	(1.00)	(62,735)
Interpreter for the Deaf	(1.00)	(60,391)
Administrative Assistant - Speech/Language	(1.00)	(58,092)
Teacher Assistant - Psychology	(1.00)	(49,911)
Teacher Assistant - OT/PT	(0.88)	(58,116)
Teacher Assistant	(0.88)	(44,570)
Special Service Teacher - Outreach	(0.50)	(46,570)
IEP Clerical - Special Schools	(0.50)	(16,232)
BVI	(0.45)	(41,983)
Special Service Teacher - OT/PT	(0.30)	(27,941)
Teaching Supplies & Equipment - Elementary Special Education		(36,000)
Extra Help Certificated - Speech/Language		(30,699)
Added Days - Summer School		(28,723)
Contracted Services Instructional - Speech/Language		(14,000)
Supply & Equipment allocation due \$5/student reduction		(9,202) *
Total Special Education Decreases:	(32.32)	(2,393,266)
Total Special Education Changes:	(25.82)	(1,942,851)
<u>Gifted Education</u>		
<del>Special Education Teachers</del>		
Total Gifted Program Changes:	-	0
<u>English Language Learner</u>		
Special Service Teachers	(2.00)	(186,422)
Tutor	(1.00)	(47,119)
Secretary	(0.50)	(31,884)
Language & Cultural Liaison	(0.50)	(30,315)
Total English Language Learner Program Decreases:	(4.00)	(295,740)
<u>Middle Schools</u>		
Middle School Teachers - Jobs Bill	16.00	1,490,640
Total Middle School Increases:	16.00	1,490,640
Career Guides	(10.00)	(956,044)
Class size increase of 1.0	(9.50)	(908,242)
Middle School Teachers - Unallocated FTE	(9.40)	(897,000) *
ISS Teachers	(5.00)	(477,869) *
Noon Duty Attendants	(2.25)	(37,552)
Middle School Teachers for lower enrollment	(2.00)	(191,208)
College and Career Ready Coordinator	(1.00)	(97,465)
Romig Master Plan Facilitator	(1.00)	(95,950)
Language Acquisition	(1.00)	(95,605)
Summer School		(459,791)
Response to Instruction (RTI) transferred to support districtwide efforts		(50,000)
Supply & Equipment allocation due \$5/student reduction		(44,755) *
School Business Partnership addenda		(10,107)
Supplies & Equipment due to lower enrollment		(7,900)
Total Middle School Decreases:	(41.15)	(4,329,488)
Total Middle School Changes:	(25.15)	(2,838,848)

High Schools

High School Teachers - Jobs Bill	24.00	2,235,960
Spring Creek Correctional Facility transfer to ASD		318,600
Total High School Increases:	24.00	2,554,560

Class size increase of 1.5	(24.00)	(2,300,494)
High School Teachers for lower enrollment	(8.00)	(766,832)
Student Support Program Supervisor	(1.00)	(95,714)
Student Support Program Supervisor	(1.00)	(89,753)
West High Master Plan Facilitator	(1.00)	(85,450) *
Summer School		(1,188,448)
Addenda for remediation, HSGQE intensive initiative, on-line learning, student stipends, progressive monitoring and universal screening, software, renewal fees/licenses, remediation work station equipment		(923,972) *
Supply & Equipment allocation due \$5/student reduction		(75,997) *
Student Activities		(53,252)
High School Graduation Qualifying Exam (HSGQE) addenda		(51,010)
Supplies & Equipment due to lower enrollment		(30,200)
College/Career Ready Coordinator addenda		(21,485)
School Business Partnership addenda		(17,132) *
<del>Graduation Coaches</del>		
Total High School Decreases:	(35.00)	(5,699,739)
Total High School Changes:	(11.00)	(3,145,179)

Instructional Support

STEM Coordinator - Curriculum & Instruction	1.00	101,810
RTI Support - Curriculum & Instruction	1.00	93,575
Library corporation (TLC) Licensing		76,150
Total Instructional Support Increases:	2.00	271,535

Educational Technology Teachers	(2.00)	(201,558) *
Music Districtwide	(1.50)	(156,919)
Statistician - Assessment & Evaluation	(1.00)	(100,000) *
Health & Physical Education Teacher Expert - Curriculum & Instruction	(1.00)	(93,211)
Social Studies/Language Teacher Expert - Curriculum & Instruction	(1.00)	(93,210)
Administrative Assistant - Curriculum & Instruction	(1.00)	(58,860)
K-8 Professional Development and Community Outreach/area of mathematics		(425,000)
Career Technology Education		(75,000)
Added Duty - Curriculum & Instruction		(28,723)
TLC Training - Library Resources		(8,750)
AEA to ACE position conversion - Curriculum & Instruction		(8,605)
Contracted Services - Curriculum & Instruction		(6,000)
Total Instructional Support Decreases:	(7.50)	(1,255,836)
Total Instructional Support Changes:	(5.50)	(984,301)

Training & Professional Development

My Learning Plan - Contracted services transferred from grants		50,000
		50,000
Administrative Assistant - Training & Professional Development	(1.00)	(80,940)
Added Days - Training & Professional Development		(34,468)
Substitute Teachers - Training & Professional Development		(15,737)
Total Training & Professional Development Decreases:	(1.00)	(131,145)
Total Training & Professional Development Changes:	(1.00)	(81,145)

Informational Technology

Secretary - Information Support Center	1.00	54,698
Total Informational Technology Increases:	1.00	54,698
Equipment refresh		(2,320,330)
Bandwidth		(240,000)
Extra Help		(37,950)
Total Informational Technology Decreases:		(2,598,280)
Total Informational Technology Changes:		(2,543,582)

Administration/Support Services/Rentals, Community Resources

License fee for facility condition assessment tool/software		35,000
Total Administration/Support Services/Rentals, Community Resources Increases:		35,000
Clerical - Non-school based	(8.00)	(600,000) *
Three Maintenance positions - Warehouse	(3.00)	(286,421)
Custodians - Operations	(2.50)	(126,258)
One Sr. Administration Clerk - Purchasing	(1.00)	(54,800)
One Administrative Assistant - Human Resources	(1.00)	(69,838)
<del>Six Maintenance positions - Maintenance</del>		*
Maintenance Projects		(825,457)
Legal fees - Superintendent		(150,000) *
Contracted Services & Equipment Repair - Maintenance		(101,547)
Contracted Services & Supplies - Communications & Publication Services		(68,921)
Repair Parts - F/M Vehicle Maintenance		(60,000)
Substitute Teachers during training sessions - Human Resources		(55,352)
Transfer Field/Activity Trips - Bus Operations		(50,000)
Super Cargo Vans - Maintenance		(47,497)
Financial Audits - School Board		(45,800)
Travel, legal fees - Superintendent		(20,000)
Supplies, inventory adjustment, self-insured equipment - Warehouse		(13,400)
Arbitration & Recruitment - Human Resources		(12,000)
Crossing Guards, Extra Help, Girdwood Bus - Transportation		(11,820)
Extra Help, supplies - Accounting		(11,768)
Supplies - Maintenance		(8,828)
Travel Out of District - School Board		(7,200) *
Security & Emergency Preparedness		(4,900)
Total Administration/Support Services/Rentals, Community Resources Decreases:	(15.50)	(2,631,807)
Total Administration/Support Services/Rentals, Community Resources Changes:	(15.50)	(2,596,807)
Total Major Budgeted Expenditure Increases:	126.50	28,477,215
Total Major Budgeted Expenditure Decreases:	(168.22)	(26,655,187)
Net Change:	(41.72)	1,822,028
Minor Adjustments and Rounding:		(38,056)

**FY 2012-2013 PROPOSED EXPENDITURE BUDGET****\$ 569,140,060**

\* indicates change made by the School Board during Second Reading on February 9, 2012.





**Anchorage School District**  
*Educating All Students for Success in Life*

**CREATING A HIGH PERFORMING DISTRICT**  
**THROUGH EXECUTION OF**  
**SOUND FISCAL POLICY AND BEST PRACTICES**

February 27, 2012

As amended

ASD Memorandum #195 (2011-2012) attachment

**ANCHORAGE SCHOOL DISTRICT  
SOUND FISCAL POLICY AND FINANCIAL PLANNING**

**ANCHORAGE SCHOOL BOARD**

Gretchen Guess  
President

Jeannie Mackie  
Vice President

Kathleen Plunkett  
Treasurer

Jeff Friedman  
Clerk

Pat Higgins

Crystal Kennedy

Don Smith

**SUPERINTENDENT**

Carol Comeau

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# SOUND FISCAL POLICIES AND BEST PRACTICES

This document outlines Anchorage School District's key fiscal policies and best practices. Fiscal policies reflect the building blocks of the financial health of an organization; best practices is the method of developing and following proven industry standards that result in effective and efficient operations. Together, fiscal policies and best practices ensure sound financial management, public transparency and accountability, and long-range vision of stewardship. Fiscal policies and best practices are also the foundational elements in which the district builds its budget assumptions and annual budget.

## LONG-RANGE FISCAL PLANNING

The district's strategic initiative to develop a long-range fiscal plan that continually identifies future financial risks, probability of those risks and mitigation measures to reduce the risk. The processes of creating a long-range fiscal plan, regardless of the revenue, are the following:

- 1. Identifying the key fiscal policies and best practices*
- 2. Determining the salient cost drivers to the budget*
- 3. For each cost driver, determining the range and probability of future costs*
- 4. In order of probability and impact, determining the methods to mitigate risk*

# **KEY FISCAL POLICIES**

## **FINANCIAL ACCOUNTABILITY/REPORTING FISCAL POLICIES**

### **SUBMITTAL OF BALANCED BUDGET**

State law requires the Anchorage School District submit a balanced budget to the Alaska Department of Education and Early Development by July 15 of the fiscal year (4 AAC 09.110; 4 AAC 09.120). A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to expenditures.

Municipal code requires submission of the budget to the Clerk's office the 1st Monday in March. The Municipal Assembly approves the combined upper limit spending authority for the General, Food Service, Debt Service and Grants funds.

### **EXTERNAL FINANCIAL AUDITS AND FINANCIAL REPORTS**

The district undergoes an annual independent external audit of its finances. The district also reports on its budget and financial transactions monthly in reports to the school board. As a result of the district's sound business practices and financial accounting, the district produces an award-winning Comprehensive Annual Financial Reports recognized by the Government Finance Officers' Association and the Association of School Business Officials.

### **PERIODIC MANAGEMENT REVIEWS AND INTERNAL REVIEWS/AUDITS**

The district conducts an annual review of student activities as well as periodic reviews in all areas across the district. Recent management and internal reviews have included the following: (1) A districtwide inventory of fixed assets and procedures governing fixed assets; (2) student nutrition management review; (3) districtwide management review; (4) internal review of cash handling and associated procedures; and (5) procurement policies and process.

### **MANAGEMENT INFORMATION SYSTEMS PRIORITIZATION**

The district adopted an IT governance model to evaluate technology system implementation decisions districtwide. This priority-based system defines required criteria, overall cost and alignment with district visioning and strategic initiatives. The system was adopted in 2011 and is in the process of implementation.

# REVENUE FISCAL POLICIES

## FUNDING LEVEL ASSUMPTIONS

The district receives revenues from three sources: local, state and federal. The fiscal policy for revenue assumptions is to assume flat funding from the assembly for local contributions unless the assembly passes a resolution stating otherwise.

State funds derive from the Alaska Public School Funding Program and Alaska Pupil Transportation Program. Unless there have been strong signals from both the executive and legislative bodies as to an increase in funding, the district budgets the current statutory amount for all state funds.

The majority of federal funds consist of federal entitlement programs such as the No Child Left Behind, Individuals with Disabilities Education and Indian Education acts, as well as the Federal Impact Aid and JROTC programs; the district budgets the current statutory amount for all federal funds.

## ENROLLMENT PROJECTIONS

The most significant cost factor is the number of students served. The fiscal policy for enrollment sets official student projections for the following year based on current year enrollment as of September 30 of each year. Trends in housing, other demographic and economic changes also affect these projections as determined by the district demographer. The enrollment also drives the revenue received from the state of Alaska Public School Funding Program.

## CHARTER SCHOOL FUNDING

Charter schools are non-sectarian, public schools that operate within the district; eight charter schools currently exist. Charter schools offer alternative teaching methods or curriculum and more independence than regular public schools. Although charters follow district policy, each principal also reports to the school's governing board. Charter schools are funded using the basic need formula as written in state statute, less the state approved indirect cost rate. No additional General Fund local property taxes or federal Impact Aid funds over the minimum state funding requirement are currently apportioned to charter schools.

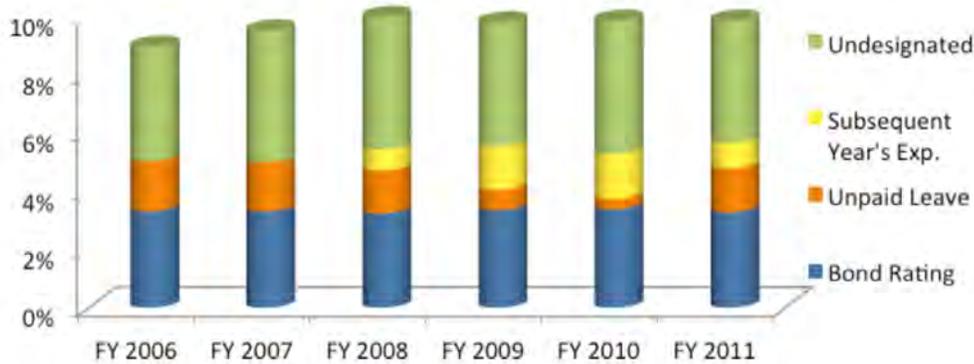
## TRANSPORTATION

The district's policy is to fund transportation based on standards originated from state regulation that stipulate students living more than 1.5 miles from school or that live in a hazardous zone be eligible for transportation. In addition, the district also adheres to federal requirements under the McKinney-Vento act that mandates transportation be provided for homeless students. Transportation funding comes from both state specific funding and the General Fund when the specific funding is not sufficient to cover these costs.

## FUND BALANCE GUIDELINES

The district maintains fund balance as a contingency plan for operational needs, emergencies, revenue shortfall or to be used for budget deficits in future years. Maintaining the maximum allowed fund balance is the district's policy for addressing the financial unknown. The state allows for 10 percent of expenditures to be carried over each year in the General Fund as unreserved fund balance. The 10 percent carryover includes amounts set aside for the municipal bond rating, anticipated expenditures for the following budget year and earned yet unpaid leave. The following chart represents the district's percentage of unreserved fund balance for fiscal years 2005-06 through 2010-11.

### UNRESERVED FUND BALANCE



## ONE-TIME FUNDS

One-time funds received from the state, or other granting agency, will be used for one-time expenditures so as not to rely on those funds in the future. It may be determined that a one-time fund initiative had such a positive impact on student achievement that the board will approve continued funding of that initiative through the General Fund with the understanding that funding for another program or service within the General Fund will need to be reduced or eliminated.

## CAPITAL PROJECT FUNDING

Bonded capital projects are determined based on information provided in the district's Capital Improvement Plan and are ultimately decided by the voters. In addition, certain legislative and federal grants (which are not bonded for) also provide funding for capital projects. If these sources do not meet the needs for major maintenance or capital improvement items the district will provide operating funds to supplement these costs. For example, during FY 2010-11 the district provided approximately \$7M in operating funds to subsidize construction related costs.

# EXPENDITURE FISCAL POLICIES

## COMPLIANCE/LAWS

The district adheres to local, state and federal laws as well as compliance with district operations, such as the recently passed law pertaining to concussions, if the student is involved in sports. Other areas the district must be cognizant of but not limited to, are maintenance of effort requirements for certain federal entitlement programs and childhood early intervention services.

## PUPIL TO TEACHER RATIO

When building the financial plan for the district the pupil to teacher ratio (PTR) is a major cost driver. Below is the PTR in place for FY 2012-13.

Kindergarten (FTE)	20.5 to 1
Grade 1	21.0 to 1
Grade 2	24.25 to 1
Grade 3	24.75 to 1
Grades 4-5	25.25 to 1
Grades 6	26.25 to 1
Grades 7-8	27.25 to 1
Grades 9-12	29.41 to 1
Special Education	Staffing is based upon demonstrated need

## CONTRACTUAL OBLIGATIONS

The district has nine employee groups including exempt employees. The district bargains in good-faith with eight of those groups to establish contracts which define wages, benefits and working conditions. These contracts have been bargained using methods such as interest-based and traditional bargaining. The district policy is to maintain consistent language within all of the contracts to help achieve effective and efficient management oversight and implementation.

## HEALTH INSURANCE

Health insurance has major implications on expenditures as increasing costs for healthcare may give rise to increasing employer contributions. Fiscal policy in this area dictates that the district minimize these costs while maintaining a fair benefit to employees. Recent operationalizing of this includes moving to a self-insured Health Insurance Fund to account for the support services employees' medical coverage which includes six of the nine employee groups. The district also has worked with the bargaining units that participate in the Health Insurance Fund to control costs by incorporating language that allows the district to reduce contributions to the fund once certain funding criteria has been met.

Groups not included in the self-insured Health Insurance Fund include the Anchorage Education Association, Local 71, and Teamsters Local 959 for Bus Drivers and Attendants. The district budgets health insurance for all of these employee groups according to their negotiated agreements and funds either the Internal Health Insurance Fund or provides funds to the employee groups not included in the fund.

## PAYMENT OF FEES TO THE MUNICIPALITY

The district currently pays the following to the municipality for services:

FY 2010-11	FY 2011-12	FY 2012-13
School Resource Officers 50%	School Resource Officers 100%	School Resource Officers 100%
Investment management fees	Investment management fees	Investment management fees
	Sending out tax bills and collections	Sending out tax bills and collections
	ASD share of uncollectable delinquent taxes	ASD share of uncollectable delinquent taxes
	Football stadium rental	Football stadium rental
	Trail maintenance	Trail maintenance
	Park shelter rentals	Park shelter rentals
Totals: <b>\$1.23M</b>	<b>\$3.22M</b>	<b>\$3.28M</b>

## JOINT BONDING EFFORTS

The district does not have the authority to issue debt independently; all long-term debt is backed by the full faith and credit of the municipality. The district works with the municipality to issue debt in conjunction with the municipality rather than request independent debt issuances. In addition, the district engages in “smaller” bond sales to fund only projects for less than three-year periods. This policy serves to reduce bond issuance costs and also provides additional assurance that the district remains in compliance with IRS arbitrage rules.

Since the district is reliant upon the municipality for its bonded debt, the district has a vested interest in seeing the municipality maintain a “high grade” or strong credit (bond) rating to ensure that interest paid on debt remains low. The district reserves 10 percent of its property tax revenue in accordance with an agreement between the municipality and the district (see Fund Balance).

## WORKERS' COMPENSATION

The district values student and employee safety and directs operational efforts to minimize injury within the workplace. Workers' compensation insurance is self-funded and managed by the district. Additionally, trend analysis for workers' compensation is regularly shared with staff to raise awareness and reduce accidents.

## BIANNUAL BUDGET ADJUSTMENTS

The district has a biannual budget adjustment policy to address budgetary requirements that may change during the course of the school year. On an on-going basis the staff analyzes the revenue and expenditure projections to ensure that they are on track with the budgetary projections to address a budget adjustment if necessary.

## EQUIPMENT REPLACEMENT

The district has an Equipment Replacement Fund (ERF) to account for assets valued above \$5,000 and heavy equipment over \$50,000 that meet certain criteria. The fund is designed to accumulate funding, akin to depreciation, over the life of the equipment to ensure replacement funding is available at the end of the equipment's life. An ERF is considered a best practice in that it allows for planning for the replacement of equipment and software by setting aside funds on a consistent basis to ensure there are reserves accumulated to replace the items at the end of the scheduled lifecycles.

For lower-valued technology-related equipment, a refresh policy is used to manage the quality of Information Technology services while supporting students and staff. One major component of this policy is the consistent replacement of aging equipment. If equipment needs replacement, the replacement equipment is not provided until the

outdated piece is returned. This provides for a consistent number of computers and allows the district to keep the support requirement level.

### **INDIRECT COST**

The district charges eligible federal grants and the Food Service Fund indirect cost to account for the administrative costs. Indirect cost is not counted as revenue in the General Fund but rather a reduction in the cost of services. The state of Alaska approves the indirect cost rate for the district, the rate for FY 2012-13 is anticipated to be 3.21 percent.

# COST SAVINGS EFFORTS AND OPERATING EFFICIENCIES FISCAL POLICIES

## VALUE-BASED BUDGETING

Value-Based Budgeting evaluates district programs and activities, in relation to each other, based on contribution to student achievement and other relevant performance outputs. Value-Based Budgeting accomplishes the following:

- Aligns spending with the district's vision, core values and beliefs
- Compares cost effectiveness of programs and activities
- Provides accountability to the public

The district started this process in 2010 and continues to refine it.

## KEY PERFORMANCE INDICATORS (KPIs)

The district has adopted the use of key performance indicators as measurements of service effectiveness and efficiency. Specifically, the district measures its year-to-year improvement over KPIs as identified by the Council of the Great City Schools through its Performance Management System. Additional relevant industry comparisons will also be used for resource allocation decisions beginning next year.

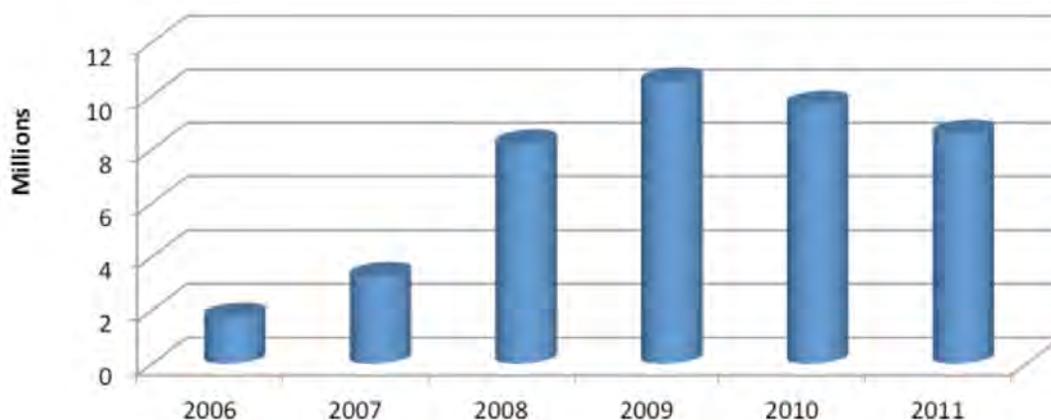
## CONSOLIDATION EFFORTS WITH THE MUNICIPALITY

The district shall explore all reasonable joint efforts where the municipality and district could share in expense, resulting in savings to the taxpayer. The district is reasonable in determining how a consolidation could occur. In the past, the two entities have discussed libraries and data centers. Other joint efforts that the district currently engages in with the municipality include the Municipal Investment Pool, pooling of property insurance, joint use and shared costs of swimming pools, information technology systems and fuel contracts.

## PREPAYMENT FUNDS

When market conditions decline, the district maximizes earnings by prepaying utilities and rent to earn discounts that yield a return in excess of if the same funds were invested regularly. As interest rates declined at the end of FY 2007-08 and all of FY 2008-09, the district increased prepayments to achieve cost savings at or above market investment rates at the time.

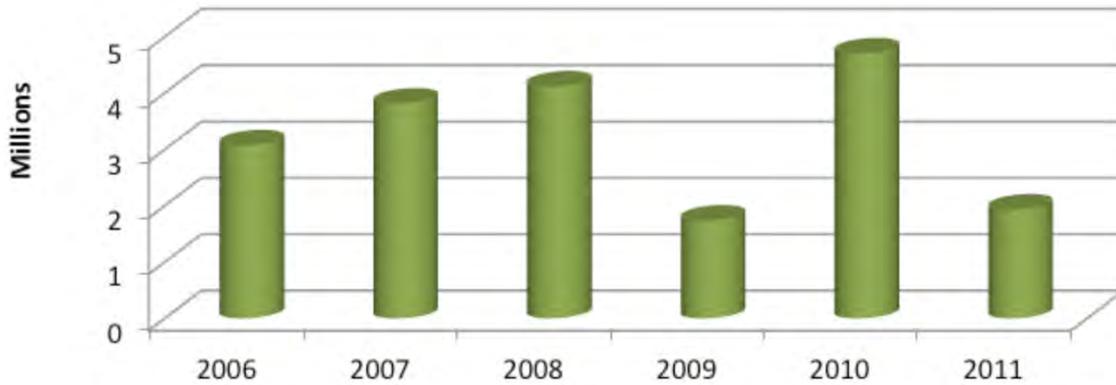
### PREPAID UTILITIES, RENT AND SUPPLIES



## INVESTMENT FUNDS

The majority of district investments are made through the municipality (Municipal Code 6.50.030) on the district's behalf. It is district policy to invest all available funds as opposed to leaving funds in its central treasury which currently has only nominal rates of return. Funds are only drawn from the Municipal Investment Pool to meet current operating needs. Specific metrics are being developed to help measure this in the future.

### INVESTMENT EARNINGS



## DELAYED HIRING

State funding (approximately 58 percent of General Fund revenues) is based on a student count each October of the July 1-June 30 fiscal year. As a safeguard to the change in enrollment and potential risk, the district holds back a portion of the expenditure for classroom teachers and supplies in case the enrollment does not meet projections. After the students show up and the enrollment stabilizes, the district adjusts the teacher positions and supply allocations as necessary.

## ATTRITION

The district includes a budget offset to expenditures in order to account for positions that go unfilled for parts of the year. Since each school and department has positions included in their individual budgets and the district cannot predict which positions may be open during the year, the attrition salaries and benefits are budgeted in a districtwide account.

## EFFECTIVE BUYING STRATEGIES

The district uses standards and bulk purchases to minimize costs for all schools. Additionally, procurement cards (business credit cards) will be implemented for FY 2012-13. Schools and departments will have the ability to purchase supplies online or in stores without having the items pass through the purchasing warehouse, effectively streamlining the process. The lag time for receiving goods will diminish, creating a more effective learning environment for students.

## GPS IN DISTRICT VEHICLES

The district invested in GPS units for its vehicle fleet. This investment has paid dividends in the form of fuel savings as well as reduction in lead time for deliveries and maintenance. An estimated 10 percent savings has been realized in the Maintenance Department by monitoring and curtailing the use of heavy and light-duty equipment. The Transportation Department has had this practice in place for a few years and it has proven successful.

## **TIME AND ATTENDANCE SYSTEM**

The district purchased a Time and Attendance System to electronically report detailed time and attendance information for all hourly employees and to allow for better reporting capabilities. The new system will eliminate all paper reporting. This system is expected to be beneficial in streamlining district department processes and achieving operational and financial efficiencies.

## **OUTSOURCING**

The district is engaged in piloting the outsourcing of snow removal for a group of nine school buildings located relatively close to each other that represent a diversity of building types. This initiative will be evaluated to determine the degree of workload efficiency and cost savings. If savings are realized, the program will be considered for expansion for even more efficiencies and costs savings in other facilities. The district may continue to investigate outsourcing other areas of service that may realize cost savings or efficiencies.

## **ENERGY CONSERVATION PROGRAM**

The district established an energy conservation policy which allows schools to participate in a fiscal supply incentive when the building demonstrates less usage of utilities for the prior year. A 25 percent incentive is returned to the school based on 100 percent of savings from the prior year.

## CREATING A HIGH PERFORMING DISTRICT THE ANCHORAGE SCHOOL BOARD'S VISION

### MISSION

To educate all students for success in life

### VISION

All students will graduate prepared for post-secondary educational and employment opportunities

### PREAMBLE

The Anchorage School Board is a municipal-wide elected body with governance responsibility for the Anchorage School District. As a governance board, it is our responsibility to do the following: (1) set a clear direction for the district; (2) empower and hold accountable the superintendent for implementing our direction and managing district operations; (3) develop and adopt policies and budgets that support and implement the board's direction; and (4) model the professionalism and degree of effort they expect from students, families and staff.

The board expects a high-performing district that achieves exceptional results. We believe a process of continuous improvement and reform for results can be consistent over time, transcending board membership and superintendents.

### BOARD COMMITMENTS

Based on our core beliefs and values, the board is committed to the following:

- A collaborative and respectful governance relationship with the superintendent;
- A rigorous core curriculum of language arts, mathematics, science and social studies;
- A well-rounded educational program that integrates career and technical education, arts and athletics;
- Instruction and early interventions that meet the needs of each student and moves them forward at least one year's academic growth annually;
- Effective public school choice options;
- Parents and the community as informed partners; and
- Cost-effective and efficient operations.

### CORE VALUES AND BELIEFS

**POTENTIAL:** Every student deserves the opportunity to achieve his or her potential

To best serve all students, the board believes schools, families and the community should provide every student the opportunity to reach his or her potential. We believe students learn differently, and as such, each classroom and/or school must teach the curriculum in a way that meets the needs of each child. Our district must provide opportunities including a highly effective educator in each classroom, differentiated instruction and high-performing neighborhood and alternative schools. We believe we must close the achievement gap while moving all students forward.

**HIGH EXPECTATIONS:** The district will foster a culture of high expectations

To achieve high performance, the board believes the district must foster a culture of high expectations for everyone: students, parents, educators, staff and the board. High expectations require adopting an attitude that does not make excuses for a child's academic performance. High expectations also require high performance standards for each employee, including an expectation of collaboration.

**ACCOUNTABILITY:** The district will be open, transparent and accountable to the public

The board believes the district should be open, transparent, and accountable to the public, ensuring a high-quality education while remaining fiscally responsible. Our budget, policies, guidelines, curriculum and district performance data will be easily accessible (unless protected by law) and understandable. Parents will always have access to what their child is learning and how they are progressing. The district will promote strong community partnerships and public involvement.

**SAFETY:** All schools and departments will be safe and supportive

The board believes all schools and departments will have safe and supportive environments by providing safe facilities, being intolerant of bullying and discrimination, and ensuring respect for all. This belief also includes promoting skills necessary to create positive relationships, and to handle confrontational and challenging situations constructively and ethically.

**RESPONSIVENESS:** Public education should be responsive to an ever-changing world

The board believes the district must be responsive to the changing educational requirements of students for meeting the challenges of an ever-changing world.

Every graduate should be ready for his or her next step in life and be a productive member of a democratic republic.

## **OPERATING PRINCIPLES FOR INSTRUCTION**

To implement our vision, the board sets forth the following operating principles, or the active actions, the district will take to move us towards high performance.

**Managed instruction** – The district will use a Managed Instruction System approach, which includes consistent content, grade-level expectations, and performance standards and curriculum across grade levels and schools. The main driver for this principle is the mobility of our district: almost one-third of students do not end the year in the school in which they start.

**School innovation** – The district will encourage creativity, innovation and reform including allowing schools to request flexibility (e.g., waiver, pilot programs) so the school can best meet the needs of its students.

**Principal priorities** – Principals will implement board policies and vision, focusing on three priorities: (1) a safe and secure environment, (2) serving as the instructional leader and ensuring quality education, and (3) serving as the liaison with the neighborhood and school community.

**Instructional differentiation** – As a best practice, the district will ensure instruction and early interventions to meet the needs of each student, moving every child forward at least one year's academic growth annually.

**Educator accountability** – Teachers, principals and all educators will be held accountable for complying with district policy and direction to meet the district's mission, vision, core beliefs, commitments and performance measures.

**Effective communication** – The district will establish effective communications (including feedback loops) with parents, students, educators and the community.

**Research-based curriculum and best-practice instruction** – The district's curricula will be research-based with the expectation of and accountability for best practice with instruction.

**Technology integration** – The district will integrate technology into all classrooms and curricula to provide each child the opportunity to fully engage in a 21st-century learning environment.

### **Implementation**

To implement our vision, the board will work with management each year to determine strategic initiatives, annual board projects and performance measures.

## **STRATEGIC INITIATIVES**

Each spring, after board elections and reorganization and before the start of the fiscal year, the board and superintendent will work together to confirm and set strategic objectives, major tactics, and board liaison based on resources and priorities. These objectives will be rolling, recognizing that strategic objectives often take more than one year to complete. As such, each year some objectives will be initiated, in process, discontinued or completed. Additionally, once a project is to implementation, it will move from board governance to superintendent management. The board may request at this time implementation updates.

1. Develop a district long-range fiscal plan
2. Develop a value-based budgeting system
3. Review of math curriculum
4. Career/Technical and Vocational Comprehensive Plan
5. Develop a comprehensive model for staff evaluation based on classroom effectiveness
6. Develop improvements in bond and capital improvement plans
7. Response to Instruction system
8. Management review
9. Review and prioritize Native education services
10. Enhanced effectiveness of board communications
11. Partnership and merging of services with MOA

## PERFORMANCE MEASURES

### 1. *Academic Achievement*

#### 1.A – One year or greater growth in reading and mathematics – 2012-13 measurement

**Aspiration:** 100 percent of students will show one year or greater growth in reading and mathematics (coming with the implementation of Response to Instruction).

#### 1.B – Increase proficiency

**Aspiration:** 100 percent of students will score proficient on the Standard Based Assessments (SBAs) in reading, writing, mathematics and science.

#### Percentage of students proficient on the SBAs

	Actuals						Goals		
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Reading	81.7	85.3	84.3	81.0	83.2	79.8	83	87	90
Writing	78.8	78.5	77.4	78.3	76.5	76.9	80	82	85
Mathematics	70.6	75.8	73.3	70.6	73.0	70.4	73	75	78
Science			55.0	57.0	59.4	59.4	63	65	70

#### 1.C – Decrease drops in proficiency level

**Aspiration:** Zero percent of students will drop in their proficiency level. *Note: we cannot include science because SBAs do not test two consecutive years.*

#### Percentage of students dropping a proficiency level on SBAs

	Actuals						Goals		
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Reading	13.28	10.27	16.31	20.18	13.13	21.29	16	13	10
Writing	15.61	17.08	19.07	17.27	18.09	17.60	15	13	10
Mathematics	17.52	14.11	22.38	23.62	16.03	23.10	20	15	10

### 2. *Achievement Gap between Economically Disadvantaged Status (EDS) and Non-Economically Disadvantaged Status (non-EDS) Students*

#### 2.A – No achievement gap between EDS and non-EDS students.

**Aspiration:** There will be no achievement gap between EDS and non-EDS students in reading, writing, mathematics and science.

#### Percentage point gap between EDS and non-EDS students

	Actuals						Goals		
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Reading	20.86	16.76	18.96	21.65	18.72	21.83	18	15	12
Writing	21.73	21.96	23.65	22.79	22.61	22.96	18	15	12
Mathematics	21.84	20.84	22.04	23.21	21.73	23.91	20	16	12
Science			32.22	35.08	33.60	36.78	33	30	25

<sup>1</sup>EDS students are 185 percent poverty or below, receive temporary assistance, are in provision schools, are migrant students, and/or are enrolled in McLaughlin, AVAIL, Child in Transition program, or Whaley (excluding ACE/ACT).

**2.B – All schools will have a five-percentage point or fewer gap between EDS students and non-EDS students.**

**Aspiration:** No school will have an achievement gap between EDS students and non-EDS students in reading, writing, mathematics and science.

**Percent of schools with an achievement gap of less than 5 percentage points**

Gap at or below 5 percentage points	Percent of Schools with $\leq$ 5 percentage points gap	Percent of Schools with $\leq$ 5 percentage points gap	Goals		
			2012	2013	2014
	2010	2011	2012	2013	2014
Reading	17.86	15.00	18	23	30
Writing	17.86	7.50	18	23	30
Mathematics	14.29	10.00	18	23	30
Science	14.29	12.5	18	23	30

**3. Graduation Rates**

**Aspiration:** 100 percent of students will graduate high school within four years.

**On-time and five-year graduation rates**

	Actuals						Goals		
	2006	2007	2008	2009	2010	2011	2012	2013	2014
4 Years	62.21	63.02	64.26	70.01	69.71 71.04*	72.14*	75	77	80
5 Years	Not calculated					75.50*	78	82	85

*\*In 2011 the state methodology for calculating rates changed.*

**4. Annual Dropout Rate**

**Aspiration:** No student drops out of school.

**Annual dropout rate, grades 7-12**

Actuals						Goals		
2006	2007	2008	2009	2010	2011	2012	2013	2014
6.30	5.10	3.93	3.40	3.59	4.27	4.00	3.75	3.40

## 5. Absenteeism

**Aspiration:** All students will be in school or attending school-sponsored events 95 percent or greater of the time, which means only missing the equivalent of 8.6 days of school.

### Percentage of students in attendance 95 percent or greater of the time

	Actuals		Goals		
	2010	2011	2012	2013	2014
K	45.62	45.77	65	70	75
Gr. 1	51.76	50.39	65	70	75
Gr. 2	54.53	53.24	65	70	75
Gr. 3	58.28	56.21	65	70	75
Gr. 4	58.91	58.48	65	70	75
Gr. 5	57.39	57.71	65	70	75
Gr. 6	56.15	55.49	65	70	75
Gr. 7	42.32	50.08	60	70	75
Gr. 8	38.34	43.64	60	70	75
Gr. 9	40.89	48.89	60	70	75
Gr. 10	34.69	42.00	50	65	75
Gr. 11	30.75	35.80	50	65	75
Gr. 12	26.53	30.64	50	65	75

## 6. Parent Recommendation – 2012–13 measurement

**Aspiration:** 100 percent of parents will recommend their child’s school to others.

*This will be a new parent survey question in 2011-12.*

## 7. School Safety

### 7.A Student safety

**Aspiration:** 100 percent of students will feel safe in school.

#### Percentage of students surveyed feeling safe in school

Actuals						Goals		
2006	2007	2008	2009	2010	2011	2012	2013	2014
51.42	57.10	57.40	61.61	62.66	70.32	73	77	80

### 7.B School staff safety

**Aspiration:** 100 percent of school employees will feel safe in school.

#### Percentage of school staff surveyed feeling safe at their school

Actuals						Goals		
2006	2007	2008	2009	2010	2011	2012	2013	2014
87.51	87.75	87.50	90.51	89.79	91.60	93	94	95

## 8. Operational Efficiency

**Aspiration:** ASD will rate in the top 25 percent of urban schools (CGCS) in all Key Performance Indicators.

### Percent of indicators per quartile

	Actuals						Goals		
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Top Quartile	Data not available.			17	15	14	18	20	23
Second Quartile	Data not available.			34	28	29	31	34	36
Third Quartile	Data not available.			21	24	28	21	19	17
Bottom Quartile	Data not available.			28	33	29	30	27	24

*Data lags two years.*

Municipality of Anchorage  
MUNICIPAL CLERK'S OFFICE  
**Agenda Document Control Sheet**

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	<small>SUBJECT OF AGENDA DOCUMENT</small> AN ORDINANCE DETERMINING AND APPROVING THE	<small>DATE PREPARED</small>	
	TOTAL AMOUNT OF THE ANNUAL OPERATING BUDGET		
	OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS		
	FISCAL YEAR 2012-2013	Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> M <input type="checkbox"/> IM	
<b>2</b>	<small>DEPARTMENT NAME</small> Chief Financial Officer	<small>DIRECTOR'S NAME</small> Chad Stiteler, Chief Financial Officer	
	<small>THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY</small> Chad Stiteler, Chief Financial Officer	<small>HIS/HER PHONE NUMBER</small> 907-742-4369	
<b>4</b>	<b>COORDINATED WITH AND REVIEWED BY</b>	<b>INITIALS</b>	<b>DATE</b>
	<b>Mayor</b>	/	
	Heritage Land Bank		
	Merrill Field Airport		
	Municipal Light & Power		
	Port of Anchorage		
	Solid Waste Services		
	Water & Wastewater Utility		
	<b>Municipal Manager</b>		
	Cultural & Recreational Services		
	Employee Relations		
	Finance, Chief Fiscal Officer		
	Fire		
	Health & Human Services		
	Office of Management and Budget		
	Management Information Services		
	Police		
	Planning, Development & Public Works		
	Development Services		
	Facility Management		
	Planning		
	Project Management & Engineering		
	Street Maintenance		
	Traffic		
	Public Transportation Department		
	Purchasing		
	<b>Municipal Attorney</b>		
	<b>Municipal Clerk</b>		
	<b>Other:</b> Anchorage School District		
	Carol Comeau, Superintendent	<i>CC</i>	3/2/12
	Chad Stiteler, Chief Financial Officer	<i>[Signature]</i>	3/2/12
<b>5</b>	<b>Special Instructions/Comments</b>		
<b>6</b>	<small>ASSEMBLY HEARING DATE REQUESTED</small> March 13, 2011	<b>7</b>	<small>PUBLIC HEARING DATE REQUESTED</small> March 27, 2011