

Anchorage School District Tax Calculation

The Anchorage School District (ASD) fiscal year (FY) starts July 1 and ends June 30 of the following calendar year. Since Municipal taxes are levied by calendar year, the taxes for ASD are totaled by adding half of the tax need from the ASD FY ending June 30 to half of the tax need from the ASD FY beginning July 1 in the calendar year. The ASD tax need is determined in the ASD annual budgets.

For 2017, the ASD tax need is calculated as follows:

FY	Approving Document	Tax Need	1/2 of FY Tax Need	2017
2016-2017	AO 2016-20	\$ 246,003,265 /2	\$ 123,001,633	Jan-Jun
2017-2018	AO 2017-39	\$ 248,611,584 /2	\$ 124,305,792	Jul-Dec
ASD Tax need for Tax Year Total			\$ 247,307,425	

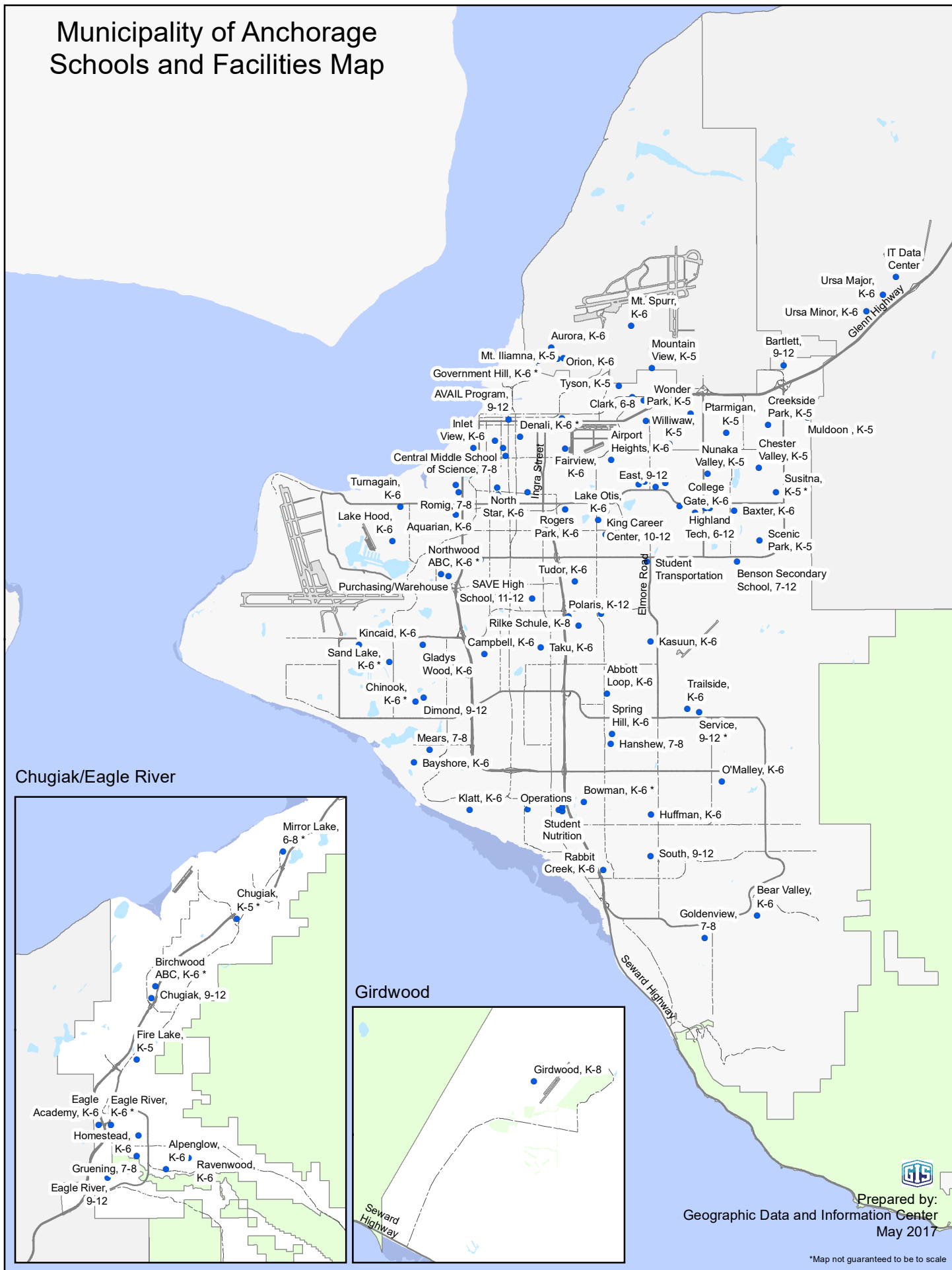
The ASD mill rate is calculated based on the tax need (1/2 of FY ending in June plus 1/2 of FY starting July), divided by the assessed valuation of the service area, then multiplied by 1,000.

$$\frac{\text{ASD Tax need for Tax Year}}{\text{Areawide Service Area Assessed Value}} \times 1,000 = \text{Mill Rate}$$

The 2017 ASD mill rate, based on the 2017 ASD tax need and the Areawide service area assessed value at 03/23/2017, is calculated as follows:

$$\frac{\$ 247,307,425}{\$ 35,716,140,504} \times 1,000 = 6.92$$

Municipality of Anchorage Schools and Facilities Map



Prepared by:
Geographic Data and Information Center
May 2017



*Map not guaranteed to be to scale

Municipal Clerk's Office

Approved

Date: 4/25/2017

Submitted by: Chair of the Assembly at

the Request of the Mayor

Prepared by: Office of Management & Budget

For Reading: April 11, 2017

**ANCHORAGE, ALASKA
AO NO. 2017 - 70**

AN ORDINANCE SETTING THE RATE OF TAX LEVY, APPROVING THE AMOUNT OF MUNICIPAL PROPERTY TAX, AND LEVYING TAXES FOR THE ANCHORAGE SCHOOL DISTRICT FOR TAX YEAR 2017.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. The Assembly hereby fixes the rate of tax levy for the Anchorage School District for tax year 2017. The Anchorage Assembly levies this tax upon the full value of all assessed taxable real and personal property, as follows:

Areawide Schools a tax of 6.92 mills

Section 2. The property tax amount approved for 2017 is:


Anchorage School District \$ 247,307,425

Section 3. This ordinance shall become effective immediately upon passage and approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 25 day of April, 2017.


Chair

ATTEST:


Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 303 - 2017

Meeting Date: April 11, 2017

1 FROM: MAYOR

2

3 SUBJECT: AN ORDINANCE SETTING THE RATE OF TAX LEVY, APPROVING
4 THE AMOUNT OF MUNICIPAL PROPERTY TAX, AND LEVYING
5 TAXES FOR THE ANCHORAGE SCHOOL DISTRICT FOR TAX
6 YEAR 2017.

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9 This memorandum transmits the ordinance to establish the 2017 tax rate and tax
10 levy for the Anchorage School District (ASD).

11

12 The ASD tax rate and tax levy are based on the amount of property taxes approved
13 to support the ASD operating budget in calendar year 2017.

14

15 These reflect approximately one half of the property taxes approved for ASD's fiscal
16 year 2016-2017 operating budget per AO 2016-020, and approximately one half of
17 the property taxes approved for ASD's fiscal year 2017-2018 approved operating
18 budget per AO 2017-039.

19

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21 **THE ADMINISTRATION RECOMMENDS APPROVAL.**

22

23

24 Prepared by: Office of Management & Budget (OMB)

25 Approved by: Lance Wilber, Director, OMB

26 Concur: William D. Falsey, Municipal Attorney

27 Concur: Robert E. Harris, CFO

28 Concur: Michael K. Abbott, Municipal Manager

29 Respectfully Submitted: Ethan A. Berkowitz, Mayor

30

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

Prepared by: Anchorage School District
For Reading: March 08, 2016

CLERK'S OFFICE

APPROVED

Date: 3-22-2016 ANCHORAGE, ALASKA
AO NO. 2016-20

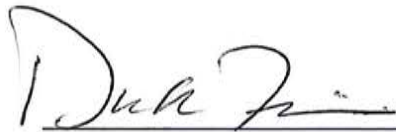
AN ORDINANCE DETERMINING AND APPROVING THE TOTAL AMOUNT OF THE ANNUAL OPERATING BUDGET OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS FISCAL YEAR 2016-2017 AND DETERMINING AND APPROPRIATING THE PORTION OF THE ASSEMBLY APPROVED BUDGET AMOUNT TO BE MADE AVAILABLE FROM LOCAL SOURCES

THE ANCHORAGE ASSEMBLY ORDAINS:


Section 1. That the FY 2016-2017 Proposed Anchorage School District Financial Plan in the amount of \$768,401,726 has been approved by the Anchorage Assembly and that, of said amount, the amount of \$246,003,265 is the amount of money to be contributed from local property taxes or other local sources and is hereby appropriated for school purposes to fund the School District for its 2016-2017 fiscal year.

Section 2. That this ordinance is effective upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly, this 22nd day of March 2016.


Chair of the Assembly

ATTEST


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM 107-2016

Meeting Date: March 08, 2016

FROM: ANCHORAGE SCHOOL DISTRICT

SUBJECT: AO 2016-20 ANCHORAGE SCHOOL DISTRICT
FY 2016-2017 FINANCIAL PLAN**PROPOSED FINANCIAL PLAN**

The Anchorage School Board has approved the Proposed Financial Plan and Budget for FY 2016-17 in the amount of \$768,401,726. The total proposed Anchorage School District budget by individual funds is projected as follows:

Municipal Upper Limit Summary

Table 1. Individual Fund Budget Summary (in millions \$)

Individual Funds	Actual [1]	Estimated [1]	Approved	Preliminary	FY 17 Prelim vs	
	FY 2013-14	FY 2014-15	Budget		FY 2015-16	FY 2016-17
					\$	%
General Fund	\$ 541.301	\$ 547.368	\$ 569.093	\$ 560.271	\$ (8.822)	-1.6%
Transportation Fund	22.328	22.441	23.192	24.192	1.000	4.3%
Grants Fund	44.500	46.165	57.441	58.090	0.649	1.1%
Debt Service Fund	84.703	86.763	87.161	84.634	(2.527)	-2.9%
Capital Projects Fund	17.862	1.376	7.000	10.000	3.000	42.9%
Food Service Fund	20.455	22.850	22.261	23.315	1.054	4.7%
Student Activities Fund	7.643	7.726	7.189	7.900	0.711	9.9%
ASD Managed Total	738.792	734.689	773.337	768.402	(4.935)	-0.7%
SOA PERS/TRS On-behalf	120.288	721.619 [2]	47.347	46.000	(1.347)	-0.2%
Total All Funds	\$ 859.080	\$ 1,456.308	\$ 820.684	\$ 814.402	\$ (6.282)	-0.4%

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

[2] PERS and TRS on-behalf has been updated for FY 2014-15 due to SB 119 appropriations of \$3B into PERS/TRS

It is requested that the Anchorage Assembly approve local property taxes in the amount of \$246,003,265 and the upper limit spending authorization of \$768,401,726 for FY 2016-17.

The associated mill rate is expected to decline from 6.84 (FY 2015-16) to 6.80 (FY 2016-17) -- a decline of 4 basis points or about 0.6 percent.

1 DESTINATION 2020

2 The district's Framework for Success is built around four strategies: focusing on
3 students, investing in staff, engaging the community and strengthening our
4 services. By concentrating on these strategies, ASD is building momentum and
5 moving closer to its goals outlined in Destination 2020, the district's strategic
6 plan.

7
8 Students thrive when they have high-quality educational opportunities. ASD
9 must focus on all of our students collectively and still meet the needs of each of
10 them individually. In order to provide students the best education possible,
11 ASD is individualizing instruction in every classroom. This means the district is
12 providing the right instruction at the right time to each student.

13
14 *Destination 2020 Goals*

15 The Anchorage School Board has set high expectations for ASD students and
16 educators which are embodied in Destination 2020.

- 17 • 90% of students will be proficient in language arts and math, and will achieve
18 at least one year's academic growth each year.
- 19 • 90% of students will graduate high school.
- 20 • Every student will attend school at least 90% of the time.
- 21 • 90% of parents will recommend their child's school to others.
- 22 • 100% of students and staff will feel safe at school.
- 23 • 100% of departments will rank in the top quartile of urban schools for
24 operational efficiency.

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1 The district has been making progress toward these goals in a number of areas.
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Goals



Performance

90 percent of students will be proficient in language arts and math and will achieve at least one year's academic growth each year.



Students were examined on new standards through the state's new assessment Alaska Measures of Progress.



Parent recommendation

90 percent of parents will recommend their child's school to others.



Graduation

90 percent of students will graduate high school.



Student & staff safety

100 percent of students and staff will be safe at school.



Student attendance

Every student will attend school at least 90 percent of the time.



Effective and efficient operations

100 percent of departments will rank in the top quartile for operational efficiency.

Key Performance Indicators for various departments are available on the district's website.

All data is rounded. Detailed information is available in the Profile of Performance, available on the district's website.

3

1 Last year, FY 2014-15, was a baseline year for student assessment and
 2 proficiency. Students were examined on new standards through the state's new
 3 assessment Alaska Measures of Progress. Results from this exam are not
 4 comparable to the results from the Standards Based Assessment.

5
 6 This year, ASD was nationally recognized for expanding access to Advanced
 7 Placement courses for students and increasing the percentage of students who
 8 score highly on AP exams.

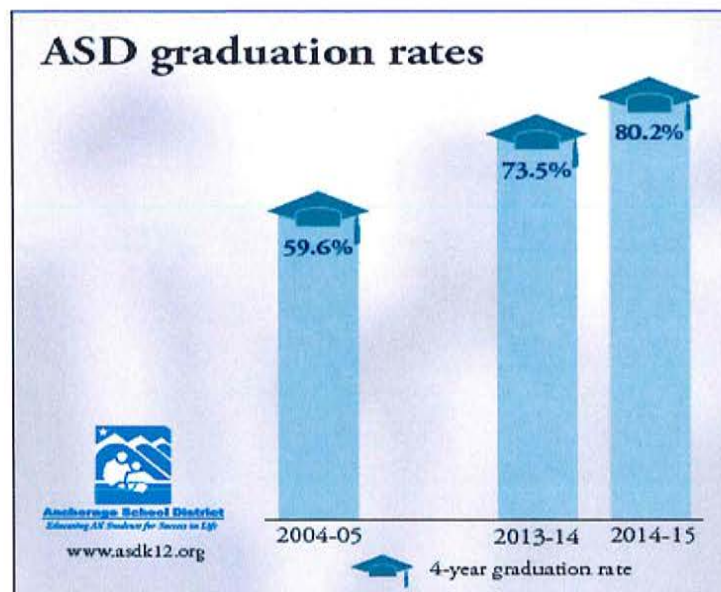
9 10 *Graduation*

11 ASD's graduation rate continues to increase. Ten years ago, the district's
 12 graduation rate was 59 percent. Last year, it was 73.5 percent. This year, it is
 13 above 80 percent. That's nearly seven points above last year and more than 20
 14 percentage points better than a decade ago.

15
 16 Last year was the first year of the elimination of the High School Graduation
 17 Qualifying Exam. While there is no way to tell the number of graduates who
 18 wouldn't have passed a portion of the test and wouldn't have earned their
 19 diploma this past year, the district estimates, on average, it's about 100 students.
 20 That accounts for a little more than 2 percent of the graduating class, while the
 21 district's annual graduation rate increased by 7 percentage points.

22
 23 With the increase in the number of ASD's graduates, the district is also helping
 24 students see the value in earning a diploma. ASD has one of the lowest dropout
 25 rates recorded for the district, 3.1 percent.

26
 27 The district is also proud to report that students' ACT scores - for the college
 28 entrance exam - remain well above the state and national averages.
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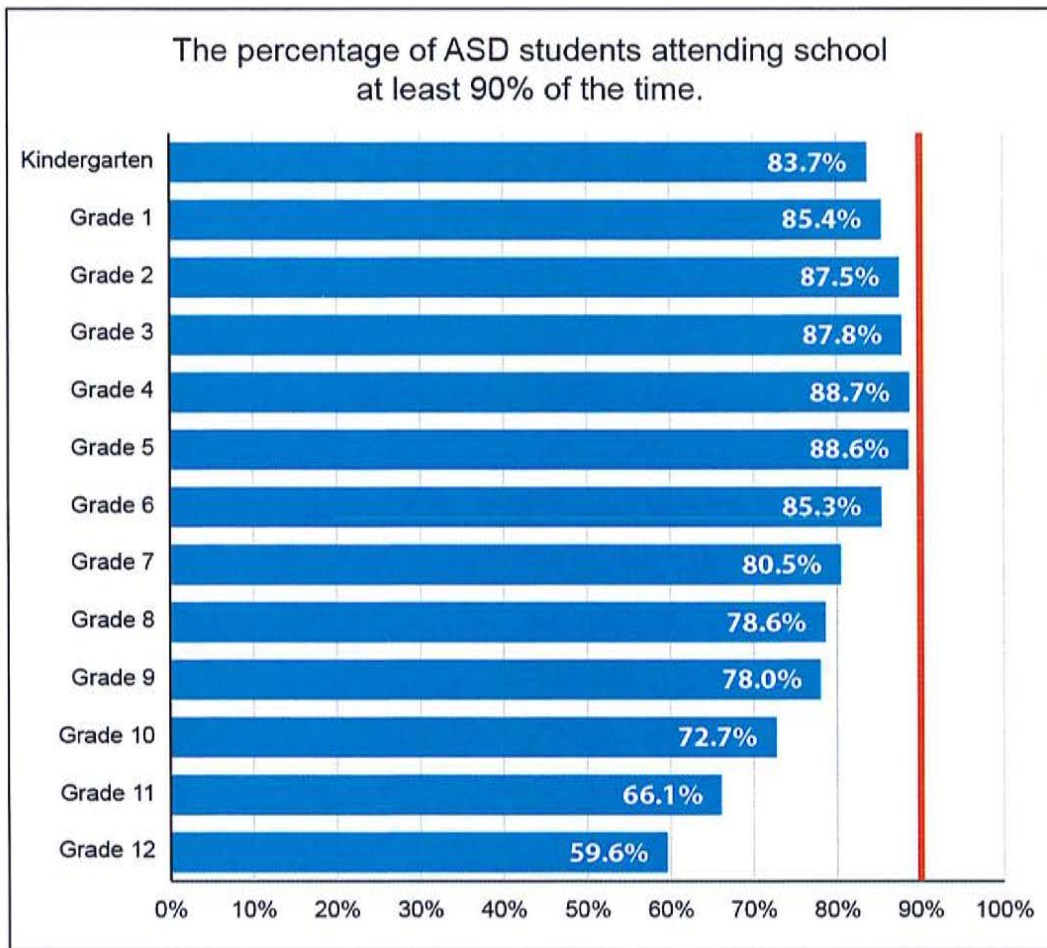
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Student Attendance

A missed school day is a lost opportunity for students to learn. District data shows there is a direct correlation between ASD students who attend school regularly and higher academic achievement levels.

In order to reach attendance goals, students can miss no more than 17 days of school per year, that’s the equivalent of two days per month.

Instilling the value of coming to school every day is important to start at a young age. Through ASD’s collaborative efforts with the community and conversations with families around the importance of daily attendance, we are seeing improvement.



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RECENT FUNDING HISTORY & NEAR TERM OUTLOOK

In April 2014, the legislature passed House Bill 278 which provided increases to the state’s Base Student Allocation (BSA) of \$150 in FY 2014-15 and \$50 increases in both FY 2015-16 and FY 2016-17. Additionally, HB 278 provided three years of operating grants outside of the Foundation Formula. In FY 2015-16 these

1 grants were eliminated in an effort to reduce state costs amid declining oil
 2 revenues. Using current statutes and guidance from Governor Walker's budget,
 3 the district has made the following assumptions in state revenue when creating
 4 the proposed budget for FY 2016-17:

- 5
- 6 • \$50 BSA increase per HB 278
- 7 • no increase in transportation funding
- 8 • no funding outside the Foundation Formula
- 9 • reduction in state grants that supported preschool and STEM of
- 10 approximately \$0.5 million
- 11

12 Funding from the state is expected to increase by approximately \$4.19 million
 13 over the FY 2015-16 budget, primarily due to a projected net increase in
 14 enrollment since FY 2014-15, resulting in an additional \$3.05 million and \$50 in
 15 the BSA which results in another \$3.72 million. The increases are partially offset
 16 by the shift in burden from the state to the municipality of \$3.12 million.

17

18 The shift in burden from the state to the municipality is based on the required
 19 local effort component of the Foundation Formula which requires
 20 municipalities to pay the equivalent of a 2.65 mill tax levy of the taxable real and
 21 personal property in the district. This amount is then reduced from the state's
 22 funding to the district. As the Anchorage economy has remained strong, the
 23 taxable value of property within the municipality has increased from \$37.88
 24 billion in 2014 to \$39.06 billion in 2015, or about 3.1 percent.

25

26 State transportation revenue is expected to remain flat as HB 120 (2013), which
 27 provided for annual increases based on Anchorage CPI, sunsets. The challenge
 28 of flat revenues in the district's Pupil Transportation Fund are further
 29 exacerbated by rapidly increasing costs driven by the state law requiring bus
 30 drivers be paid at least twice the minimum wage. The recent voter-approved
 31 increases to minimum wage have put significant pressure on the district's
 32 ability to contain transportation costs.

33

34 FY 2016-17 BUDGET DEVELOPMENT PROCESS

35 The administration and board engaged the community through four interactive
 36 public forums which allowed participants to vote on the importance of a range
 37 of educational topics, what is most important to them and what could be reduced
 38 or eliminated if required. Small group discussions were facilitated to brainstorm
 39 ideas for revenue generation as well as to identify what should be maintained if
 40 possible and what could possibly be reduced. The district also engaged the
 41 public through an online platform which allowed participants to share their
 42 thoughts and identify values and concerns they have with public education.

1 More than 7,500 parents, community members, staff and students participated
2 in the online engagement opportunity sharing 15,502 thoughts.

3
4 Results from the in-person conversations, online input provided by
5 stakeholders and administrative analysis indicated a desire to preserve high-
6 quality instruction, maintain or reduce class size and protect highly valued
7 programs were the most important things to consider when creating the budget.
8 The feedback listed administration, assistant principals, transportation and
9 student nutrition as areas to consider first for any necessary reductions.

10 11 ENROLLMENT

12 The district's fall enrollment in 2015 surpassed projections for FY 2015-16 by
13 approximately 330 students, or 0.7 percent. A slight decline of about 60
14 students, or 0.13 percent is expected in FY 2016-17 for state funding purposes.
15 While enrollment is expected to be down, it is still above the amount in the FY
16 2015-16 budget. Looking forward, the district is anticipating flat to slightly
17 declining enrollment over the next several years¹.

18 19 DIRECT CLASSROOM INSTRUCTION AND PUPIL TEACHER RATIO

20 Over the last four years, the district has been able to increase direct classroom
21 instruction while reducing support positions districtwide to better align the
22 district with benchmark staffing.

23
24 As more support services are cut, the district has heard feedback from
25 principals, teachers and others who feel that support services are stretched thin.
26 The district will continue its efforts in strengthening our services and meeting
27 strategic goals of being in the top quartile of key performance indicators,
28 recognizing that with additional reductions to support services, there may be an
29 adjustment to the levels of service that employees, parents and students are
30 accustomed to receiving.

31
32 The adjustment of the Pupil Teacher Ratio (PTR) by one student equates to
33 about 80 Full Time Equivalent (FTE) positions districtwide. This adjustment will
34 impact all schools including elementary, middle, high and alternative schools.
35 While the PTR adjustment of one is based on the idea of one additional student
36 per classroom, this is not actually possible. The new PTR targets for specific
37 grade levels will serve as a guide, but the reality is there will be fewer teachers
38 available to distribute to schools. Allocations will be made after consideration of
39 projected enrollments for next year and specific program needs. The Elementary
40 and Secondary division directors will work closely with principals to determine
41 how to utilize the teacher allocation to structure their schedules and meet the

¹ Exclusive of significant events such as reduction/expansion of military bases, gas pipeline construction, opening ANWR, etc.

1 needs of their student populations. With fewer classroom teachers at the
 2 elementary level, there will be a corresponding reduction in the number of
 3 specialists needed to serve those classrooms and provide contractually required
 4 planning time. This includes PE, Health, Art and Music. At the secondary level,
 5 there is the potential for reductions in specific programs or offerings.

6
 7 The district has added back an additional 13.3 teacher FTE as additional
 8 resources throughout the budget process have been identified to help mitigate
 9 the loss of resources. The net reduction for the PTR and enrollment adjustments
 10 is 66.7 FTE, exclusive of changes in charter schools and specialized alternative
 11 programs.

12 13 INSTRUCTIONAL SUPPORT-SPECIAL EDUCATION

14 The district has experienced an increase in the population of intensive needs
 15 special education students and growing service level requirements for non-
 16 intensive special needs students over the past few years. In order to maintain a
 17 consistent, safe ratio of students to staff, the district is proposing increasing the
 18 FTE available to address the growing need for services. In addition to FTE, the
 19 service level requirements have necessitated an increase in supplies and
 20 summer school support.

21
 22 The district has added approximately \$1.315 million to address emergent special
 23 education needs in the following areas:

- 24 • \$1.025 million – 15.5 FTE for teachers, teachers assistants and counselors
- 25 • \$0.192 million – summer school
- 26 • \$0.065 million – Compuclaim Medicaid billing software
- 27 • \$0.033 million – supplies, services and equipment

28 29 INSTRUCTIONAL SUPPORT - ENGLISH LANGUAGE LEARNERS

30 The district has experienced a rapid increase in the number of ELL students
 31 needing services, outpacing the proportionate number of staff available to serve
 32 them. The following FTE were added to address current needs at a total cost of
 33 \$0.363 million:

- 34 • 3.275 FTE Tutors
- 35 • 1.49 FTE Teachers
- 36 • 0.5 FTE Counselor
- 37 • 0.125 FTE Clerical

38 39 INSTRUCTIONAL SUPPORT - GIFTED EDUCATION

40 The district has proposed reducing one FTE within the Gifted IGNITE program.
 41 This will require some reallocation between schools to balance workloads but
 42 all schools and students will still be served by the program. There could be
 43 some delay in eligibility testing as there will be fewer individuals to handle an
 44 increasing number of referrals.

1 BUILDING LEADERSHIP AND ADMINISTRATION

2 The district is eliminating three assistant principal positions for FY 2016-17, one
3 at each level of elementary, middle and high schools.

4
5 Elementary:

6 There are currently nine elementary assistant principals serving 16 schools.
7 Fairview and Sand Lake each have a full-time assistant principal and the
8 remaining seven assistant principals each serve two schools equally. The
9 assistant principals support the programs, students, parents and staff within
10 these schools, and receive the mentoring and experience to prepare them to lead
11 schools as principals. For the 2015-16 school year, eight of our assistant
12 principals from the previous year became principals within the district. The
13 elimination of one assistant principal will impact two of the smaller schools
14 currently being served, but should still allow the district to develop the
15 educational leaders needed.

16
17 Middle School:

18 There are currently 12 middle school assistant principals serving the 10
19 comprehensive middle schools. Begich and Clark, each with more than 1,000
20 students, have two assistant principals. The others schools each have one. The
21 elimination of one assistant principal will impact Wendler and Central, our two
22 smallest middle schools. Following the elementary model, these schools will
23 share a single assistant principal equally. With this reduction, both of these
24 schools will still be under the average pupil-administrator ratio (PAR) for
25 secondary schools. Substantial work will need to be completed on prioritizing
26 daily duties to insure that essential activities are completed. The principals at
27 Central and Wendler will be required to take on additional responsibilities with
28 student discipline, activities and teacher evaluation.

29
30 High School:

31 There are currently 28 assistant principals serving the eight comprehensive high
32 schools. The number of assistant principals allocated to each school has largely
33 been a factor of student enrollment. The reduction of one assistant principal will
34 impact Chugiak High School, which will go from three assistant principals to
35 two. This reduction means Chugiak will have the same allocation as Eagle River
36 High School, and be only 12 students above the average PAR for secondary
37 schools. Re-prioritizing administrative daily duties will be required to ensure
38 that essential activities are completed. The principal and remaining two
39 assistant principals will be required to take on different and/or additional
40 responsibilities, including discipline, activities, and teacher evaluation. Eagle
41 River High School will be used as a model for transition.

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1 DISTRICTWIDE ADMINISTRATION AND ANCILLARY SUPPORT SERVICES

2 Ancillary building support and districtwide central services have experienced
3 deep cuts FY 2012-13, eliminating more than 137 FTE across Custodial Services,
4 Maintenance, Finance/OMB, Purchasing/Warehouse, Communications, IT,
5 Curriculum/Instruction and Human Resources.

6
7 For FY 2016-17, the district will continue to streamline central support operations
8 and has proposed a net reduction of 4.49 FTE which includes the following
9 changes:

10
11 • 2 FTE reduction – Communications positions

12 The Communications Department is restructuring to address fiscal constraints
13 and to implement shared services with the Municipality of Anchorage. ASD
14 cable channel 14 programming was moved to municipal cable channel 9,
15 effective Feb. 1.

16
17 As part of the restructuring of duties and assignments, the department will
18 eliminate one FTE media production specialist position and one FTE
19 communications specialist position. As a result of eliminating the
20 communications specialist position, the department will continue to struggle to
21 provide strategic support to schools and departments and instead will focus
22 primarily on immediate or reactionary needs.

23
24 • 2 FTE reduction – Maintenance carpenter positions

25 The district is recommending the elimination of two FTE carpenter positions that
26 would save approximately \$200,000. There are currently 16 carpenter positions in
27 the department and this could potentially limit the number of discretionary
28 projects completed during the year as focus is shifted to ensuring compliance
29 issues are addressed first. Additionally, the maintenance and operations
30 department will manage its attrition and vacancy rates throughout the year to
31 realize an additional savings of \$150,000.

32
33 • 1 FTE reduction – Library Resources

34 The elimination of one bibliographic control clerk 2 will result in some reduced
35 services from Library Resources. The Curriculum Library (which provides
36 shared curriculum related tubs and videos) will likely be eliminated as the
37 circulation of many of these materials has dropped considerably over the past
38 few years. Arrangements for materials still used (primarily Health and PE) will
39 need to be shifted to those respective departments. Impacts to students and
40 schools will include slower response time in processing new materials to the
41 library catalog and a reduction to improvements to the library system (LS2),
42 which could affect the ability of students and staff to find things using the library
43 catalog.

1 • 0.49 FTE reduction – Early Childhood Outreach
 2 The administration is eliminating the part-time early childhood outreach position
 3 which was added to help facilitate growth of preschool programs and assist in
 4 developing partnerships with community organizations to provide pre-k
 5 services. Since the funding for pre-k has been reduced, both through the
 6 reduction of funds outside the BSA the district had set aside for pilot projects in
 7 FY 2015-16 and the governor’s proposed elimination of preschool grants from the
 8 state, the position is no longer needed.

9
 10 • 1 FTE increase – Information Technology – paid for by reducing overall
 11 software/bandwidth costs and through a voluntary restructuring of
 12 employee work calendars

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 14 • 1 FTE increase – Director of Safety and Security – paid for through attrition
 15 savings on unfilled maintenance positions

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 17 Other changes from the FY 2015-16 budget for other than personnel services
 18 include:

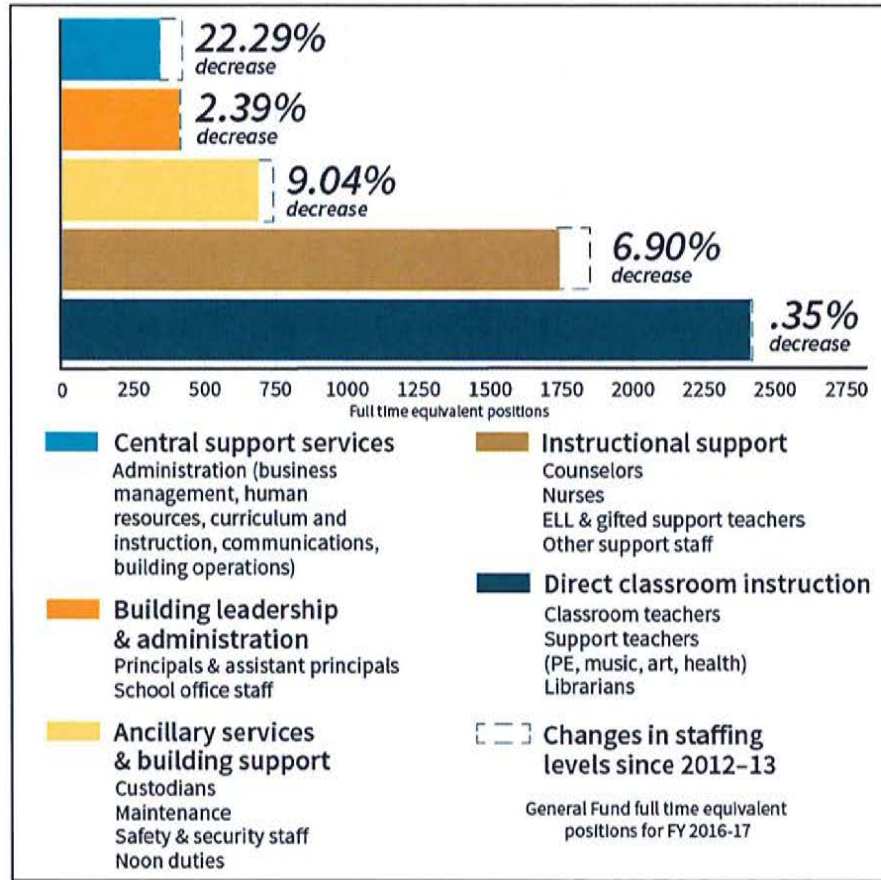
19
 20 • \$0.50 million in additional maintenance supplies to support the district’s
 21 efforts in maintaining its facilities and slow the growth of the backlog of
 22 maintenance projects.

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 24 • Reduction in funds available for travel, management reviews/audits,
 25 addenda and extra help, partially offset by increases in testing materials and
 26 special education due process costs.

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1 SUMMARY OF STAFFING LEVEL CHANGES BY FUNCTION
 2 The district's proposed budget decreases staffing levels from the prior year by
 3 39.76 FTE or 0.7 percent. Approximately 280 FTE, or about 5 percent of General
 4 Fund staff have been eliminated since FY 2012-13.

5
 6 The chart below shows the change in FTE by functional area since FY 2012-13:
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PROPERTY TAXES

	Approved Budget FY 2015-2016	Proposed Budget FY 2016-2017	Increase/ (Decrease)	Percent Change
Total (FY)	239,410,965	246,003,265	6,592,300	2.75%
Estimated Assessed Valuation (CY)	35,029,181,874	35,702,359,247	673,177,373	1.92%
Estimated Mill Rate (CY)	6.84	6.80	(0.04)	-0.58%
	Actual FY 2015-2016 Sept. 30, 2015	Projected FY 2015-2016 Sept. 30, 2015	Increase/ (Decrease)	Percent Change
Student Enrollment	48,447	48,387	(60)	-0.12%

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The FY 2016-17 Proposed Financial Plan and Budget continues the Anchorage School Board's commitment to improving the education of all students.

The Anchorage School District requests the full support of the Anchorage Assembly for this budget and in the ongoing efforts to continue a community dialogue that focuses on building on the momentum ASD has started to achieve.

Respectfully submitted,

Ed Graff
Superintendent

EG/MF/AR

Attachments include:
February 18, 2016 Preliminary Budget Memo (Revised)
Comb Bound / PDF Proposed FY 2016-17 Budget under separate cover

Submitted by: Chair of the Assembly
at the request of the
School Board

Municipal Clerk's Office

Prepared by: Anchorage School District
For Reading: March 07, 2017

Approved

Date: 3/21/2017

ANCHORAGE, ALASKA

AO No. 2017-39

AN ORDINANCE DETERMINING AND APPROVING THE TOTAL AMOUNT OF THE ANNUAL OPERATING BUDGET OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS FISCAL YEAR 2017-2018 AND DETERMINING AND APPROPRIATING THE PORTION OF THE ASSEMBLY APPROVED BUDGET AMOUNT TO BE MADE AVAILABLE FROM LOCAL SOURCES

THE ANCHORAGE ASSEMBLY ORDAINS:

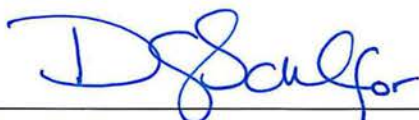
Section 1. That the FY 2017-2018 Proposed Anchorage School District Financial Plan in the amount of \$789,688,247 has been approved by the Anchorage Assembly and that, of said amount, the amount of \$248,611,584 is the amount of money to be contributed from local property taxes or other local sources and is hereby appropriated for school purposes to fund the School District for its 2017-2018 fiscal year.

Section 2. That this ordinance is effective upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly, this 21st day of March, 2017.


Chair

ATTEST



Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 157-2017

Meeting Date: March 07, 2017

FROM: ANCHORAGE SCHOOL DISTRICT

SUBJECT: AO 2017-39 ANCHORAGE SCHOOL DISTRICT
FY 2017-2018 FINANCIAL PLAN**PROPOSED FINANCIAL PLAN**

The Anchorage School Board has approved the Proposed Financial Plan and Budget for FY 2017-18 in the amount of \$789,688,247. The total proposed Anchorage School District budget by individual funds is projected as follows:

Municipal Upper Limit Summary**Table 1. Individual Fund Budget Summary (in millions \$)**

Individual Funds	Actual [1]	Actual [1]	Adopted	Preliminary	FY 18 Prelim vs	
	FY 2014-15	FY 2015-16	Budget		FY 2017-18	\$
General Fund	\$ 547.368	\$ 555.161	\$ 560.271	\$ 563.571	\$ 3.300	0.6%
Project Carryover [3]	-	-	-	19.000	19.000	100.0%
Transportation Fund	22.441	31.487	24.192	24.911	0.719	3.0%
Grants Fund	46.165	41.928	58.090	57.307	(0.783)	-1.3%
Debt Service Fund	86.763	84.743	84.634	82.780	(1.854)	-2.2%
Capital Projects Fund	1.376	-	7.797	10.000	2.203	28.3%
Food Service Fund	22.850	21.745	25.517	24.220	(1.297)	-5.1%
Student Activities Fund	7.726	7.904	7.900	7.900	-	0.0%
ASD Managed Total	734.689	742.968	768.401	789.689	21.288	2.9%
SOA PERS/TRS On-behalf	721.619 [2]	47.347	46.000	46.000	-	0.0%
Total All Funds	\$ 1,456.308	\$ 790.315	\$ 814.401	\$ 835.689	\$ 21.288	2.6%

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

[2] PERS and TRS on-behalf has been updated for FY 2014-15 due to SB 119 appropriations of \$3B into PERS/TRS

[3] Change in accounting practice for transparency and efficiency only - not additional funding

It is requested that the Anchorage Assembly approve local property taxes in the amount of \$248,611,584 and the upper limit spending authorization of \$789,688,247 for FY 2017-18.

The associated mill rate is expected to remain flat at 6.73 for calendar year 2017.

1 **Summary of Changes by Fund**

3 General Fund:

5 **Revenues**

6 Anchorage schools are primarily funded through the State of Alaska Foundation
7 Funding Formula and local property taxes, with additional Federal revenues
8 coming from Federal Impact Aid (FIA). FIA is a program to help offset lost local
9 tax revenue for students living on Joint Base Elmendorf Richardson and other
10 federally connected students. Other reimbursements for JROTC instructors and
11 Medicaid are also included in Federal revenue. Other local revenues include
12 interest earnings, user fees, facility rentals, and E-rate, a program which
13 reimburses some costs of telecommunications. The following changes are
14 expected in General Fund revenue:

- 16 • **State Revenue**

17 The Base Student Allocation (BSA) within the foundation formula is
18 expected to remain flat at \$5,930 per adjusted average daily membership
19 (AADM). Other changes within the formula affects changes in the amount
20 the district will receive:

- 22 ○ Enrollment - an overall reduction in enrollment means less
23 funding. The District is anticipating a loss of about 270 students
24 which results in about \$0.32 million less in State revenue after
25 adjusting for an increase in the Special Education intensive needs
26 count and creating a new school site for Alaska Middle College
27 School.
- 29 ○ Required local taxes - local taxpayers are required to pay 2.65 mills
30 of property values which reduce state revenue on a dollar-for-
31 dollar basis. The property values went up 4.12 percent to \$40.67
32 billion in the FY 2017-18 formula, resulting in a shift of \$4.27
33 million from State funding to local taxpayers.
- 35 ○ Federal Impact Aid deduction - the State also reduces District
36 revenue based on funding received from the Federal Impact Aid
37 program. For FY 2017-18 the amount of the deduction increased by
38 about \$0.215 million.

- 40 • **Local Property Tax Revenue**

41 Local funding primarily consists of tax appropriations. The amount of the
42 appropriation is set by the State with the required local contribution being
43 the minimum amount local government has to contribute, and a
44 maximum amount that is determined by the additional allowable

1 contribution. The additional allowable contribution is calculated as 23
2 percent of the basic need (BSA multiplied by the AADM). For FY 2017-18,
3 the additional allowable contribution is expected to decline by \$0.07
4 million due to lower enrollment. With the increase in the required
5 amount, the total amount of property taxes is projected to increase by
6 about \$4.2 million.

7
8 • Other Local Revenues

9 The District's other local revenues are projected to stay consistent with the
10 current year, with the exception of:

11
12 ○ E-rate - the District is anticipating an increase in E-rate revenue in
13 FY 2017-18 due to reimbursements for a wireless modernization
14 project to install higher density wireless connectivity in schools
15 which has become necessary as instruction and testing is
16 increasingly technology based. For FY 2017-18, the District is
17 projecting an increase of \$2.752 million for E-rate.

18
19 ○ Fund balance - the School Board approved the use of \$1.938 million
20 in fund balance for FY 2016-17 to offset vetoes made by the
21 Governor in June 2016. While this veto was eventually rolled back
22 after the budget was adopted, the year-over-year change reflects a
23 reduction in the use of fund balance. The preliminary budget is
24 predicated on the use of \$4 million in fund balance to support
25 General Fund and Pupil Transportation activities, with \$1.71
26 million being invested in the General Fund and \$2.29 million
27 invested in transportation. Funds which are currently encumbered
28 for lower-priority projects will be redirected to fund FY 2017-18
29 expenditures and help reduce the overall amount of FTE losses.

30
31 • Federal Revenues

32 Federal Impact Aid is the only material change expected in federal
33 revenues with a projected decline of \$0.573 million. Funding for Federal
34 Impact Aid is mostly based on the students living on JBER, and as the
35 number of students has declined, the associated revenue has declined as
36 well.

1 Table 2 below shows total General Fund revenue by funding source for FY 2017-
2 18.

3

Table 2. General Fund Revenue Budget

	Adopted FY 2016-17	Preliminary FY 2017-18	FY17 Adopted vs. FY18 Pro Forma	
			\$	%
Local Revenue				
Property taxes	\$ 205,283,878	209,478,622	\$ 4,194,744	2.04%
Fund balance	1,938,150	1,710,047	(228,103)	-11.77%
E-rate	1,355,176	4,107,004	2,751,828	203.06%
Interest earnings	1,000,000	1,000,000	-	0.00%
Facility rentals	725,000	725,000	-	0.00%
User fees	1,404,000	1,404,000	-	0.00%
Other local	390,000	390,000	-	0.00%
Total local revenue	212,096,204	218,814,673	6,718,469	3.17%
State Revenue				
Foundation funding	328,729,441	325,866,369	(2,863,072)	-0.87%
Operating grants outside BSA	-	-	-	0.00%
Quality School Grant	1,191,056	1,189,986	(1,070)	-0.09%
State tuition reimbursement	405,000	408,484	3,484	0.86%
Total state revenue	330,325,497	327,464,839	(2,860,658)	-0.87%
Federal Revenue				
Federal Impact Aid	16,589,000	16,016,033	(572,967)	-3.45%
JROTC instructor reimbursement	760,000	775,000	15,000	1.97%
Medicaid reimbursement	500,000	500,000	-	0.00%
Total federal revenue	17,849,000	17,291,033	(557,967)	-3.13%
Total Budgeted Revenue	\$ 560,270,701	\$ 563,570,545	\$ 3,299,844	0.59%

4

5

6 For FY 2017-18, the District is requesting additional upper limit spending
7 authority to account for prior year, ongoing projects being carried into the next
8 fiscal year. This does not change the total dollars available to spend; it only
9 changes the accounting practice of managing multiple budget years. This change
10 in practice will increase transparency, reduce accounting, budget, and IT staff
11 time spent on managing multiple budgets. In alignment with the Board's
12 Destination 2020 goal of efficiency this change will substantially increase
13 efficiency for end-users at schools and in departments. Projects carried over
14 include:

15

- 16 • Charter schools - \$8 million
- 17 • Career Technical Education - \$0.6 million
- 18 • Curriculum/Instruction - \$2.7 million
- 19 • IT - \$6.3 million
- 20 • Maintenance projects and ADA compliance - \$1.4 million

21

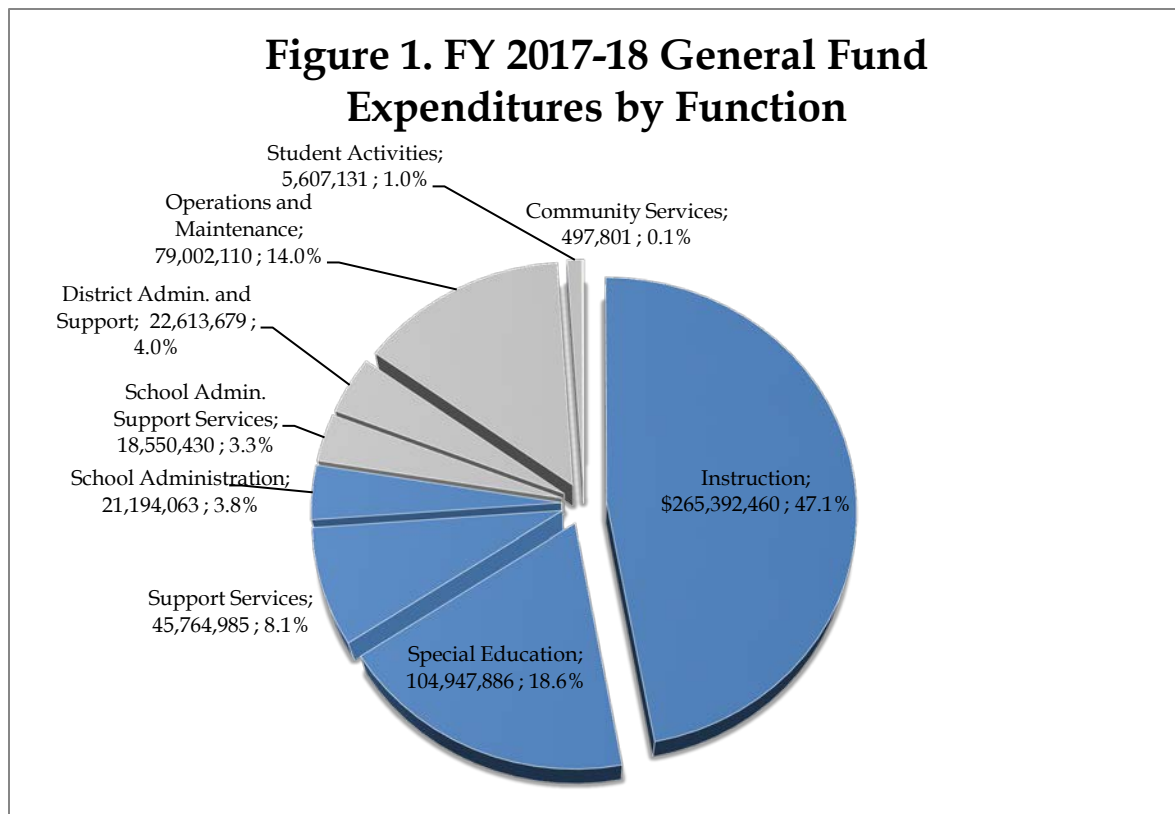
1 **Expenditures**

2 The District has created a balanced budget where revenues equal expenditures.
 3 With flat revenues and increasing inflationary costs, the District has created a
 4 budget that puts student instruction as a priority, with nearly 78 percent of
 5 funding directed to instructional categories as defined by the State Department
 6 of Education and Early Development. A summary of what types of expenditures
 7 are included in each State Function code can be found in Appendix E – State
 8 Chart of Accounts Function Summary of the Attached School Board
 9 memorandum.

10

11 Figure 1 below shows the breakout of expenditures by function with the blue
 12 representing instructional categories and grey being non-instructional.

13



14

15 In order to provide responsive, relevant, and rigorous instruction, as well as a
 16 clean and safe learning environment, the District made deliberate changes
 17 during the budgeting process to increase student outcomes next year. The
 18 Administration is instituting metrics-based staffing models to provide a more
 19 equitable, transparent process to allocate resources to schools. In addition to new
 20 standards for staffing, the District prioritized the following modifications for FY
 21 2017-18:

- 1 • Instructional Coaches for elementary schools
2 The Administration realigned staffing between the General Fund and
3 grants to place 48 Instructional Coaches in elementary schools. These
4 coaches will provide job-embedded professional development and
5 improve the use of data to guide instruction for increased student
6 performance.
7
- 8 • Capturing Kids' Hearts school climate/safety program
9 This program for secondary schools provides professional development
10 for teachers on how to create high-achieving classrooms. This program
11 helps strengthen students' connectedness to others through enhancing
12 healthy relationships with their teachers and establishing collaborative
13 agreements of acceptable behavior.
14
- 15 • Alaska Middle College School (AMCS)
16 AMCS will be a school choice where students in grades 11-12 can take
17 University of Alaska college courses while simultaneously earning high
18 school credit. By creating AMCS as a separate school site, this school will
19 offset the cost by increasing revenue associated with the school size
20 adjustment in the State Foundation Formula.
21
- 22 • Computers for instructional staff
23 The District is replacing and standardizing its aging school-based
24 computers. Many staff computers have not been updated since the last
25 large computer replacement cycle in 2008.
26
- 27 • ADA compliance and clean schools
28 As a top priority of the community the District is investing in clean and
29 safe schools. This includes adding funding to meet emergent ADA
30 requirements as well as investing in custodial and maintenance work to
31 ensure adequate resources are available to meet District needs.

32
33 Additional information for General Fund revenues, expenditures, and changes in
34 personnel can be found in the appendices of the attached School Board
35 Memorandum and FY 2017-18 Preliminary Budget document.

36
37 Pupil Transportation:

38 The District is anticipating an increase in State revenue of approximately \$1.3
39 million or about 6 percent. The increase is due to adding back transportation

1 formula funding that was previously vetoed by the Governor, partially offset by
2 a reduction in revenue due to decreased enrollment. The District is currently
3 budgeting for State funding of \$481 per Average Daily Membership (ADM).

4
5 As state revenues have stagnated or been reduced through veto, and costs have
6 substantially increased, the District has backfilled the gap in revenues and
7 expenses with contributions from the General Fund. For FY 2017-18, the District
8 is anticipating using \$2.29 million to close the gap while keeping the same level
9 of Pupil Transportation service currently available.

10 11 Local/State/Federal Grants:

12 The District anticipates receiving \$57.3 million in grants in FY 2017-18, a decrease
13 of about 1.3 percent. An increase in Federal Title grants is offset by reductions in
14 other Federal grants and contingency as well as slight decreases in anticipated
15 local grants.

16
17 Federal Title grants constitute approximately 69 percent of the Grants Fund with
18 other Federal grants and contingency for awards which have not yet been
19 received providing another 27 percent. State and local grants make up the
20 remaining 4 percent of expected grants.

21 22 Debt Service Fund

23 The Debt Service Fund is used to pay expenses associated with voter-approved
24 bonding for the purpose of major capital outlay relating to acquisition,
25 construction, and renovation of capital facilities. Annual debt service payments
26 used to pay long-term bonded debt principal, interest and related costs are
27 expected to be \$82.780 million, about \$0.195 million less than the current year.
28 The District's total gross bonded debt as of June 30, 2016 is \$625.012 million,
29 down from \$786.336 million a decade ago.

30
31 Funding for repayment of principal, interest, and other expenses comes
32 primarily from the State Capital Debt Reimbursement program and local
33 property taxes. The calendar year tax assessment for the repayment of bonds is
34 estimated at 1.075 mills for 2017, down .04 mills from the prior year or about 2.5
35 percent. [See page 2, ASD 2017-18 Preliminary Budget]

36 37 Capital Projects Fund

38 The Capital Projects Fund is used to account for State Legislative capital grants
39 and has varied widely from year to year. The District is budgeting for a \$2.203
40 million increase over the current year, consistent with the Board's pro forma
41 guidance. There were no Legislative grants issued during the 2015 or 2016
42 sessions and the total of \$10 million is included to preserve upper limit spending
43 authority within the fund if any grants are received.

44

1 Food Service Fund

2 The Food Service Fund is slated to decrease by \$1.297 million, or about 5.1
3 percent. Decreases in meal sales and the anticipated number of meals served,
4 eligible for Federal reimbursement, are salient factors to the decline of Food
5 Service revenue.

6
7 In accordance with USDA rules, Student Nutrition is currently required to
8 increase the cost of meals next year. The initial planned increase is \$0.25 per meal
9 but efforts are being made to increase revenue in order to avoid the Paid Lunch
10 Equity requirement. USDA Regulations at 7 CFR 210.14(e) "require school food
11 authorities (SFAs) participating in the National School Lunch Program to ensure
12 sufficient funds are provided to the nonprofit school food service account for
13 meals served to students not eligible for free or reduced price meals."

14 The Community Eligibility Provision (CEP) program continued to expand in FY
15 2016-17 with the addition of six new schools. This brings the total number of
16 schools receiving no-cost meals from 30 to 36. The Administration is currently
17 planning to add additional CEP schools next year.

18
19 Appendix D of the attached School Board Memorandum shows revenue by
20 source and expenditures by organization for the Food Service Fund. More
21 detailed information can be found in the Preliminary Budget for FY 2017-18.

22
23 Student Activities Fund

24 The Student Activities Fund is used to account for revenues and expenditures
25 generated from student body organizations. For FY 2017-18, no material change
26 is expected from the current year.

27
28 PROPERTY TAXES

29

	Approved Budget FY 2016-2017	Proposed Budget FY 2017-2018	Increase/ (Decrease)	Percent Change
Total (FY)	246,003,265	248,611,584	2,608,319	1.06%
Estimated Assessed Valuation (CY)	36,063,931,160	36,244,250,816	180,319,656	0.50%
Estimated Mill Rate (CY)	6.73	6.73	-	0.00%
	Actual FY 2016-2017 Sept. 30, 2016	Projected FY 2017-2018 Sept. 30, 2017	Increase/ (Decrease)	Percent Change
Student Enrollment	48,340	48,183	(157)	-0.32%

30
31
32 The FY 2017-18 Proposed Financial Plan and Budget continues the Anchorage
33 School Board's commitment to improving the education of all students.
34

1 **The Anchorage School District requests the full support of the Anchorage**
2 **Assembly for this budget and in the ongoing efforts to continue a community**
3 **dialogue that focuses on building on the momentum ASD has started to**
4 **achieve.**

5
6
7
8
9
10 Respectfully submitted,

11
12
13
14 Dr. Deena Bishop
15 Superintendent

16
17 DB/JA/AR

18
19 Attachments include:

20
21 February 21, 2017 Preliminary Budget Memo (Revised) – with attachments

22
23 Comb Bound / PDF Proposed FY 2017-18 Budget under separate cover