

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #23 (2000-2001)

August 14, 2000

TO: SCHOOL BOARD
FROM: OFFICE OF THE SUPERINTENDENT
SUBJECT: REVISION TO THE FY 2000-2001 FINANCIAL PLAN

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve an increase to the FY 2000-01 General Fund budget of \$3,229,925. The purpose for the budget revision is to increase the budget for the Family Partnership Charter School by \$963,063 based on the change in the classification of the charter school and projected enrollment increase. The balance of the increase, \$2,266,862, is for the Learning Opportunity Grant that will be used for instructional programs designed to improve student performance on the high school graduation qualifying exam or benchmark assessments. Including this budget revision, the overall budget appropriation for FY 2000-01 will remain within the \$418,230,474 upper limit of the budget approved by the Anchorage Assembly.

The total budget recommended for FY 2000-01 is \$416,874,399. This includes individual fund budgets currently projected as follows:

General Fund	\$337,846,879
Food Service Fund	10,650,000
Debt Service Fund	42,377,520
Local/State/Federal Projects Fund	<u>26,000,000</u>
Total - All Funds	<u>\$416,874,399</u>

PERTINENT FACTS:

The School Board approved on January 24, 2000 the FY 2000-01 Proposed Financial Plan in the amount of \$418,505,754 along with a local tax contribution of \$125,516,049.

The Anchorage Assembly approved AO 2000-39 (S-1) As Amended on April 4, 2000 establishing the District's upper limit of the budget in the amount of

\$410,505,754 which is \$8 million less than requested and a local tax appropriation of \$119,492,622 which is \$5,047,774 less than the amount requested by the District. Also on April 4, 2000 the qualified voters of Anchorage approved Proposition 13 for \$77,900,000 for education-related capital construction/ renewal projects. Due to the passage of Proposition 13, the District submitted and the Assembly approved AR 2000-99 on April 25, 2000, an increase of \$2,724,720 to the upper limit of the budget and an increase of \$2,059,135 in local property taxes for the Debt Service Fund. This approval increased the total budget to \$413,230,474 with a local tax contribution of \$121,551,757.

Due to Assembly action and revised projected expenditures and revenues, on May 17, 2000 and June 5, 2000, the School Board approved ASD Memorandum #310 and ASD Memorandum #370 which included expenditure reductions in the amount of \$11.095 million and revenue increases in the amount of \$114,400. This action resulted in an adjusted total budget of \$413,230,474, the amount approved by the Assembly at that time. In addition, on June 5 the School Board also authorized reinstating high school swimming, hockey and gymnastics with increased revenues generated by increasing all high school activity fees in the amount of \$414,000, contingent upon the Assembly approval to raise the upper limit spending authorization.

On June 13, 2000 the Anchorage Assembly approved an increase of \$5,000,000 to the FY 2000-01 School District's Financial Plan with no increase in the Municipal tax contribution. This action allows the District to increase the budget to a maximum of \$418,230,474 providing funding to support the increase does not come from increased Municipal tax contribution or the Municipality's general government Areawide General Fund or other general government fund. As of June 5, 2000, the total budget approved by the School Board is \$413,644,474, including the reinstatement of the three high school activities, and is \$4,586,000 less than the upper limit spending authority approved by the Assembly.

Subsequently, the Anchorage School District was notified by the Alaska Department of Education and Early Development (DEED) on June 22 that the District will be receiving \$2,266,862 of additional funding through a Learning Opportunity Grant that is to be combined with the current Quality School Grant funding (a component of the Alaska Public School Funding formula approved under Senate Bill 36) and recorded in the General Fund.

At the time the FY 2000-01 budget was developed and approved by the School Board in January, the Family Partnership Charter School (FPCS) was classified by DEED as a correspondence school. Subsequently, FPCS appealed the classification and DEED reversed its decision. As a charter school rather than as a correspondence school, FPCS is eligible for increased funding under the Alaska Public School Funding formula. In addition, at the July 17, 2000

School Board Work Session, FPCS indicated their intent to enroll 799 students which is 73 students more than currently projected in the budget. The additional students are within the 10 percent allowed under School Board Policy, Section 333.3.h. The combination of the change in status and projected increased enrollment will generate approximately \$1.63 million more in Alaska Public School Funding. Based on provisions of the FPCS contract, the special needs services for FPCS students will be provided by other departments in the District and not accounted for in the FPCS budget; therefore, the FPCS budget will be increased by \$963,063 and excludes the 20 percent special needs portion of the Alaska Public School Funding formula. The additional State funding not appropriated to the FPCS budget will allow the District to reduce the amount of undesignated fund balance used as a revenue source in the General Fund.

SUMMARY:

Upon approval of this request, the District's FY 2000-01 Budget, as approved by the School Board, will be \$416,874,399 and is summarized below. This total is within the \$418,230,474 approved by the Anchorage Assembly on June 13, 2000.

	FY 2000-01 School Board Approved Budget <u>As Of 6/5/00</u>	Recommended <u>Revisions</u>	FY 2000-01 School Board Approved Budget <u>As Of 8/14/00</u>
General	\$334,616,954	\$3,229,925	\$337,846,879
Food Service	10,650,000	-0-	10,650,000
Debt Service	42,377,520	-0-	42,377,520
Local/State/Federal	<u>26,000,000</u>	<u>-0-</u>	<u>26,000,000</u>
 Total School Board Approved Budget	 <u>\$413,644,474</u>	 <u>\$3,229,925</u>	 <u>\$416,874,399</u>

There is no increase in the tax contribution; therefore, it remains the same at \$121,551,757.

BC/JS/cl

Prepared and Approved by: Janet Stokesbary, Chief Financial Officer