

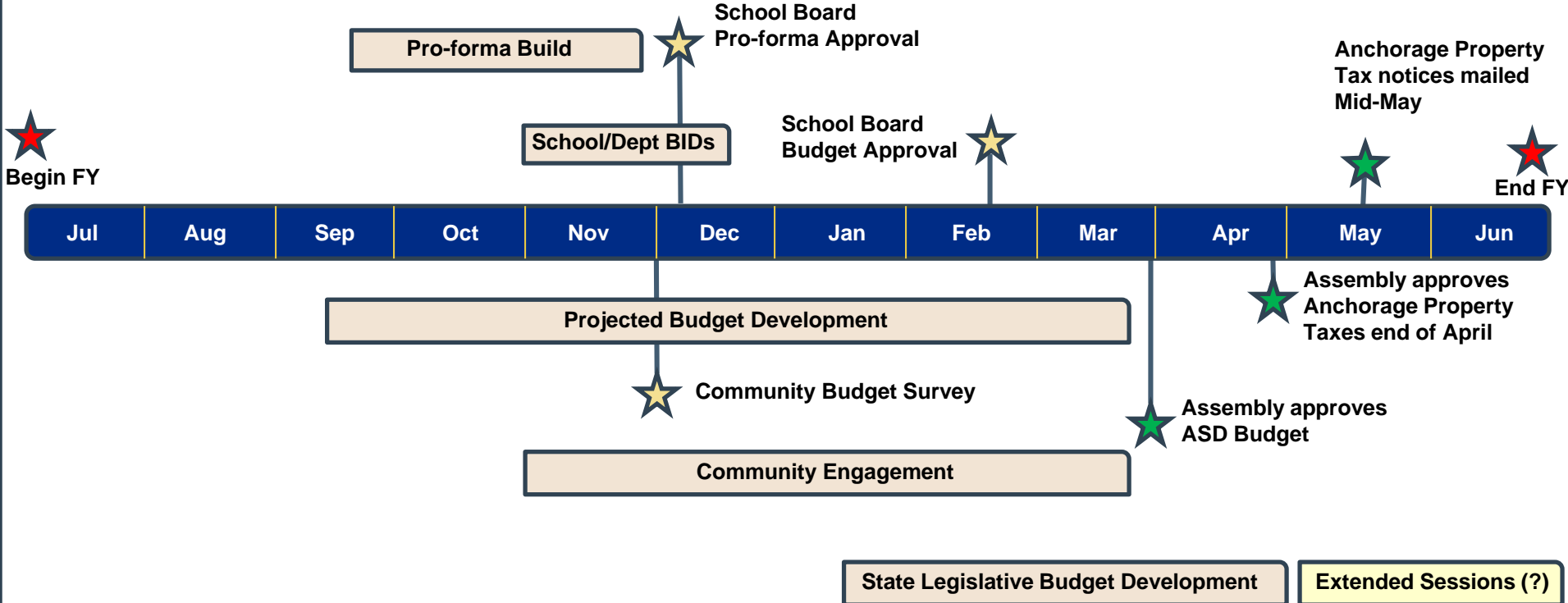
# Budget Conversation

## March 5, 2019

**Dr. Deena Bishop, Superintendent**  
**Anchorage School District**



# Budget Development Timeline



# FY20 Budget Assumptions

- Revenue is based on:
  - Current law (BSA at \$5,930 and HB287)
  - Enrollment projections for FY20 (ASD enrollment is declining)
- Expenditures are based on inflationary cost drivers:
  - Salaries & benefits (including medical insurance)
  - Utility costs
  - Contract services
  - Lease/rent, etc.



# FY 20 General Fund Revenue



39%



58%



3%

## General Fund Revenue

### Local Revenue

Property taxes  
Fund balance  
E-rate  
Interest earnings  
Facility rentals  
User fees  
Other local revenue  
Total local revenue

### State Revenue

Foundation funding  
Operating grants outside BSA  
Quality School Grant  
State tuition reimbursement  
Total state revenue

### Federal Revenue

Federal Impact Aid  
JROTC instructor reimbursement  
Medicaid reimbursement  
Total federal revenue

### Total Revenue

	Adopted Budget FY 2018-19	Preliminary Budget FY 2019-20	FY19 Adopted vs. FY20 Preliminary	
			\$	%
<b>Local Revenue</b>				
Property taxes	\$ 208,347,278	\$ 209,041,914	\$ 694,636	0.33%
Fund balance	823,850	4,867,654	4,043,804	490.84%
E-rate	1,000,000	1,500,000	500,000	50.00%
Interest earnings	1,000,000	1,500,000	500,000	50.00%
Facility rentals	750,000	750,000	-	0.00%
User fees	1,475,000	1,975,000	500,000	33.90%
Other local revenue	390,000	335,000	(55,000)	-14.10%
<b>Total local revenue</b>	<b>213,786,128</b>	<b>219,969,568</b>	<b>6,183,440</b>	<b>2.89%</b>
<b>State Revenue</b>				
Foundation funding	326,124,454	323,453,898	(2,670,556)	-0.82%
Operating grants outside BSA	5,772,629	8,400,000	2,627,371	45.51%
Quality School Grant	1,188,026	1,179,449	(8,577)	-0.72%
State tuition reimbursement	408,484	408,484	-	0.00%
<b>Total state revenue</b>	<b>333,493,593</b>	<b>333,441,831</b>	<b>(51,762)</b>	<b>-0.02%</b>
<b>Federal Revenue</b>				
Federal Impact Aid	16,145,543	17,431,278	1,285,735	7.96%
JROTC instructor reimbursement	825,000	710,000	(115,000)	-13.94%
Medicaid reimbursement	750,000	750,000	-	0.00%
<b>Total federal revenue</b>	<b>17,720,543</b>	<b>18,891,278</b>	<b>1,170,735</b>	<b>6.61%</b>
<b>Total Revenue</b>	<b>\$ 565,000,264</b>	<b>\$ 572,302,677</b>	<b>\$ 7,302,413</b>	<b>1.29%</b>



# What are the revenue reductions for ASD from the State's initial proposed budget?

- 25.81% (**\$86,084,716**) in total state funding
  - Formula 24.02% (**\$77,684,716**)
  - HB287 (**\$8.4 million** in state funds)
- 9.26% (**\$19,799,484**) associated local reduction
- Base Student Allocation formula drives the revenue to school districts



# State Foundation Formula FY 20

## Step 1

### School Size Adjustment



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

**45,336 → 49,583**

## Step 2

### District Cost Factor



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

**49,583 = 49,583**

## Step 3

### Special Needs Factor

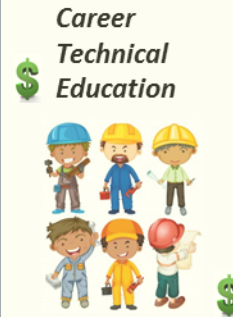
*Bilingual Education*  
*Special Education*  
*Gifted & Talented*  
*Vocational Education*

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

**49,583 → 59,499**

## Step 4

### CTE Factor

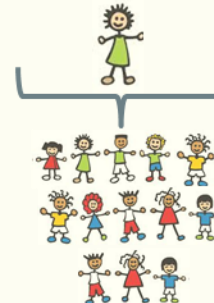


The previously adjusted ADM is multiplied by 1.015, providing an additional 1.5%.

**59,499 → 60,392**

## Step 5

### Intensive Needs Factor

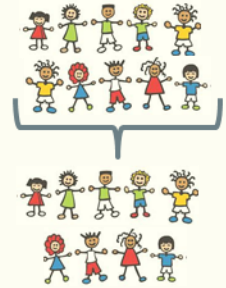


The intensive needs count is multiplied by 13 to determine the final Adjusted ADM.

**60,392 → 72,729**

## Step 6

### Correspondence Factor



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

**72,729 → 73,716**



# How will the ASD operating funds be impacted by State/local reductions?

- **18.74% (\$105,884,200)** overall reduction
- Includes reductions from
  - State (\$86,084,716 reduction – not including possible bond debt reduction)
  - Local (\$19,799,484 reduction)
  - HB287
    - \$20 million in FY19 and an additional \$10 million statewide in FY20
    - ASD portion is approximately \$5.77 million in FY19 and roughly \$8 million to \$10 million in FY20



# Will ASD be impacted by other State funding reductions?

- Yes, elimination of State Bond Debt Reimbursement
  - **\$41.1 million**
  - This amount is not in General Fund but may impact General Fund
- Yes, elimination of \$3.2 million grant for Pre-K statewide program
  - ASD has approximately **\$1.6 million** in two different Pre-K grants





# What is the total overall state/local reduction for ASD?

- **\$148,484,200**
  - State reduction (\$86,084,716 reduction)
  - Local reduction (\$19,799,484 reduction)
  - Bond debt reduction (\$41,000,000 reduction)
  - Pre-K reduction (\$1,600,000 reduction)



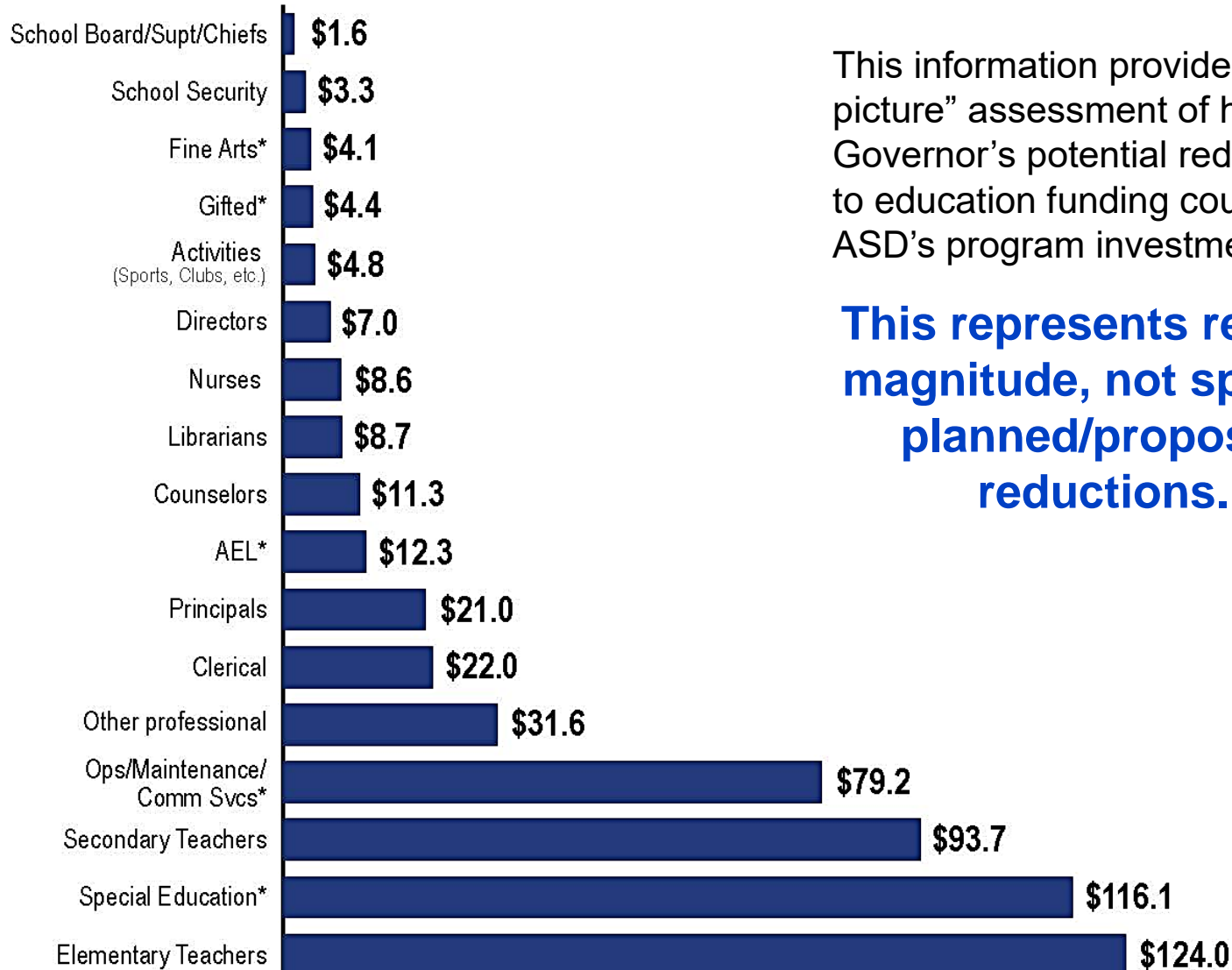
# Is there more?

- Yes, transportation funding remains flat
- Yes, more to follow...
  - The process is just beginning at the legislative level
  - ASD will work with its legislators to communicate impacts, efficiencies, and outcomes throughout the budget process
  - ASD School Board passed its budget with a request from the State for legislative grants totaling \$81 million (\$68 million for class size reduction and \$13 million for preschool)



# Cost Comparisons of Programs in ASD

Estimated Cost of ASD General Funded Programs for FY20 (Costs are in millions \$):



This information provides a “big picture” assessment of how the Governor’s potential reductions to education funding could affect ASD’s program investments.

**This represents relative magnitude, not specific planned/proposed reductions.**

\*These areas include all other associated costs (supplies, equip, etc.)



# ASD Revenue Scenarios & Impacts

		5% Reduction to FY20 Foundation, plus loss of HB 287		1% Reduction to FY20 Foundation, plus loss of HB 287		Governor's Amended FY20 Budget	
Elimination of HB 287 Funding (\$30M Statewide)		\$ (8.40)		\$ (8.40)		\$ (8.40)	
Percentage Reduction in net Foundation Funding		(16.17)		(3.23)		(77.68)	
HB 287 Local Allowable Contribution Reduction		(1.93)		(1.93)		(1.93)	
Reduction in Local Allowable Contribution for Foundation Reduction		(3.72)		(0.74)		(17.87)	
Total Reduction		\$ (30.22)		\$ (14.30)		\$ (105.88)	
		FY20 Illustrative FTE Based on Uniform Reductions		FY20 Illustrative FTE Based on Uniform Reductions		FY20 Illustrative FTE Based on Uniform Reductions	
FTE by Functional Area		Current FY20 Budgeted FTE	Difference from Current FY20 FTE	Difference from Current FY20 FTE	Difference from Current FY20 FTE	Difference from Current FY20 FTE	Difference from Current FY20 FTE
Instruction		2,355	(148)	(70)	(518)		
Special Education		1,223	(77)	(36)	(269)		
Support Services		456	(29)	(14)	(100)		
School Administration and Support		389	(24)	(12)	(85)		
District Administration		214	(13)	(6)	(47)		
Operations/Maintenance and Community Services		482	(30)	(14)	(106)		
		5,119	(321)	(152)	(1,125)		

# ASD Bargaining Unit Layoff Timelines

Bargaining Unit	Avg. Salary + Benefits	Avg. Work Days/Year	Layoff Timeline	Remarks
<b>ACE (Supervisors, Managers, Misc.)</b>	\$99,966	215	90 Day notice.	Layoffs begin with least senior employee.
<b>AEA (Teachers, Librarians &amp; Nurses)</b>	\$105,356	182	14 May for tenured teachers. Last day of school for non-tenured.	Layoffs can also occur if there is a reduction in the state's basic need revenue, within the foundation formula, of 3% or more.
<b>APA (Principals)</b>	\$147,324	206	14 May deadline.	Layoffs can also occur if there is a reduction in the state's basic need revenue, within the foundation formula, of 3% or more.
<b>Custodians &amp; BPOs</b>	\$66,704	241	2 Week notice.	Layoffs begin with least senior employee.
<b>Warehouse &amp; Maintenance</b>	\$111,199	260	2 Week notice.	Layoffs begin with least senior employee.
<b>TOTEM</b>	\$63,223	210	20 day notice. Meet and confer with Union 10 days	Layoffs begin with least senior employee.
<b>Exempt</b>	\$150,001	240	30 Day notice.	Exempt employees are not part of a bargaining unit.