

CLERK'S OFFICE  
APPROVED  
Date: 6-24-14

Submitted by: Chairman of the Assembly  
at the request of the  
School Board  
Prepared by: Anchorage School District  
For Reading: June 10, 2014

ANCHORAGE, ALASKA  
AO NO. 2014-59

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE PROVIDING  
FOR A REVISION OF THE ANCHORAGE SCHOOL DISTRICT BUDGET FOR  
FY 2014-2015

WHEREAS, the Second Session of the Twenty-Eighth Alaska State Legislature passed and the Governor signed House Bill 278, which increases the Base Student Allocation (BSA) \$150 to \$5,830 (\$11.131 million); and increases the factor for correspondence schools from 80 percent of Average Daily Membership (ADM) to 90 percent of ADM (\$0.5 million); and provides general operating grants outside of the BSA (\$12.807 million); and allows all funds distributed by adjusted ADM to be included in the maximum additional local contribution; and

WHEREAS, the Municipality of Anchorage Assembly passed and the Mayor signed AO 2014-54(S), which levies additional property tax revenue for schools in the amount of \$5.8 million as a result of the increase in allowable local funding provided for in House Bill 278; and

WHEREAS, the Second Session of the Twenty-Eighth Alaska State Legislature passed and the Governor signed the Capital Budget, Senate Bill 119, which appropriates district wide capital grants for schools (\$11.7 million). The district had anticipated roughly \$12.3 million in State capital grants and has adjusted its budget downward by \$0.607 million; and

WHEREAS, the Anchorage School District's Student Nutrition Department has applied for and received permission from the State of Alaska to participate in the Federal Community Eligibility Provision Program beginning in FY 2014-2015. This program allows the district to provide free breakfast and lunch to the entire student population in 10 new schools and will be funded by an additional \$2.72 million in Federal reimbursements; and

WHEREAS, the district reviewed individual federal grants and outstanding grant applications and has subsequently updated its local/state/federal grant

projection to a total of \$50.405 million, an increase of \$0.407 million from the prior projection; and

WHEREAS, the increase in revenues provided in AO 2014-54(S) and HB 278 have allowed the district to reduce the amount of fund balance needed to balance the budget by \$2.279 million, bringing the total amount down to \$1.621 million; and

NOW THEREFORE, the Anchorage Assembly ordains:

Section 1: That the following revisions in total are approved:

REVENUES

<u>Fund Description</u>	<u>FY 2014-2015 Adopted Budget as of 3/25/2014</u>	<u>Requested Revision</u>	<u>FY 2014-2015 Revised Budget as of 5/19/2014</u>
General	\$567,604,000	\$ 20,459,385	\$ 588,063,385
Local/State/Federal Projects	49,998,000	407,000	50,405,000
Debt Service	87,464,434	-0-	87,464,434
Capital Projects	12,289,000	(607,000)	11,682,000
Food Service	19,045,814	2,720,136	21,765,950
Student Activities	<u>7,048,000</u>	<u>-0-</u>	<u>7,048,000</u>
TOTAL ANCHORAGE SCHOOL DISTRICT	<u>\$743,449,248</u>	<u>\$ 22,979,521</u>	<u>\$766,428,769</u>
DIRECT APPROPRIATION			
State of Alaska TRS/PERS On-Behalf Allocation	\$185,924,000	\$ 10,978,000	\$196,902,000
TOTAL ALL FUNDS	<u>\$929,373,248</u>	<u>\$ 33,957,521</u>	<u>\$963,330,769</u>

80 LOCAL TAXES

81

82	FY 2014-2015	Tax Increase	FY 2014-2015
83	Taxes	Contribution	Revised Taxes
84	AO 2014-33	Previously	AO 2014-54(S)
85	<u>as of 3/25/2014</u>	<u>Approved</u>	<u>as of 4/28/2014</u>
86			
87	TOTAL LOCAL TAX		
88	CONTRIBUTION		
89	<u>\$233,776,423</u>	<u>\$5,800,000</u>	<u>\$239,576,423</u>

90

91 Section 2: That this resolution is effective upon passage and approval.


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94 PASSED AND APPROVED by the Anchorage Assembly, this 24<sup>th</sup> day of

95 June 2014.

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99 Chair of the Assembly

100

101

102 ATTEST

103 

104 \_\_\_\_\_

105 Municipal Clerk

106



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 237-2014

Meeting Date: June 10, 2014

FROM: ANCHORAGE SCHOOL DISTRICT

SUBJECT: ANCHORAGE SCHOOL DISTRICT REVISED FINANCIAL PLAN  
AND BUDGET: FY 2014-2015

On May 19, 2014, the Anchorage School Board approved changes to the Anchorage School District Budget for fiscal year 2014-2015 reflecting increases associated with State Legislation (Base Student Allocation, Adjusted Average Daily Membership for correspondence schools, general operating grants outside the BSA, capital grants, increased allowable local contribution), increases to the local contribution, approval of additional schools participating in the Federal Eligibility Provision Program, and an updated estimate of competitive Federal grant receipts. [See Exhibit 1]

The proposed increase in the Anchorage School District's upper spending limit increases the upper limit by \$22.980 million, raising the total direct budget from \$743.449 million to \$766.428 million as delineated in Table 1 below.

Table 1. Anchorage School District Budget - FY 2014-2015

Table Line #	Fund Description	FY 2014-2015 Budget	Proposed Increase	FY 2014-2015 Proposed Revised Budget
1	General	\$ 567,604,000	\$ 20,459,385	\$ 588,063,385
2	Local/State/Federal Projects	49,998,000	407,000	50,405,000
3	Debt Service	87,464,434	-	87,464,434
4	Capital Projects	12,289,000	(607,000)	11,682,000
5	Food Service	19,045,814	2,720,136	21,765,950
6	Student Activities	7,048,000	-	7,048,000
7	Total Direct	743,449,248	22,979,521	766,428,769
8	State of Alaska TRS/PERS On-Behalf Allocation	\$ 185,924,000	\$ 10,978,000	\$ 196,902,000
9	TOTAL ALL FUNDS	<u>\$ 929,373,248</u>	<u>\$ 33,957,521</u>	<u>\$ 963,330,769</u>

26 The proposed revision is further delineated by funding source in Table 2 below.  
 27

**Table 2. Proposed Revisions to the Anchorage School District Budget - FY 2014-2015**

	Local Funding	State of Alaska Foundation Formula	State of Alaska Funding Outside Formula	Federal Funding	Total
Summary					

MUNICIPALITY OF ANCHORAGE RELATED UPDATES

AO 2014-54(S)

Additional Allowable Funding Under House  
 Bill 278

\$ 5,800,000 \$ 5,800,000

STATE OF ALASKA RELATED UPDATES

House Bill 278

\$150 Increase to Base Student Allocation \$ 11,131,000 \$ 11,131,000

Change in Correspondence Charter School  
 from 80% of ADM to 90% of ADM \$ 500,265 \$ 500,265

General Operating Grant Outside the  
 Funding Formula \$ 12,807,120 \$ 12,807,120

Removal of the Expected Incremental  
 Funding in the Governor's Original  
 Operating Budget \$ (7,500,000) \$ (7,500,000)

Senate Bill 119

Decrease in the Amount of Expected Capital  
 Grants \$ (607,000) \$ (607,000)

FEDERAL GOVERNMENT RELATED UPDATES

10 New Schools Participating in the Federal  
 Community Eligibility Provision Program \$ 2,720,136 \$ 2,720,136

Updated Competitive Federal Grant Projection \$ 407,000 \$ 407,000

OTHER LOCAL UPDATES

Reduction in the Use of Fund Balance \$ (2,279,000)

**SUBTOTAL \$ 3,521,000 \$ 11,024,265 \$ 5,307,120 \$ 3,127,136 \$ 22,979,521**

Associated Change in Projected State of  
 Alaska TRS/PERS On-Behalf Payments \$ 10,978,000

**TOTAL CHANGE - ALL FUNDS \$ 33,957,521**

28  
 29 **House Bill 278**

30  
 31 The Legislature passed HB 278 which increases the Base Student Allocation  
 32 \$150 from \$5,680 to \$5,830 for FY 2014-2015. The bill provides \$50 BSA increases  
 33 in FY 2015-2016 and 2016-2017 as well. The net effect of this change is  
 34 approximately \$11.131 million for FY 2014-2015. In addition to the BSA

35 increase, HB 278 changed the amount of the adjustment to Average Daily  
36 Membership (ADM) of correspondence schools from 80% of ADM to 90% of  
37 ADM which increased the district's total Foundation Formula revenue by about  
38 \$0.5 million.

39  
40 HB 278 provides additional funding for general operating expenditures outside  
41 the BSA in the amount of \$42.95 million for FY 2014-2015, \$32.24 million for FY  
42 2015-2016, and \$19.9 million for FY 2016-2017 which will be distributed to all  
43 districts statewide based on their adjusted ADM. Anchorage's share of these  
44 funds will be approximately \$12.807 million for FY 2014-2015. These funds  
45 replace the one-time incremental funding of about \$7.5 million that Anchorage  
46 was due to receive, and had previously budgeted, from the Governor's  
47 proposed operating budget.

48  
49 HB 278 also changed the formula for the maximum allowable local contribution  
50 that local governments can contribute to education and now includes funds  
51 provided outside the BSA, distributed on the basis of adjusted ADM, to be  
52 included in the additional allowable contribution calculation. This includes the  
53 general operating grants listed above as well as the Quality Schools Grant.

#### 54 55 AO 2014-54(S)

56  
57 The Municipality of Anchorage Assembly passed and the Mayor signed  
58 Assembly Ordinance AO 2014-54(S) increasing the local contribution to ASD by  
59 \$5.8 million, the additional maximum allowed under the new formula set forth  
60 in HB 278. The additional funds have allowed the district to invest in 60  
61 additional FTE for direct classroom instruction.

62  
63 In addition, the Assembly discontinued the practice of billing the district for the  
64 Anchorage Police Department personnel (\$2.25 million), known as School  
65 Resource Officers that have offices in school district facilities, as well as a share  
66 of the cost of tax collection (\$0.25 million). This resulted in a reduction of \$2.5  
67 million that the district was able to put back into direct classroom instruction  
68 providing an additional 26 FTE. This brings the total number of direct  
69 classroom instruction teachers added by Assembly Ordinance to support  
70 schools to 86 FTE.

#### 71 72 Senate Bill 119

73  
74 The Legislature signed Senate Bill 119 including \$12 million in capital budget  
75 appropriation grants that will benefit the Anchorage School District consisting of  
76 \$10 million for a variety of capital grants, \$172,626 in re-appropriations, and \$1.4  
77 million in pass through grants to community groups to support student athletic



activities. The district anticipated receiving roughly \$12.3 million in capital grants from the State and has adjusted its budget downward by \$.06 million to reflect the actual grant award.

### Federal Grants

Federal grants were originally budgeted at \$49.998 million. The district continues to review individual grant awards and outstanding applications. Based on currently available information, the district projects an increase of \$0.407 million for a revised total of \$50.405 million in federal grants.

### Federal Sources and Uses – Student Nutrition

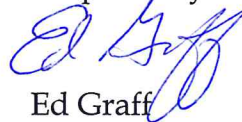
The Anchorage School District Student Nutrition Department has applied for and received permission from the State of Alaska to participate in the Federal Community Eligibility Provision Program beginning in FY 2014-2015. Participation in the program will enable the Student Nutrition department to provide free breakfast and lunch to the entire student population in 10 new schools, bringing the district total to 30 schools offering free meals to their students.

Under the Community Eligibility Provision Program, the district expects to generate an additional \$2.72 million in federal reimbursement for meals to be included as new revenue for the Food Service Fund with a corresponding increase in expenditures.

### Reduction in the Use of Fund Balance

The increase in revenues provided in AO 2014-54(S) and HB 278 have allowed the district to reduce the amount of fund balance needed to balance the budget by \$2.279 million, bringing the total amount down to \$1.621 million.

Respectfully submitted,



Ed Graff  
Superintendent

EG/MF

Reference – Anchorage School District Board Memo #222 (May 19, 2014)  
<http://www.asdk12.org/budget/>

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

*AO 2014-59*

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	SUBJECT OF AGENDA DOCUMENT		DATE PREPARED		
	AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE				
	PROVIDING FOR A REVISION OF THE ANCHORAGE				
	SCHOOL DISTRICT BUDGET FOR FISCAL YEAR				
	2014-2015		Indicate Documents Attached		
			<input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> M <input type="checkbox"/> AIM		
<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>EA</i>	<i>May 30 2014</i> <i>30 May 2014</i>		
	Mark Foster, Chief Financial Officer	<i>MAF</i>			
<b>5</b>	<b>Special Instructions/Comments</b>				
	<i>INTRO DUE TO</i>				
<b>6</b>	ASSEMBLY HEARING DATE REQUESTED		<b>7</b>	PUBLIC HEARING DATE REQUESTED	
	June 10, 2014			June 24, 2014	