

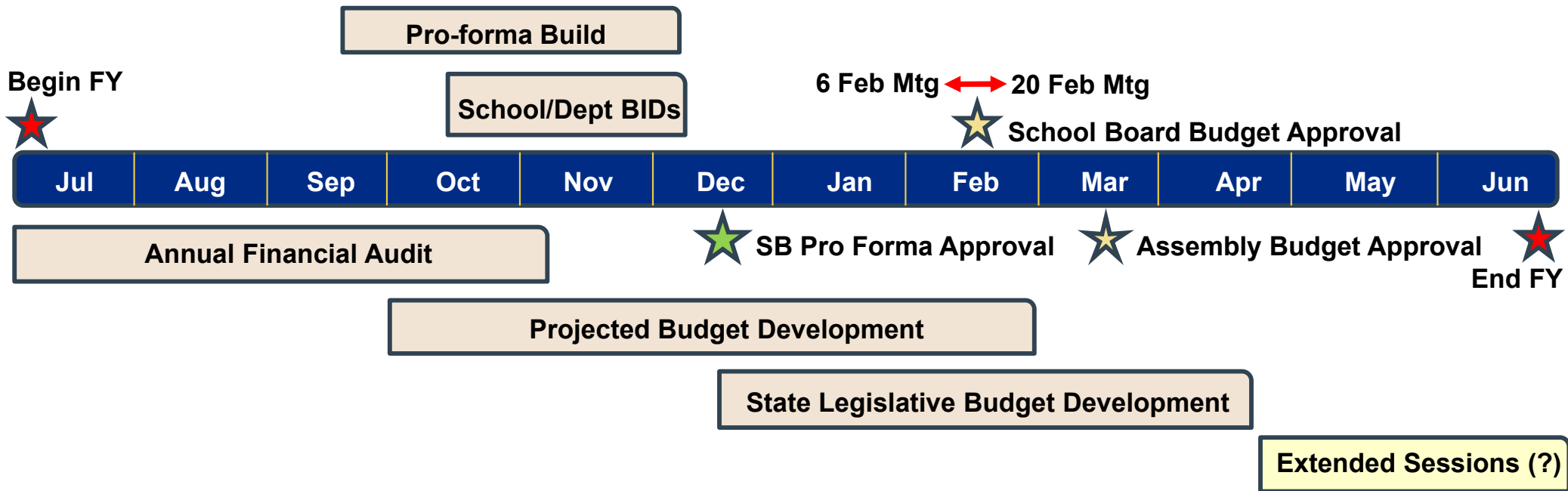
# FY 25 Budget Overview

February 8<sup>th</sup>, 2024



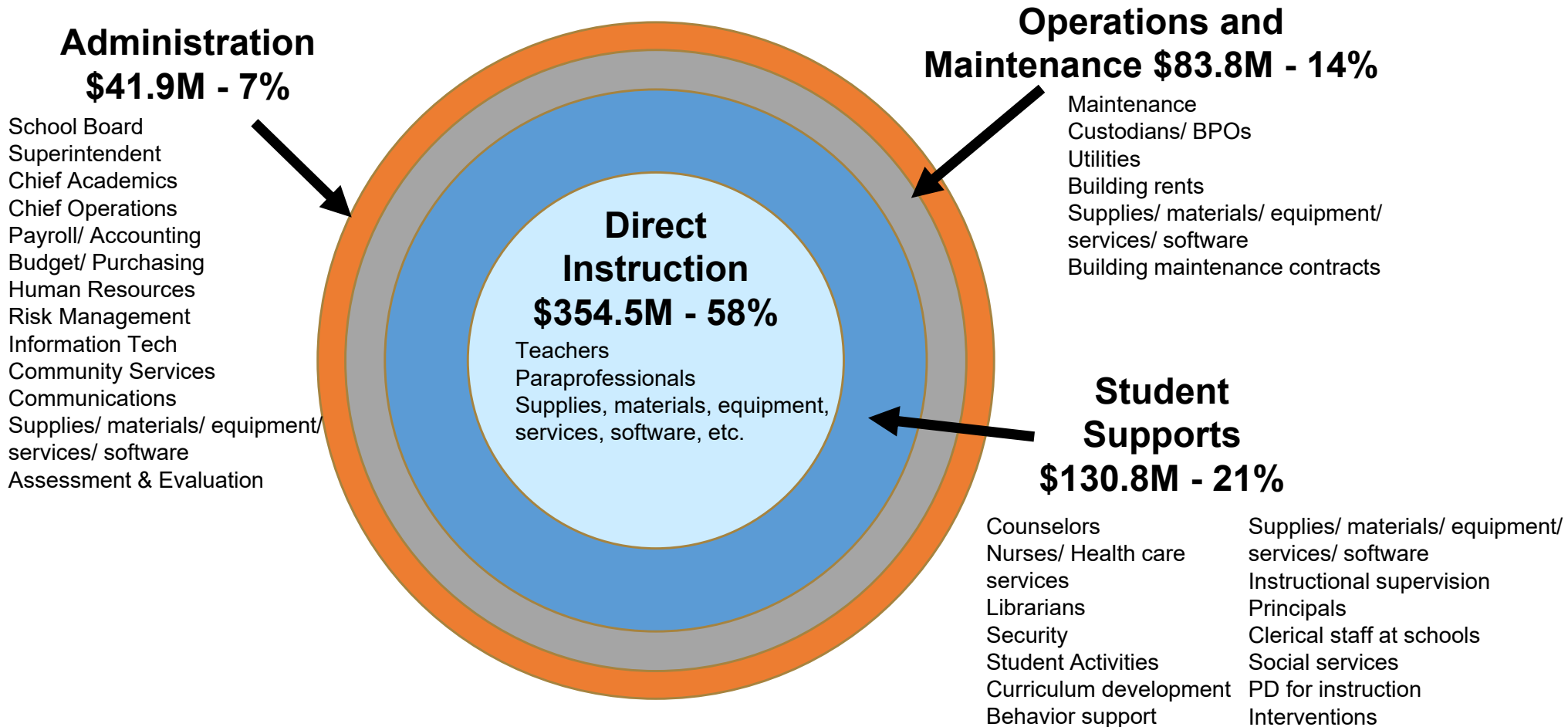
**Anchorage School District**  
*Educating All Students for Success in Life*

# Budget Development

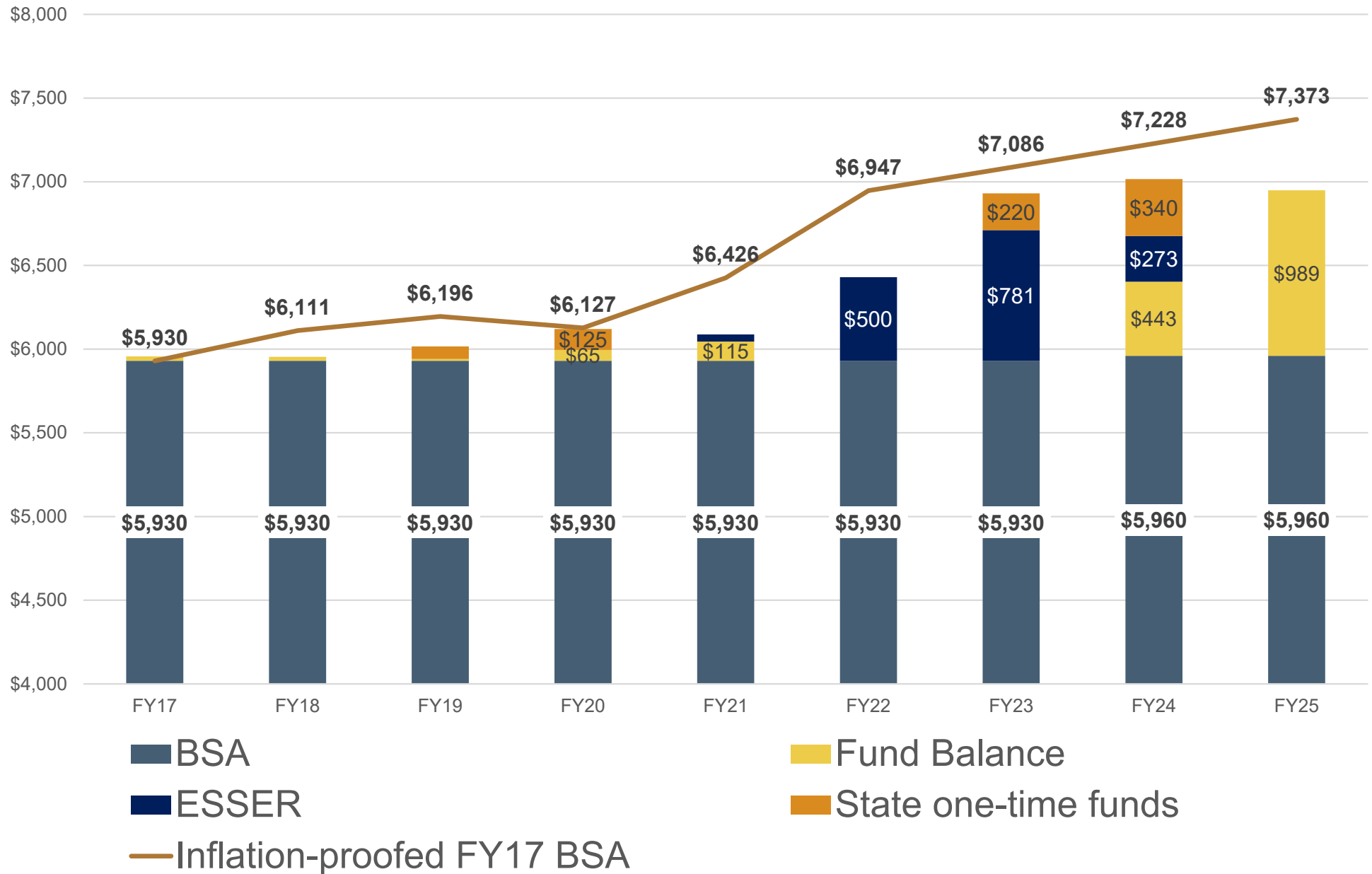


# Budget Development Process

## 2023-24 Spending Plan



# Funding Since 2017 - BSA Equivalents



- ASD revenue is depicted in BSA-equivalent dollars
- FY23 through FY25 inflation is based on historical average of 2%

# Upper Limit Summary

## Municipal Upper Limit Summary

Governmental Funds Summary (in millions \$)	Actual [1] FY 2020-21	Actual [1] FY 2021-22	Actuals [1] FY 2022-23	Adopted Budget FY 2023-24	Preliminary Budget FY 2024-25	FY24 Adopted vs. FY25 Preliminary	
						\$	%
General Fund	\$ 556.930	\$ 550.262	\$ 517.874	\$ 610.994	\$ 621.082	\$ 10.088	1.7%
Project Carryover [2]	-	-	-	25.000	30.000	5.000	20.0%
Transportation Fund	22.621	22.278	25.194	27.834	28.824	0.990	3.6%
Grants Fund	63.968	98.443	135.958	92.450	67.670	(24.780)	-26.8%
Debt Service Fund	79.019	66.819	70.752	63.715	54.597	(9.118)	-14.3%
Capital Projects Fund [3]	3.434	2.141	11.854	52.412	50.000	(2.412)	-4.6%
Student Nutrition Fund	16.035	22.261	22.200	24.837	25.386	0.549	2.2%
Student Activities Fund	1.407	3.713	5.718	7.900	7.900	-	0.0%
ASD Managed Total	743.414	765.917	789.550	905.142	885.459	(19.683)	-2.2%
SOA PERS/TRS On-behalf	54.682	57.939	33.951	55.000	50.000	(5.000)	-9.1%
Total All Funds	\$ 798.096	\$ 823.856	\$ 823.501	\$ 960.142	\$ 935.459	\$ (24.683)	-2.6%

[1] GAAP basis expenditures with on-behalf pension payments removed from individual funds

[2] Accounting practice for transparency and efficiency only - not additional funding

[3] Capital Projects includes capital Legislative grants and General Fund contributions only; voter approved bond projects that are repaid through debt service have been excluded

# State Foundation Formula FY 25

## Step 1

### School Size Adjustment



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

**40,714 → 45,709**

## Step 2

### District Cost Factor



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

**45,709 = 45,709**

## Step 3

### Special Needs Factor

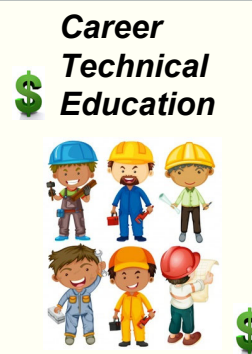
*Bilingual Education*  
*Special Education*  
*Gifted & Talented*  
*Vocational Education*

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

**45,709 → 54,851**

## Step 4

### CTE Factor

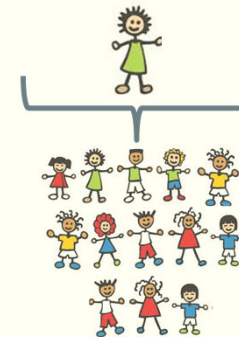


The previously adjusted ADM is multiplied by 1.015, providing an additional 1.5%.

**54,851 → 55,717**

## Step 5

### Intensive Needs Factor

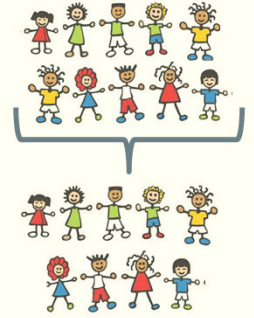


The intensive needs count is multiplied by 13.

**55,717 → 70,251**

## Step 6

### Correspondence Factor



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

**70,251 → 72,006**



# Foundation Formula

FY 2024-25 Projected State/Local Revenue for ASD

District adjusted ADM	72,006		
Base Student Allocation	\$5,960		
Basic need (BSA x ADM)	<u>\$429,155,462</u>		
Required local effort (property taxes)	\$(120,159,280)	{	\$45,343,124,634 MOA Property Values
State Reduction for Federal Impact Aid Received	<u>(7,168,320)</u>		x 2.65 Mills
State Foundation Revenue	301,827,862		<u>\$120,159,280</u> Total Required Local Taxes
State Quality Schools Grant	<u>1,152,095</u>		
Total State Revenue	<u><u>\$302,979,957</u></u>		
Basic Need	\$429,155,462		
Additional Allowable Taxes			
(23% of Basic Need + Quality Schools)	<u>98,970,738</u>		
Total Allowable Taxes	<u><u>\$219,130,018</u></u>		



# General Fund Revenue

	Adopted Budget FY 2023-24	Preliminary Budget FY 2024-25	FY24 Adopted vs. FY25 Preliminary	
			\$	%
Local Revenue				
Property taxes	\$ 221,038,822	\$ 219,130,018	\$ (1,908,804)	-0.86%
Fund balance	32,445,308	71,189,000	38,743,692	119.41%
E-rate	715,000	-	(715,000)	-100.00%
Interest earnings	2,000,000	7,000,000	5,000,000	250.00%
Facility rentals	750,000	850,000	100,000	13.33%
User fees	2,075,000	2,000,000	(75,000)	-3.61%
Other local revenue	335,000	335,000	-	0.00%
Total local revenue	259,359,130	300,504,018	41,144,888	15.86%
State Revenue				
Foundation funding	309,018,140	301,827,862	(7,190,278)	-2.33%
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	303,538,441	(32,104,649)	-9.57%
Federal Revenue				
Federal Impact Aid	14,441,918	15,464,459	1,022,541	7.08%
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	17,039,459	1,047,541	6.55%
Total Revenue	\$ 610,994,138	\$ 621,081,918	\$ 10,087,780	1.65%



# Local Taxes and State Revenue

## Change since 2017

	FY17	FY25	\$ Change	% Change
Anchorage Property Values	\$ 39,055,816,190	\$ 45,343,124,634	\$ 6,287,308,444	16.10%
Required Local Contribution	103,497,913	120,159,280	16,661,367	16.10%
Additional Local Contribution	101,785,965	98,970,738	(2,815,227)	-2.77%
Transportation	-	9,060,354	9,060,354	100.00%
Total Local Support	\$ 205,283,878	\$ 228,190,372	\$ 22,906,494	11.16%
State Foundation Revenue	330,595,994	303,538,441	(27,057,553)	-8.18%
State One-time Funds	-	-	-	100.00%
State Total	\$ 330,595,994	\$ 303,538,441	\$ (27,057,553)	-8.18%
ADM	47,680	42,664	(5,016)	-10.52%



# PTR Snapshot for All Grades

School Type	FY 2024 <i>GENERAL FUND + ESSER</i> PTR–Grade Level Groupings							
	K	1	2	3	4–5	6	7–8	9–12
Secondary Schools								31.25
Middle Schools								
Elementary Schools	22	23	25	26	27	28	28	



School Type	FY 2025 General Fund PTR–Grade Level Groupings							
	K	1	2	3	4–5	6	7–8	9–12
Secondary Schools								32.25
Middle Schools								
Elementary Schools	22	23	25	26	28	29	29	



# School Based Changes

Adjustment	FTE	Cost
Elementary immersion teachers	(5.00)	\$(604,399)
Increase PTR by 1 at grades 4-12	(36.30)	(4,548,839)
Enrollment based teaching FTE	(35.60)	(4,306,791)
Programmatic teaching FTE changes	10.40	1,317,344
Reduce teacher holdback positions	(10.00)	(1,237,737)
School based supply reductions	–	(564,419)
Middle school staff to support 6th graders (4 assistant principals, 7 counselors, .06 library assistants, 2 office admin, 5 security)	18.06	1,964,783
Fine Arts teachers reduction for 6th graders to middle school	(4.70)	(549,343)
Other school based enrollment related staffing changes (-0.5 counselors, -2.13 library assistants, -0.12 office admin, -9.94 kindergarten paraprofessionals, -1 teacher expert, +2 intervention coaches, -0.8 finance technician)	(12.49)	(538,238)
Charter school changes including moving ESSER funded items to the General Fund	21.11	1,016,032
Charter school use of fund balance	–	(1,561,753)
<b>Total Changes for FY25</b>	<b>(54.42)</b>	<b>(\$9,613,360)</b>



# School Based Changes

- Pupil to Teacher Ratio (PTR) is a budget staffing formula, not a class size or class cap
- \$71.2 million in reserves is being used to offset potential increases in PTR
- Moving 6th graders to middle school increased middle school teacher allocations by 82.4 FTE and decreased elementary school teacher allocations by 84 FTE
- Enrollment based changes:
  - » Decrease 35 FTE at elementary schools
  - » Decrease 3 FTE at middle schools
  - » Increase 2.4 FTE at high schools
- Alternative schools increase 11 FTE based on programmatic needs
- The PTR increase at grades 4-12 resulted in the following reductions:
  - » 8.5 FTE at elementary schools
  - » 9.8 FTE at middle schools
  - » 14.2 FTE at high schools
  - » 3.8 FTE at alternative schools

# Special Service Changes

Adjustment	FTE	Cost
Medicaid billing supervisor	1.00	\$116,743
Deaf and Hard of Hearing (-.013 interpreter, +0.88 paraprofessional)	0.75	43,000
Gifted IGNITE teachers	(18.00)	(2,204,016)
Whaley staffing (+3.5 paraprofessionals, -1 counselor, -1 assistant principal)	1.50	(108,430)
Preschool Special Education	0.03	1,517
Special Education Outreach counselor	1.00	123,422
ACT Program nurse	(0.50)	(69,832)
Special Education hold back (-8 paraprofessionals, -2 teachers)	(10.00)	(692,971)
English Language Learners staffing (-2 teachers, +1 counselor)	(1.00)	(120,617)
Special Services addenda/added duty	–	127,288
Special Services services, supplies, and equipment	–	(209,142)
<b>Total Changes for FY25</b>	<b>(25.22)</b>	<b>(\$2,993,038)</b>





# Departmental Administration Changes

Adjustment	FTE	Cost
Accounting programmer analyst	(1.00)	(125,766)
HR staffing (+1 generalist, -1 clerical)	–	35,458
Project management	(0.12)	(16,235)
Mental Health staffing (+1 assistant director, -1 behavior analyst)	–	56,230
Teaching and Learning (+1 assistant director, -1 teacher expert, -1 curriculum coordinator)	(1.00)	(92,149)
Preschool staffing (1+ assistant director, -4.06 paraprofessionals)	(3.06)	(79,001)
High school administration staffing (+1 director, -1 principal, - 1 teacher expert)	(1.00)	(126,319)
Elementary school administration staffing (-4.38 paraprofessionals, -3 teachers)	(7.38)	(606,263)
IT staffing (+1 director, +1 professional, -2 technical, -1 clerical)	(1.00)	16,000
Communications specialist	(1.00)	(86,177)
Custodians	3.72	178,560
Operation clerical	(1.00)	(91,909)
Security specialist	(1.00)	(87,329)
Maintenance staffing (+3 professional, -3 clerical)	–	54,079
Warehouse drivers	(2.00)	(215,262)
Health Services staffing (-1.75 nurses, +1 clerical)	(0.75)	(63,884)
Departmental services, supplies, and equipment	–	(4,312,170)
Departmental addenda/added duty	–	(925,479)
Districtwide travel	–	(329,525)
Two week hiring delay	–	(1,000,000)
<b>Total Changes for FY25</b>	<b>(16.59)</b>	<b>(\$6,487,615)</b>

# Closing the \$98M Budget Gap

Revenue Changes to Balance the Budget	FTE	Amount
Fund Balance	-	\$ 71.2
Interest Earnings	-	2.0
E-rate	-	(0.7)
Rental and Activity Fees	-	0.3
Federal Impact Aid	-	0.8
<b>Total</b>	<b>-</b>	<b>\$ 73.6</b>

Expenditure Changes to Balance the Budget	FTE	Amount
Administration Changes	(16.59)	\$ (8.5)
Special Services Changes	(25.22)	(3.0)
School Based Changes	(75.62)	(13.1)
Charter School Changes	21.10	(0.6)
Utility Changes from Pro Forma	-	0.7
Ed Center Rent from Pro Forma	-	(0.6)
Fixed Charges (Insurance, Bank Fees, Etc.)	-	0.3
Wage Estimates and Other Changes from Pro Forma	-	0.2
<b>Expenditure Changes to Balance the Budget</b>	<b>(96.33)</b>	<b>\$ (24.6)</b>

Changes  
from  
Appendix C

<b>Total Revenue Increases and Expenditure Decreases</b>	<b>(96.33)</b>	<b>\$ 98.2</b>
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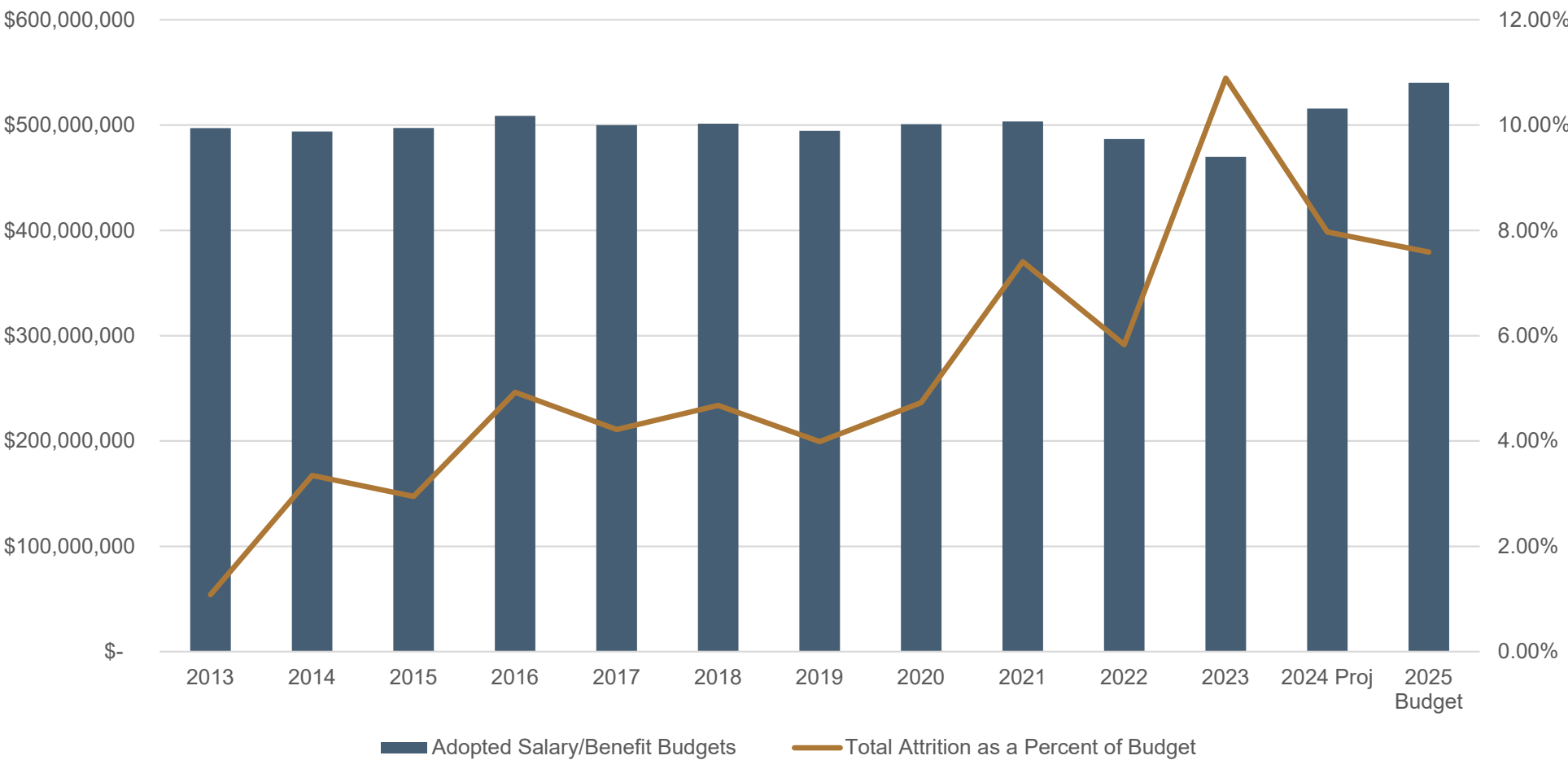
# Key Takeaways

- Class sizes will increase
- Services will be diminished
- User fees will increase
- Less flexibility for enrollment changes
- Increased risk
  - Emergency reserves will be nearly depleted
  - Increase attrition estimates
  - More aggressive revenue projections





# General Fund Historical Attrition



Total Attrition												
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Projected	2025 Budget
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	41,105,480	41,000,000

# Transportation Revenue

## PUPIL TRANSPORTATION FUND

### REVENUES BY SOURCE

#### Local Sources

General Fund contributions

\$	-	\$	-	\$	-	0.0%
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Property taxes

5,042,104	9,060,354	4,018,250	79.7%
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Transportation Fund fund balance

2,649,927		(2,649,927)	-100.0%
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Other local revenue

-	-	-	0.0%
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Total local revenue

7,692,031	9,060,354	1,368,323	17.8%
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#### State Sources

State transportation revenue

20,142,241	19,763,434	(378,807)	-1.9%
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Total revenue

\$ 27,834,272	\$ 28,823,788	\$ 989,516	3.6%
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# Change in Local Taxes

	FY24	FY25	\$ Change	% Change
Anchorage Property Values	\$ 45,419,969,132	\$ 45,343,124,634	\$ (76,844,498)	-0.17%
Required Local Contribution	120,362,918	120,159,280	(203,638)	-0.17%
Additional Local Contribution	100,675,904	98,970,738	(1,705,166)	-1.69%
Transportation	5,042,104	9,060,354	4,018,250	79.69%
Debt Service	37,403,080	34,112,425	(3,290,655)	-8.80%
Total Local Support	\$ 263,484,006	\$ 262,302,797	\$ (1,181,209)	-0.45%



# MOA Tax Cap Calculation

## COMPUTATION OF MUNICIPAL PROPERTY TAX LIMITATION

		Charter Limit
Taxes Projected – Anchorage School District FY 2023-2024		\$ 263,484,006
Less: Prior Year Taxes Required for Debt Service		37,403,080
Net Taxes Approved for General and Transportation Funds		226,080,926
<u>Allowable Growth Factors</u>		
Population – 5 year Average	-0.4%	
CPI – 5 average year Anchorage Urban	2.8%	
	2.4%	5,425,942
Basic Tax Limitation		231,506,868
<u>Plus Exclusions:</u>		
Judgments/Legal Settlements		-
Taxes for Operations and Maintenance on New Voter Approved Facilities		-
Taxes Requested on New Construction/Property Improvements		1,692,321 [1]
Tax Limitation – General Fund		233,199,189
Taxes Requested for Debt Service		34,112,425
Tax Limitation FY 2024-2025		267,311,614
General and Transportation Funds	228,190,372	
Debt Service Fund	34,112,425	
Taxes Projected in Financial Plan – FY 2024-2025		262,302,797
Amount Over (Under) as allowed by the Property Tax Cap Limitation under the MOA Charter		\$ (5,008,817)

[1] New construction amount taken from the Municipality of Anchorage's 2024 Proposed General Government Operating Budget.

# Questions/Comments

