

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM 114-2015

Meeting Date: March 03, 2015

FROM: ANCHORAGE SCHOOL DISTRICT

SUBJECT: AO 2015-22 ANCHORAGE SCHOOL DISTRICT  
FY 2015-2016 FINANCIAL PLAN

**PROPOSED FINANCIAL PLAN**

The Anchorage School Board has approved the Proposed Financial Plan and Budget for FY 2015-16 in the amount of \$784,243,730. The total proposed Anchorage School District budget by individual funds is projected as follows:

Municipal Upper Limit Summary

**Table 1. Individual Fund Budget Summary (in millions \$)**

Individual Funds	Actual	Actual	Budget	Proposed	FY 16 Proposed vs FY 15 Budget	
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	\$	%
General Fund	\$ 572.093	\$ 563.629	\$ 588.063	\$ 603.192	\$ 15.129	2.6%
Grants Fund	44.670	44.500	50.405	57.441	7.036	14.0%
Debt Service Fund	85.008	84.703	87.464	87.161	(0.303)	-0.3%
Capital Projects Fund	12.363	17.862	11.682	7.000	(4.682)	-40.1%
Food Service Fund	18.691	20.455	21.766	22.261	0.495	2.3%
Student Activities Fund	6.956	7.643	7.048	7.189	0.141	2.0%
ASD Managed Total	739.781	738.792	766.428	784.244	17.816	2.3%
SOA PERS/TRS On-behalf	116.970	120.288	699.726	48.126	(651.600)	-93.1%
Total All Funds	\$ 856.751	\$ 859.080	\$ 1,466.154	\$ 832.370	\$ (633.784)	-43.2%

\*PERS and TRS on-behalf has been updated for FY 2014-15 due to SB 119 appropriations of \$3B into PERS/TRS

\*\*TRS on-behalf for FY 2015-16 has been updated to account for school board amendments

It is requested that the Anchorage Assembly approve local property taxes in the amount of \$241,627,624 and the upper limit Anchorage School District spending authorization of \$784,243,730 for FY 2015-16.

The associated mill rate is expected to decline from 7.04 (FY 2014-15) to 6.87 (FY 2015-16) -- a decline of 17 basis points or 2.41 percent.

1 THE STRATEGIC GOALS

2 The Anchorage School Board has set high performance expectations for our  
3 students and educators which are embodied in Destination 2020, the district's  
4 strategic plan.

- 5 • 90% of students will be proficient in reading, writing, and mathematics
- 6 • 90% of students will graduate high school
- 7 • Every student will attend school at least 90% of the time
- 8 • 90% of parents will recommend their child's school to others
- 9 • 100% of students and staff will feel safe at school
- 10 • Operational efficiency: the district will rate in the top 25 percent of urban
- 11 schools in every key performance indicator

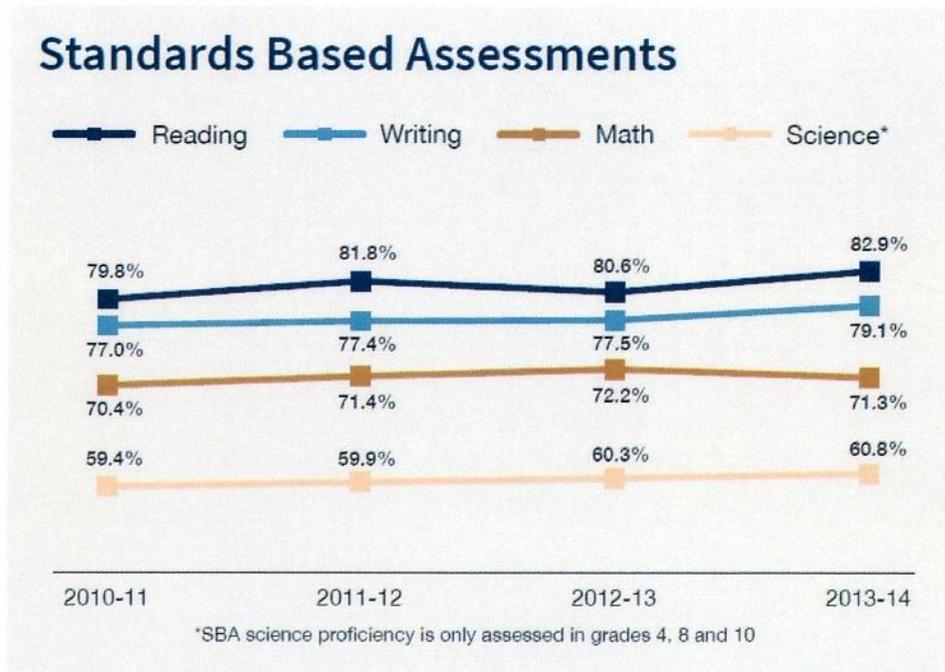
12  
13 The district has been making progress toward these goals in a number of areas.

14  
15 STUDENT PROFICIENCY

16 The district continues to see improvement in student proficiency. This is evident  
17 in student test scores. Reading and writing scores are up; many grade levels are  
18 showing the highest proficiency levels in the last four years.

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20 Last year, the district implemented a new math curriculum for students in  
21 grades K-8. Districtwide, there was a slight decline in math scores, but not to the  
22 level that is typical in the initial years of a new curriculum implementation.

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1 The district has made consistent gains in third grade reading, a leading  
 2 indicator of high school graduation, as well as writing and math over the past  
 3 four years.

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**Third Grade Proficiency**

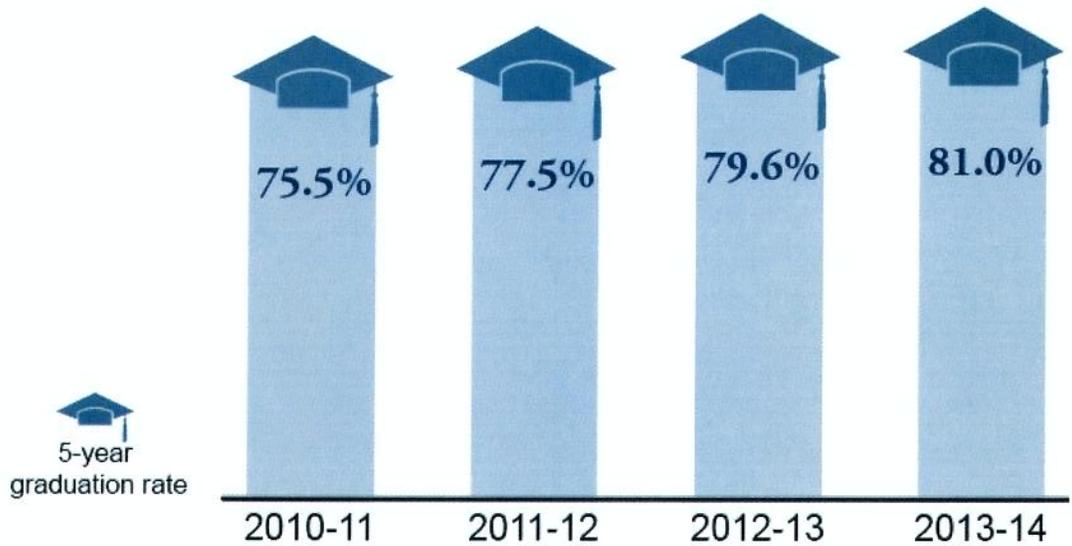
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	Trend
Reading	84.3%	84.7%	85.2%	86.4%	
Writing	78.8%	81.6%	80.5%	83.3%	
Math	76.9%	79.2%	79.2%	79.9%	

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**GRADUATION**

8 The district's four-year graduation rate is 73.5 percent. The five-year rate, 81  
 9 percent, is the highest in district history. Students are graduating from high  
 10 school prepared for the workforce or to continue their education. The district  
 11 has one of the lowest dropout rates than ever before.

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**STUDENT ATTENDANCE**

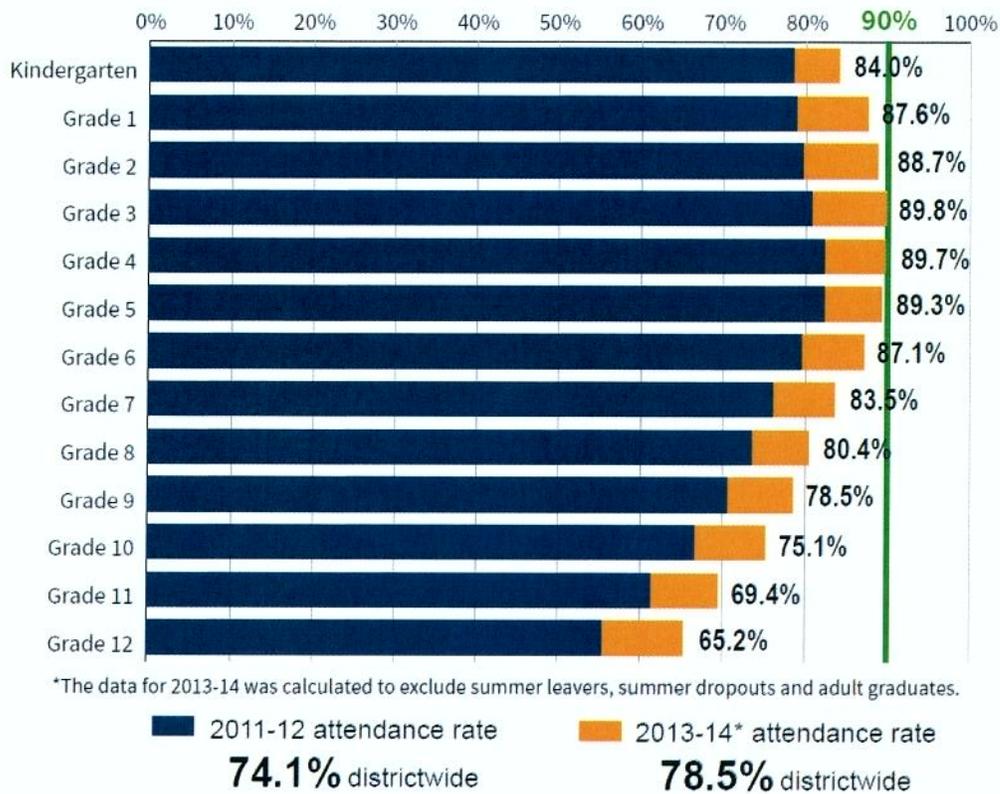
16 A missed school day is a lost opportunity for students to learn. District data  
 17 shows there is a direct correlation between ASD students who attend school  
 18 regularly and higher academic achievement levels.

19

20 In order to reach attendance goals, students can miss no more than 17 days of  
 21 school per year, that's the equivalent of two days per month.

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1 Instilling the value of coming to school every day is important to start at a  
 2 young age. Through ASD's collaborative efforts with the community and  
 3 conversations with families around the importance of daily attendance, we are  
 4 seeing improvement.



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### PARENT RECOMMENDATION

The vast majority of parents recommend their child's school to others. Parents consistently give ASD schools high approval ratings, near 90 percent, and praise customer service efforts with families and visitors alike.

### SAFETY

Student and staff safety is the district's top priority. It's not negotiable. An increasing number of students are reporting that they feel safe in our schools. So are their parents.

Every school has an emergency action plan in place and practices it regularly. Additionally, the district continues to enhance physical safety efforts in its schools. Every school now has a duress alarm that directly communicates with the Anchorage Police Department; every elementary school has electronically operable front doors to allow office staff to lock doors and entry ways directly from their workstations; upgraded intra-school communication systems allow all ASD buildings to have reliable two-way communication through phones, intercoms and radios.

1 OPERATIONAL EFFICIENCY

2 This year, for the first time ever, the district offered parents the option to  
3 register their children online. Online registration allows parents the opportunity  
4 to get their students signed up for school without the need to show up in person  
5 at a set time in August to fill out multiple forms for each child. This new  
6 process affords schools a great opportunity to focus on building their  
7 community relationships instead of processing paperwork. School staff can  
8 concentrate on connecting with students, families and community partners  
9 ensuring everyone is prepared to start the school year off right. Online  
10 registration increases district efficiency by redirecting staff time and increasing  
11 data accuracy.

12  
13 The district is also increasing efficiency by reducing energy costs. Through  
14 building improvements and better day-to-day practices, the district is reducing  
15 its energy use. Replacement of older building systems like boilers, lighting, fans  
16 and roofs make schools feel warmer and better ventilated while reducing  
17 energy use. The LED lighting project at Bartlett High School has shown an  
18 approximate 25 percent savings in energy consumption for lighting since being  
19 installed. School staff and students are also making a difference by being more  
20 energy-aware.

21  
22 KEY PERFORMANCE INDICATORS

23 The district is continuing to streamline central office and central services,  
24 reducing central administration staff by more than 22 percent over the past  
25 three budget cycles while attempting to sustain business process cycle times and  
26 reliability and reducing or eliminating low value activities.

27  
28 RECENT FUNDING HISTORY & NEAR TERM OUTLOOK

29 In April 2014, the legislature passed House Bill 278 which provided the  
30 following:

- 31 • increased the State's Base Student Allocation (BSA) in the Public Schools  
32 Foundation Funding Formula of \$150 in FY 2014-15 and \$50 increases in  
33 both FY 2015-16 and FY 2016-17
- 34 • operating grants outside of the BSA in the amount of \$12.8 million in FY  
35 2014-15, \$9.6 million in FY 2015-16 and \$5.9 million in FY 2016-17, and
- 36 • increased the allowable local contribution by changing the calculation to  
37 include funds paid outside of the foundation formula.

38  
39 The municipality responded in kind by adding \$5.8 million in new funding as  
40 well as eliminating \$2.5 million in costs for School Resource Officers and  
41 property tax collection services. The newly available \$8.3 million was used to  
42 hire 86 classroom teachers in FY 2014-15.

43

1 Looking ahead to FY 2015-16, the district is anticipating an overall decrease in  
2 state funding of approximately \$4.05 million, primarily due to a projected  
3 decline in enrollment, resulting in a \$2.03 million reduction and a shift in  
4 burden from the state to the municipality of \$2.80 million. State transportation  
5 revenue is expected to increase about \$0.78 million as this is the one component  
6 in state funding that is tied to inflation, using the Anchorage CPI as its base.

7  
8 The shift in burden from the state to the municipality is based on the required  
9 local effort component of the foundation formula that requires municipalities to  
10 pay the equivalent of a 2.65 mill tax levy of the taxable real and personal  
11 property in the district. This amount is then reduced from the state's funding to  
12 the district. As the Anchorage economy has remained strong, the taxable value  
13 of property within the district used in the formula has increased from \$36.82  
14 billion in 2013 to \$37.88 billion in 2014, or about 2.9 percent.

#### 15 16 FY 2015-16 BUDGET DEVELOPMENT PROCESS

17 The budget development process began last fall with the district and board  
18 holding three formal public listening sessions. The district and board consulted  
19 with parents, students, teachers, principals and other key stakeholders in the  
20 community throughout the budget development process. Preserving class size  
21 and high-value programs was the common theme among stakeholders when  
22 preparing the FY 2015-16 budget.

23  
24 Concurrent with the budget development process, the administration began  
25 developing the FY 2014-15 year-end expenditure projections based on analysis  
26 of first quarter spending and staffing levels. The analysis showed under-staffing  
27 in many departments such as Special Education and Related Services,  
28 Operations/Maintenance and Information Technology. Due to the high vacancy  
29 rate, coupled with the prospect of many of the vacant highly-specialized  
30 positions remaining unfilled due to nationwide shortages, the district initially  
31 projected a year-end contribution to fund balance of about 3.8 percent, or  
32 around \$21 million. The board authorized \$4 million of these reserves to be used  
33 in the second semester of the current year to address large class sizes in  
34 secondary schools, provide additional elementary support, fund a summer  
35 school program, increase substitute teacher pay, add recruiting support and  
36 tools to address the vacancies in hard-to-fill positions, add temporary IT  
37 support, and provide funds for a Charter School/ Alternative Programs Director  
38 to help support existing and prospective charter schools and assisting with the  
39 development of new alternative programs.

40  
41 The board authorized \$17 million of reserves to be used to help fill the inflation  
42 driven budget gap in FY 2015-16. This use of fund balance will provide students  
43 with stability from the disruptions associated with reducing direct instruction

1 and instructional support due to large budget reductions and associated staffing  
2 adjustments that occur prior to any potential legislative relief in April.

3  
4 ENROLLMENT

5 The district has seen a decline in enrollment of nearly 1,500 students over the  
6 past five years, or about 3.2 percent. The district is expecting that trend to  
7 continue in FY 2015-16 and is anticipating approximately 200 fewer students, or  
8 about 0.43 percent, compared to the current fiscal year based on demographic  
9 analysis of Anchorage birth rates over the past five years<sup>1</sup>.

10  
11 DIRECT CLASSROOM INSTRUCTION AND PUPIL TEACHER RATIO

12 The district is committed to maintaining direct instruction to allow teachers to  
13 focus on student engagement. For FY 2015-16 the pupil teacher ratio (PTR) will  
14 remain the same as the prior year with some adjustments to rounding at the  
15 individual school level. The district anticipates adding 22.2 full time equivalent  
16 (FTE) for direct classroom instruction even with the prospect of declining  
17 enrollment due in part to increasing enrollment in the elementary grades where  
18 the PTR is lower, requiring additional staffing. Additionally, FTE will be  
19 rounded up at the school level to enable schools to retain highly valued classes.

20  
21 The district added an additional 20 FTE teacher positions to restore planning  
22 time that was reduced in the FY 2014-15 budget cycle to middle school elective  
23 teachers. Another 1.5 FTE was added to provide community outreach and  
24 development of Chinese and French offerings at the elementary school level.

25  
26 In addition to holding the PTR steady and rounding up FTE to reduce  
27 disruption to students and teachers based on enrollment changes, the district  
28 has included funding for equipment and intervention tools to be used in the  
29 classroom.

30 • Classroom technology upgrades - \$1.081 million<sup>2</sup>

31 The district has identified 2,877 school-based staff computers that are 5 - 10  
32 years old. The last major technology refresh was done in 2009 when Federal  
33 American Recovery and Reinvestment Act funds were available. New  
34 computers would not only give teachers more reliable resources, they would  
35 also reduce the IT staff time dedicated to troubleshooting and repairing old  
36 machines.

37 • Curriculum software - \$1.239 million

38 The district has included funds in this budget cycle for new and existing  
39 curriculum software such as Language Live, Keyboarding Without Tears and

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<sup>1</sup> Projected enrollment does not take into account potential reductions of Army personnel at JBER that may arise.

<sup>2</sup> Reduced from \$3.305 million to fund 20 middle school FTE and 1.5 world language FTE.

1 Math Whizz as well as preparing for software purchases with multi-year  
2 license agreements.

#### 3 4 INSTRUCTIONAL SUPPORT-SPECIAL EDUCATION

5 The district will continue to systematically update its curriculum, training and  
6 coaching for special education to reflect best practices in behavioral support  
7 with the state funding identified in HB 278. This will cover Tier 2 and Tier 3  
8 behavior interventions across all grade levels with increased support for the  
9 increasing population of students with autism.

10  
11 Budgeted FTE will remain stable with an increased focus on recruiting and  
12 retaining hard-to-fill, specialized positions that have been difficult to hire  
13 nationwide in recent years such as psychologists, speech language pathologists,  
14 occupational/physical therapists, structured learning teachers for students with  
15 autism and life skills and resource teachers.

#### 16 17 INSTRUCTIONAL SUPPORT - ENGLISH LANGUAGE LEARNERS

18 Subsequent to the budget development for FY 2014-15, the administration  
19 recommended and the school board approved changes to the English Language  
20 Learners (ELL) staffing model which reduced ELL tutors by 8.625 FTE and  
21 increased ELL teachers by 4.6 FTE with no net change in total cost. These  
22 changes are reflected in the ELL program's budgeted FTE for FY 2015-16 as well  
23 as an increase in funding to purchase textbooks, supplies and materials for a  
24 steadily growing population of students.

#### 25 26 PILOT PROGRAMS - YEAR 2

27 After the legislature passed HB 278 last spring, the board and administration  
28 made the decision to commit funds generated by the operating grants outside of  
29 the BSA to pilot programs as well as technology and curriculum upgrades over  
30 the three year span of the bill. The following initiatives were implemented with  
31 new state funding:

- 32 • Early literacy efforts targeted class size reductions in grades K - 2 as well as  
33 added early literacy coaches/interventionists in 12 schools.
- 34 • Pre-K classrooms for at-risk students were added at three new sites in FY  
35 2014-15 with one more to be added in FY 2015-16. Community organizations  
36 were also engaged to add additional Pre-K space for at-risk students.
- 37 • Replacement of aging science, technology and engineering curriculum with  
38 new materials, kits and online integrated references and textbooks.
- 39 • Accelerated deployment of mobile IT resources including chromebooks,  
40 tablets and laptops to teachers and students. Provided support for  
41 districtwide site licenses for key software support, including Smart  
42 Notebook, Response VE, Math Tools, Ink Editing and Extreme  
43 Collaboration.

- Expanded job-embedded professional development for instructional tours where teachers have dedicated time to learn best practices from peers.

#### DISTRICTWIDE ADMINISTRATION AND ANCILLARY SUPPORT SERVICES

Ancillary building support and districtwide central services have experienced deep cuts over the last two years, eliminating more than 113 FTE across Custodial Services, Maintenance, Finance/OMB, Purchasing/Warehouse, Communications, IT, Curriculum/Instruction and Human Resources.

For FY 2015-16, the district will continue to streamline central support operations and has proposed a net reduction of 3 FTE which includes the following changes:

- 1 FTE reduction from the Chief Operating Officer for ancillary services to be determined
- 3 FTE reductions from the Chief Academic Officer including;
  - 2 teacher expert FTE transferred to the Grants Fund and,
  - Eliminating 1 vacant secretary position
- 1 FTE reduction from the Chief Financial Officer to be determined
- 1 FTE net addition from the Chief Human Resources Officer; and
- 1 FTE added for a Charter School/ Alternative Programs Director

Other significant increases over the FY 2014-2015 budget for other than personnel services include:

- Ed Center rent - \$0.413 million  
The lease on the Ed Center is increasing sharply in FY 2015-16 due to an escalation clause in the lease that occurs after 5 years of CPI adjustments
- Operations and Maintenance supplies - \$0.380 million  
Over the last two years, the supplies and materials budget for Operations and Maintenance has been reduced substantially. Inventory on hand has been depleted and increased funds are needed to provide custodial supplies and maintenance supplies/materials for employees to be able to perform their jobs effectively.
- Assessment and Evaluation - \$0.118 million  
The district added funding for additional AIMSweb assessments that have not been covered by the Alaska Department Education Early Development Early Literacy Grant as well and for replacing an aging survey scanner, windows compatible software and new computers to run the scanner.
- Utilities - \$1.628 million  
The district is anticipating an increase in overall utility costs for FY 2015-16 based on recent regulatory filings. The increase across all utilities is \$1.628 million with a 24 percent increase in electric being partially offset by an 11.6 percent decline in expected heating costs.

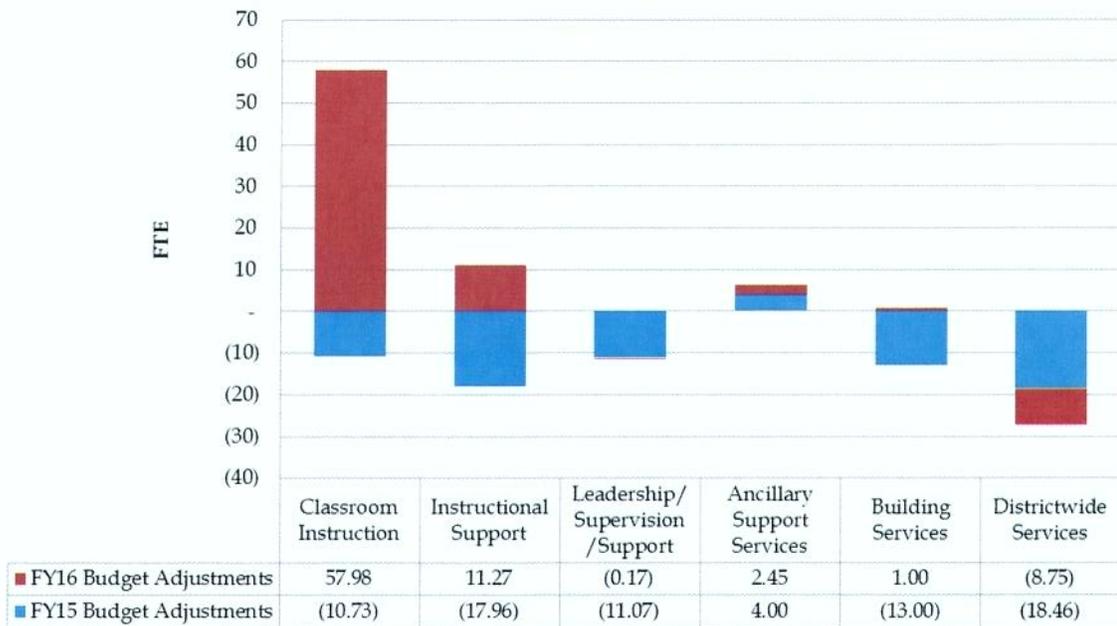
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- General Liability - \$0.349 million  
The district has increased the FY 2015-16 budget to account for expected increases in general liability claims on the order of \$0.349 million
- Federal Excise Tax - 0.167 million  
Federal excise taxes are a newly budgeted item that will be used to pay the reinsurance fee included in the Affordable Care Act. The tax is \$44 per covered life for those employees participating in the district's health care plan.

**SUMMARY OF STAFFING LEVEL CHANGES BY FUNCTION**

The district's proposed budget increases staffing levels over the prior year by 63.78 FTE or 1.17 percent. Of the additional FTE, about 35 percent is attributable to charter schools or 22.1 FTE. The district has made the following staffing changes for FY 2015-16:

**General Fund Budgeted FTE Adjustments**



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PROPERTY TAXES

	Approved Budget FY 2014-2015	Proposed Budget FY 2015-2016	Increase/ (Decrease)	Percent Change
Total (FY)	239,576,423	241,627,624	2,051,201	0.86%
Estimated Assessed Valuation (CY)	33,606,601,597	35,029,181,874	1,422,580,277	4.23%
Estimated Mill Rate (CY)	7.04	6.87	(0.17)	-2.41%

	Actual FY 2014-2015 Sept. 30, 2014	Projected FY 2015-2016 Sept. 30, 2015	Increase/ (Decrease)	Percent Change
Student Enrollment	47,929	47,721	(208)	-0.43%

The FY 2015-16 Proposed Financial Plan and Budget continues the Anchorage School Board’s commitment to improving the education of all students. By using reserves to mitigate the disruption caused by personnel reductions that must otherwise be made in a flat to declining revenue environment, the district looks forward to a year in which teachers can remained focus on student engagement, achievement and outcomes.

**The Anchorage School District requests the full support of the Anchorage Assembly for this budget and in the ongoing efforts to continue a community dialogue that focuses on building on the momentum ASD has started to achieve.**

Respectfully submitted,  
  
 Ed Graff  
 Superintendent

EG/MF/AR

Attachments include:

- Board Amendments to Preliminary Budget (Attachment A)
- February 2, 2015 Preliminary Budget Memo (Attachment B)

Comb Bound / PDF Proposed FY 2015-16 Budget under separate cover

Submitted by: Chairman of the Assembly  
at the request of the  
School Board

Prepared by: Anchorage School District

For Reading: March 03, 2015

1 ANCHORAGE, ALASKA

2 AO NO. 2015-22

3  
4 AN ORDINANCE DETERMINING AND APPROVING THE TOTAL AMOUNT  
5 OF THE ANNUAL OPERATING BUDGET OF THE ANCHORAGE SCHOOL  
6 DISTRICT FOR ITS FISCAL YEAR 2015-2016 AND DETERMINING AND  
7 APPROPRIATING THE PORTION OF THE ASSEMBLY APPROVED BUDGET  
8 AMOUNT TO BE MADE AVAILABLE FROM LOCAL SOURCES  
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10  
11 THE ANCHORAGE ASSEMBLY ORDAINS:

12  
13 Section 1. That the FY 2015-2016 Proposed Anchorage School District  
14 Financial Plan in the amount of \$784,243,730 has been approved by the Anchorage  
15 Assembly and that, of said amount, the amount of \$241,627,624 is the amount of  
16 money to be contributed from local property taxes or other local sources and is  
17 hereby appropriated for school purposes to fund the School District for its  
18 2015-2016 fiscal year.  
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20  
21 Section 2. That this ordinance is effective upon passage and approval.  
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23  
24 PASSED AND APPROVED by the Anchorage Assembly, this \_\_\_\_\_ day of  
25 \_\_\_\_\_ 2015.  
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28 \_\_\_\_\_  
29 Chair of the Assembly

30 ATTEST

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32 \_\_\_\_\_  
33  
34 Municipal Clerk

## **FY2015-2016 Preliminary Budget - Amendment #1**

Move to amend the FY2015-2016 Preliminary Budget, general fund, to add 20 full time equivalent certificated teaching positions to the ten district middle schools to enable the restoration of a second planning period to all middle school full time equivalent teachers to be funded from school staff information technology refresh (Account #5420).

## **FY2015-2016 Preliminary Budget - Amendment #2**

Move to amend the FY2015-2016 Preliminary Budget, general fund, to reallocate \$150,000 from school staff information technology refresh (Account #5420) for the purpose of primary immersion development as follows:

- 0.5 FTE for Chinese immersion (Kindergarten) development and community outreach for Scenic Park Elementary School
- 0.5 FTE for French immersion (Kindergarten) development and community outreach, and
- 0.5 FTE for a French Foreign Language In Elementary School (FLES) teacher in a to-be-determined elementary school to build a school-wide level of interest and knowledge

ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA

ASD MEMORANDUM #161 (2014-2015)

February 2, 2015

TO: SCHOOL BOARD

FROM: ED GRAFF, SUPERINTENDENT

SUBJECT: FY 2015-2016 PRELIMINARY FINANCIAL PLAN AND BUDGET  
(FIRST READING)

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

The preliminary financial plan and budget is being provided to the school board for first reading on February 2, 2015 with a board vote on the preliminary financial plan and budget scheduled for February 19, 2015.

Consistent with the upper limit budget set in the board's financial planning guidance, the total Anchorage School District managed funds for FY 2015-16 is \$784.244 million, or about 2.3 percent above the prior year. Including the State of Alaska on-behalf payments, the total for all funds is \$832.124 million or about 43.2 percent lower than FY 2014-15.

Municipal Upper Limit Summary

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## **Summary of Changes by Fund**

### General Fund:

The changes in the General Fund revenues are primarily driven by decreased enrollment, affecting state and local revenues, and an increased allocation of current reserves from the school board to help cover the inflationary gap in the FY 2015-16 budget. The increase over the current year budget is \$15.127 million or about 2.6 percent.

### Pupil Transportation:

Pupil transportation funding is slated to increase by \$0.786 million or 3.5 percent. Funds are generated through the state's pupil transportation funding program and are paid out based on each district's Average Daily Membership (ADM). The transportation program is unique in that state revenue is adjusted for inflation (Anchorage CPI) each year helping the district moderate the erosion of purchasing power.

Even with inflation-adjusted revenue, the district still faces challenges in the near term providing the same level of service for pupil transportation due to statutory requirements that tie bus driver wages to two times the state minimum wage. In November 2014, an initiative was approved to increase minimum wage to \$8.75/hr beginning on January 1, 2015 and another increase to \$9.75/hr beginning January 1, 2016 with yearly adjustments for inflation after that.

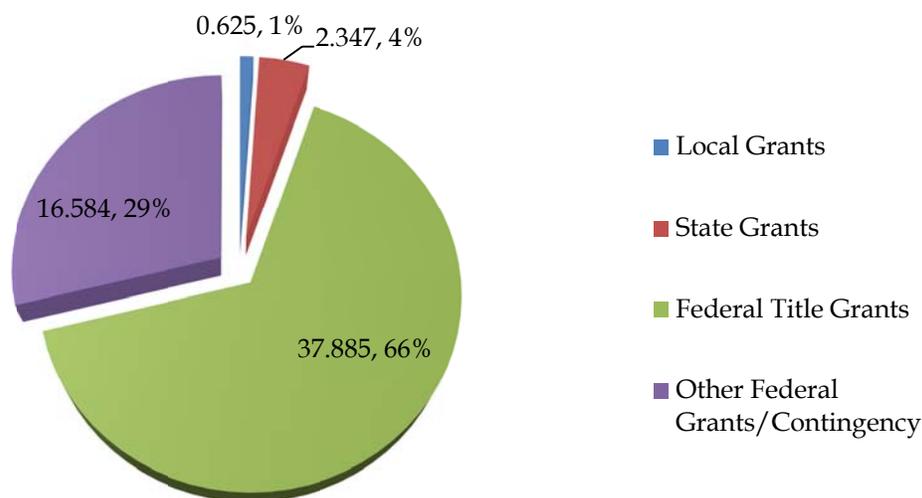
This increase in the minimum wage in January 2016 will affect dozens of drivers, requiring salaries to increase more rapidly than inflation in the first two years. The statutory increase in driver pay is partially offset by a projected decline in fuel prices for FY 2015-16.

### Local/State/Federal Grants:

The district is anticipating an increase in the amount of grants it will receive in FY 2015-16. Federal Title grants constitute approximately 66 percent of the Grants Fund with other federal grants and contingency for awards that have not yet been received provide another 29 percent. State and local grants make up the remaining 5 percent of expected grants.

Figure 1 below shows the amounts and percentages of local, state and federal awards that are expected for FY 2015-16.

**Figure 1. Local/State/ Federal Grant Awards (in millions \$)**



\*excludes PERS/TRS on behalf payments

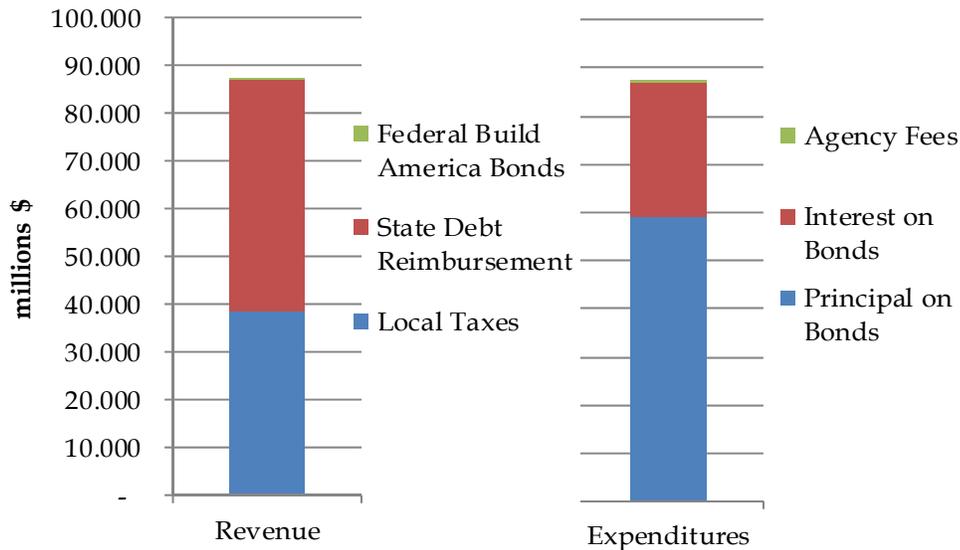
### Debt Service Fund

The Debt Service Fund is used to pay expenses associated with voter-approved bonding for the purpose of major capital outlay relating to acquisition, construction and renovation of capital facilities. Annual debt service payments used to pay long-term bonded debt principal, interest and related costs are expected to be \$87.161 million, about \$0.303 million less than the current year. The district's total gross bonded debt as of June 30, 2014 is \$591.551 million, down from \$815.057 million ten years ago.

Funding for repayment of principal, interest and other expenses comes primarily from the state capital debt reimbursement program and local property taxes. The calendar year tax assessment for the repayment of bonds is estimated at 1.12 mills for 2015. [See page 2, ASD 2015-2016 Preliminary Budget]

The following graph shows the revenue sources by agency and the expenditures by type for the Debt Service Fund.

**Figure 2. Debt Service Fund**



For FY 2015-16, all state debt reimbursements, including any potential bonds that may be approved by voters in April, currently fall under the 60 and 70 percent reimbursement rates for new construction and renovations, respectively. After the April 2015 election, the 60 percent reimbursement rate for new construction will drop to 50 percent.

Capital Projects Fund

The Capital Projects Fund has been used to account for state legislative capital grants and has varied widely from year to year. The district is budgeting for a 40.1 percent decline over the current year consistent with the board’s pro forma guidance.

Food Service Fund

The Food Service Fund is slated to increase by \$0.495 million or about 2.3 percent. A decrease in meal sales is expected to be offset by a slight increase in federal meal reimbursements as well as additional funding for the state’s Nutritional Alaska Foods Grant.

The migration of revenue from paid meals to federal reimbursement can be attributed to the Community Eligibility Provision program (CEP) which provides free breakfast and lunch to the entire population of qualifying schools. The CEP program was introduced to 10 new schools in FY 2014-15 bringing the total number of school receiving service up to 30 schools districtwide.

Appendix 6 shows revenue by source and expenditures by organization for the Food Service Fund. More detailed information can be found on page 174 of the preliminary budget for FY 2015-16.

### Student Activities Fund

The Student Activities Fund is used to account for revenues and expenditures generated from student body organizations. For FY 2015-16, a modest increase in collections and disbursements of \$0.141 million is expected.

## **General Fund Revenue**

### **Enrollment**

The revenue received by the district is primarily driven by enrollment. Enrollment flows through the State Foundation Formula in the form of Average Daily Membership (ADM), with adjustments, which sets the amount of the state contribution to education and creates a maximum contribution that the municipality can contribute. Enrollment of students living on JBER is the primary source of Federal Impact Aid as well.

The district is projecting a decrease in total enrollment of about 208 students based on demographic trends over the past five years (Anchorage birth rates). Increases in enrollment in elementary grades are offset by erosion at the secondary level.<sup>1</sup>

The following table shows five prior years of enrollment, the current year and the projected enrollment for next year as of September 30<sup>th</sup>.

**Table 2. Enrollment History**

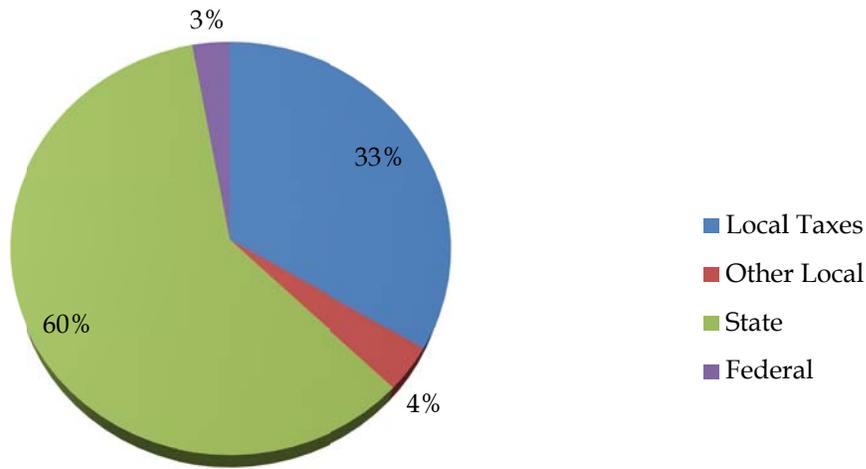
	<i>September 30th Enrollment</i>					<b>Actual</b>	<b>Projected</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Kindergarten	3,654	3,853	3,936	3,956	4,018	3,930	3,948
Grade 1	3,769	3,693	3,809	3,885	3,914	3,858	3,873
Grade 2	3,677	3,700	3,681	3,708	3,690	3,798	3,752
Grade 3	3,765	3,667	3,622	3,657	3,628	3,660	3,745
Grade 4	3,712	3,767	3,591	3,567	3,538	3,582	3,595
Grade 5	3,813	3,671	3,726	3,559	3,506	3,448	3,523
Grade 6	3,592	3,839	3,644	3,710	3,511	3,465	3,421
Grade 7	3,615	3,572	3,754	3,608	3,624	3,408	3,397
Grade 8	3,608	3,531	3,530	3,704	3,519	3,574	3,343
Grade 9	3,708	3,549	3,576	3,536	3,624	3,506	3,549
Grade 10	3,699	3,640	3,447	3,517	3,403	3,520	3,409
Grade 11	3,608	3,498	3,468	3,373	3,350	3,261	3,365
Grade 12	<u>3,787</u>	<u>3,725</u>	<u>3,645</u>	<u>3,660</u>	<u>3,484</u>	<u>3,510</u>	<u>3,392</u>
Total	48,007	47,705	47,429	47,440	46,809	46,520	46,312

1. The effects of any economic decline due to the recent drop in oil prices have yet to be realized and the district has seen an uptick in enrollment in the lower grades since the beginning of the year.

The district’s General Fund revenue primarily comes from the state funding with local property taxes making up the majority of the remainder. Other local funding consists of district reserves, interest earnings, user fees and other miscellaneous revenue. Federal Impact Aid, Medicaid and JROTC Reimbursement make up the Federal revenue.

Figure 3 below shows the percentages of each revenue source:

**Figure 3. Revenues by Type**



\*excludes PERS/TRS on-behalf revenue

## Local Revenue

### Local Property Taxes

The district has included in the preliminary budget the assumption that the municipality will continue to contribute local property taxes up to the maximum allowed under the state funding formula. The Anchorage Assembly has shown a strong willingness to help fund education by both increasing funding to the allowable limit and by no longer charging the district for the cost of School Resource Officers and property tax collection.

The municipal property value base, on which the *required* local contribution is based, rose approximately 2.9 percent in 2014 to \$37.877 billion (used in the FY 2015-16 foundation formula). This increases the required local contribution by \$2.797 million while reducing State funding on a dollar for dollar basis. The required local contribution is \$100.375 million while the additional local contribution is capped at \$102.444 million. The district has included a total of

\$202.819 million in local tax appropriations from the MOA in its FY 2015-16 budget.

#### Use of Fund Balance

Early on in the development of the budget for FY 2015-16, the district recognized that it was on track to have a net contribution to fund balance by the end of the year of about \$21 million if current and historical spending patterns continue. The board authorized the administration to put \$4 million into second semester initiatives such as reducing large classes in secondary schools, providing additional support to elementary schools, adding summer school, increasing sub pay and incentives, hiring temporary IT support to ensure classroom support during a period with increased vacancies, and adding temporary recruitment help and recruiting tools to help fill vacant, highly specialized positions. A Charter School/Alternative Programs Director position was added as well to help support existing and prospective charter schools and assisting with the development of new alternative programs.

The board authorized \$17 million of reserves to be used to help fill the projected budget gap in FY 2015-16. This unprecedented use of funds will provide students from two years in a row of disruption in direct instruction and classroom support due to large budget reductions and associated staffing adjustments that occur prior to any potential legislative relief in April.

#### E-Rate

E-Rate is expected to decline by \$0.224 million from the FY 2014-15 budget. The reduction stems from a change in the Federal Communications Commission's Universal Service Program that steps down the reimbursement for voice services and eliminates other services. The loss of reimbursement for telephone services is partially offset by an increase in the cost and subsequent reimbursement of internet connectivity and bandwidth.

#### Other Local Revenue

Facilities rentals, user fees and interest earnings are expected to remain around the same level as the prior fiscal year. Other local revenues which consist of KCC sales, training fees, recycling and other miscellaneous revenue is increasing \$0.134 million over the current fiscal year. This is largely due to the rebate that is generated from the district's p-card program with US Bank. The p-card program was implemented in FY 2012-13, giving the administration one partial and one full rebate period of data which has shown that the program is a reliable and consistent revenue source.

## **State Funding**

### Foundation Formula Funding

The Base Student Allocation (BSA) within the State of Alaska Foundation Funding Formula is scheduled to receive a \$50 increase up to \$5,880 per student. With an overall drop in projected enrollment expected and an increase in the required local contribution, the district is projecting \$326.992 million in foundation revenue for FY 2015-16 or \$1.298 million less than the FY 2014-15 budget.

### Operating Grants Outside the BSA

The second of three years of operating grants provided in HB 278 that are outside of the foundation formula but distributed based on adjusted ADM are expected to provide \$9.551 million in FY 2015-16, \$3.256 million less than the current year.

## **Federal Funding**

The district is expecting Federal Impact Aid to generate \$15.909 million based on the initial verified counts compiled and submitted in the application for funding.

Other federal revenues for Medicaid reimbursement and JROTC instructor cost sharing are expected to remain consistent with FY 2014-15 with an inflationary adjustment applied to JROTC revenue based on expected increases in instructor salaries.

Table 3 below shows a comparative analysis of the FY 2014-15 revised and FY 2015-16 preliminary General Fund revenue budgets as well as two prior years of actual data. The actual data excludes PERS and TRS on-behalf payments for comparability purposes.

General Fund Budgeted Revenue

**Table 3. Preliminary General Fund Budget (in millions \$)**

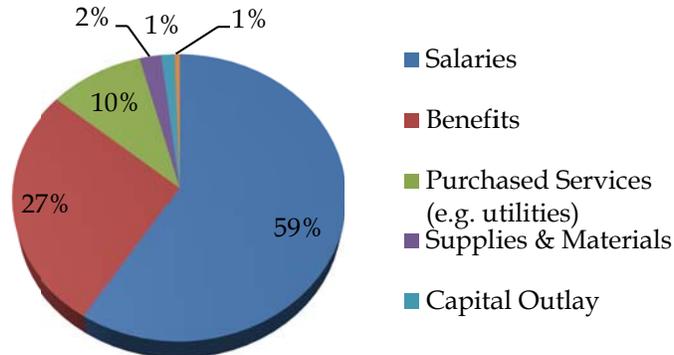
Line #	Individual Funds	Actual	Actual	Revised	Prelim	FY 16 Prelim vs FY 15 Budget	
		FY 2012-13	FY 2013-14	Budget FY 2014-15	FY 2015-16	\$	%
<b>Local Revenue</b>							
1	Property taxes	\$ 192.544	\$ 192.466	\$ 200.213	\$ 202.819	\$ 2.606	1.3%
2	Fund balance	6.000	7.000	1.621	17.000	15.379	948.7%
3	E-rate	1.944	2.040	1.724	1.500	(0.224)	-13.0%
4	Interest earnings	(0.063)	1.664	1.000	1.000	-	0.0%
5	Facility rentals	0.831	0.827	0.707	0.725	0.018	2.5%
6	User fees	1.456	1.470	1.417	1.404	(0.013)	-0.9%
7	Other local	0.664	0.474	0.263	0.397	0.134	51.0%
8	<b>Total local revenue</b>	<b>203.376</b>	<b>205.941</b>	<b>206.945</b>	<b>224.845</b>	<b>17.900</b>	<b>8.6%</b>
<b>State revenue</b>							
9	Foundation funding	324.242	317.473	328.563	326.992	(1.571)	-0.5%
10	Operating grants outside BSA	7.567	7.473	12.807	9.551	(3.256)	-25.4%
11	Quality School Grant	1.205	1.188	1.187	1.183	(0.004)	-0.3%
12	Pupil transportation	22.226	22.328	22.406	23.192		
13	State tuition reimbursement	0.408	0.408	0.405	0.405	-	0.0%
14	<b>Total state revenue</b>	<b>355.648</b>	<b>348.870</b>	<b>365.368</b>	<b>361.323</b>	<b>(4.045)</b>	<b>-1.1%</b>
<b>Federal revenue</b>							
14	Federal Impact Aid	20.387	18.142	14.661	15.909	1.248	8.5%
15	JROTC instructor reimbursement	0.818	0.763	0.589	0.615	0.026	4.4%
16	Medicaid reimbursement	-	0.689	0.500	0.500	-	0.0%
17	<b>Total federal revenue</b>	<b>21.205</b>	<b>19.594</b>	<b>15.750</b>	<b>17.024</b>	<b>1.274</b>	<b>8.1%</b>
18	<b>General Fund Budgeted Revenue</b>	<b>\$ 580.229</b>	<b>\$ 574.405</b>	<b>\$ 588.063</b>	<b>\$ 603.192</b>	<b>\$ 15.129</b>	<b>2.6%</b>

\*excludes PERS and TRS on-behalf payments for comparability purposes

## General Fund Expenditures

The General Fund is the primary operating fund of the district and is comprised mostly of employee salaries and benefits. Figure 4 below shows the expenditure percentages by type:

**Figure 4. Expenditures by Type**



\*excludes PERS/TRS on behalf payments

## **Staffing Levels**

Early on in the budget development process, the district and board engaged the public through three formal public listening sessions and consulted key stakeholders including parents, principals, teachers and other employee bargaining groups.

Based on the conversations with stakeholders, administrative analysis and input from parents, teachers and students, the overwhelming majority indicated maintaining or reducing class size, preserving high-quality instruction and highly valued programs were the most important things to consider when creating the budget.

The district is committed to using the \$17 million of fund balance to mitigate reductions to direct instruction and classroom support and to preserve programs and maintain or lower class size.

Appendix 1 shows total staffing by functional area for FY 2015-16 as compared to the prior two years and appendix 2 shows the changes in FTE from the FY 2014-15 Adopted Budget to the FY 2015-16 Preliminary Budget.

### **Direct Classroom Instruction - Pupil Teacher Ratio (PTR)**

The district is committed to maintaining direct instruction to allow teachers to focus on student engagement. For FY 2015-16 the PTR will remain the same as the prior year with some adjustments to rounding at the individual school level. The district anticipates adding 22.2 FTE for direct classroom instruction even with the prospect of declining enrollment due in part to increasing enrollment in the elementary grades where the PTR is lower, requiring additional staffing. Additionally, FTE will be rounded up at the school level to enable schools to retain highly valued classes. As an illustrative example, a high school with an enrollment of 1,700 students would be allocated 57.8 FTE under a direct PTR allocation based on a PTR of 29.41. For FY 2015-16 this will be rounded up to 58 FTE. This change in allocation practice will help to alleviate some of the displacement that occurs during typical staffing allocations due to small enrollment changes creating a stable environment for teachers to be able to focus on student engagement.

Appendix 3 shows the PTR for the current year and 20 preceding years.

In addition to holding the PTR steady and rounding up FTE to reduce disruption to students and teachers based on enrollment changes, the district has included funding for equipment and intervention tools to be used in the classroom.

- **Classroom technology upgrades - \$3.305 million**

The district has identified 2,877 school-based staff computers that are 5 to 10 years old. The major technology refresh was done in 2009 when American Recovery and Reinvestment Act (ARRA) funds were available. New computers would not only give teachers more reliable resources, they would also reduce the IT staff time dedicated to troubleshooting and repairing old machines.

- **Curriculum software - \$1.239 million**

The district has included funds in this budget cycle for new and existing curriculum software such as Language Live, Keyboarding Without Tears and Math Whizz as well as preparing for software purchases with multi-year license agreements.

## **Instructional Support**

During the budget revision process after the passage of HB 278 last May, the district committed additional resources generated by increased block grant funding to instructional support programs to address emergent needs. The \$50 increase in the BSA for FY 2015-16 is expected to generate approximately \$1.086 million in additional funding for instructional support programs designated in the Foundation Formula.

### Special Education and Related Services

The district will continue to systematically update its curriculum, training and coaching for special education to reflect best practice in behavioral support with the state funding identified in HB 278. This will cover Tier 2 and Tier 3 behavior interventions across all grade levels with increased support for the increasing population of students with autism.

Budgeted FTE will remain stable with an increased focus on recruiting and retaining hard-to-fill, specialized positions that have been difficult to hire nationwide in recent years such as psychologists, speech language pathologists, occupational/physical therapists, structured learning teachers for students with autism and life skills and resource teachers.

### English Language Learners (ELL)

Subsequent to the budget development for FY 2014-15, the administration recommended and the school board approved changes to the ELL staffing model

which reduced ELL tutors by 8.625 FTE and increased ELL teachers by 4.6 FTE with no net change in total cost.

These changes are reflected in the ELL program's budgeted FTE for FY 2015-16 as well as an increase in funding to purchase textbooks, supplies and materials for a steadily growing population of students.

### Gifted Education

Gifted Education has no proposed staffing changes for FY 2015-16 and the increased support for testing, assessments and materials included in HB 278 will continue with an incremental increase.

### Title VII - Native Education

Support for professional development for Title VII staff in math vocabulary instruction and standards for math practice was added with the new block grant funding in HB 278. That support will remain in FY 2015-16 with an additional incremental increase.

## **Pilot Programs - Year 2**

After the legislature passed HB 278 last spring, the board and administration made the decision to commit funds generated by the operating grants outside of the BSA to pilot programs as well as technology and curriculum upgrades over the three year span of the bill. The following initiatives were implemented with new state funding:

- The district implemented an early literacy project which targeted class size reductions in grades K, 1 and 2 as well as added early literacy coaches/interventionists in 12 schools. See appendix 4 for the schools receiving the increased support as part of the pilot program.
- Pre-K classrooms for at-risk students were added at three new sites in FY 2014-15 with one more to be added in FY 2015-16. Community organizations were also engaged to add additional Pre-K space for at-risk students. See appendix 4 for the list of additional preschool classrooms.
- The district is replacing its aging science, technology and engineering curriculum with new materials, kits and online integrated references and textbooks.
- The district has accelerated the deployment of mobile IT resources including chromebooks, tablets and laptops to teachers and students as well as providing support for districtwide site licenses for key software support, including Smart Notebook, Response VE, Math Tools, Ink Editing and Extreme Collaboration.

- Expanding job-embedded professional development for instructional tours.

## **Ancillary Support and Central Services**

### Personnel Services

Ancillary building support and districtwide central services have experienced deep cuts over the last two years, eliminating more than 113 FTE across custodial services, maintenance, finance/OMB, purchasing/warehouse, communications, IT, curriculum/instruction and human resources.

For FY 2015-16, the district will continue to streamline central support operations and has proposed a net reduction of 3 FTE which includes the following changes:

- 1 FTE reduction from the Chief Operating Officer for ancillary services to be determined
- 3 FTE reductions from the Chief Academic Officer including;
  - 2 teacher expert FTE transferred to the Grants Fund and,
  - Eliminating 1 vacant secretary position
- 1 FTE reduction from the Chief Financial Officer to be determined
- 1 FTE net addition from the Chief Human Resources Officer
- 1 FTE added for a Charter School/ Alternative Programs Director

### Other than Personnel Services (OTPS)

The district has identified significant changes over the current year in OTPS

- **Ed Center rent - \$0.413 million**  
The lease on the Ed Center is increasing sharply in FY 2015-16 due to an escalation clause in the lease that occurs after 5 years of CPI adjustments
- **Operations and Maintenance supplies - \$0.380 million**  
Over the last two years, the supplies and materials budget for Operations and Maintenance has been reduced substantially. Inventory on hand has been depleted and increased funds are needed to provide custodial supplies and maintenance supplies/materials for employees to be able to perform their job effectively.
- **Assessment and Evaluation - \$0.118 million**  
The district added funding for additional AIMSweb assessments that have not been covered by the Alaska DEED Early Literacy Grant as well and for replacing an aging survey scanner, windows compatible software and new computers to run the scanner.

- **Utilities - \$1.628 million**  
The district is anticipating an increase in overall utility costs for FY 2015-16 based on recent regulatory filings. The increase across all utilities is \$1.628 million with a 24 percent increase in electric being partially offset by an 11.6 percent decline in expected heating costs.
- **General Liability - \$0.349 million**  
The district has increased the FY 2015-16 budget to account for expected increases in general liability claims on the order of \$0.349 million
- **Federal Excise Tax - 0.167 million**  
Federal excise taxes are a newly budgeted item that will be used to pay the reinsurance fee included in the Affordable Care Act. The tax is \$44 per covered life for those employees participating in the district's health care plan.

While the FY 2015-16 budget addresses some challenges such as curriculum software and technology upgrades for school staff, other needs have been identified that are not included. Items such as curriculum updates, IT network hardware and equipment replacement funding traditionally are subject to year-end appropriation if funds are available rather than having line items established in the budget.

Appendix 5 identifies the items that the district was not able to include as a matter of prioritization in the FY 2015-16 budget.

EG/MF/MG/MA/AR

Prepared by: Andy Ratliff, Executive Director, OMB

Approved by: Mark Foster, Chief Financial Officer  
Mike Graham, Chief Academic Officer  
Mike Abbott, Chief Operating Officer

Appendix 1 - General Fund Staffing (FTE) Comparison

	Budget	Budget	Projection
July 1	2013	2014	2015
June 30th	2014	2015	2016
<b>Classroom Instruction</b>	<b>2,434.43</b>	<b>2,423.70</b>	<b>2,462.68</b>
Teachers			
Classroom (Pupil Teacher Ratio)	1,952.88	1,958.47	2,008.91
<u>Outside of Pupil Teacher Ratio</u>	481.55	465.23	453.77
Physical Education/Health	113.40	109.90	109.90
Music	89.20	88.58	88.48
Art	29.00	30.30	29.60
CTE/Voc Ed Teachers - King Career Center	29.00	35.00	31.00
CTE/Voc Ed Teachers - Direct Classroom	32.50	15.80	11.40
SAVE, Benny Benson, SEARCH, et al	33.80	30.00	27.70
McLaughlin & New Path (State Capacity)	8.40	9.45	10.00
Special Education (Whaley, Mt. Iliamna)	30.00	30.00	30.00
English Language Learners (Newcomer Center)	4.00	4.00	4.00
Highly Gifted (Rogers Park, Romig, West)	13.75	13.70	13.19
JROTC Instructors	19.00	19.00	19.00
Librarians	79.50	79.50	79.50
<b>Instructional Support</b>	<b>1,617.27</b>	<b>1,599.31</b>	<b>1,609.08</b>
Counseling Services			
Certificated	96.40	95.80	95.80
Nursing Services			
Certificated	76.29	76.00	77.29
Paraprofessional	18.70	18.70	18.70
Special Education (SPED) Services			
Special Ed Service Teachers	526.84	526.40	526.15
SPED Voc Ed Teachers	14.00	6.00	6.00
Psychologists	44.20	43.70	43.70
Counselors	4.00	4.00	4.00
Directors	6.00	6.00	6.00
Paraprofessional	494.08	497.21	500.71
English Language Learners (ELL)			
Certificated	53.30	45.80	51.30
Classified	112.00	110.97	103.60
Gifted (Ignite, pull-outs)			
Certificated	35.25	31.30	31.81
Classified	3.31	3.31	4.06
Native Education	11.06	11.06	11.06
Kindergarten Teacher Assistants	80.50	81.75	81.75
Teacher Assistants	22.84	23.12	24.07
Library/Media Aides	14.00	13.99	14.68
Other Support Staff	4.50	4.20	8.40
<b>Leadership/Supervision/Support</b>	<b>413.69</b>	<b>402.62</b>	<b>402.45</b>
Principals	96.00	95.00	95.00
Assistant Principals	55.80	54.00	54.00
Secretaries, Admin Asst & Support Staff	261.89	253.62	253.45
<b>Ancillary Support Services</b>	<b>231.34</b>	<b>235.34</b>	<b>237.79</b>
Safety/Security	61.00	61.00	61.00
A/V Bldg Support	2.00	3.00	3.00
Bus Services	95.15	97.40	100.68
Noon Duty	73.19	73.94	73.11
<b>Building Services</b>	<b>515.30</b>	<b>502.30</b>	<b>503.30</b>
Custodial Services	341.30	341.30	342.30
Building Maintenance	174.00	161.00	161.00
<b>Systemwide Services</b>	<b>321.20</b>	<b>302.74</b>	<b>293.99</b>
Instructional Support (CAO)	78.95	62.94	54.99
Operational Support (COO)	49.75	48.80	48.00
Admin Support (HR, CFO/IT)	182.50	180.00	180.00
Central Leadership (Superintendent & Board)	10.00	11.00	11.00
<b>TOTAL</b>	<b>5,533.23</b>	<b>5,466.01</b>	<b>5,509.29</b>

\*Includes charter schools

**Appendix 2 - FTE Changes from FY 2014-15 to FY 2015-16**

**Direct Instruction PTR Related Changes**

Elementary classroom instruction	11.35
Secondary classroom instruction	10.75
Unallocated teachers	0.10
Subtotal	<u>22.20</u>

**Instructional Support PTR Related and Targeted Changes**

Benny Benson clerical	0.25
Girdwood nurse - increase to 1.0 FTE	0.50
iSchool coordinators - move to GF from expired Project More grant	2.00
Noon duty attendants	(0.48)
Subtotal	<u>2.27</u>

**Ancillary Services**

Bus drivers and attendants	3.28
Chief Operating Officer TBD	(1.00)
Subtotal	<u>2.28</u>

**Systemwide Services**

Charter School/ Alternative Programs Director	1.00
Chief Financial Officer TBD	(1.00)
Chief Human Resources Officer TBD	1.00
PLD vacant executive secretary	(1.00)
PLD secondary teacher experts transferred to Title II	(2.00)
Subtotal	<u>(2.00)</u>

Change in FY 2015-16 FTE	<u>24.75</u>
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**Changes Subsequent to FY 2014-15 Budget Adoption**

English Language Learners teachers - cost neutral replacement for ELL tutors	4.60
English Language Learners tutors	(8.62)
PLD teacher expert	(1.00)
Teacher expert K-12 - replaced retired MSI coordinator	1.00
MSI Coordinator	(0.75)
Whaley counselor - 0.5 FTE moved to ACE/ACT program	(0.50)
ACE/ACT - CTE teacher	0.50
Maintenance admin assistant - move 0.2 FTE from to Capital Projects	0.20
Total FY 2014-15 General Fund changes	<u>(4.57)</u>

Total changes in General Fund, net of charter schools	<u>20.18</u>
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<b>Net changes in charter school personnel for FY 14-15 and FY 15-16</b>	<u>23.10</u>
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<b>Total changes in FTE from FY 2014-15 to FY 2015-16</b>	<u><u>43.28</u></u>
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**Appendix 3. Pupil-Teacher Ratio (PTR) History**

	K	1	2	3	4	5	6	7	8	9	10	11	12
FY 1994-95	20.50	24.00	24.00	26.00	27.00	27.00	27.00	26.25	26.25	27.08	27.08	27.08	27.08
FY 1995-96	20.50	24.00	24.00	26.00	27.00	27.00	27.00	26.25	26.25	27.08	27.08	27.08	27.08
FY 1996-97	20.50	24.00	24.00	26.00	27.00	27.00	27.00	26.25	26.25	27.08	27.08	27.08	27.08
FY 1997-98	20.50	24.00	24.00	26.00	27.00	27.00	27.00	26.25	26.25	27.08	27.08	27.08	27.08
FY 1998-99	20.50	21.00	24.00	24.00	27.00	27.00	27.00	26.25	26.25	27.08	27.08	27.08	27.08
FY 1999-00	20.50	21.00	24.00	24.00	27.00	27.00	27.00	26.25	26.25	27.08	27.08	27.08	27.08
FY 2000-01	20.50	21.00	25.00	25.00	28.00	28.00	28.00	26.25	26.25	27.91	27.91	27.91	27.91
FY 2001-02	20.50	21.00	24.00	24.00	27.00	27.00	27.00	25.54	25.54	27.08	27.08	27.08	27.08
FY 2002-03	20.50	21.00	24.00	24.00	27.00	27.00	27.00	25.54	25.54	27.08	27.08	27.08	27.08
FY 2003-04	20.50	21.00	24.00	24.00	27.00	27.00	27.00	25.54	25.54	27.08	27.08	27.08	27.08
FY 2004-05	20.50	20.00	24.00	24.00	27.00	27.00	27.00	25.54	25.54	27.08	27.08	27.08	27.08
FY 2005-06	20.75	21.25	24.25	24.25	27.25	27.25	27.25	25.79	25.79	27.33	27.33	27.33	27.33
FY 2006-07	20.75	21.25	24.25	24.25	27.25	27.25	27.25	25.79	25.79	27.33	27.33	27.33	27.33
FY 2007-08	20.50	21.00	24.00	24.00	27.00	27.00	27.00	25.54	25.54	27.08	27.08	27.08	27.08
FY 2008-09	20.50	21.00	24.00	24.00	27.00	27.00	27.00	25.54	25.54	27.08	27.08	27.08	27.08
FY 2009-10	20.50	21.00	24.00	24.00	27.00	27.00	27.00	25.54	25.54	27.08	27.08	27.08	27.08
FY 2010-11	20.50	21.00	24.00	24.00	27.25	27.25	27.25	26.25	26.25	27.91	27.91	27.91	27.91
FY 2011-12	20.50	21.00	24.00	24.00	27.25	27.25	27.25	26.25	26.25	27.91	27.91	27.91	27.91
FY 2012-13	20.50	21.00	24.25	24.75	25.25	25.25	26.25	27.25	27.25	29.41	29.41	29.41	29.41
FY 2013-14	20.00	21.00	24.00	24.00	25.00	25.00	26.00	27.25	27.25	29.41	29.41	29.41	29.41
FY 2014-15	20.00	21.00	24.00	24.00	25.00	25.00	26.00	27.25	27.25	29.41	29.41	29.41	29.41
FY 2015-16 Prelim	20.00	21.00	24.00	24.00	25.00	25.00	26.00	27.25	27.25	29.41	29.41	29.41	29.41
Trend													

**Appendix 4. Pilot Program School Sites**

**Early Literacy Programs**

Abbott Loop Elementary School  
Airport Heights Elementary School  
Campbell Elementary School  
Chinook Elementary School  
College Gate Elementary School  
Gladys Wood Elementary School  
Inlet View Elementary School  
Kasuun Elementary School  
Kincaid Elementary School  
Lake Hood Elementary School  
Mountain View Elementary School  
Muldoon Elementary School  
Nunaka Valley Elementary School  
Ptarmigan Elementary School  
Rabbit Creek Elementary School  
Russian Jack Elementary School  
Sand Lake Elementary School  
Spring Hill Elementary School  
Susitna Elementary School  
Taku Elementary School  
Tudor Elementary School  
Turnagain Elementary School  
Tyson Elementary School  
Ursa Major Elementary School  
Williwaw Elementary School  
Wonder Park Elementary School

**Description**

Early Literacy Coach/Interventionist  
Early Literacy Coach/Interventionist  
Targeted classroom size reduction K-2  
Targeted classroom size reduction K-2  
Early Literacy Coach/Interventionist  
Targeted classroom size reduction K-2  
Targeted classroom size reduction K-2  
Early Literacy Coach/Interventionist  
Targeted classroom size reduction K-2  
Early Literacy Coach/Interventionist  
Early Literacy Coach/Interventionist  
Early Literacy Coach/Interventionist  
Early Literacy Coach/Interventionist  
Targeted classroom size reduction K-2  
Early Literacy Coach/Interventionist  
Targeted classroom size reduction K-2  
Targeted classroom size reduction K-2  
Early Literacy Coach/Interventionist  
Early Literacy Coach/Interventionist  
Targeted classroom size reduction K-2  
Early Literacy Coach/Interventionist  
Targeted classroom size reduction K-2

**Pre-K Classrooms**

Lake Otis Elementary School  
Mountain View Elementary School  
Tudor Elementary School  
TBD elementary school for FY 2015-16

**Instructional Tours Pilot Program Locations**

Huffman Elementary School  
Ravenwood Elementary School  
Sand Lake Elementary School  
Ursa Minor Elementary School  
Ursa Major Elementary School  
Campbell Elementary School  
Fire Lake Elementary School  
Northwood ABC Elementary School  
Susitna Elementary School  
Taku Elementary School  
Mears Middle School

## Appendix 5 - Summary of Items Not Included in FY 2015-16 Budget

<b>Curriculum and Instruction</b>	<b>Estimated Cost</b>
K-8 Language Arts curriculum adoption (2004)	\$ 6,000,000
Chemistry curriculum (non-AP) (1998)	680,900
Social Studies AP US History (1999)	230,000
6th Grade band and orchestra instruments	227,600
Levels III, IV & V World Language materials (1998)	210,000
Survey of Algebra curriculum (2000)	170,000
Secondary Language! replacement (yearly cost)	100,000
Great Body Shop teacher manuals	65,000
English 3 and 4 (no formal adoption)	50,000
SmartMusic software	32,680
Art curriculum and equipment	27,393
Music library upgrade	26,925
<b>Subtotal Curriculum and Instruction</b>	<b>7,820,498</b>
<b>Information Technology Equipment and Devices</b>	
Student devices	14,353,886
Networking	6,887,737
Teacher devices	945,600
Classroom technology	867,000
Servers and storage	831,432
<b>Subtotal Information Technology</b>	<b>23,885,655</b>
<b>Maintenance Equipment</b>	
P50A forklift	88,800
Forklift	75,000
F-350 stake bed with plow	40,220
Standard cab F-350	36,117
Standard cab F-350	36,117
E-350	27,115
Astro Van	27,115
<b>Subtotal Operations and Maintenance</b>	<b>466,059</b>
<b>Total Curriculum and Equipment Replacement</b>	<b>\$ 32,172,212</b>

**Appendix 6 - Food Service Fund**

Anchorage School District  
Fiscal Year 2015-2016

STUDENT NUTRITION DEPARTMENTS  
FOOD SERVICE FUND

REVENUES BY SOURCE

	2013-2014	2014-2015	2015-2016	FY 16 Prelim vs FY 15	
	Actuals	Revised	Preliminary	Budget	%
	\$	\$	\$	\$	%
Local Sources					
Sales	\$ 2,526,287	\$ 2,444,547	\$ 2,186,567	\$ (257,980)	-10.6%
Total Local	2,526,287	2,444,547	2,186,567	(257,980)	
State Sources					
Supplemental State Funding, PERS/TERS	843,407	-	-	-	0.0%
Nutritional Alaska Foods Grant	198,427	-	640,000	640,000	0.0%
Total State	1,041,834	-	640,000	640,000	0.0%
Federal Sources					
Reimbursements for Meals	14,556,900	18,226,927	18,338,313	111,386	0.6%
Fresh Fruit and Vegetable Grant	682,900	679,150	679,150	-	0.0%
USDA Commodities	363,428	415,326	416,770	1,444	0.3%
Total Federal	15,603,228	19,321,403	19,434,233	112,830	0.6%
Total Revenue	\$ 19,171,349	\$ 21,765,950	\$ 22,260,800	\$ 494,850	2.3%

EXPENDITURES BY ORGANIZATION

Food Service Administration (6639)	\$ 2,052,438	\$ 1,936,658	\$ 2,178,181	\$ 241,523	12.5%
Food Service Center (6640)	4,114,923	4,623,025	3,543,326	(1,079,699)	-23.4%
Elementary Kitchens (6641)	6,268,207	6,025,670	7,457,043	1,431,373	23.8%
Middle School Kitchens (6642)	3,258,175	3,363,716	3,112,664	(251,052)	-7.5%
High School Kitchens (6643)	3,101,551	3,371,306	3,510,250	138,944	4.1%
Food Service Delivery (6644)	1,904,128	1,766,425	1,819,336	52,911	3.0%
Student Nutrition Grants (6650)	682,900	679,150	640,000	(39,150)	-5.8%
TOTAL	\$ 21,382,322	\$ 21,765,950	\$ 22,260,800	\$ 494,850	2.3%

The Food Service Fund is to account for the operations of the school district's Student Nutrition Program. Financing is provided by user fees and proceeds received under the National School Lunch and Breakfast Programs and state and federal grants.

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

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	SUBJECT OF AGENDA DOCUMENT	DATE PREPARED	
	AN ORDINANCE DETERMINING AND APPROVING THE TOTAL AMOUNT OF THE ANNUAL OPERATING BUDGET OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS	Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> M <input type="checkbox"/> AIM	
	FISCAL YEAR 2015-2016		
<b>2</b>	DEPARTMENT NAME	DIRECTOR'S NAME	
	Chief Financial Officer	Mark Foster, Chief Financial Officer	
<b>3</b>	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY	HIS/HER PHONE NUMBER	
	Mark Foster, Chief Financial Officer	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		
	Ed Graff, Superintendent	<i>Ed Graff</i>	2/25/15
	Mark Foster, Chief Financial Officer		
<b>5</b>	<b>Special Instructions/Comments</b>		
<b>6</b>	ASSEMBLY HEARING DATE REQUESTED	<b>7</b>	PUBLIC HEARING DATE REQUESTED
	March 3, 2015		March 17, 2015