

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM # 304 (1999-2000)

May 22, 2000

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINENDENT

SUBJECT: BUDGET REVISION BETWEEN GENERAL FUND, LOCAL/
STATE/FEDERAL PROJECTS FUND, AND FOOD SERVICE
FUND FOR FISCAL YEAR 1999-2000

RECOMMENDATION:

It is the Administration's recommendation that the School Board appropriate an additional \$2,500,000 to the Local/State/Federal Projects Fund and \$500,000 to the Food Service Fund while reducing the appropriation to the General Fund in the amount of \$3,000,000. Since the overall appropriation revision will not exceed the approved upper limit of the budget, no approval from the Anchorage Assembly is required. The total revised budget for FY 1999-2000 will remain at \$397,999,919 that includes the following individual funds:

General Fund	\$ 324,981,667
Food Service Fund	10,500,000
Debt Service Fund	39,018,252
Local/State/Federal Projects Fund	<u>23,500,000</u>
	<u>\$ 397,999,919</u>

PERTINENT FACTS:

The FY 1999-2000 budget was approved on March 16, 1999 by the Anchorage Assembly on AO No. 99-46 (S). The total appropriation level of \$397,116,330 was established with \$327,981,667 for the General Fund, \$10,000,000 for the Food Service Fund, \$38,134,663 for the Debt Service Fund, and \$21,000,000 for Local/ State/Federal Projects Fund.

On April 27, 1999, the Assembly approved a revision to the District's financial plan for FY 1999-2000 on AR No. 99-70 that established the budget at \$397,999,919. This revision was a result of the qualified voters of Anchorage approving education-related bond Proposition 11 at the Municipal Election held on April 20, 1999.

The revised budget established the total appropriation level of \$397,999,919 for the General Fund, Food Service Fund, Debt Service Fund, and the Local/State/Federal Projects Fund. The amounts for these funds were \$327,981,667 for the General Fund, \$10,000,000 for the Food Service Fund, \$39,018,252 for the Debt Service Fund, and \$21,000,000 for the Local/State/Federal Projects Fund (Attachment A).

General Fund

The Business Management Division is in the process of reviewing projected expenditures and encumbrances in the General Fund for FY 1999-2000. It is anticipated that \$3,000,000 of remaining balance will be available to accommodate this requested budget revision due to lower enrollment, unfilled positions, late starts, and lower contracted transportation costs. Enrollment for FY 1999-2000 was budgeted for 50,201 students. The actual count as of September 30, 1999 was 49,312.

Local/State/Federal Projects Fund

The FY 1999-2000 Local/State/Federal Projects Fund budget, as originally adopted, provided an initial appropriation level of \$21,000,000 for local, state, and federal categorical grants. During the fiscal year, grants in the amount of \$23,500,000 have been received or are projected to be received. The revised categorical grant amount, presented by individual grants, is provided in Attachment B. Appropriations from local and state grants are less than anticipated while federal grants exceed the budgeted amount for an overall increase of \$2,500,000 to the Local/State/Federal Projects Fund.

Food Service Fund

The FY 1999-2000 Food Service Fund budget was originally adopted with an appropriation level of \$10,000,000. During the fiscal year, the amount of revenues has increased in elementary school sales and is anticipated to continue. Expenditures have also increased in order to accommodate the additional meals being provided (Attachment C). This increase in revenues and expenditures is estimated to be approximately \$350,000. In addition, \$150,000 in fund balance is to be used for food pumps, hot carts, freezers, ovens, and coolers in the schools and in the Food Service Center. The Food Service Fund had an undesignated fund balance of \$598,699 as of June 30, 1999.

Projections for the end of year sales indicate a 4.2 percent increase over planned sales in the 1999-2000 school year. This is due to a 6.0 percent

increase in number of lunches sold and a 16.8 percent increase in the number of breakfasts sold.

This substantial increase in participation in the breakfast and lunch programs in the elementary and middle schools has created a need to purchase more food than originally planned. Middle schools alone have experienced an 8.0 percent increase over last year in expenditures. In addition to the increase in meal participation, there have been some challenges staffing the elementary and middle school positions which has created a need to use existing personnel for longer hours and to utilize substitutes. This has increased our extra help accounts. We have also had to send our trucks out on extra deliveries and more time was needed this year to keep up with warehouse maintenance. This has caused the delivery accounts to be overspent.

SUMMARY:

Upon approval of this request, the District's FY 1999-2000 revised budget will be \$397,999,919 and is summarized as follows:

<u>Fund Description</u>	FY 1999-2000 <u>Revised Budget</u>	<u>Requested Revision</u>	FY 1999-2000 <u>Revised Budget</u>
General Fund	\$ 327,981,667	\$(3,000,000)	\$324,981,667
Food Service Fund	10,000,000	500,000	10,500,000
Debt Service Fund	39,018,252	0	39,018,252
Local/State/Federal Projects Fund	<u>21,000,000</u>	<u>2,500,000</u>	<u>23,500,000</u>
Total Anchorage School District Appropriation	<u>\$397,999,919</u>	<u>\$ 0</u>	<u>\$397,999,919</u>

BC/JS/MSL/BM

Attachments

Prepared By: Marie S. Laule, Budget Director
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Approved By: Janet Stokesbary, Chief Financial Officer