

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

Prepared by: Anchorage School District

For reading: April 28, 2015

CLERK'S OFFICE

APPROVED

Date: 4-28-15

ANCHORAGE, ALASKA
AO No. 2015-41(S)

1 AN ORDINANCE AMENDING THE TOTAL AMOUNT OF THE ANNUAL
2 OPERATING BUDGET OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS
3 FISCAL YEAR 2015-2016 AND DETERMINING AND APPROPRIATING THE
4 PORTION OF THE ASSEMBLY APPROVED BUDGET AMOUNT TO BE MADE
5 AVAILABLE FROM LOCAL SOURCES.
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8 WHEREAS, the Anchorage Assembly approved AO 2015-22, approving the
9 Anchorage School District fiscal year 2015-2016 budget in the amount of
10 \$784,243,730 and appropriated \$241,627,624 in local property taxes and other
11 local sources; and
12

13 WHEREAS, the State Legislature has made adjustments to State funding sources
14 which require changes to the total approved Anchorage School District budget and
15 the amount to be appropriated from local sources, now therefore,
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17 THE ANCHORAGE ASSEMBLY ORDAINS:
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19 **Section 1.** That the FY 2015-2016 Proposed Anchorage School District
20 Financial Plan in the amount of \$782,027,101 is hereby approved by the
21 Anchorage Assembly and that, of said amount, the amount of \$239,410,965 is
22 the amount of money to be contributed from local property taxes or other local
23 sources and is hereby appropriated for school purposes to fund the School
24 District for its 2015-2016 fiscal year.
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26 **Section 2.** This ordinance is effective immediately upon passage and approval.
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29 PASSED AND APPROVED by the Anchorage Assembly, this 28th day of
30 April, 2015.
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34 Dick Zain
35 Chair of the Assembly
36

37 ATTEST:

38 Barbara A. Jones
39
40 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 185-2015

Meeting Date: April 28, 2015

FROM: ANCHORAGE SCHOOL DISTRICT

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

FINANCIAL PLAN AMENDMENT UNDER DEVELOPMENT

The Anchorage School Board and the Municipal Assembly approved the Proposed Financial Plan and Budget for FY 2015-16 in the amount of \$784,243,730 on Feb 19, 2015 and March 24, 2015, respectively. The local contribution was approved for \$241,627,624, to cover \$201,516,097 in operating and \$39,085,928 in debt service.

The district is preparing an amended financial plan that takes into account reductions in state funding associated with the Legislative budget that eliminates "one-time" funding from HB278, under funds the public education foundation formula fund by 1.4% and results in a reduction in the maximum allowable local property tax contributions under State statutes. The district has also updated the projected amount of Federal Impact Aid which results in a reduction of roughly \$0.50 in state support for each \$1 of additional federal impact aid.

This memo provides the Assembly with a revision in the local contribution to take into account those changes in the revenue outlook.

The School Board is slated to conduct a detailed review and hold a public hearing on a proposed budget amendment at their May 4, 2015 meeting.

Revenue

The amended financial plan is being prepared in response to reductions which passed the Legislature on Sunday. During last year's session, the legislature passed HB 278 which provided Base Student Allocation (BSA) increases of \$150 in FY 2014-15 and \$50 in each of FY 2015-16 and FY 2016-17. HB 278 also provided 3 years of funding outside of the Foundation Formula in the amount of \$42.95 million in FY 2014-15, \$32.24 million in FY 2015-16 and \$19.90 million in

FY 2016-17. These funds were to be divided amount all districts based on each district's Adjusted Average Daily Membership (AADM).

HB 278 further stated that any funds that were paid to districts on the basis of AADM could be used in calculating the additional allowable local contribution. The Anchorage Assembly responded to this change in legislation and increased the local property tax appropriation up to the new maximum allowed in FY 2014-15 and again for FY 2015-16. Eliminating these funds will also reduce the maximum local contribution allowable under the State Public Education Funding Formula by \$2.217 million. The Senate-House Budget Conference Committee, in addition to eliminating the "one-time" funding in HB278, under-funded the appropriation to support the public school foundation formula by ~1.4%.

In addition, the district has revised the projected amount of Federal Impact Aid (FIA) to be received for FY 2015-16. Subsequent to the budget development process, the district received the FY 2014-15 FIA payments that will be the basis for determining the amount of FIA that is deducted from the district's Foundation Formula funding. The FIA payment was approximately \$1 million more than expected which translates into approximately \$0.5 million in reduced state funding. The per-student rate for FIA has increased more rapidly than expected prompting an increase of approximately \$0.365 to the anticipated FIA for FY 2015-16.

PROPERTY TAXES

Based on the projected \$9.551 decrease in state "one-time" funding in HB278, the maximum allowable local property taxes are required to be reduced by \$2.217 million. The district request for local property tax support is adjusted as follows:

	Approved Budget FY 2015-2016	Amended Budget FY 2015-2016	Increase/ (Decrease)	Percent Change
Total Local Contribution (FY)	241,627,624	239,410,965	(2,216,659)	-0.92%
Estimated Assessed Valuation (CY)	35,029,181,874	35,029,181,874	-	0.00%
Estimated Mill Rate (CY)	6.90	6.83	(0.06)	-0.92%

Respectfully submitted,

Ed Graff
Superintendent

EG/MF/AR