

FY 25 Budget Outlook

Projected Fund Balance & Pro Forma Budget

December 5th, 2023



Anchorage School District
Educating All Students for Success in Life

Agenda

- Budget Development
- Projected Fund Balance
- FY25 Pro Forma Budget



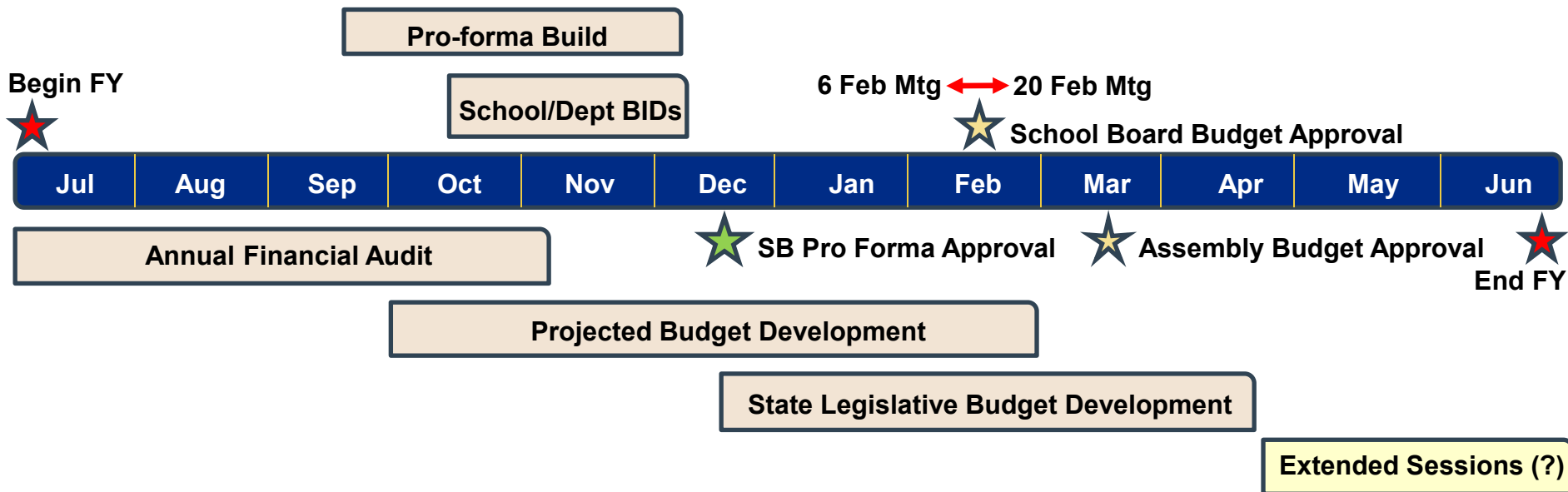
Purpose

The purpose of the briefing is to provide a projected budget gap based on initial revenue projections and expenses for FY 25.

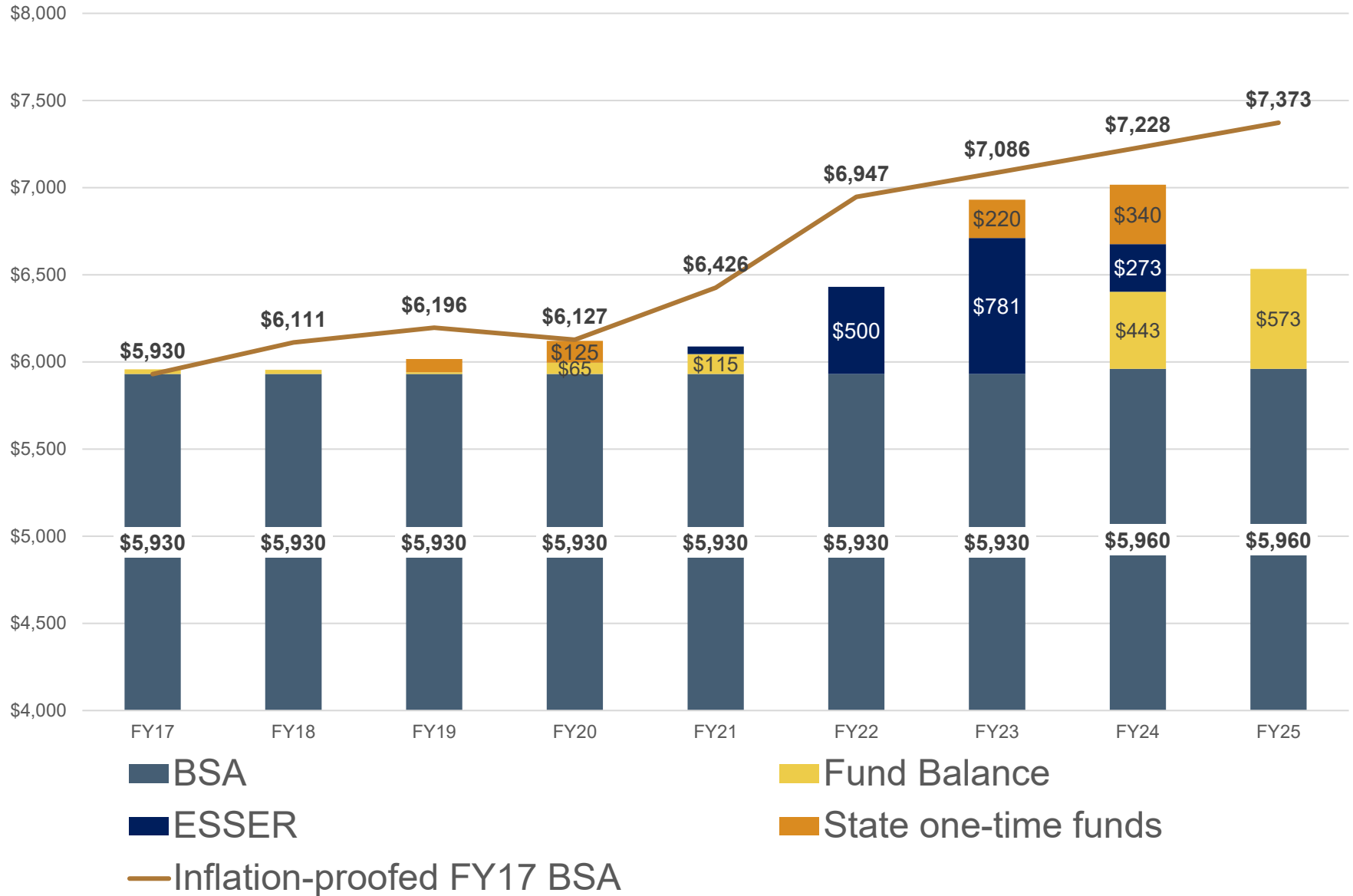
Refined estimates will be developed after the schools and departments submit their proposed budgets during the month of December.



Budget Development



Funding Since 2017 - BSA Equivalents



Fund Balance Projection



FY23 Final Ending Fund Balance

SOA 10% fund balance calculation

Expenditures and other uses	\$	563.80
less: other uses		(11.97)
add: other fund PERS/TRS on-behalf		-
Projected expenditures for the purpose of 10% calculation	\$	551.83
State fund balance % of expenditures		21.55%
Amount above/ (below) 10% state cap	\$	63.71
Amount above/ (below) 9.0%	\$	69.23
Amount above/ (below) 8% board minimum	\$	74.75

Available fund balance above 8% Board minimum

Projected undesignated fund balance above 8%	\$	74.75
FY23 one-time funds already approved to carry forward	\$	(32.40)
Adjusted spendable fund balance above 8% minimum	\$	42.35



FY24 Revenue and Expenditure Projections

General Fund (in millions \$)	FY 2023-24 Budget	FY 2023-24 Projection	Amount	Percent
Revenue				
Local [1]	\$ 259.359	\$ 233.027	\$ (26.332)	-10.15%
State	370.802	364.408	(6.395)	-1.72%
Federal	15.992	15.678	(0.314)	-1.96%
Total	646.154	613.113	(33.041)	-5.11%

Expenditures and Encumbrances

Salaries	363.539	357.418	6.121	1.68%
Benefits	187.368	180.490	6.878	3.67%
Services	100.101	92.431	7.670	7.66%
Supplies/Equipment/Other	27.708	27.016	0.692	2.50%
	\$ 678.716	\$ 657.356	\$ 21.360	3.15%

[1] Includes the use of \$32.45 million in fund balance

[2] Includes prior year encumbrances

Budget to GAAP basis reconciliation

Total expenditures and encumbrances	\$ 678.716	\$ 657.356
Less: encumbrances	(32.612)	(34.311)
Less: PERS/TRS on-behalf budgets	(35.159)	-
Transfers to/(from) other funds	(0.049)	4.620
Total GAAP basis expenditures and other uses	\$ 610.895	\$ 627.664

FY24 Projected Fund Balance

SOA 10% fund balance calculation

Expenditures and other uses	\$	627.67
less: other uses		(4.62)
add: other fund PERS/TRS on-behalf		-
Projected expenditures for the purpose of 10% calculation	\$	623.05
State fund balance % of expenditures		16.58%
Amount above/ (below) 10% state cap	\$	40.98
Amount above/ (below) 9.0%	\$	47.21
Amount above/ (below) 8% board minimum	\$	53.44



Pro Forma Budget



State Foundation Formula FY 24

Step 1

School Size Adjustment



The school size factor table is used to calculate the adjusted ADM for each school.

41,502 → 46,785

Step 2

District Cost Factor



The district's school size adjusted ADM is multiplied by the district cost factor

46,785 = 46,785

Step 3

Special Needs Factor

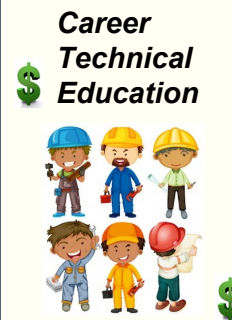
Bilingual Education
Special Education
Gifted & Talented
Vocational Education

The previously adjusted ADM is multiplied by 1.20, providing an additional 20%.

46,785 → 56,142

Step 4

CTE Factor

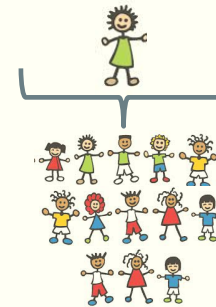


The previously adjusted ADM is multiplied by 1.015, providing an additional 1.5%.

56,142 → 56,984

Step 5

Intensive Needs Factor

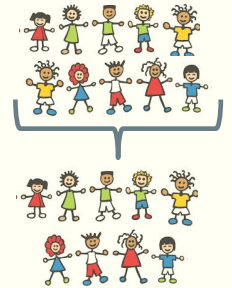


The intensive needs count is multiplied by 13.

56,984 → 70,983

Step 6

Correspondence Factor



The district's correspondence count is added in and multiplied by .90

70,983 → 73,247



Revenue Projections

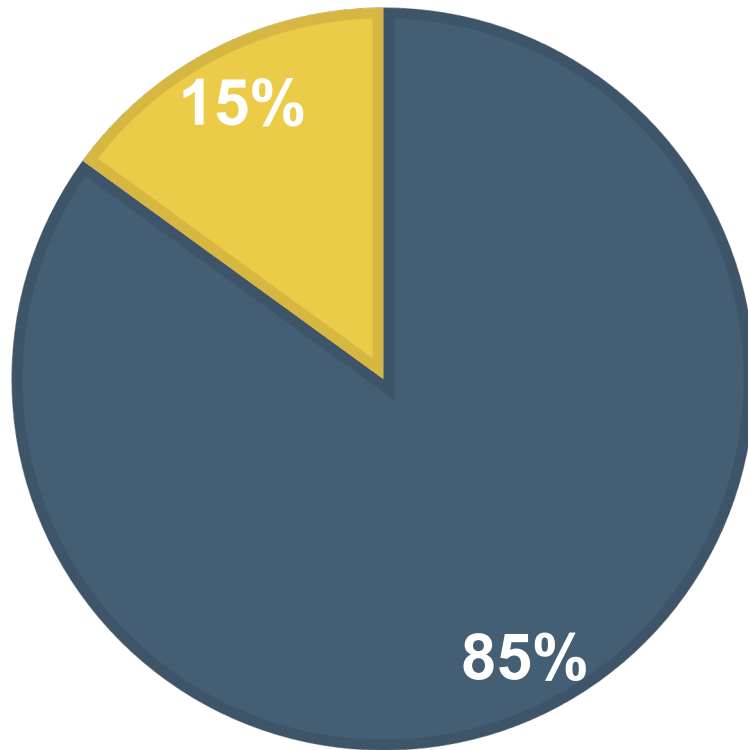
General Fund Revenue Budget

General Fund Revenue Budget			FY24 Adopted vs. FY25	
	Adopted FY 2023-24	Pro Forma FY 2024-25	Pro Forma	
			\$	%
Local Revenue				
Property taxes	\$ 221,038,822	\$ 220,121,663	\$ (917,159)	-0.41%
Fund balance	32,445,308		(32,445,308)	-100.00%
E-rate	715,000	715,000	-	0.00%
Interest earnings	2,000,000	5,000,000	3,000,000	150.00%
Facility rentals	750,000	750,000	-	0.00%
User fees	2,075,000	1,800,000	(275,000)	-13.25%
Other local	335,000	335,000	-	0.00%
Total local revenue	\$ 259,359,130	\$ 228,721,663	\$ (30,637,467)	-11.81%
State Revenue				
Foundation funding	309,018,140	300,836,217	(8,181,923)	-2.65%
Operating grants outside BSA	24,894,521	-	(24,894,521)	-100.00%
Quality School Grant	1,171,945	1,152,095	(19,850)	-1.69%
State education raffle	150,000	150,000	-	0.00%
State tuition reimbursement	408,484	408,484	-	0.00%
Total state revenue	\$ 335,643,090	\$ 302,546,796	\$ (33,096,294)	-9.86%
Federal Revenue				
Federal Impact Aid	14,441,918	14,668,177	226,259	1.57%
JROTC instructor reimbursement	800,000	825,000	25,000	3.13%
Medicaid reimbursement	750,000	750,000	-	0.00%
Total federal revenue	\$ 15,991,918	\$ 16,243,177	\$ 251,259	1.57%
Total Budgeted Revenue	\$ 610,994,138	\$ 547,511,636	\$ (63,482,502)	-10.39%



Salaries & Benefits

■ Personnel ■ Non-Personnel



- 164 FTE Teaching Positions moved in GF from ESSER
- -36 FTE Teaching Staff reduction for Metrics-Based adjustment
- Unsettled contracts amount included



General Fund FTE Distribution

State Function	Fiscal Year					
	2020	2021	2022	2023	2024	2025
100 - Instruction	2,355	2,303	2,047	1,752	2,036	2,164
200 - Special Education Instruction	998	1,041	1,046	1,064	1,043	1,043
220 - Special Education Support Services	225	222	225	226	239	239
300 - Support Services - Students	308	313	324	320	330	330
350 - Support Services - Instruction	148	150	151	151	161	161
400 - School Administration	143	141	143	144	142	142
450 - School Administration Support Services	246	243	149	250	246	246
510 - District Administration	27	27	27	27	29	29
550 - District Administration Support Services	187	191	193	201	220	220
600 - Operations and Maintenance of Plant	478	478	481	482	464	464
780 - Community Services	3	4	3	3	4	4
Total General Fund FTE	5,118	5,113	4,789	4,621	4,915	5,043
100 - (Federal Stimulus)		30	275	497	164	-
350 - (Federal Stimulus)		18	18	29	-	-
550 - (Federal Stimulus)		-	-	2	-	-
600 - (Federal Stimulus)		-	-	2	-	-
Total General Fund and Stimulus FTE	5,118	5,161	5,082	5,146	5,079	5,043



Salaries & Wages

General Fund Salaries, Wages and Benefits

		FY 2023-24 Adopted	FY 2024-25 Pro Forma [1]	Change	
				\$	%
Line #	Salaries and Wages				
1	100 - Instruction	\$ 156,235,298	\$ 161,082,614	\$ 4,847,316	3.10%
2	200 - Special Education Instruction	60,093,906	61,510,516	1,416,610	2.36%
3	220 - Special Education Support Services	17,741,223	18,234,504	493,281	2.78%
4	300 - Support Services - Students	20,247,401	20,807,588	560,187	2.77%
5	350 - Support Services - Instruction	14,035,305	14,423,736	388,431	2.77%
6	400 - School Administration	17,046,140	17,600,145	554,005	3.25%
7	450 - School Admin. Support Services	10,318,576	10,343,424	24,848	0.24%
8	510 - District Administration	2,786,055	2,842,057	56,002	2.01%
9	550 - District Admin. Support Services	17,382,690	17,519,955	137,265	0.79%
10	600 - Ops and Maintenance of Plant	24,432,316	24,826,931	394,615	1.62%
11	780 - Community Services	276,039	280,495	4,456	1.61%
12	Add: Staff from ESSER Grant	-	13,735,000	13,735,000	100.00%
13	Add: Potential unsettled contracts	-	8,500,000	8,500,000	100.00%
14	Less: Metrics Based Staff	-	(3,015,000)	(3,015,000)	100.00%
15	Total Salaries and Wages	340,594,949	368,691,965	28,097,016	8.25%



Other Payroll & Benefits

Other Payroll Outlay

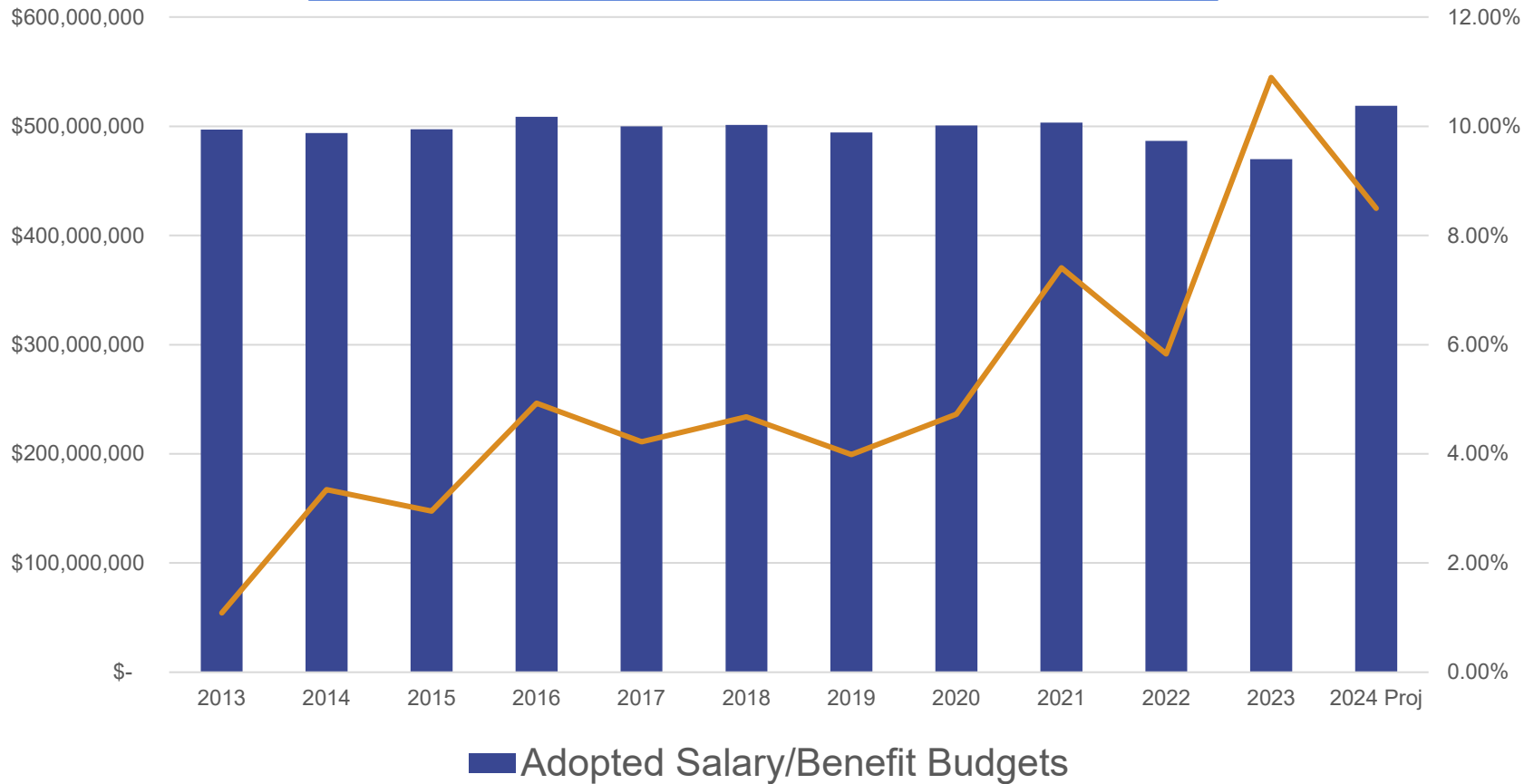
16	Substitutes	8,426,313	8,594,839	168,526	2.00%
17	Added Duty/Extra Help	17,578,588	18,212,903	634,315	3.61%
18	Personal Leave	6,295,026	6,483,877	188,851	3.00%
19	One-time Payments	740,000	749,000	9,000	1.22%
20	<i>Add: Other ESSER Payroll</i>	-	-	-	100.00%
21	Salary Attrition/Vacancy	(8,161,858)	(11,263,364)	(3,101,506)	38.00%
22	Total Other Payroll	24,878,069	22,777,255	(2,100,814)	-8.44%
23	Total Salaries, Wages and Other Payroll	365,473,018	391,469,220	25,996,202	7.11%

Benefits

24	Medical Insurance	102,844,948	105,678,142	2,833,194	2.75%
25	Teachers' Retirement System (TRS)	33,214,415	34,175,684	961,269	2.89%
26	Public Employees' Retirement System (PERS)	19,764,591	19,985,594	221,003	1.12%
27	Workers Comp	4,408,853	4,541,119	132,266	3.00%
28	Other (SS, MC, Unemp., Life ins, etc.)	12,986,056	13,222,461	236,405	1.82%
29	<i>Benefits for ESSER Staffing</i>	-	5,840,655	5,840,655	100.00%
30	<i>Benefits for potential unsettled contracts</i>	-	2,720,000	2,720,000	100.00%
31	<i>Benefits for Metrics Based Staff</i>	-	(1,282,095)	(1,282,095)	100.00%
32	Benefit Attrition	(20,000,000)	(25,000,000)	(5,000,000)	25.00%
33	Total Benefits	153,218,863	159,881,560	6,662,697	4.35%
34	Total Salaries, Wages and Benefits	\$ 518,691,881	\$ 551,350,779	\$ 32,658,898	6.30%



General Fund Historical Attrition

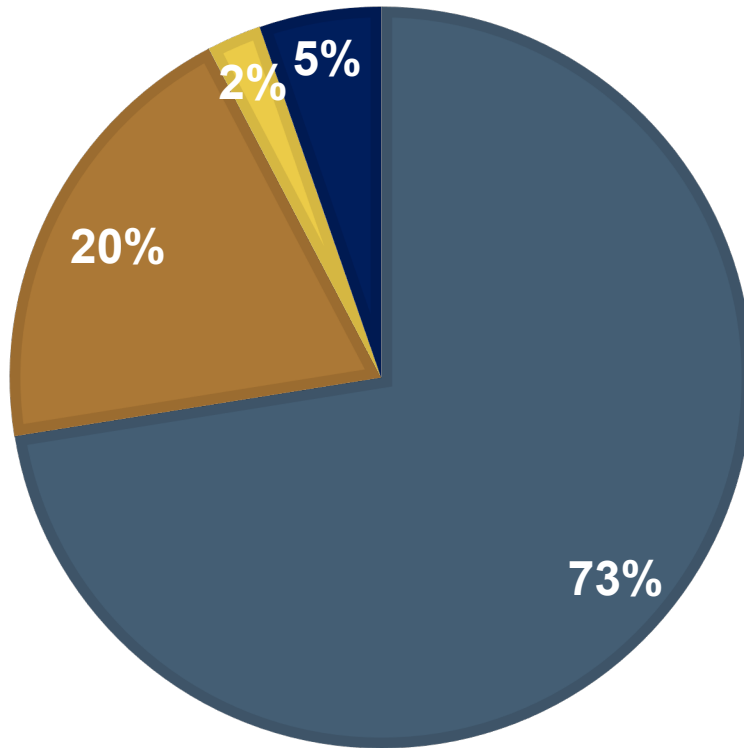


Total Attrition											
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Projected
5,382,117	16,523,146	14,661,613	25,058,624	21,092,714	23,444,330	19,717,848	23,677,447	37,291,418	28,382,455	51,170,922	44,093,839



Non-Personnel Expenditures

■ Contracted Services ■ Supplies
■ Capital Outlay ■ Insurance/Other



- 15% of GF Budget
- 2.28% projected increase = \$2.1 million
- Largest projected increases
 - Technology Maintenance Agreements = \$.730 million
 - Indirect Cost Recovery = (\$1 mill)*



General Fund Preliminary Budget Gap

		Adopted Budget		FY24 Adopted Budget vs.	
		Pro Forma		FY25 Pro Forma	
	Line #	FY 2023-24	FY 2024-25	\$	%
General Fund Revenue					
Local Revenue	1	\$ 259,359,130	\$ 228,721,663	\$ (30,637,467)	-11.81%
State Revenue	2	335,643,090	302,546,796	(33,096,294)	-9.86%
Federal Revenue	3	15,991,918	16,243,177	251,259	1.57%
	4	610,994,138	547,511,636	(63,482,502)	-10.39%
General Fund Expenditures					
Salaries (net of attrition) [1]	5	365,473,018	391,469,220	25,996,202	7.11%
Benefits (net of attrition) [1]	6	153,218,863	159,881,560	6,662,697	4.35%
Contracted Services	7	66,766,106	68,412,547	1,646,441	2.47%
Supplies	8	18,467,241	18,740,071	272,830	1.48%
Capital Outlay	9	2,021,198	2,243,895	222,697	11.02%
Insurance/Other	10	5,047,712	5,007,849	(39,863)	-0.79%
Total General Fund Expenditures	12	610,994,138	645,755,141	34,761,003	5.69%
General Fund Budget Gap	13	\$ -	\$ (98,243,505)	\$ (98,243,505)	
Potential Authorized Use of Fund Balance	14	-	53,000,000	53,000,000	
General Fund Budget Gap with Fund Balance	15	-	\$ (45,243,505)	\$ (45,243,505)	

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



Transportation Fund Budget Gap

Transportation Fund Pro Forma Estimate

Revenues by Source

Local Sources

Property taxes	\$ 5,042,104	\$ 5,042,104	\$ -	0.00%
General Fund contributions	-	-	-	100.00%
Transportation Fund fund balance	2,649,927	-	(2,649,927)	-100.00%
Total local revenue	7,692,031	5,042,104	(2,649,927)	-34.45%

State Sources

State transportation revenue	20,142,241	19,583,434	(558,807)	-2.77%
------------------------------	------------	------------	-----------	--------

Total revenue

27,834,272	24,625,538	(3,208,734)	-11.53%
-------------------	-------------------	--------------------	----------------

Transportation Expenditures

Salaries	5,164,846	5,309,462	144,616	2.80%
Benefits	5,129,895	5,232,493	102,598	2.00%
Contracted services	15,849,791	16,325,285	475,494	3.00%
Supplies	966,928	995,936	29,008	3.00%
Capital outlay	204,348	204,348	-	0.00%
Insurance	518,464	155,539	(362,925)	-70.00%

Total expenditures

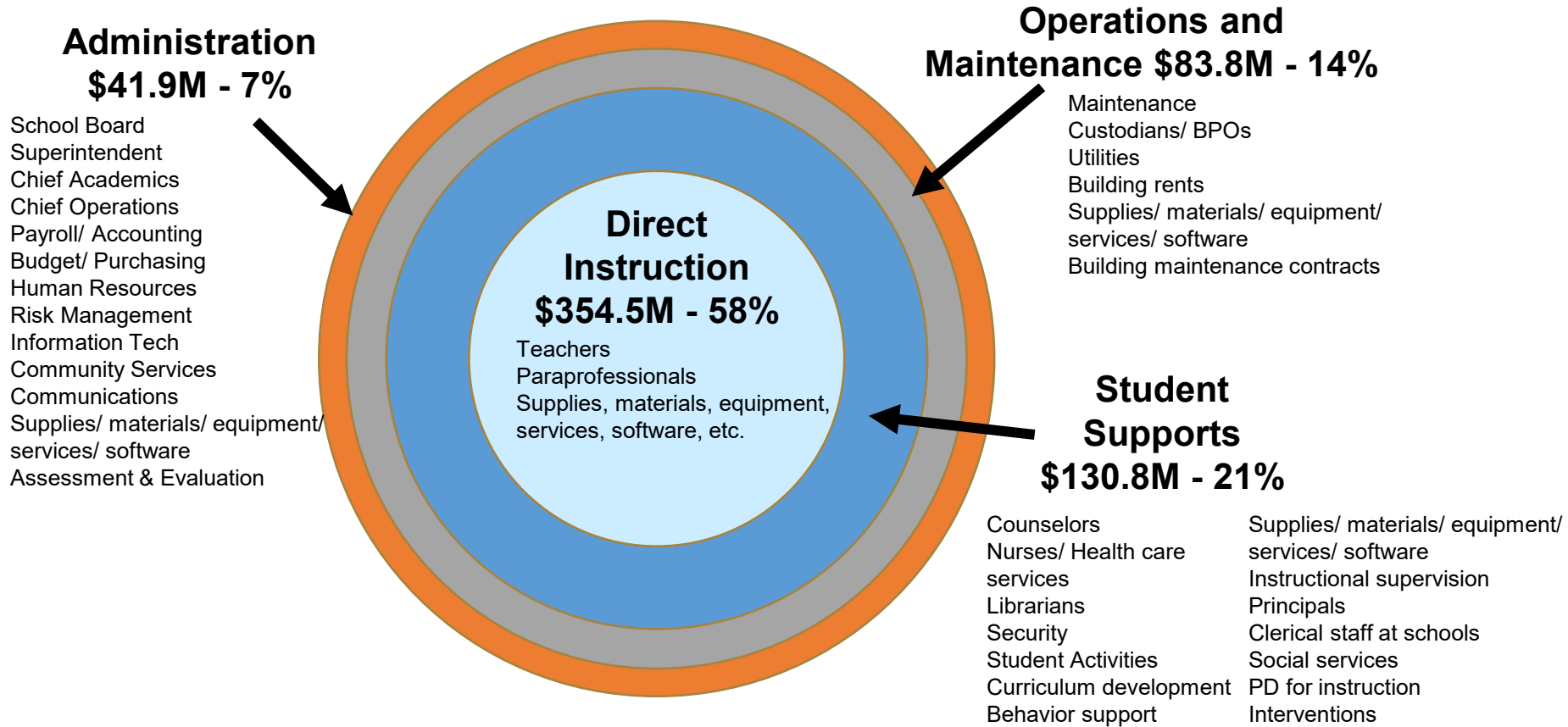
27,834,272	28,223,063	388,791	1.40%
-------------------	-------------------	----------------	--------------

Transportation Budget Gap

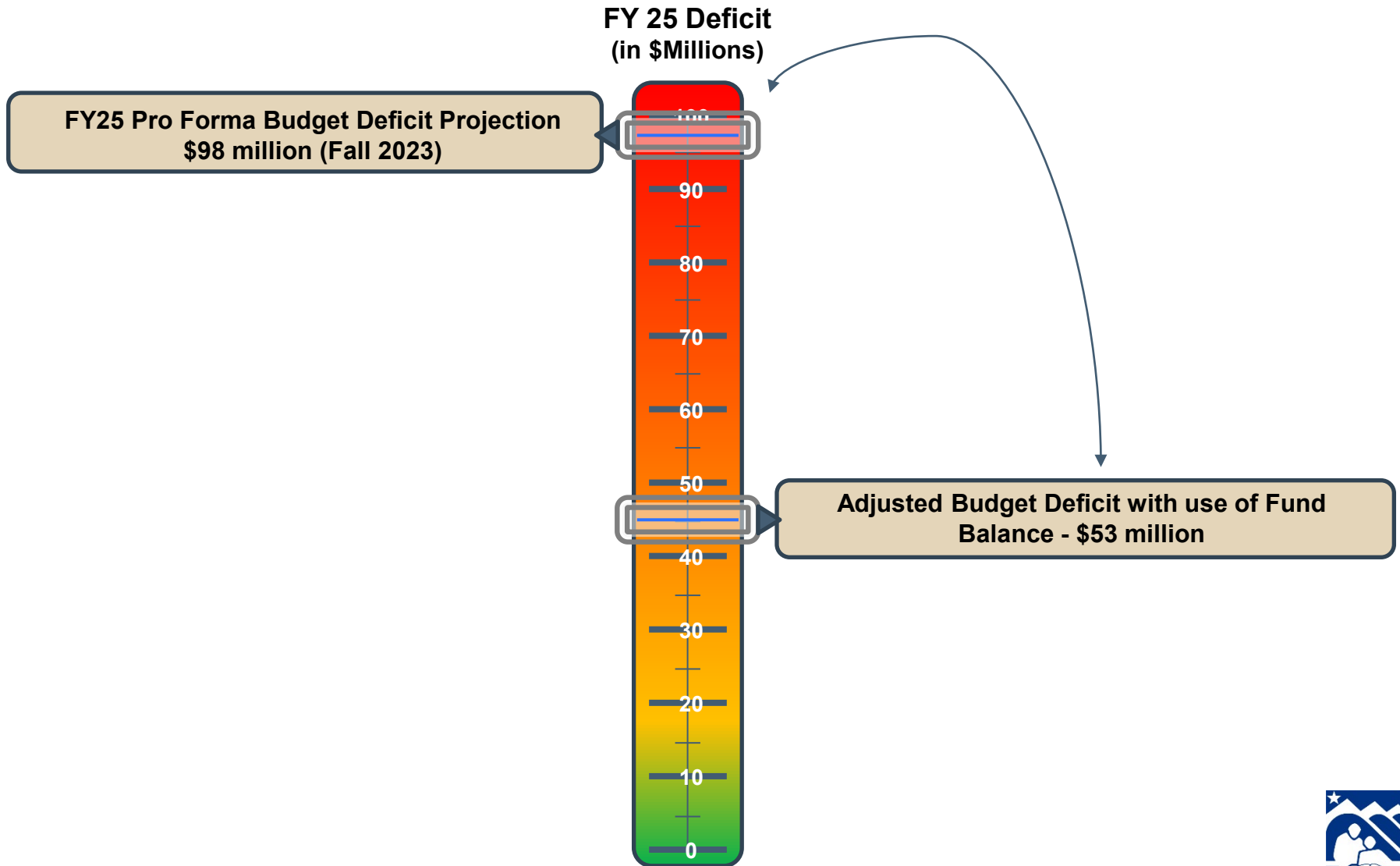
\$ -	\$ (3,597,525)	\$ (3,597,525)
-------------	-----------------------	-----------------------



Budget Development Process



FY 25 Budget Deficit Monitor



Key Takeaways

- A combination of strategies is needed to produce a balanced budget for FY25
- Use of fund balance is a short-term stop gap measure
- Long-term, significant revenue or expenditure adjustments are needed to maintain current level of programming & services



Questions/Comments

