

## OMB Memorandum

TO: Principals, Program Managers, Administrative Department & Division Heads

FROM: Mark Foster, Executive Director, OMB

DATE: November 21, 2012

RE: ASD FY 2013-2014 Budget Development

### Summary

As you may know, the Board reviewed and approved Board Memo #54 Pro Forma Budget Guidance on Thursday, November 15<sup>th</sup>, 2012, which described the fiscal challenge we face next year. In that Memo, we start with a gap between projected total revenues and projected expenditures of \$25 million on a total budget of \$832 million.

Separating those items over which the District does not have direct *revenue and expenditure* control, e.g., State of Alaska Supplemental On-Behalf Pension payments, revenues and expenses associated with potential Federal Sequestration [Federal Budget Control Act of 2011], on-going debt service, and those items that are managed as separate lines of business, e.g., food service, **the general fund gap between projected revenues and projected revenues is estimated at \$24 million on a total expense projection of \$593 million, or 4%.**

We will all need to make a contribution toward reducing expenditures in order to balance the budget.

**In order to preserve direct classroom instruction to the extent practical, we will be focusing most of our reductions in other areas of the budget, including instructional support, ancillary and building services and central administration.** In order to protect direct classroom instruction to the extent possible, reductions in other areas could be well in excess of 10% of last year's expenditures.

**To begin to address the challenge of closing our fiscal gap, we're reducing supplies, materials and equipment by 20% across all general fund budget units. This amounts to roughly \$3 million. We have another \$21 million of reductions that we need to find to balance the budget.**

In deference to our highest priority, teachers providing direct instruction to our students, and concerns expressed by the Board that we do not favor spending on supplies above that of employees, we have moved the timing of opening of the **Supplies List Item Catalog** until after the Assembly approves the budget in April, roughly concurrent with the opening of the Equipment List Item Catalog. The supplies hold back will be reduced from 35% to 20%.

We will be exploring reductions in other areas over the next few weeks before we compile a preliminary budget for submission to the Board for their review in January. We encourage you to do the same and

submit those suggested reductions to OMB at [budget\\_suggestions@asdk12.org](mailto:budget_suggestions@asdk12.org). To assist you with your review of potential reductions, we've enclosed a copy of your *actual expenditures* for FY 2011-2012.

## Initial IFAS Budget Information Detail (BID) Due Date

**Please complete your IFAS Budget Information Detail (BID) budget submission by November 30, 2012.**

OMB will provide training for anyone who needs assistance with filling out their Budget Information Development screens in the IFAS accounting system. Trainings are scheduled:

- Wednesday, November 21
- Monday, November 26
- Tuesday, November 27

If you need assistance with any training questions, please call Katherine Jones, at 742-6148.

## What's Next

The Superintendent will be scheduling meetings with the Principals and others who manage budget units to review prospective budget adjustments to close the fiscal gap over the next few weeks.

We will compile the results of those meetings in the preliminary budget that will be submitted to the Board in January.