CLERK'S OFFICE
**AMENDED AND APPROVED**
Date: 10-26-10

**Submitted by**: ASSEMBLY MEMBERS JOHNSTON, STARR and HALL
**Prepared by**: Assembly Counsel's Office
**AO 2010-280 Introduction**: October 12, 2010
**AO 2010-280(S) Reading**: October 26, 2010

# ANCHORAGE, ALASKA
# AR NO. 2010–280(S)

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY REGARDING THE ANNUAL OPERATING BUDGET OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS FISCAL YEAR 2011-2012.**

WHEREAS, the Anchorage School Board will commence development of the Anchorage School District Fiscal Year 2011-2012 budget in November 2010 for presentation to the Anchorage Assembly in late February or early March, 2011; and

WHEREAS, the Anchorage Assembly is responsible for approving the School District's budget and for setting the mill levy necessary to fund budgets for both the Municipality of Anchorage and the School District; and

WHEREAS, for the School District's Fiscal Year 2010-2011 budget, the Anchorage Assembly provided guidance as to the level of local tax funding that would be available to fund the School District's budget; and

WHEREAS, the Anchorage School Board has requested similar guidance for the School District's Fiscal Year 2011-2012 budget; and

WHEREAS, Anchorage real property taxes have increased over time; and

WHEREAS, new residential and commercial construction is down; and

WHEREAS, the total number of students enrolled in the Anchorage School District has remained relatively constant over the last ten years; and

WHEREAS, the current number of students enrolled in the Anchorage School is over 500 fewer students than what was presented to the Anchorage Assembly in the School District's 2010-2011 Projections; and

WHEREAS, in community forums, including the Anchorage Community Conversations conducted throughout the municipality in August 2010, Anchorage citizens emphasized efficiency and are opposed to an increase in local taxes until efficiencies are realized; and

WHEREAS, the Municipality of Anchorage has in the past provided funding for certain programs and administrative functions of benefit to the School District, including the School Resource Officer (SRO) program **and**~~, Parks and Recreation services,~~ administration of local property tax billings and collections, and it is appropriate for the School District to cover the full cost of these programs; and

WHEREAS, the Municipality of Anchorage and the Anchorage School District must develop sustainable balanced budgets that will be affordable to the tax base; and

WHEREAS, the Anchorage Municipal Charter § 6.05 requires the Anchorage School District Superintendent to submit to the School Board a "proposed six-year program for capital improvements and fiscal policies"; and a similar Charter requirement is imposed on the Municipality in Charter §13.02; and

WHEREAS, the Municipality has prepared and updated such a plan which demonstrates how the Municipal budget will be balanced over time; and

WHEREAS, the Anchorage School District has not prepared such a plan, but instead has submitted "Projections" of income and expenses through the 2012-2013 budget year; and

WHEREAS, the "Projections" presented by the School District show budget deficits of $21,030,310.00 and $46,629,499.00 for fiscal years 2011-2012 and 2012-2013 respectively;

NOW, THEREFORE, the Anchorage Assembly resolves:

1. The total local taxes collected for the Anchorage School District from the Anchorage taxpayers for fiscal year 2011-2012 shall not exceed the total local taxes collected for fiscal year 2010-2011 by more than **$3,091,454.00** ~~$1,159,295.00~~, which represents an increase of **1.6%** ~~.6%~~ over the $193,215,858 collected in local taxes for the School District's 2010-2011 fiscal year. The total amount in local taxes for the School District's fiscal Year 2011-2012 shall not exceed **$196,307,312.00** ~~$194,375,153.00~~.

2. Concurrent with the School District's submittal of its 2011-2012 proposed budget to the Anchorage Assembly, the School District shall comply with Municipal Charter § 6.05 requiring a six-year fiscal plan. The School District's six-year fiscal plan shall be for the fiscal years 2011-2012 through 2016-2017. As is the case with the Municipality's six-year fiscal plan, the School District's six-year fiscal shall include a detailed analysis of the District's fiscal condition and how the School District intends to balance its revenue and expenditures to achieve balanced budgets over the six-year period of the plan.

3. The School District's Fiscal Year 2011-2012 budget shall provide for payments to the Municipality of Anchorage ~~for Parks and Recreation fees of $79,000.00 and~~ for the School District's share of tax billing and collections of $250,000.00.

PASSED AND APPROVED by the Anchorage Assembly this 26th day of October, 2010.

Chair

ATTEST:

Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**

**INFORMATION MEMORANDUM**

**NO.** AIM 117–2010

**Meeting Date**: October 26, 2010

**From:** Assembly Member Starr

**Subject: AR 2010-280(S) – A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY REGARDING THE ANNUAL OPERATING BUDGET OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS FISCAL YEAR 2011-2012.**

Attached is a copy of the Anchorage School District document showing the projections referenced in AR 2010-280(S): FINANCIAL BUDGETS and PROJECTIONS ON A BUDGETARY BASIS, as submitted to the Anchorage Assembly for the School District's Fiscal Year 2010—2011.

Respectfully submitted,

Bill Starr, Assembly Member, Section 2

**Anchorage School District**
**Fiscal Year 2010-2011**

**FINANCIAL BUDGETS and PROJECTIONS ON A BUDGETARY BASIS**
**AUDITED ACTUAL FY 2008-2009, REVISED FY 2008-2009 AND FY 2009-2010, PROJECTIONS FOR FY 2010-2011 THROUGH FY 2012-2013**

| | | FY 2008-2009 Audited Actual | FY 2008-2009 Revised | FY 2009-2010 Revised | FY 2010-2011 Projections | FY 2011-2012 Projections | FY 2012-2013 Projections |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Local Taxes | | $ 178,556,242 | $ 178,556,242 | $ 191,913,748 | $ 193,215,858 | $ 199,713,762 | $ 201,241,144 |
| Local | | 5,634,481 | 7,279,500 | 5,806,000 | 6,174,000 | 6,343,150 | 6,334,400 |
| Fund Balance | | | 3,959,000 | 3,900,000 | 1,975,000 | | |
| State | | 373,956,769 | 377,945,964 | 383,067,484 | 398,865,142 (A, F) | 403,359,778 (A, F) | 405,790,657 (A, F) |
| Federal | | 15,218,959 | 13,175,000 | 13,780,000 | 16,780,000 | 18,077,000 | 19,375,000 |
| Total General Fund | | 573,366,451 | 580,915,706 | 598,467,232 | 617,010,000 | 627,493,690 | 632,741,201 |
| Food Service Fund | | 16,635,841 | 16,867,000 | 16,828,000 | 17,809,900 | 18,700,400 | 19,635,400 |
| Debt Service Fund | | 83,247,964 | 83,926,284 | 85,907,658 | 87,423,992 (B) | 87,295,897 (B) | 84,900,282 (B) |
| Local, State and Federal Grants | | 48,249,939 | 55,710,000 | 129,637,190 | 67,200,000 | 70,560,000 | 74,100,000 |
| **TOTAL REVENUES** | | $ 721,500,195 | $ 737,418,990 | $ 830,840,080 | $ 789,443,892 | $ 804,049,987 (C) | $ 811,376,883 (C) |
| **EXPENDITURES** | | | | | | | |
| General Fund | | $ 567,250,838 | $ 580,915,706 | $ 598,467,232 | $ 617,010,000 | $ 648,524,000 | $ 679,370,700 |
| Food Service Fund | | 16,594,070 | 16,867,000 | 16,828,000 | 17,809,900 | 18,700,400 | 19,635,400 |
| Debt Service Fund | | 83,911,579 | 83,926,284 | 85,907,658 | 87,423,992 (B) | 87,295,897 (B) | 84,900,282 |
| Local, State and Federal Grants | | 48,249,939 | 55,710,000 | 129,637,190 | 67,200,000 | 70,560,000 | 74,100,000 |
| **TOTAL EXPENDITURES** | | $ 716,006,426 | $ 737,418,990 | $ 830,840,080 | $ 789,443,892 (C) | $ 825,080,297 | $ 858,006,382 |
| **FISCAL GAP - Favorable/(Unfavorable)** | | $ 5,493,769 | $ - | $ - | $ - | $ (21,030,310) | $ (46,629,499) |
| **COST PER STUDENT** | | $ 14,781 | $ 15,223 | $ 17,209 | $ 15,917 | $ 16,622 | $ 17,278 |
| **TAXES** | | | | | | | |
| General Fund | | $ 178,556,242 | $ 178,556,242 | $ 191,913,748 | $ 193,215,858 (D) | $ 199,713,762 (D) | $ 201,241,144 (D) |
| Debt Service Fund | | 39,415,466 | 39,415,466 | 41,033,834 | 41,544,114 | 42,389,875 | 40,590,165 |
| **TAX LIMITATION** | | $ 217,971,708 | $ 217,971,708 | $ 232,947,582 | $ 234,759,972 | $ 242,103,637 | $ 241,831,309 |
| **CALENDAR YEAR TAX CONTRIBUTION** | | $ 178,556,242 | $ 178,556,242 | $ 225,459,645 | $ 233,853,777 | $ 238,431,805 | $ 241,967,473 |
| **FY TAXES PER STUDENT** | | $ 4,500 | $ 4,500 | $ 4,825 | $ 4,733 | $ 4,877 | $ 4,870 |
| **COST PER STUDENT** | | | | | | | |
| General Fund | | $ 11,710 | $ 11,992 | $ 12,396 | $ 12,440 | $ 13,064 | $ 13,681 |
| Food Service Fund | | 343 | 348 | 349 | 359 | 377 | 395 |
| Debt Service Fund | | 1,732 | 1,733 | 1,779 | 1,763 | 1,759 | 1,710 |
| Local, State and Federal Grants | | 996 | 1,150 | 2,685 | 1,355 | 1,422 | 1,492 |
| **TOTAL STUDENT COST** | | $ 14,781 | $ 15,223 | $ 17,209 | $ 15,917 | $ 16,622 | $ 17,278 |
| **TOTAL NUMBER OF STUDENTS** | (E) | 48,440 | 48,440 | 48,280 | 49,596 | 49,637 | 49,657 |
| **STUDENTS - (FTE)** | (E) | 48,169 | 48,169 | 48,548 | 49,338 | 49,381 | 49,400 |

(A) The third and final year recommended funding by the Joint Legislative Education Task Force (JLETF) was used for FY 2010-2011 through FY 2012-2013 which provided for a base student allocation of $5,680, increase in the special education intensive factor from eleven to thirteen times and the continuation of a CPI adjustment for pupil transportation funding. Includes estimated State retirement system employer relief funding for certificated (26.00%) and classified (5.96%) retirement.

(B) Includes an anticipated $20M bond sale using authorized unissued bonds; no further projections are included for propositions that may be approved by the voters in future years.

(C) Includes compensation consideration for all settled and unsettled contracts.

(D) The FY 2010-2011 tax appropriation is flat funded except for share services with the Municipality of Anchorage. (AR NO. 2009-250(S) as amended.) Shared services for FY 2010-2011 are School Resource Officer (SRO) and discounted fare bus passes. CPI @ 2.5% and .5% 5-year population was used in the the projections for the tax cap calculation. Reduced taxes by $1.5M and $6.7M for FY 2011-2012 and FY 2012-2013 respectively due to State cap.

(E) Actual enrollment September 30th FY 2008-2009; and projected for FY 2009-2010 through FY 2012-2013.

(F) HB 350 under the 26th Legislative session changes the required local effort from 4.0 to 2.7 mills on the full and true value of the taxable property in the district as of January 1 of the second preceding fiscal year. To prevent disparity in the future, a provision in the formula to allow 50% of the annual increase in value compared to preceding year will be added to the previous year's assessed value to determine the assessed value for calculating the required local contribution. If HB 350 were to pass this Legislative session, Foundation funding for Anchorage would increase for FY 2010-2011.
HB 317 under the 26th Legislative session, if passed, provides for an increase to the BSA of $125 to $5,805 and $5,930 and a special needs factor increase to 1.215 and 1.23 for FY 2011-2012 and FY 2012-2013 respectively.
HB Bill 350 and HB Bill 317 funding adjustments are not included in these projections and may have implications on the local property tax limitation.

(G) Posi[illegible] rograms currently funded under the ARRA funds are not included in these projections.