

FY 26 Budget Outlook

Budget Development, Pro Forma & Public Input

December 17th, 2024

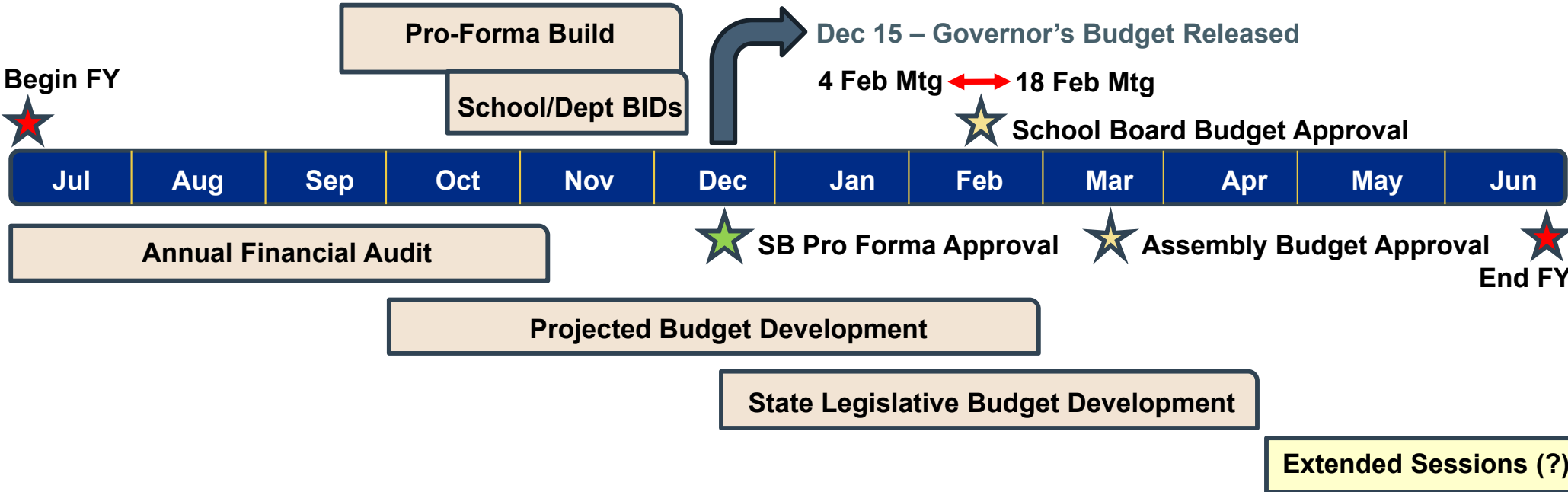


Agenda

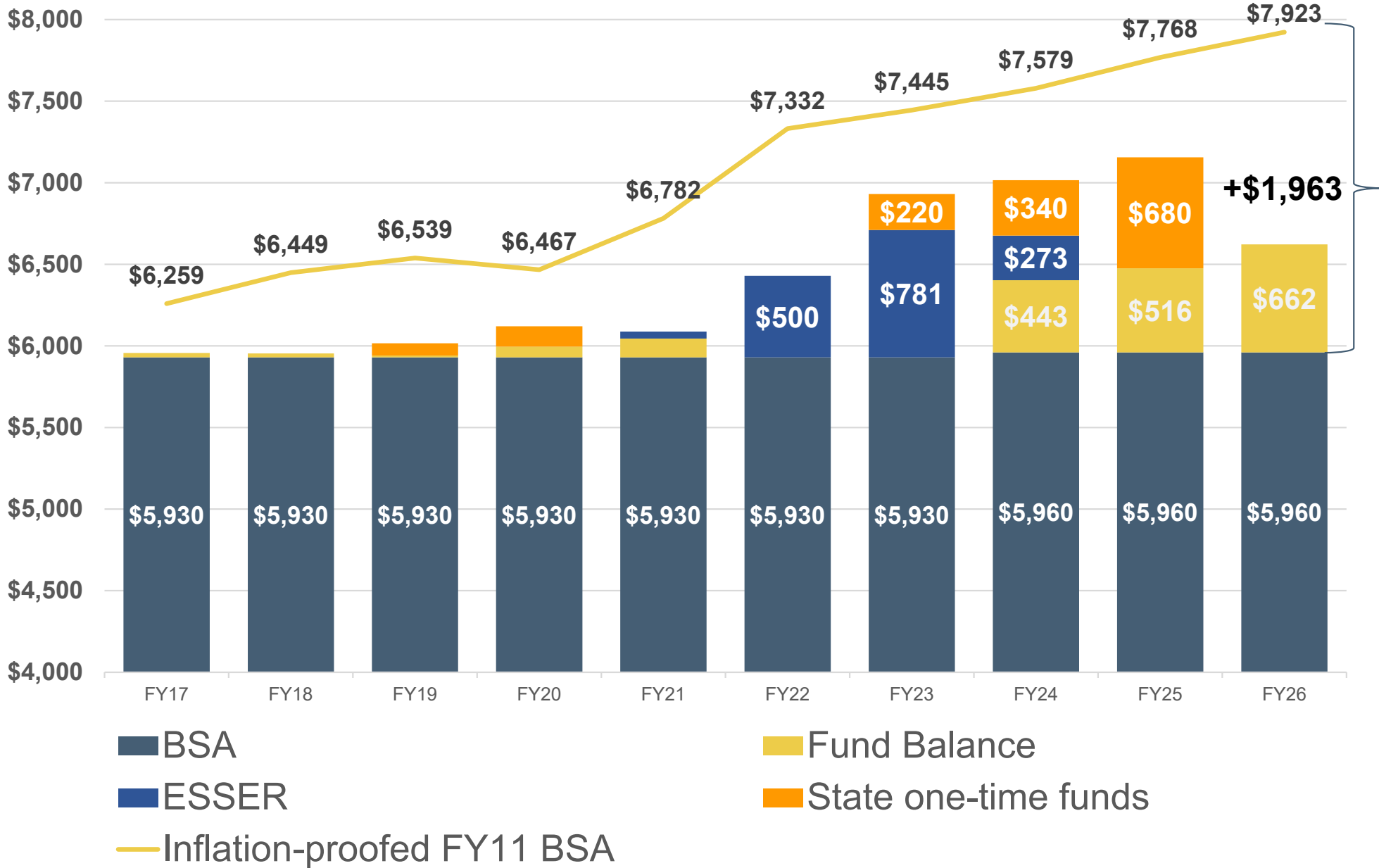
- Budget Development
- Pro Forma Review
- Balancing Act Initial Feedback



Budget Development



Funding Since 2011 - BSA Equivalents



Pro Forma Budget



Revenue Projections

General Fund Revenue Budget

	Adopted FY 2024-25	Pro Forma FY 2025-26	FY25 Adopted vs. FY26 Pro Forma	
			\$	%
Local Revenue				
Property taxes	\$ 220,771,992	\$ 225,307,314	\$ 4,535,322	2.05%
Fund balance	37,173,974	-	(37,173,974)	-100.00%
E-rate	-	-	-	0.00%
Interest earnings	7,000,000	8,000,000	1,000,000	14.29%
Facility rentals	850,000	850,000	-	0.00%
User fees	2,000,000	2,000,000	-	0.00%
Other local	335,000	335,000	-	0.00%
Total local revenue	\$ 268,130,966	\$ 236,492,314	\$ (31,638,652)	-11.80%
State Revenue				
Foundation funding	301,827,862	288,374,616	(13,453,246)	-4.46%
Operating grants outside BSA	49,110,954	-	(49,110,954)	-100.00%
Quality School Grant	1,152,095	1,136,223	(15,872)	-1.38%
State education raffle	150,000	150,000	-	0.00%
State tuition reimbursement	408,484	408,484	-	0.00%
Total state revenue	\$ 352,649,395	\$ 290,069,323	\$ (62,580,072)	-17.75%
Federal Revenue				
Federal Impact Aid	15,464,459	15,500,412	35,953	0.23%
JROTC instructor reimbursement	825,000	825,000	-	0.00%
Medicaid reimbursement	750,000	750,000	-	0.00%
Total federal revenue	\$ 17,039,459	\$ 17,075,412	\$ 35,953	0.21%
Total Budgeted Revenue	\$ 637,819,820	\$ 543,637,049	\$ (94,182,771)	-14.77%



General Fund Preliminary Budget Gap

Line #	Adopted Budget		FY25 Adopted Budget vs. FY26 Pro Forma		
	FY 2024-25	Pro Forma FY 2025-26	\$	%	
General Fund Revenue					
Local Revenue	1	\$ 268,130,966	\$ 236,492,314	\$ (31,638,652)	-11.80%
State Revenue	2	352,649,395	290,069,323	(62,580,072)	-17.75%
Federal Revenue	3	17,039,459	17,075,412	35,953	0.21%
	4	637,819,820	543,637,049	(94,182,771)	-14.77%
General Fund Expenditures					
Salaries (net of attrition) [1]	5	384,884,056	391,889,245	7,005,189	1.82%
Benefits (net of attrition) [1]	6	160,139,986	164,663,641	4,523,655	2.82%
Contracted Services	7	70,922,222	72,296,513	1,374,291	1.94%
Supplies	8	14,322,552	14,466,661	144,109	1.01%
Capital Outlay	9	2,285,858	2,664,350	378,492	16.56%
Insurance/Other	10	5,265,146	5,079,732	(185,414)	-3.52%
Total General Fund Expenditures	12	637,819,820	651,060,142	13,240,322	2.08%
General Fund Budget Gap	13	\$ -	\$ (107,423,093)	\$ (107,423,093)	
<i>Potential Authorized Use of Fund Balance</i>	14		47,000,000	47,000,000	
General Fund Budget Gap with Fund Balance	15	-	\$ (60,423,093)	\$ (60,423,093)	

[1] Potential costs of unsettled contracts are included with increased attrition factor.



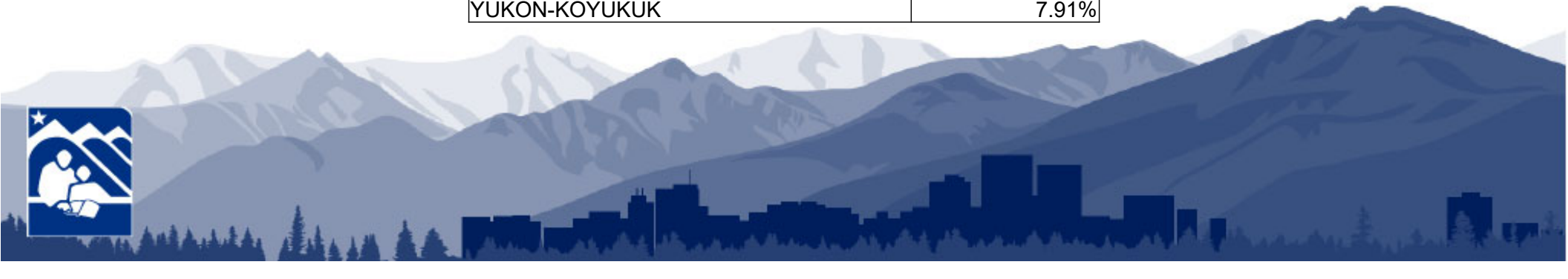
General Fund FTE Distribution

State Function	Fiscal Year				
	2022	2023	2024	2025	2026
100 - Instruction	2,047	1,752	2,035	2,171	2,121
200 - Special Education Instruction	1,046	1,064	1,042	1,011	1,011
220 - Special Education Support Services	225	226	241	193	193
300 - Support Services - Students	324	320	330	348	348
350 - Support Services - Instruction	151	151	161	219	219
400 - School Administration	143	144	142	148	148
450 - School Administration Support Services	149	250	246	248	248
510 - District Administration	27	27	29	28	28
550 - District Administration Support Services	193	201	220	158	158
600 - Operations and Maintenance of Plant	481	482	464	469	469
780 - Community Services	3	3	4	3	3
Total General Fund FTE	4,789	4,621	4,915	4,995	4,945
100 - (Federal Stimulus)	275	497	164	-	-
350 - (Federal Stimulus)	18	29	-	-	-
550 - (Federal Stimulus)	-	2	-	-	-
600 - (Federal Stimulus)	-	2	-	-	-
Total General Fund and Stimulus FTE	5,082	5,146	5,079	4,995	4,945



District Administration Cost Comparison

FY25 District Administration Costs as % of Total Operating Expenditures	
SCHOOL DISTRICT	% District Admin
BERING STRAIT	3.31%
LOWER KUSKOKWIM	3.38%
KETCHIKAN	5.06%
ANCHORAGE	5.06%
CRAIG	5.07%
VALDEZ	5.09%
SOUTHWEST REGION	5.58%
MAT-SU	5.72%
NENANA	5.97%
KENAI PENINSULA	6.25%
ALASKA GATEWAY	6.26%
KUSPUK	6.31%
GALENA	6.35%
LOWER YUKON	6.39%
NORTH SLOPE	6.99%
JUNEAU	7.07%
FAIRBANKS	7.09%
DELTA GREELY	7.32%
NOME	7.32%
NORTHWEST ARCTIC	7.34%
SITKA	7.55%
PETERSBURG	7.71%
YUKON-KOYUKUK	7.91%



Balancing Act Budget Tool



Balancing Act Baseline - Revenue

- General Fund Only
- Starts with true operating deficit of \$107m
- Option for no fund balance, 8%, or 5%
- Option for current BSA, or increase based on FY25 one-time, inflation adjusted to FY17, or FY11
- Some revenue locked to changes
- Open to Your Suggestions



Balancing Act Baseline - Expenses

- Grouped by School-Based Services, Operations & Maintenance, Administration, & Restricted/Fixed Cost components
- Option for PTR change & School Closures
- Options for maximum reductions throughout
- Some expenditures locked to changes
- Open to Your Suggestions



Anchorage School District Budget Balancing Simulation

You are in deficit.

-\$107.4m

Revenue



Local Revenue: \$236.5m ⓘ >

State Revenue: \$290.1m ⓘ >

Federal Revenue: \$17.1m >

Your Suggestion: \$0 >

Total \$543.6m

Spending



School Based Services: \$515.3m ⓘ >

Operations and Maintenance: \$55.0m ⓘ >

Administration: \$54.3m ⓘ >

🔒 Charter Schools: \$30.1m ⓘ >

🔒 Fixed Costs: \$38.9m ⓘ >

Simulation Engagement

Analytics [?]

Select a Simulation

Anchorage School District Budget Balancing Simulation - Public Use

Total Pageviews

1,461

Average Time on Site

10m 51s

Total Time on Site

264h 11m

Total Simulation Submissions

215



Trends

Top Revenue Increased

Average of All Increases Across All Submissions

State Revenue	\$54,524,651
Local Revenue	\$14,651,163
Your Suggestion	\$11,650,935

Top Revenue Decreased

Average of All Decreases Across All Submissions

State Revenue	-\$0
Local Revenue	-\$0
Your Suggestion	-\$0

Top Expenses Increased

Average of All Increases Across All Submissions

School Based Services	\$14,836,517
Operations and Maintenance	\$195,065
Your Suggestion	\$149,662

Top Expenses Decreased

Average of All Decreases Across All Submissions

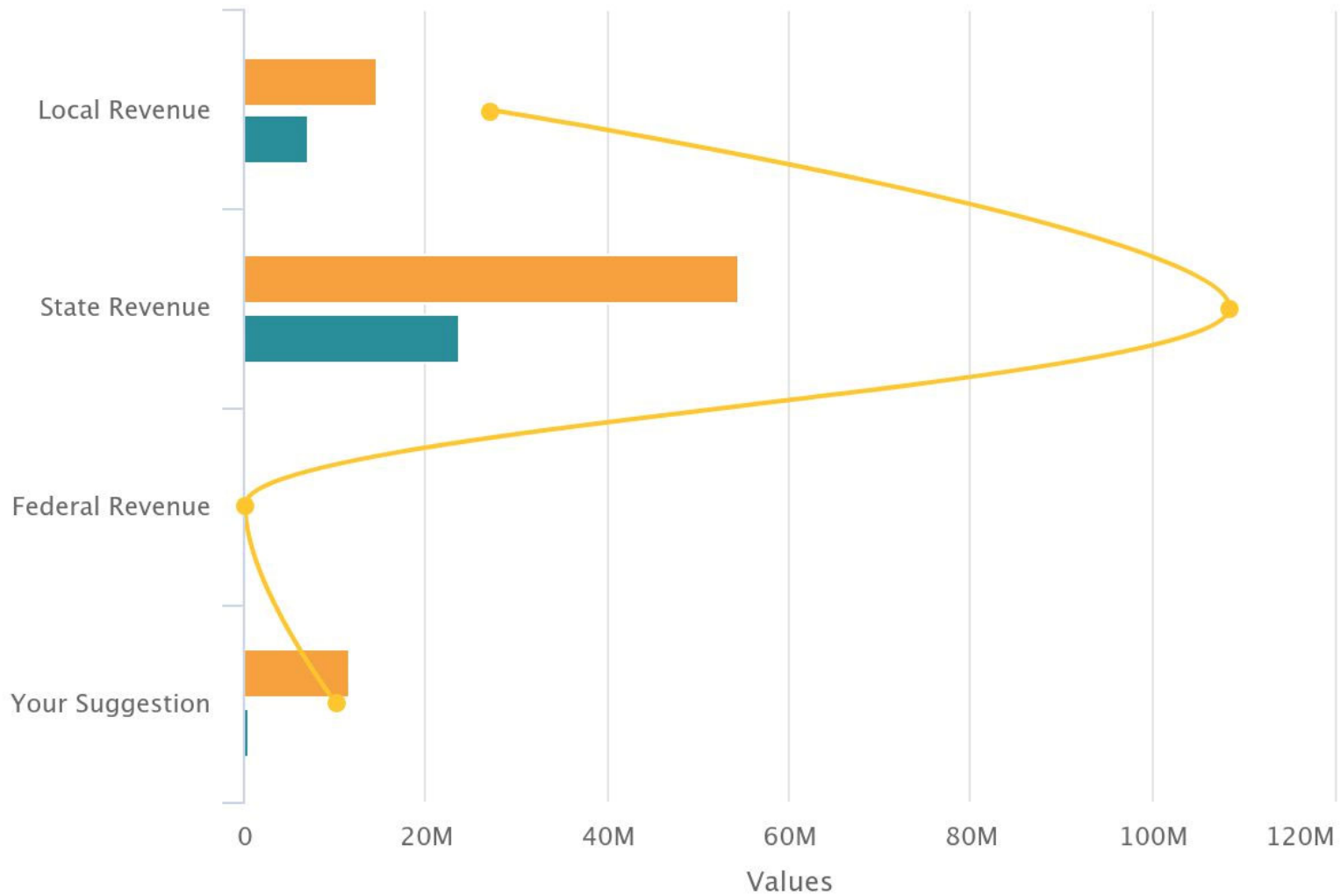
School Based Services	-\$25,314,840
Administration	-\$2,380,033
Operations and Maintenance	-\$1,380,139



Revenue Budget Comparison

Decreases vs. Increases (Click to hide)

- Average Submission Increase/Decrease
- Average Clicked Increase/Decrease
- Median Submission Increase/Decrease
- Mode of Clicked Increase/Decrease



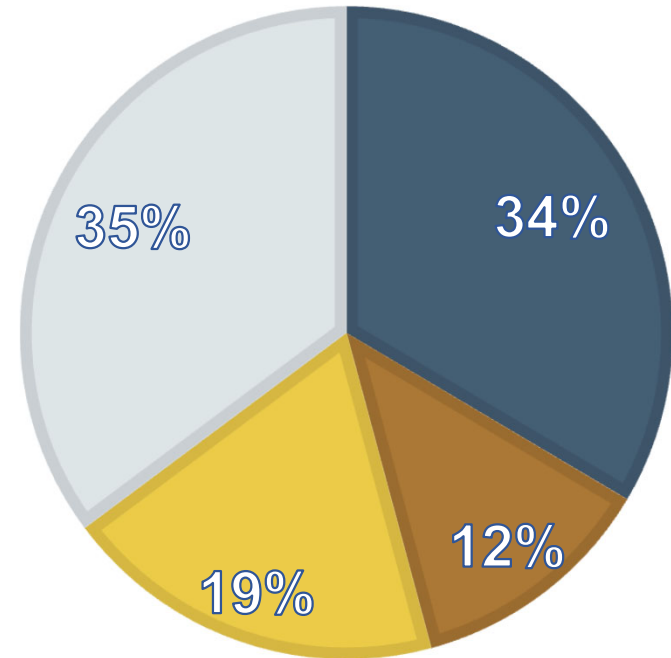
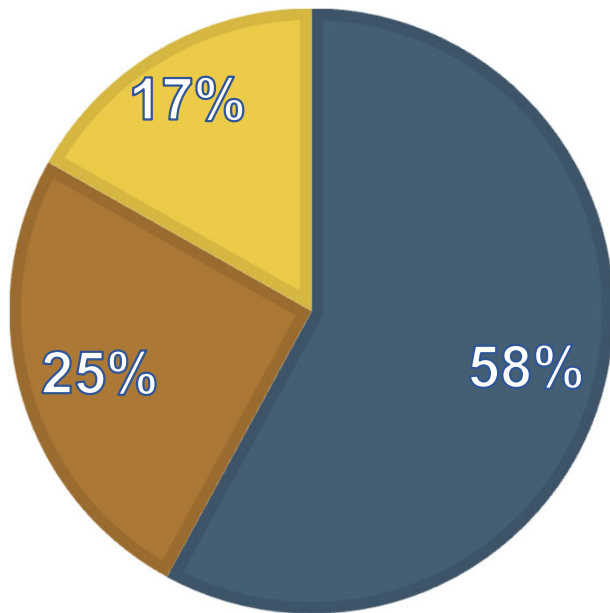
Top Revenue Suggestions

Local Revenue

State Revenue (BSA)

FUND BALANCE

■ None ■ 8% (\$27m) ■ 5% (\$47m)



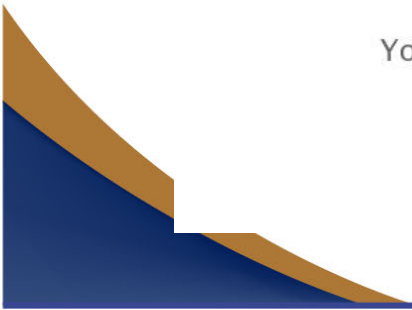
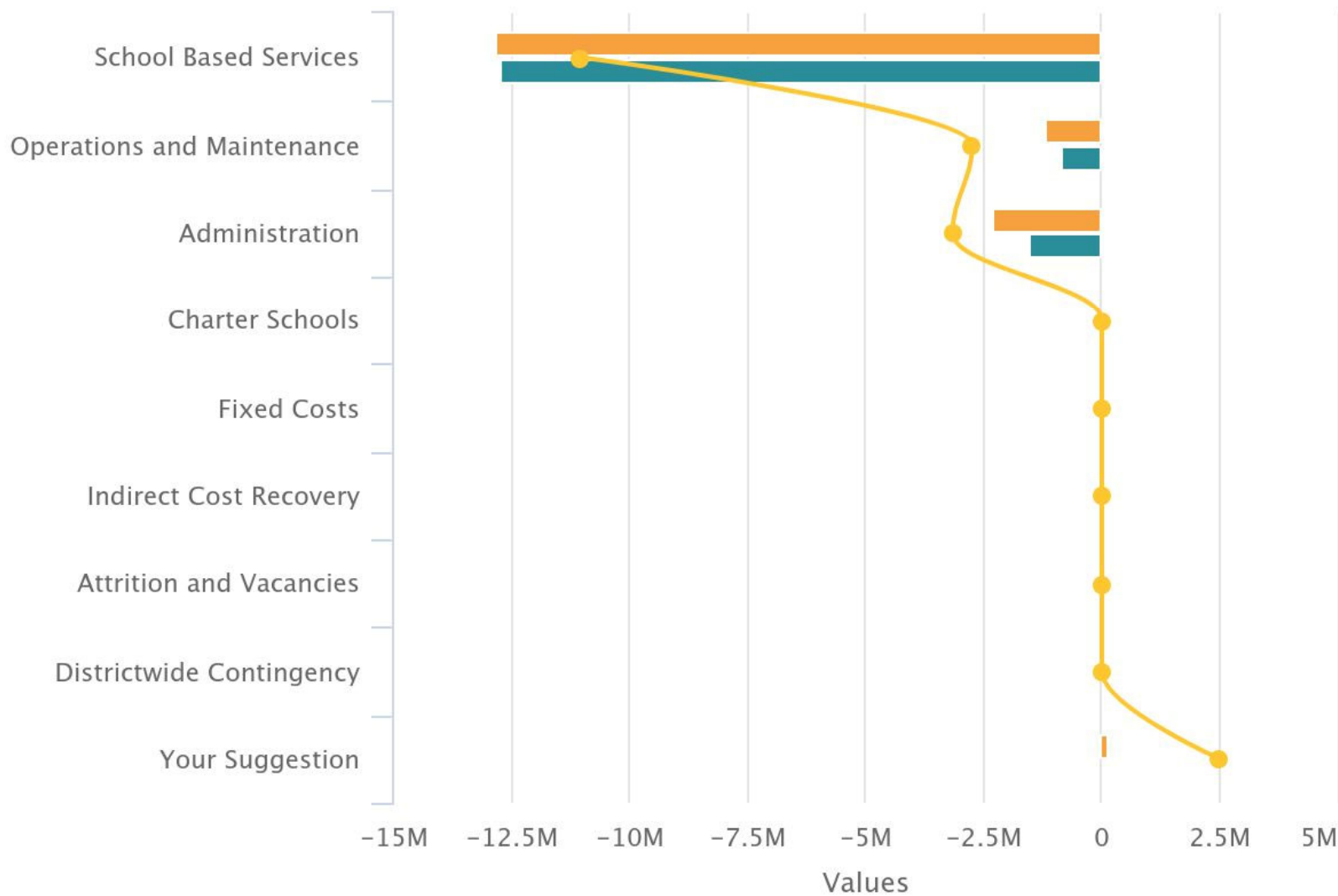
■ FY11 Inflation (\$1,963) ■ FY17 Inflation (\$1,526)
■ FY25 Match (\$680) ■ None



Expenses Budget Comparison

Decreases vs. Increases (Click to hide)

- Average Submission Increase/Decrease
- Average Clicked Increase/Decrease
- Median Submission Increase/Decrease
- Mode of Clicked Increase/Decrease



Top Expenditures Suggestions by \$

1. School Closures = **(\$2.2 million)**
2. K-12 SPED Services = **(\$1.4 million)**
3. Pupil Teacher Ratio = **\$1.3 million**
4. Sports & Activities = **(\$1.2 million)**
5. Principals = **(\$1.1 million)**
6. Added Duty = **(\$1 million)**
7. Academic Services = **(\$0.8 million)**
8. Related Special Services = **(\$0.7 million)**
9. Gifted Education/IGNITE = **(\$0.7 million)**
10. Custodial Services = **(\$0.7 million)**



Top Expenditures Suggestions by %

1. Language Immersion = **21.6%**
2. Summer School/Credit Recovery = **21.2%**
3. Added Duty = **20.9%**
4. Sports & Activities = **16.5%**
5. SPED Summer School = **15.7%**
6. Gifted Education/IGNITE = **13.5%**
7. Fine Arts = **8.6%**
8. Curriculum & Materials = **8.1%**
9. Paraprofessionals & Noon Duty = **7.4%**
10. Superintendent's Office = **5.9%**



Summary

**No use of fund balance =
avg \$30-40m deficit**

**Decrease in PTR =
avg \$23m deficit**

**Local revenues alone cannot
close the budget gap**

**Majority of submissions
were deficit budgets**

Next Steps

Open for responses
until Jan. 3

Present final analytics
to the Board on Jan.7

Welcome to Balancing Act! ✕

Close the gap on ASD's Budget Submit your ideas for FY26

ASD is pleased to launch the Balancing Act tool as a way for you to try your hand at balancing the 2025-2026 budget, closing the district's current budget deficit while learning more about the District's budget and providing your ideas directly to ASD leadership.

The Balancing Act Challenge

ASD is required to adopt a balanced budget each year, ensuring that available revenues match planned expenditures. However, years of flat funding, enrollment declines, and rising operational costs created a growing budget deficit that requires significant action to address.

This budget simulation is a way for you to provide your input on the District's priorities for spending, and to explore ways you would address the growing budget gap.

Closing the budget gap requires raising new revenues and/or making cuts to spending. The size of the deficit, however, poses a tremendous challenge due to the size of cuts needed to match projected revenues.

The simulation starts with an estimated \$107,423,093 deficit as the baseline. This amount is the difference between the actual projected revenues and projected expenditures for the FY26 budget.



Board Guidance

- Use of fund balance down to 5% (\$47m)
- Class size & PTR
- Any other guidance



Questions/Comments

